

**MBM RESOURCES BERHAD**  
**(284496-V)**

**QUARTERLY ANNOUNCEMENT**  
**for the first quarter ended 31/03/2008**

**Highlights**

- Net profits gained 128.5% against the same period of last year
- Sustained recovery in motor sales carried over from middle of last year
- Balance sheet improved further with increase in bank balances and reduced borrowings
- Sale of associate company, MBM Industries Sdn Bhd was completed

**Results**

	3 months ended 31 Mar		
	2008 RM mil	2007 RM mil	Change %
Revenue	267.8	253.4	5.7
Net profit for the period	<u>47.5</u>	<u>21.0</u>	126.9
Net profit attributable to equity holders of the Company	<u>42.8</u>	<u>18.7</u>	128.5
	<u>Sen</u>	<u>Sen</u>	
Basic earnings per share	17.69	7.82	126.2
	As at 31.03.2008 <u>RM mil</u>	As at 31.12.2007 <u>RM mil</u> restated	
Shareholders' funds	798.1	765.9	4.2
	<u>RM</u>	<u>RM</u>	
Net assets per share	3.30	3.16	4.2

**Overview**

The Malaysian motor total industry volume (TIV) of sales by registration grew strongly in the first quarter of 2008 by 24.6% amidst against a low base in 2007. A combination of new model launches, marketing campaigns and attractive financing provided the momentum for the recovery. TIV had declined for previous two consecutive years.

**MBM RESOURCES BERHAD**  
**(284496-V)**

**QUARTERLY ANNOUNCEMENT**  
**for the first quarter ended 31/03/2008**

**Group Financial Performance**

First quarter ended 31 March 2008 compared with first quarter ended 31 March 2007

Group revenue grew by 5.7% to RM267.8 million. Operating profit increased by 218% to RM20.9 million which included a one-time gain of RM6.1 million from the disposal of MBM Industries Sdn Bhd, whilst share of associated companies profit grew by 86.4% to RM30.6 million. Net profit attributable to equity holders grew 128.5% to RM42.8 million.

First quarter ended 31 March 2008 against previous quarter ended 31 December 2007

Group revenue grew by 14.6% despite a shorter month in February. Operating profit and share of associated companies profit grew by 40.4% and 101.7% respectively. Net profit attributable to equity holders consequently also recorded strong growth of 89.0%.

The group's net cash position (after total borrowings) improved to RM82.5 million as at 31 March 2008 compared with RM65.6 million as at the end of 31 December 2007.

Net assets per share rose to RM3.30 from RM3.16 at the end of 2007.

**Group Business Performance**

**Performance of sales by operations**

% Changes *	Q1'08 vs Q1'07	Q1'08 vs Q4'07
<i>Subsidiaries</i>		
Daihatsu trucks	+ 19.3	- 0.2
DMMS Perodua vehicles	- 0.2	- 5.7
Federal Auto Volvo vehicles	- 23.4	- 7.5
OMI	+ 87.7	- 9.5
WCC	+ 73.9	+ 38.3
<i>Associated companies</i>		
Perodua vehicles	+ 24.0	+ 17.6
Hino trucks	+ 18.5	+ 6.5

\* All changes based on vehicle sales unit, except for OMI and WCC which are based on sales value

**MBM RESOURCES BERHAD  
(284496-V)**

**QUARTERLY ANNOUNCEMENT  
for the first quarter ended 31/03/2008**

**Group Business Performance (Contd.)**

Both sales of commercial vehicles of Daihatsu and Hino brands registered strong gains as compared to last year. However, on a quarter-on-quarter comparison, sales were more subdued due to a shorter working month in February. Sales of commercial vehicles show signs of recovery after weakness of recent years. Demand has been broad-based across different sectors of the economy.

Perodua continued to record strong sales growth of 24.0% in the first quarter against the same period last year aided by demand for the Viva model, which was launched in the second quarter of last year. Sales have remained robust despite increased competition in the market.

Volvo car sales have stabilised and are maintaining its niche in the luxury market segment. Sales have declined compared to last year due to the "selldown" promotions of the previous generation S80 model in early 2007. Generally greater marketing and promotional activities are having a positive impact. The newer dealerships for Mitsubishi and Volkswagen are starting to gain momentum.

The manufacturing subsidiaries recorded a major turnaround compared to last year's low base. Volumes have increased substantially, contributing to better economies of scale and hence better contribution to the group's profits. The manufacturing subsidiaries supply to the volume models of the major car companies.

**Prospects**

Although the overall outlook for the current year is positive, there are increasing challenges in the operating environment including growing competition and rising costs which the group is taking steps in countering.

The expansion plans that have been previously announced are now well underway. Daihatsu's new sales, service and spare parts (3S) centre in Kota Kinabalu is completed; the construction of our Volvo 3S centre in Glenmarie and OMI's new tyre module plant in Serendah are progressing well and due to be operational by 2009.

**Board of Directors  
MBM Resources Berhad  
8 May 2008**

**MBM RESOURCES BERHAD**  
**(284496-V)**

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the first quarter ended 31/03/2008.  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Current Quarter Ended 31/03/2008 RM'000	Comparative Quarter Ended 31/03/2007 RM'000	3 months Cumulative To Date 31/03/2008 RM'000	Comparative 3 months Cumulative To Date 31/03/2007 RM'000
Revenue	267,751	253,415	267,751	253,415
Cost of Sales	(238,257)	(232,333)	(238,257)	(232,333)
<b>Gross Profit</b>	<b>29,494</b>	<b>21,082</b>	<b>29,494</b>	<b>21,082</b>
Other Income	9,868	4,229	9,868	4,229
Administrative and other expenses	(11,697)	(11,210)	(11,697)	(11,210)
Selling and marketing expenses	(6,082)	(6,488)	(6,082)	(6,488)
<b>Profit from operations</b>	<b>21,583</b>	<b>7,613</b>	<b>21,583</b>	<b>7,613</b>
Finance costs	(639)	(1,024)	(639)	(1,024)
Share of results of associates	30,552	16,390	30,552	16,390
<b>Profit before tax</b>	<b>51,496</b>	<b>22,979</b>	<b>51,496</b>	<b>22,979</b>
Income tax expense	(3,950)	(2,022)	(3,950)	(2,022)
<b>Profit for the period</b>	<b>47,546</b>	<b>20,957</b>	<b>47,546</b>	<b>20,957</b>
<b>Attributable to :</b>				
Equity holders of the Company	42,817	18,736	42,817	18,736
Minority Interests	4,729	2,221	4,729	2,221
	<b>47,546</b>	<b>20,957</b>	<b>47,546</b>	<b>20,957</b>
<b>Earnings per share attributable to equity holders of the Company :</b>				
	sen	sen	sen	sen
(i) Basic, for the period	17.69	7.82	17.69	7.82
(ii) Diluted, for the period	17.44	7.65	17.44	7.65

**MBM RESOURCES BERHAD**  
**(284496-V)**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	(Unaudited) As at end of Current Quarter 31/03/2008 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2007 RM'000
		(Restated)
<b><u>ASSETS</u></b>		
<b>Non-current Assets</b>		
Property, plant & equipment	113,472	111,652
Investment properties	13,887	13,929
Prepaid land lease payments	35,665	35,783
Associates	491,996	482,475
Jointly controlled entity	54	54
Other investment	--	--
Hire purchase receivables	1,510	1,576
Goodwill on consolidation	13,546	13,546
	670,130	659,015
<b>Current Assets</b>		
Inventories	117,168	106,365
Trade & other receivables	104,341	106,144
Tax recoverable	4,200	3,959
Due from associate	37	36
Short term investments	80	251
Cash and bank balances	119,863	110,721
	345,689	327,476
Non-current assets classified as held for sale	14,816	14,816
	360,505	342,292
<b>TOTAL ASSETS</b>	<b>1,030,635</b>	<b>1,001,307</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	242,062	242,024
Share premium	30,523	30,469
Retained profits	525,516	493,447
	798,101	765,940
Minority Interests	125,319	120,575
<b>Total Equity</b>	<b>923,420</b>	<b>886,515</b>
<b>Non-current Liabilities</b>		
Long term borrowings	16,186	15,051
Deferred tax liabilities	543	543
Provision for retirement benefits	1,196	1,157
	17,925	16,751
<b>Current Liabilities</b>		
Provision for liabilities	4,605	4,607
Short term borrowings	21,208	30,028
Trade & other payables	57,800	59,054
Due to holding company	1,270	1,347
Tax payable	4,407	3,005
	89,290	98,041
<b>Total Liabilities</b>	<b>107,215</b>	<b>114,792</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,030,635</b>	<b>1,001,307</b>
<b>Net assets per share (RM)</b>	3.30	3.16

**MBM RESOURCES BERHAD  
(284496-V)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2008**

	[----- Attributable to equity holders of Company -----]					
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>3 months ended 31 March 2007</b>						
<b>At 1 January 2007</b>						
As previously stated	238,537	25,313	397,231	661,081	118,848	779,929
Prior year adjustment	--	--	7,060	7,060	426	7,486
<b>At 1 January 2007 (restated)</b>						
Issue of ordinary shares pursuant to ESOS	1,777	2,633	--	4,410	--	4,410
Additional purchase of shares in a subsidiary	--	--	--	--	(8,685)	(8,685)
Rights issue of shares in a subsidiary	--	--	(259)	(259)	1,025	766
Profit for the year	--	--	18,736	18,736	2,221	20,957
Dividends distributed to equity holders	--	--	(10,526)	(10,526)	--	(10,526)
Dividends paid by subsidiary	--	--	--	--	--	--
<b>As at 31 Mar 2007</b>	<b>240,314</b>	<b>27,946</b>	<b>412,242</b>	<b>680,502</b>	<b>113,835</b>	<b>794,337</b>
<b>3 months ended 31 March 2008</b>						
<b>At 1 January 2008</b>						
As previously stated	242,024	30,469	486,387	758,880	120,149	879,029
Prior year adjustment	--	--	7,060	7,060	426	7,486
<b>At 1 January 2008 (restated)</b>						
Issue of ordinary shares pursuant to ESOS	38	54	--	92	--	92
Rights issue of shares in a subsidiary	--	--	--	--	15	15
Profit for the year	--	--	42,817	42,817	4,729	47,546
Dividends distributed to equity holders	--	--	(10,748)	(10,748)	--	(10,748)
Dividends paid by subsidiary	--	--	--	--	--	--
<b>As at 31 Mar 2008</b>	<b>242,062</b>	<b>30,523</b>	<b>525,516</b>	<b>798,101</b>	<b>125,319</b>	<b>923,420</b>

**MBM RESOURCES BERHAD**  
**(284496-V)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2008**

	2008 3 months ended 31/03/2008 RM'000	2007 3 months ended 31/03/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	51,496	22,979
Adjustments for :		
Non-cash Items	(28,135)	(13,018)
Non-operating Items	(6,048)	292
Operating profit before working capital changes	<u>17,313</u>	<u>10,253</u>
Changes in working capital		
Net changes in current assets	(9,092)	38,408
Net changes in current liabilities	(4,811)	(13,422)
Net cash used in operating activities	<u><u>3,410</u></u>	<u><u>35,239</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investment	--	--
Other investment	(3,274)	(4,098)
Acquisition of subsidiary	--	(9,353)
Disposal of an associate	27,161	--
Net cash generated from investing activities	<u><u>23,887</u></u>	<u><u>(13,451)</u></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(10,748)	(10,526)
Dividends paid to minorities of a subsidiary	--	--
Proceeds from exercise of ESOS	92	4,410
Proceeds from rights issue in a subsidiary	15	766
Bank borrowings	(4,627)	(13,213)
Net cash generated from financing activities	<u><u>(15,268)</u></u>	<u><u>(18,563)</u></u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	12,029	3,225
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>99,942</u>	<u>100,051</u>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<u><u>111,971</u></u>	<u><u>103,276</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	119,943	104,783
Bank overdrafts	(7,972)	(1,507)
	<u><u>111,971</u></u>	<u><u>103,276</u></u>

**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information**  
**for the first quarter ended 31 March 2008**

**(1) Accounting policies**

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007.

The accounting policies and method of computation adopted are consistent with those adopted in the most recent audited financial statement for the year ended 31 December 2007, except for the following new and revised FRS in Malaysia which were issued on 1 July 2007 and adopted by the Group and the Company, where applicable, effective for the financial period beginning 1 January 2008 :

FRS 107 : Cash Flow Statements  
FRS 112 : Income Taxes  
FRS 118 : Revenue  
FRS 119 : Employee Benefits  
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance  
FRS 134 : Interim Financial Reporting  
FRS 137 : Provisions, Contingent Liabilities and Contingent Assets  
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

The adoption of the above new and revised FRS have no significant impact on the financial statements of the Group and of the Company except for the following :

FRS 112 : Income Taxes has removed the relevant provisions in FRS112<sub>2004</sub> which explicitly prohibit the recognition of deferred tax on reinvestment allowance or other allowances in excess of capital allowance. The adoption of the revised FRS 112 has resulted in the Group changing its accounting policy to recognise deferred tax asset on unused investment tax allowances ("ITA") and reinvestment allowances ("RA"), to the extent that it is probable that future taxable profit will be available against which the unused ITA and RA can be utilised. This change in accounting policy has been accounted for retrospectively and effects of these changes are shown as prior year adjustments as follow :

**Prior Year Adjustments**

	Group	
	2008 RM'000	2007 RM'000
<b>Effects on retained profits:</b>		
At 1 January, as previously stated	486,387	397,231
Effect of change in accounting policy	7,060	7,060
	<u>493,447</u>	<u>404,291</u>
<b>Effects on minority interests:</b>		
At 1 January, as previously stated	120,149	118,848
Effect of change in accounting policy	426	426
	<u>120,575</u>	<u>119,274</u>

**Effects on profit for the year:**

There are no effects on the net profit for the year as a result of the change in accounting policy.



**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information (Contd.)**

**Restatement of Comparatives**

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
<b>Balance sheets at 31 December 2007</b>			
<b>Group</b>			
Associates	474,989	7,486	482,475
Retained profits	486,387	7,060	493,447
Minority interests	120,149	426	120,575
<b>Statement of changes in equity at 31 March 2007</b>			
<b>Group</b>			
Retained profits	405,182	7,060	412,242
Minority interests	113,409	426	113,835
Total Equity	786,851	7,486	794,337

**Income statements**

There are no effects on the net profits which require restatement of comparatives.

**(2) Auditors' Report of Preceding Annual Financial Statements**

The auditors' report on the financial statements of the Group and of the Company for the year ended 31 December 2007 was not qualified.

**(3) Seasonal and Cyclical Factors**

The main activity of the Group is in the distributorship of motor vehicles and is therefore dependent on the economy of the country.

**(4) Exceptional Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period under review.

**(5) Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

**(6) Dividends Paid**

A second interim dividend of 6 sen per share less 26% income tax on 242,061,667 ordinary shares, amounting to net dividend of RM10,747,538 in respect of financial year ended 31 December 2007 was paid on 27 March 2008.

**(7) Debt and Equity Securities**

There were no issuances and repayment of debt securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period under review except for the issuance of ordinary shares pursuant to the Company's ESOS.

**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information (Contd.)**

**Debt and Equity Securities (Contd.)**

**Employee Share Options Scheme ("ESOS")**

During the quarter ended 31 December 2007 pursuant to the Company's ESOS, the issued and paid-up capital of the Company was increased from RM242,023,667 to RM242,061,667 as a result of the exercise and allotment of 38,000 option shares of par value RM1.00 each as follows:

Option price per share (RM)	No of shares issued	Cash proceeds (RM)
2.54	0	0
2.43	38,000	92,340
	38,000	92,340

The number of unexercised share options as at 31 March 2008 was 3,446,000.

**(8) Subsequent Material Events**

There was no material event or transaction during the period from 31 March 2008 to the date of this announcement which affects substantially the results of the operations of the Group and of the Company for the quarter ended 31 March 2008 in respect of which this announcement is made.

**(9) Changes in Composition of the Group**

**Disposal of an associate**

During the quarter, the Company has completed the disposal of its entire equity interests in MBM Industries Sdn. Bhd. ("MBMI") to Ewein Berhad ("Ewein"). Its 39.89% equity interest in MBMI comprising 7,180,000 ordinary shares of RM1.00 each was disposed for a total consideration of RM19,738,017 fully satisfied by the issuance of 39,476,034 new ordinary shares of RM0.50 each in Ewein, representing 37.43% of the enlarged issued and paid-up share capital of Ewein.

Subsequent to this, the Company had also completed the sale of its entire equity interests in Ewein by way of :

- (i) restricted offer for sale to Med-Bumikar Mara Sdn Bhd ("MBM") in respect of its 21,358,477 ordinary shares in Ewein ("ROS to MBM") for a total cash consideration of RM14,950,934; and
- (ii) restricted offer for sale to the public in respect of the remaining 18,117,557 ordinary shares in Ewein ("ROS to the Public") for a total cash consideration less expenses of RM12,210,291.

The net gain on the disposal is RM17.975 million at Company level. At Group level, the net gain is RM6.129 million and included in the net profit of the Group for the current quarter ended 31 March 2008.

The total net proceeds of RM27.161 million is intended for working capital purpose.

**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information (Contd.)**

**(10) Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2008 is as follows :

	<u>RM'000</u>
Approved and contracted for	<u>12,600</u>

**(11) Significant Related Party Transactions**

During the period ended 31 March 2008, the Group and the Company had the following transactions with related parties :

	<u>Period ended 31/03/2008 RM'000</u>
<b><u>Group</u></b>	
Purchases from Daihatsu Motor Co. Ltd. and/or its subsidiaries and associates*	46,004
Purchases from a subsidiary of Perodua	127,246
Sales to subsidiaries of Perodua	(12,612)
Purchases from Toyota Tsusho Co. and/or its subsidiaries and associates	4,059
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	--
Technical fee payable	--
Development expenses	42
	--
<b><u>Company</u></b>	
Gross dividends from:	
- subsidiaries	--
- associates	--
Management fees from:	
- subsidiaries	54
	54

\* Includes all subsidiaries and associates of Daihatsu Motor Co., Ltd. other than the subsidiaries of the Company.

**(12) Review of Performance**

The review of performance by operations is furnished in the Main Section of the announcement.

**(13) Current Year Prospect**

The overview of current year prospect is furnished in the Main Section of the announcement.

**(14) Variance from Profit Forecast and Profit Guarantee**

The Group and the Company did not issue any profit forecast or profit guarantee for the year.

**(15) Profit or Loss on Sales of Unquoted Investments and/or Properties**

There were no sales of unquoted investments or properties for the current quarter.

**(16) Quoted Investments**

There were no sales or purchases of quoted securities for the current quarter.

**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information (Contd.)**

**(17) Segment Reporting**

The Group's operating businesses are organised into three major business segments :

	Period ended 31/03/2008		Period ended 31/03/2007	
	Segment Revenue RM'000	Segment Results RM'000	Segment Revenue RM'000	Segment Results RM'000
Marketing and distribution of motor vehicles, and other related activities	239,561	12,017	237,724	8,203
Manufacturing of automotive parts, trucks, and vehicles body building and other related activities	28,190	3,274	15,910	(797)
Investment holding	54	5,579	--	(897)
	267,805	20,870	253,634	6,509
Eliminations	(54)	74	(219)	80
	267,751	20,944	253,415	6,589
Share of results of associates	--	30,552	--	16,390
	267,751	51,496	253,415	22,979
Revenue / Profit before tax	267,751	51,496	253,415	22,979

**(18) Taxation**

	Current Quarter 31/03/2008 RM'000	Year to date 31/03/2008 RM'000
Current year's provision		
Add/(Less) :	3,950	3,950
Under/(Over) provision in prior years	--	--
	3,950	3,950
Deferred taxation	--	--
	3,950	3,950
Income tax expense	3,950	3,950

The effective rate of taxation of the Group for the current quarter and for the year-to-date is lower than the statutory rate of taxation at 26%, is due to :

	Current Quarter 31/03/2008 %	Year to date 31/03/2008 %
Statutory income tax rate in Malaysia	26.0	26.0
Income subject to tax rate of 20%	(0.2)	(0.2)
Income not subject to tax	(7.5)	(7.5)
Expenses not deductible for tax purpose	1.1	1.1
Utilisation of previously unrecognised tax losses	(0.4)	(0.4)
	18.9	18.9
	18.9	18.9

**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information (Contd.)**

**(19) Earnings Per Share (EPS)**

	<b>Quarter</b>		<b>Year-to-date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	31/03/2008	31/03/2007	31/03/2007	31/03/2008
<b>Basic earnings per share</b>				
Profit attributable to ordinary equity holders of the Company (RM'000)	42,817	18,736	42,817	18,736
Weighted average number of ordinary shares in issue ('000)	242,045	239,615	242,045	239,615
<b>Basic EPS (sen)</b>	<b>17.69</b>	<b>7.82</b>	<b>17.69</b>	<b>7.82</b>
<b>Diluted earnings per share</b>				
Profit attributable to ordinary equity holders of the Company (RM'000)	42,817	18,736	42,817	18,736
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	245,491	244,809	245,491	244,809
<b>Diluted EPS (sen)</b>	<b>17.44</b>	<b>7.65</b>	<b>17.44</b>	<b>7.65</b>

	No of Ordinary Shares of RM 1.00 each	
	31 Mar 2008	31 Mar 2007
Weighted average number of ordinary shares	242,045,403	239,614,545
Adjustment for assumed exercise of ESOS	3,446,000	5,194,000
Adjusted weighted average number of ordinary shares in issue and issuable	245,491,403	244,808,545

**(20) Corporate Proposals**

Subsequent to the fourth quarter 2007 announcement made on 26 February 2008, there were no further corporate proposals being made or undertaken by the Group and the Company.

**(21) Group Borrowings and Debt Securities**

Group borrowings and debt securities as at the end of the reporting period :-

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Denominated in Malaysian Currency (RM)		
Secured	15,174	16,186
Unsecured	6,034	--
<b>Total</b>	<b>21,208</b>	<b>16,186</b>

**MBM RESOURCES BERHAD**  
**(284496-V)**

**Notes to the Financial Information (Contd.)**

**(22) Financial Instruments with Off Balance Sheet Risk**

As at the date of this announcement, the Group has the following foreign currency contract outstanding:

Currency	Contracted Amounts	Equivalent in RM	Expiry Date
Yen	161,056,410	4,863,904	9 May 2008 - 16 May 2008

- (i) The foreign currency contract is a forward contract of short term nature. There are no financial instruments with off balance sheet risk, and the Group does not calculate the difference between the contracted rates and the spot rates and therefore does not take up the difference in the income statement.
- (ii) The foreign currency contracts are entered into to hedge the Group's purchases denominated in foreign currency. The contracted rates will be used to convert the Malaysian Ringgit to foreign currency.
- (iii) Forward foreign exchange contracts are used to firm the exchange rate for payments in foreign currency. The maturity period for each contract depends on the payments date agreed with the suppliers. The hedging immunises the Group from market or other risks such that the values of the underlying liabilities are fixed. Besides a small fee, there are no other cash requirements for these contracts.

**(23) Material Litigations**

There is no material litigation as at the date of this reporting.

**(24) Contingent Liabilities**

As at the date of issue of this quarterly report, there were no material changes in the contingent liabilities as disclosed in the audited financial statements for the year ended 31 December 2007.

**(25) Dividend**

The Board did not declare any dividend during the current quarter.

**BY ORDER OF THE BOARD**  
**MBM RESOURCES BERHAD**

**SHAHRIZAT OTHMAN**  
**COMPANY SECRETARY**  
**KUALA LUMPUR**  
**DATED : 8 MAY 2008**