

MBM RESOURCES BERHAD
(284496-V)

QUARTERLY ANNOUNCEMENT
for the second quarter ended 30/06/2008

Highlights

- Strong revenue and operating profit growth
- Lower contribution from Associates resulted in a decline in net profits for the quarter to 30 June 2008
- Healthy balance sheet - special dividend of 6 sen and interim dividend of 6 sen gross per share
- Overall motor sales outlook has been dampened by a more challenging macro economic environment

Results

	3 months ended 30 June			6 months ended 30 June		
	2008 RM mil	2007 RM mil	Change %	2008 RM mil	2007 RM mil	Change %
Revenue	307.1	273.8	12.2	574.8	527.2	9.0
Net profit for the period	<u>31.6</u>	<u>35.0</u>	(9.8)	<u>79.1</u>	<u>56.0</u>	41.4
Net profit attributable to equity holders of the Company	<u>25.7</u>	<u>30.7</u>	(16.3)	<u>68.5</u>	<u>49.4</u>	38.6
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic earnings per share	10.61	12.78	(16.9)	28.30	20.58	37.5
	As at 30.06.2008 <u>RM mil</u>	As at 31.12.2007 <u>RM mil</u> restated				
Shareholders' funds	825.8	765.9	7.8			
	<u>RM</u>	<u>RM</u>				
Net assets per share	3.41	3.16	7.8			

Overview

The Malaysian motor total industry volume (TIV) of sales by registration grew further in the second quarter of 2008 by 27.1% compared against the same period of 2007, and 12.6% compared against the preceding quarter.

Overall, the TIV remained strong with the first 6 months' sales by registration recorded 25.9% above the same period of 2007.

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Group Financial Performance

Second quarter ended 30 June 2008 compared with second quarter ended 30 June 2007

Group revenue grew by 12.2% to RM307.1 million. Operating profit increased by 33.9% to RM18.3 million, whilst share of associated companies declined by 24.7% to RM18.5 million. Net profit attributable to equity holders declined by 16.3% to RM25.7 million.

Second quarter ended 30 June 2008 against previous quarter ended 31 March 2008

Group revenue grew by 14.7% whilst operating profit and share of associated companies declined by 12.8% and 39.6% respectively. Net profit attributable to equity holders consequently fell by 40.0%. A one-off gain of RM6.1 million was included in the profits for the quarter ended 31 March 2008.

The group's net cash position (after total borrowings) improved to RM111.9 million as at 30 June 2008 compared with RM82.5 million as at the end of 31 March 2008.

Net assets per share rose to RM3.41 as at the end of June 2008 from RM3.16 as at preceding financial year end.

Group Business Performance

Performance of sales by operations

% Changes *	Q2'08 vs Q2'07	YTD Jun'08 vs YTD Jun'07
<i>Subsidiaries</i>		
Daihatsu trucks	+ 28.3	+ 24.2
DMMS Perodua vehicles	+ 11.7	+ 5.8
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	+ 22.9	+ 11.0
OMI	+ 14.4	+ 41.1
WCC	+ 40.5	+ 54.6
<i>Associated companies</i>		
Perodua vehicles	+ 0.2	+ 11.0
Hino trucks	+ 21.6	+ 20.2

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

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for the second quarter ended 30/06/2008**

Group Business Performance (Contd.)

Demand for commercial vehicles, namely Daihatsu and Hino, have been robust, recording growth rates of 24.2% and 20.2% respectively for the six months to 30 June 2008 against the same period in 2007.

Perodua retained its No. 1 market share of total vehicle sales. The Viva and Myvi models continued to be popular. A new model, Nautica, was launched during the quarter to replace the Kembara. For the period, Perodua recorded 11% growth in unit sales.

Federal Auto Holdings Bhd, dealer for Volvo, Volkswagen (VW) and Mitsubishi cars, recorded strong growth in unit sales with the inclusion of the new dealerships (VW in August 2007 and Mitsubishi in February 2008) and enjoyed 11% growth during the period. The expanded dealerships under the group will provide for added impetus for its future growth.

The manufacturing subsidiaries enjoyed strong demand for their products and services as reflected by the growth in TIV. However, they were faced with increasing cost pressures, which is partly being offset by increased production efficiencies.

Dividends

The Company is maintaining its policy of distributing a first interim dividend after its half year results.

After completing the sale of its interest in MBM Industries Sdn Bhd in the first quarter of 2008 and dividends received from its subsidiaries and associates, the Company has surplus funds after taking into account its operational requirements and capital investment plans. The Board of MBMR has declared a special dividend of gross 6 sen per share (3 sen per share less tax and 3 sen tax exempt) in addition to its normal interim dividend of gross 6 sen per share less tax. The total net dividends payable amounts to approximately RM23,384,219 on the present share capital of 242,072,667 shares.

Prospects

The operating environment has become more challenging since the last quarter and is expected to remain so for the rest of the year. However, the group's well balanced portfolio provides for a more stable performance. Demand for commercial vehicles are maintaining whilst the fuel hike has shifted demand for passenger vehicles to fuel-efficient compact cars. We are well represented in these segments. The MBMR Group is well positioned to face the increasing challenges with greater focus on efficiencies and marketing efforts.

**Board of Directors
MBM Resources Berhad
7 August 2008**

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INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the second quarter ended 30/06/2008.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Current Quarter Ended 30/06/2008 RM'000	Comparative Quarter Ended 30/06/2007 RM'000	6 months Cumulative To Date 30/06/2008 RM'000	Comparative 6 months Cumulative To Date 30/06/2007 RM'000
Revenue	307,069	273,791	574,820	527,206
Cost of Sales	(272,969)	(246,144)	(511,226)	(478,477)
Gross Profit	34,100	27,647	63,594	48,729
Other Income	4,151	5,245	14,019	9,474
Administrative and other expenses	(11,904)	(11,435)	(23,601)	(22,645)
Selling and marketing expenses	(7,256)	(6,826)	(13,338)	(13,314)
Profit from operations	19,091	14,631	40,674	22,244
Finance costs	(835)	(1,001)	(1,474)	(2,025)
Share of results of associates	18,462	24,533	49,014	40,923
Profit before tax	36,718	38,163	88,214	61,142
Income tax expense	(5,125)	(3,142)	(9,075)	(5,164)
Profit for the period	31,593	35,021	79,139	55,978
Attributable to :				
Equity holders of the Company	25,687	30,674	68,504	49,410
Minority Interests	5,906	4,347	10,635	6,568
	31,593	35,021	79,139	55,978
Earnings per share attributable to equity holders of the Company :	sen	sen	sen	sen
(i) Basic, for the period	10.61	12.78	28.30	20.58
(ii) Diluted, for the period	10.46	12.52	27.90	20.17

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CONDENSED CONSOLIDATED BALANCE SHEET

	(Unaudited) As at end of Current Quarter 30/06/2008 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2007 RM'000
		(Restated)
<u>ASSETS</u>		
Non-current Assets		
Property, plant & equipment	113,580	111,652
Investment properties	22,559	13,929
Prepaid land lease payments	35,621	35,783
Associates	489,563	482,475
Jointly controlled entity	54	54
Other investment	--	--
Hire purchase receivables	1,257	1,576
Goodwill on consolidation	13,961	13,546
	<u>676,595</u>	<u>659,015</u>
Current Assets		
Inventories	108,843	106,365
Trade & other receivables	104,505	106,144
Tax recoverable	4,205	3,959
Due from associate	--	36
Short term investments	80	251
Cash and bank balances	147,636	110,721
	<u>365,269</u>	<u>327,476</u>
Non-current assets classified as held for sale	6,103	14,816
	<u>371,372</u>	<u>342,292</u>
TOTAL ASSETS	1,047,967	1,001,307
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity holders of the Company		
Share capital	242,073	242,024
Share premium	30,539	30,469
Revaluation reserve	2,017	--
Retained profits	551,203	493,447
	<u>825,832</u>	<u>765,940</u>
Minority Interests	125,118	120,575
Total Equity	950,950	886,515
Non-current Liabilities		
Long term borrowings	16,027	15,051
Deferred tax liabilities	543	543
Provision for retirement benefits	1,231	1,157
	<u>17,801</u>	<u>16,751</u>
Current Liabilities		
Provision for liabilities	4,615	4,607
Short term borrowings	19,694	30,028
Trade & other payables	48,515	59,054
Due to holding company	359	1,347
Tax payable	6,033	3,005
	<u>79,216</u>	<u>98,041</u>
Total Liabilities	97,017	114,792
TOTAL EQUITY AND LIABILITIES	1,047,967	1,001,307
Net assets per share (RM)	3.41	3.16

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008

	[----- Attributable to equity holders of Company -----]						
	Share Capital RM'000	Non- distributable Share Premium RM'000	Non- distributable Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
6 months ended							
30 June 2007							
At 1 January 2007							
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
At 1 January 2007 (restated)	238,537	25,313	--	404,291	668,141	119,274	787,415
Issue of ordinary shares pursuant to ESOS	2,097	3,105	--	--	5,202	--	5,202
Additional purchase of shares in a subsidiary	--	--	--	--	--	(8,685)	(8,685)
Rights issue of shares in a subsidiary	--	--	--	(259)	(259)	1,327	1,068
Profit for the year	--	--	--	49,410	49,410	6,568	55,978
Dividends distributed to equity holders	--	--	--	(10,526)	(10,526)	--	(10,526)
Dividends paid by subsidiary	--	--	--	--	--	(4,402)	(4,402)
As at 30 June 2007	<u>240,634</u>	<u>28,418</u>	<u>--</u>	<u>442,916</u>	<u>711,968</u>	<u>114,082</u>	<u>826,050</u>
6 months ended							
30 June 2008							
At 1 January 2008							
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
At 1 January 2008 (restated)	242,024	30,469	--	493,447	765,940	120,575	886,515
Issue of ordinary shares pursuant to ESOS	49	70	--	--	119	--	119
Revaluation reserve arising from fair value adjustments in net assets of a subsidiary	--	--	2,855	--	2,855	1,039	3,894
Additional purchase of shares in a subsidiary	--	--	(838)	--	(838)	(747)	(1,585)
Rights issue of shares in a subsidiary	--	--	--	--	--	25	25
Profit for the year	--	--	--	68,504	68,504	10,635	79,139
Dividends distributed to equity holders	--	--	--	(10,748)	(10,748)	--	(10,748)
Dividends paid by subsidiary	--	--	--	--	--	(6,409)	(6,409)
As at 30 June 2008	<u>242,073</u>	<u>30,539</u>	<u>2,017</u>	<u>551,203</u>	<u>825,832</u>	<u>125,118</u>	<u>950,950</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2008

	2008 6 months ended 30/06/2008 RM'000	2007 6 months ended 30/06/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	88,214	61,142
Adjustments for :		
Non-cash Items	(44,369)	(34,731)
Non-operating Items	(6,172)	1,090
Operating profit before working capital changes	<u>37,673</u>	<u>27,501</u>
Changes in working capital		
Net changes in current assets	2,381	35,989
Net changes in current liabilities	(18,147)	(9,483)
Net cash used in operating activities	<u><u>21,907</u></u>	<u><u>54,007</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investment	20,895	5,212
Other investment	(4,848)	(10,889)
Acquisition of subsidiary	(2,000)	(9,353)
Disposal of an associate	27,161	--
Net cash generated from investing activities	<u><u>41,208</u></u>	<u><u>(15,030)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(10,748)	(10,526)
Dividends paid to minorities of a subsidiary	(6,409)	(4,402)
Proceeds from exercise of ESOS	119	5,202
Proceeds from rights issue in a subsidiary	25	1,068
Bank borrowings	(3,344)	(11,589)
Net cash generated from financing activities	<u><u>(20,357)</u></u>	<u><u>(20,247)</u></u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	42,758	18,730
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>99,942</u>	<u>100,051</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u><u>142,700</u></u>	<u><u>118,781</u></u>
Cash and cash equivalents comprise :		
Cash and bank balances	147,716	120,979
Bank overdrafts	(5,016)	(2,198)
	<u><u>142,700</u></u>	<u><u>118,781</u></u>

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Notes to the Financial Information
for the second quarter ended 30 June 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 FRS112₂₀₀₄ 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
Effects on retained profits:		
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>
Effects on minority interests:		
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.

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Notes to the Financial Information (Contd.)

Restatement of Comparatives

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Balance sheets at 31 December 2007			
Group			
Associates	474,989	7,486	482,475
Retained profits	486,387	7,060	493,447
Minority interests	120,149	426	120,575
Statement of changes in equity at 30 June 2007			
Group			
Retained profits	435,856	7,060	442,916
Minority interests	113,656	426	114,082
Total Equity	818,564	7,486	826,050

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

The company did not pay any dividend during the quarter.

(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.

Notes to the Financial Information (Contd.)

Debt and Equity Securities (Contd.)

Employee Share Options Scheme ("ESOS")

During the quarter ended 30 June 2008 pursuant to the Company's ESOS, the issued and paid-up capital of the Company was increased from RM242,061,667 to RM242,072,667 as a result of the exercise and allotment of 11,000 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	11,000	26,730
	11,000	26,730

The number of unexercised share options as at 30 June 2008 was 3,435,000.

(8) Subsequent Material Events

There was no material event or transaction during the period from 30 June 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 30 June 2008 in respect of which this announcement is made.

(9) Changes in Composition of the Group

Acquisition of additional shares in subsidiary

During the quarter, the Company has completed the purchase of additional 1,620,246 ordinary shares of RM1.00 each in WSA Capital Corporation Sdn. Bhd. ("WCC"), representing 21.52% of the issued and paid-up share capital of WCC for a cash consideration of RM2,000,000. The additional shares were purchased from Med-Bumikar Mara Sdn. Bhd., the major shareholder of the Company.

With the completion of this acquisition, the Group's equity interest in WCC was increased from 51.80% to 73.32%.

(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 30 June 2008 is as follows :

	<u>RM'000</u>
Approved and contracted for	11,300
	<u> </u>

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Notes to the Financial Information (Contd.)

(11) Significant Related Party Transactions

During the period ended 30 June 2008, the Group and the Company had the following transactions with related parties :

	Period ended 30/06/2008 RM'000
<u>Group</u>	
Purchases from Daihatsu Motor Co. Ltd. and/or its subsidiaries and associates*	90,502
Purchases from a subsidiary of Perodua	258,726
Sales to subsidiaries of Perodua	(25,141)
Purchases from Toyota Tsusho Co. and/or its subsidiaries and associates	7,010
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	410
Technical fee payable	--
Development expenses	61
<hr/>	
<u>Company</u>	
Gross dividends from:	
- subsidiaries	--
- associates	--
Management fees from:	
- subsidiaries	108
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* 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.

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Notes to the Financial Information (Contd.)

(17) Segment Reporting

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

	Period ended 30/06/2008		Period ended 30/06/2007	
	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	516,435	31,722	487,750	21,700
Manufacturing of automotive parts, trucks, and vehicles body building and other related activities	58,917	6,734	39,977	1,464
Investment holding	38,625	31,435	22,066	20,389
	<u>613,977</u>	<u>69,891</u>	<u>549,793</u>	<u>43,553</u>
Eliminations	(39,157)	(30,691)	(22,587)	(23,334)
	<u>574,820</u>	<u>39,200</u>	<u>527,206</u>	<u>20,219</u>
Share of results of associates	--	49,014	--	40,923
	<u>574,820</u>	<u>88,214</u>	<u>527,206</u>	<u>61,142</u>
Revenue / Profit before tax	<u>574,820</u>	<u>88,214</u>	<u>527,206</u>	<u>61,142</u>

(18) Taxation

	Current Quarter 30/06/2008 RM'000	Year to date 30/06/2008 RM'000
Current year's provision		
Add/(Less) :	5,125	9,075
Under/(Over) provision in prior years	--	--
	<u>5,125</u>	<u>9,075</u>
Deferred taxation	--	--
	<u>5,125</u>	<u>9,075</u>
Income tax expense	<u>5,125</u>	<u>9,075</u>

A reconciliation of the statutory income tax rate at 26% to the effective income tax rate of the Group for the current quarter and for the year-to-date are as follows :

	Current Quarter 30/06/2008 %	Year to date 30/06/2008 %
Statutory income tax rate in Malaysia	26.0	26.0
Income subject to tax rate of 20%	(0.0)	(0.2)
Income not subject to tax	0.1	(4.0)
Expenses not deductible for tax purpose	2.2	1.6
Utilisation of previously unrecognised tax losses	(0.1)	(0.3)
	<u>28.1</u>	<u>23.2</u>

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Notes to the Financial Information (Contd.)

(19) Earnings Per Share (EPS)

	Quarter		Year-to-date	
	3 months ended		6 months ended	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (RM'000)	25,687	30,674	68,504	49,410
Weighted average number of ordinary shares in issue ('000)	242,055	240,066	242,055	240,066
Basic EPS (sen)	10.61	12.78	28.30	20.58
Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company (RM'000)	25,687	30,674	68,504	49,410
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	245,490	244,940	245,490	244,940
Diluted EPS (sen)	10.46	12.52	27.90	20.17

	No of Ordinary Shares of RM 1.00 each	
	30 June 2008	30 June 2007
Weighted average number of ordinary shares	242,055,288	240,065,905
Adjustment for assumed exercise of ESOS	3,435,000	4,874,000
Adjusted weighted average number of ordinary shares in issue and issuable	245,490,288	244,939,905

(20) Corporate Proposals

Subsequent to the first quarter 2008 announcement made on 8 May 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	17,105	16,027
Unsecured	2,589	--
Total	19,694	16,027

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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	257,061,610	7,768,361	8 Aug 2008 - 29 Aug 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 is pleased to declare the following dividends :

- (i) A first interim gross dividend of 6.0 sen per share less taxation 26% amounting to approximately RM10,748,026 for the year ending 31 December 2008 (2nd Qtr 2007 - Interim gross dividend of 6.0 sen per share less taxation 26% for the year ending 31 December 2007)
- (ii) A special dividend of 6.0 sen per share in the following manner :
 - a. 3.0 sen per share less taxation 26% amounting to approximately RM5,374,013
 - b. 3.0 sen per share tax exempted amounting to approximately RM7,262,180

BY ORDER OF THE BOARD
MBM RESOURCES BERHAD

SHAHRIZAT OTHMAN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 7 AUGUST 2008