



QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2010

Highlights

- The Group benefited from further expansion in total industry volume (TIV) which grew by 16.1% year-on-year
- The manufacturing subsidiaries continued to benefit from the rise in TIV
- New Volkswagen, Mitsubishi and Hino dealership operations contributed further to revenue growth
- Favourable Ringgit/Yen currency rates ensured improved margins
- The Group's financial position continued to improve with net cash position of RM168.9 mil and net assets at RM3.99 per share being attained at the end of reporting period
- Disposal of WSA Capital Corporation Sdn. Bhd. was completed during the quarter

Results

	Quarter ended 30 Jun			Year to date ended 30 Jun		
	2010 RM mil	2009 RM mil	Change %	2010 RM mil	2009 RM mil	Change %
Revenue	404.8	264.9	52.8	768.7	511.0	50.4
Profit for the period	<u>43.2</u>	<u>16.6</u>	159.3	<u>88.6</u>	<u>27.4</u>	223.2
Profit attributable to owners of the Company	<u>38.6</u>	<u>13.9</u>	176.8	<u>78.6</u>	<u>23.3</u>	237.2
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic earnings/(loss) per share						
From continuing operations	17.6	4.9	261.9	32.7	8.6	
From discontinued operation	(1.6)	0.9	(278.5)	(0.2)	1.1	(117.9)
	<u>As at 30 Jun 2010 RM mil</u>	<u>As at 31 Dec 2009 RM mil</u>				
Shareholders' funds	965.9	894.3	8.0			
	<u>RM</u>	<u>RM</u>				
Net assets per share	3.99	3.69	8.0			
	<u>1st Interim 2010 Sen</u>	<u>1st Interim 2009 Sen</u>				
Dividend per share	5.0	3.0	66.7			

Performance of sales by operations

	Q2'10 vs Q1'10	Q2'10 vs Q2'09	YTD Jun'10 vs YTD Jun'09
<i>Subsidiaries</i>			
Daihatsu trucks	- 2.0	- 14.3	- 2.4
DMMS Perodua vehicles	- 1.3	+ 44.6	+ 44.6
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	+ 44.4	+ 223.2	+ 216.5
OMI	- 3.2	+ 33.4	+ 34.2
SVBW	+ 64.1	+ 132.5	+ 1.7
<i>Associated companies</i>			
Perodua vehicles	+ 1.1	+ 32.6	+ 30.7
Hino trucks	+ 46.9	+ 91.2	+ 80.2

* All changes based on vehicle unit sales, except for OMI and SVBW which are based on sales values

QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2010

Overview

The Malaysian motor total industry volume (TIV) of sales by registration improved in the second quarter of 2010 by 16.1% compared against the same period of 2009 and similarly improved by 4.2% over the preceding quarter.

Overall, the TIV for the first 6 months' sales by registration improved 19.9% compared to the same period of 2009.

Group Financial Performance

Second quarter ended 30 June 2010 compared with second quarter ended 30 June 2009

Group revenue improved by 52.8% to RM404.8 million. Profit from operations improved by 112.3% to RM16.4 million, whilst share of results of associate companies improved by 210.7% to RM34.4 million. Net profit attributable to owners of the Company improved by 176.8% to RM38.6 million.

The group's net cash position (after total borrowings) more than doubled to RM168.9 million as at 30 June 2010 compared with RM70.9 million as at 30 June 2009 (refer note 23).

Second quarter ended 30 June 2010 against previous quarter ended 31 March 2010

Group revenue improved by 11.3%. Profit from operations improved by 11.2%, whilst share of results of associate companies improved by 12.7%. Net profit attributable to owners of the Company declined marginally by 3.5%.

The group's net cash position (after total borrowings) improved to RM168.9 million as at 30 June 2010 compared with RM111.6 million as at the end of 31 March 2010.

Net assets per share rose to RM3.99 as at the end of June 2010 from RM3.83 as at end of March 2010.

Group Business Performance

The Group continued to deliver on the back of strong orders for all models. The new dealership operations under Federal Auto Group, namely Volkswagen and Mitsubishi, commanded vehicle sales expansion of 84.3% and 35.6% respectively over preceding quarter. This brings the Group's mid-size to luxury passenger segment's sales to more than double what was sold in the same period of 2009. The Perodua dealership under the Group's subsidiary DMM Sales Sdn. Bhd. also recorded an increase in share of total Perodua national sales to 9.1% compared to 7.7% in the same period of 2009.

Overall, improved vehicle sales and the stable Ringgit/Yen/USD currency environment contributed to growth in operating profits for the quarter.

Prospects

The Malaysian Automotive Association has raised its forecast for TIV this year from 550,000 to 570,000 units, a new record high for Malaysia.

Based on the orders taken by the motor division, we expect group revenue to continue to improve, albeit at a more moderate pace.

The Group's expansion in its dealership network for its various brands namely Hino, Volkswagen and Mitsubishi, and additional investments in upgrading its existing network into 3S (sales, service and spare parts) Centres, are progressing as scheduled. These investments will contribute positively to the Group's future growth.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2010 - unaudited

		Current Quarter Ended 30/06/2010 RM'000	Comparative Quarter Ended 30/06/2009 RM'000	6 months Cumulative To Date 30/06/2010 RM'000	Comparative 6 months Cumulative To Date 30/06/2009 RM'000
Note			As restated		As restated
Continuing operations					
	18	404,816	264,927	768,651	510,982
		<u>(372,081)</u>	<u>(245,369)</u>	<u>(705,948)</u>	<u>(474,053)</u>
		32,735	19,558	62,703	36,929
		5,596	4,011	10,949	6,885
		(12,028)	(10,268)	(22,906)	(20,489)
		<u>(9,924)</u>	<u>(5,586)</u>	<u>(19,644)</u>	<u>(10,581)</u>
		16,379	7,715	31,102	12,744
		1,086	362	1,335	1,223
		(305)	(252)	(561)	(550)
		781	110	774	673
		<u>34,439</u>	<u>11,085</u>	<u>65,003</u>	<u>17,195</u>
	18	51,599	18,910	96,879	30,612
	19	<u>(4,579)</u>	<u>(4,432)</u>	<u>(7,833)</u>	<u>(5,808)</u>
		47,020	14,478	89,046	24,804
Discontinued operation					
	10	<u>(3,866)</u>	<u>2,166</u>	<u>(466)</u>	<u>2,604</u>
		43,154	16,644	88,580	27,408
Profit attributable to:					
		38,603	13,947	78,596	23,307
		<u>4,551</u>	<u>2,697</u>	<u>9,984</u>	<u>4,101</u>
		43,154	16,644	88,580	27,408

The notes on pages 9 to 20 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)
For the six months ended 30 June 2010 - unaudited

	Current Quarter Ended 30/06/2010 RM'000	Comparative Quarter Ended 30/06/2009 RM'000	6 months Cumulative To Date 30/06/2010 RM'000	Comparative 6 months Cumulative To Date 30/06/2009 RM'000
Note		As restated		As restated
Profit for the period	43,154	16,644	88,580	27,408
Other comprehensive income, net of tax				
Fair value adjustment on derivative instruments	247	--	168	--
Other comprehensive income for the period, net of tax	247	--	168	--
Total comprehensive income for the period	<u>43,401</u>	<u>16,644</u>	<u>88,748</u>	<u>27,408</u>
Total comprehensive income attributable to:				
Owners of the Company	38,779	13,947	78,716	23,307
Minority interests	4,622	2,697	10,032	4,101
Total comprehensive income for the period	<u>43,401</u>	<u>16,644</u>	<u>88,748</u>	<u>27,408</u>
Earnings/(Loss) per ordinary share	sen	sen	sen	sen
Basic	20			
- From continuing operations	17.61	4.87	32.71	8.55
- From discontinued operation	(1.60)	0.89	(0.19)	1.08
	<u>16.02</u>	<u>5.76</u>	<u>32.51</u>	<u>9.63</u>
Diluted	20			
- From continuing operations	17.37	4.80	32.26	8.43
- From discontinued operation	(1.58)	0.88	(0.19)	1.06
	<u>15.80</u>	<u>5.68</u>	<u>32.07</u>	<u>9.49</u>

The notes on pages 9 to 20 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2010 - unaudited

	Note	As at end of Current Quarter 30/06/2010 RM'000	As at preceding Financial Year Ended 31/12/2009 RM'000 As restated
ASSETS			
Non-current Assets			
Property, plant & equipment		127,068	135,983
Prepaid land lease payments		40,150	42,713
Investment properties		12,775	21,560
Investment in associates		592,275	540,776
Jointly controlled entity		--	54
Other investment		1,000	1,000
Hire purchase receivables		--	155
Goodwill on consolidation		<u>11,435</u>	<u>14,799</u>
Total non-current assets		<u>784,703</u>	<u>757,040</u>
Current Assets			
Inventories		144,360	133,936
Trade & other receivables and prepaid expenses		105,918	103,760
Tax recoverable		2,422	3,264
Cash and bank balances		<u>187,717</u>	<u>151,416</u>
		440,417	392,376
Non-current assets classified as held for sale		<u>6,103</u>	<u>6,103</u>
Total current assets		<u>446,520</u>	<u>398,479</u>
TOTAL ASSETS	18	<u><u>1,231,223</u></u>	<u><u>1,155,519</u></u>

The notes on pages 9 to 20 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)
As at 30 June 2010 - unaudited

	Note	As at end of Current Quarter 30/06/2010 RM'000	As at preceding Financial Year Ended 31/12/2009 RM'000 As restated
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		242,170	242,073
Reserves		<u>723,726</u>	<u>652,201</u>
Total equity attributable to owners of the Company		965,896	894,274
Minority interests		<u>140,597</u>	<u>136,151</u>
Total equity		<u>1,106,493</u>	<u>1,030,425</u>
Non-current and Deferred Liabilities			
Long term borrowings	22	14,290	18,481
Deferred tax liabilities		786	1,716
Provision for retirement benefits		1,305	2,356
Hire purchase payables - non-current portion		<u>--</u>	<u>180</u>
Total non-current and deferred liabilities		<u>16,381</u>	<u>22,733</u>
Current Liabilities			
Provision for liabilities		2,728	2,616
Short term borrowings	22	4,518	12,309
Trade & other payables and accrued expenses		96,641	85,951
Amount owing to holding company		20	204
Hire purchase payables - current portion		<u>--</u>	<u>110</u>
Tax liabilities		<u>4,442</u>	<u>1,171</u>
Total current liabilities		<u>108,349</u>	<u>102,361</u>
Total liabilities	18	<u>124,730</u>	<u>125,094</u>
TOTAL EQUITY AND LIABILITIES		<u>1,231,223</u>	<u>1,155,519</u>
Net assets per share (RM)		3.99	3.69

The notes on pages 9 to 20 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2010 - unaudited

Note	/----- Attributable to owners of the Company -----/						Total RM'000	Minority interests RM'000	Total equity RM'000
	/----- Non-distributable -----/			Distributable					
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Retained earnings RM'000				
6 months ended 30 June 2009									
At 1 January 2009	242,073	30,539	--	--	576,459	849,071	130,577	979,648	
Total comprehensive income for the period	--	--	--	--	23,307	23,307	4,101	27,408	
Dividends to owners	--	--	--	--	(14,524)	(14,524)	--	(14,524)	
Dividends paid by subsidiaries	--	--	--	--	--	--	--	--	
At 30 June 2009	<u>242,073</u>	<u>30,539</u>	<u>--</u>	<u>--</u>	<u>585,242</u>	<u>857,854</u>	<u>134,678</u>	<u>992,532</u>	
6 months ended 30 June 2010									
At 1 January 2010	242,073	30,539	458	--	621,204	894,274	136,151	1,030,425	
As previously stated									
- effect of adopting FRS 139	2(b) --	--	--	227	(285)	(58)	(53)	(111)	
At 1 January 2010, as restated	242,073	30,539	458	227	620,919	894,216	136,098	1,030,314	
Issue of ordinary shares pursuant to ESOS	97	145	--	--	--	242	--	242	
Share of changes in revaluation reserve arising from fair value adjustments of assets in an associate company	--	--	(16)	--	--	(16)	(1)	(17)	
Disposal of a discontinued operation	--	--	--	--	--	--	(2,945)	(2,945)	
Total comprehensive income for the period	--	--	--	--	78,716	78,716	10,032	88,748	
Dividends to owners	--	--	--	--	(7,262)	(7,262)	--	(7,262)	
Dividends paid by subsidiaries	--	--	--	--	--	--	(2,587)	(2,587)	
At 30 June 2010	<u>242,170</u>	<u>30,684</u>	<u>442</u>	<u>227</u>	<u>692,373</u>	<u>965,896</u>	<u>140,597</u>	<u>1,106,493</u>	

The notes on pages 9 to 20 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2010 - unaudited

	2010 6 months ended 30/06/2010	2009 6 months ended 30/06/2009
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	88,580	27,408
Adjustments for :		
Income tax expense	7,833	5,808
Share of results of associates	(65,003)	(17,195)
Non-cash items	3,650	4,670
Non-operating items	3,885	(190)
Operating profit before working capital changes	38,945	20,501
Changes in working capital		
Net changes in current assets	(39,673)	(22,493)
Net changes in current liabilities	20,042	(998)
Income tax refunded	164	1,416
Income tax paid	(3,612)	(4,503)
Net cash generated from/(used in) operating activities	<u>15,866</u>	<u>(6,077)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	13,580	13,370
Interest income	1,335	1,223
Purchase of property, plant & equipment	(17,849)	(13,742)
Additions to prepaid lease payments	--	(8)
Proceeds from disposal of property, plant & equipment	30	256
Proceeds from disposal of investment property	9,284	670
Other investment	--	53
Cashflow from disposal of discontinued operation	10 13,768	--
Net cash used in investing activities	<u>20,148</u>	<u>1,822</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(7,262)	(14,524)
Dividends paid to minorities of a subsidiary	(3,186)	(1,195)
Proceeds from exercise of ESOS	242	--
Finance costs		
From continuing operations	(561)	(550)
From discontinued operation	--	(513)
Bank borrowings	11,009	(3,973)
Net cash from/(used in) financing activities	<u>242</u>	<u>(20,755)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	36,256	(25,010)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	149,952	120,446
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>186,208</u>	<u>95,436</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23 187,717	97,939
Bank overdrafts	(1,509)	(2,503)
	<u>186,208</u>	<u>95,436</u>

The notes on pages 9 to 20 are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated interim financial statements

MBM Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2010 consist of the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

These condensed consolidated interim financial statements were approved by the Board of Directors on 17 August 2010.

1. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions under Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and FRS134, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009.

2. Significant accounting policies

The accounting policies and method of computation applied by the Group in these condensed consolidated interim financial statements are consistent as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009, except for the application of the following new or revised Financial Reporting Standards ("FRS") where applicable to the Group, effective for the financial period beginning 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based payments (Vesting conditions and cancellations)
Amendments to FRS 118	Revenue
Amendments to FRS 123	Borrowing Costs (Revised)
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 140	Investment Property

The above FRSs and Amendments to FRSs are effective for annual periods beginning 1 January 2010. The application of the above FRSs and Amendments to FRSs did not result in significant change in the accounting policies and presentation of the financial results of the Group, except as discussed in the following:

Change in accounting policy

(a) FRS 101, Presentation of Financial Statements (Revised 2009)

Prior to the application of the revised FRS 101, financial statements consist of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the application of the revised FRS 101, financial statements will comprise a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements. Also, as a result of the application of FRS 101, the Group presents all owner changes in equity in the consolidated statement of changes in equity and all non-owner changes in equity to be presented in consolidated statement of comprehensive income.

Since the change only affects presentation aspects, there is no financial impact on the Group.

Notes to the condensed consolidated interim financial statements (cont'd)

Change in accounting policy (cont'd)

(b) FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items and permits hedge accounting only under strict circumstances.

Prior to the application of FRS 139, all unrecognised foreign currency exchange gain or loss arising from foreign currency forward contracts are only recognised in profit or loss on their settlement dates.

In accordance with the requirements of FRS 139, foreign currency forward contracts entered into by subsidiaries of the Group have been measured at fair value and changes in the fair value are recognised immediately in profit or loss in the period, whereby any gain or loss is shown in the statement of comprehensive income as fair value adjustment on derivative instruments.

In contrast, an associate of the Group applied the hedge accounting rules under FRS 139 and accordingly on initial application, the changes in the fair value of its foreign currency exchange forward contracts are recognised in equity. Subsequently, the cumulative gain or loss is reclassified from equity into profit or loss in the period during which the hedged forecast cash flows affect profit or loss.

As allowed under the transitional provisions of this standard, the required changes are applied prospectively and the comparative information are not restated.

Effects from the application of the new FRS 139 are summarised as follow:

	Foreign exchange reserve RM'000	Retained earnings RM'000	Minority interests RM'000
At 1 January 2010, as previously stated	--	621,204	136,151
Adjustments arising from application of FRS 139			
- Cash flow hedge	227	--	5
- Fair value adjustment on derivative instruments	--	(285)	(58)
	227	(285)	(53)
At 1 January 2010, as restated	227	620,919	136,098

Notes to the condensed consolidated interim financial statements (cont'd)

3. Estimates

In preparing the condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied in the financial statements as at and for the year ended 31 December 2009.

4. Auditors' Report of Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group and of the Company as at and for the year ended 31 December 2009 was not qualified.

5. Seasonal and cyclical factors

The main activity of the Group is in motor trading and manufacturing of automotive components and are therefore dependent on the economy of the country.

6. Exceptional items

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

7. Dividends paid

The Company did not pay any dividend during the quarter.

8. 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.

Employee Share Options Scheme ("ESOS")

During the quarter ended 30 June 2010 pursuant to the Company's ESOS, the issued and paid-up capital of the Company was increased from RM242,072,667 to RM242,169,667 as a result of the exercise and allotment of 97,000 option shares of par value RM1.00 each as follows:

Option price per share (RM)	No of shares issued	Cash proceeds (RM)
2.54	53,000	134,620
2.43	44,000	106,920
	97,000	241,540

The number of unexercised share options as at 30 June 2010 was 3,338,000.

9. Subsequent material events

There was no material event or transaction during the period from 30 June 2010 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 2010 in respect of which this announcement is made.

Notes to the condensed consolidated interim financial statements (cont'd)

10. Changes in composition of the Group

On 30 June 2010, the Group completed the disposal of WSA Capital Corporation Sdn. Bhd., segment for which was classified under Automotive Components under the Group's business segment. The segment was not classified as held for sale or a discontinued operation as at 31 December 2009 and the comparative statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations.

<u>Results of discontinued operation</u>	Three months ended		Six months ended	
	30/06/2010 RM'000	30/06/2009 RM'000	30/06/2010 RM'000	30/06/2009 RM'000
Revenue	22,397	19,842	45,725	35,103
Cost of sales	(17,730)	(15,554)	(36,054)	(28,448)
Other income	289	31	891	79
Expenses	(2,026)	(1,838)	(4,072)	(3,617)
Results from operating activities	2,930	2,481	6,490	3,117
Net finance costs	(376)	(315)	(536)	(513)
Profit before tax	2,554	2,166	5,954	2,604
Income tax expense	--	--	--	--
Profit for the period	2,554	2,166	5,954	2,604
Minority interest	(1,589)	--	(1,589)	--
Group's share of profit for the period	965	2,166	4,365	2,604
Loss on disposal of discontinued operation	(4,831)	--	(4,831)	--
Profit/(Loss) from discontinued operation	(3,866)	2,166	(466)	2,604

Effect of the disposal on the financial position of the Group

	As at 30/06/2010 RM'000
Property, plant and equipment, prepaid lease payments	24,232
Jointly controlled entity	54
Inventories	10,076
Trade and other receivables	16,991
Cash and bank balances	1,619
Goodwill on consolidation	3,364
	56,336
Trade and other payables	(9,094)
Tax and deferred tax liabilities	(1,202)
Provision for retirement benefits	(1,031)
Loans and borrowings	(24,545)
	20,464
Minority interests	(4,533)
Loss on disposal of discontinued operation	(4,831)
Consideration received, satisfied in cash	11,100
Cash and cash equivalents disposed of	(1,619)
Net amount of advances repaid	4,287
Cashflow from disposal of discontinued operation	13,768

Notes to the condensed consolidated interim financial statements (cont'd)

11. Significant related party transactions

During the period ended 30 June 2010, the Group and the Company had the following transactions with related parties :

	Period ended 30/06/2010 RM'000
<u>Group</u>	
Purchases from Daihatsu Motor Co. Ltd. and/or its subsidiaries and associates*	34,671
Purchases from a subsidiary of Perodua	370,914
Sales to subsidiaries of Perodua	11,245
Purchases from Toyota Tsusho Co. and/or its subsidiaries and associates	10,046
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	--
Technical fee payable	61
Development expenses	38
	<hr/>
<u>Company</u>	
Gross dividends from:	
- subsidiaries	4,789
- associates	10,864
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. 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 2010 is as follows :

	<u>RM'000</u>
Approved and contracted for	<u>11,831</u>

13. Review of Group performance

The review of performance by operations is furnished in the Main Section on pages 1 to 2 of the announcement.

14. Current year prospects

The overview of current year prospects is furnished in the Main Section on pages 1 to 2 of the announcement.

15. Variance from profit forecast or profit guarantee

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

16. Unquoted investments and properties

An investment property held by subsidiary, Summer Gallery Sdn. Bhd., with a book value of RM8.712 million was disposed during the current quarter with a net gain of RM0.571 million.

Notes to the condensed consolidated interim financial statements (cont'd)

17. Quoted investments

There was no purchase or sale of quoted securities for the current quarter under review and financial period to date.

18. Operating segments

The Group's reportable segments offer different products and services and are managed separately due to different trading nature and marketing strategies. Most of the businesses were acquired as individual units and the management at the time of acquisition remained.

Information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance is more specifically focused on the business segments as follows:

- (i) Motor vehicles : Marketing and distribution of motor vehicles, spare parts and provision of related services.
- (ii) Automotive components : Manufacturing of automotive parts and components, interior carpets, steel wheels and discs, and provision of tyre assembly services.
- (iii) Vehicles body building : Manufacturing and fabrication of vehicles body and provision of related services.
- (iv) All others : Investment holding, corporate headquarters and other dormant companies.

Period ended 30 June 2010

	Motor vehicles	Automotive components		Vehicles body building	All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000
Revenues from external customers	728,156	35,056	45,725	5,416	23	814,376
Intersegment revenue	--	--	--	546	--	546
Operating profits for reportable segments	21,921	9,540	6,490	(319)	(40)	37,592
Share of results of associates	65,003	--	--	--	--	65,003
Interest income	787	173	--	--	375	1,335
Finance costs	(353)	(2)	(536)	(181)	(25)	(1,097)
Fair value adjustments on derivative instruments	168	--	--	--	--	168
Depreciation and amortisation	2,416	1,057	1,487	64	54	5,078
Other significant non-cash items						
- Provisions	181	--	--	--	--	181
Capital expenditure	4,481	1,837	11,419	107	5	17,849
Segment assets	452,268	86,202	54,801	13,069	87,409	693,749
Investment in associates	592,275	--	--	--	--	592,275
Segment liabilities	101,403	10,108	35,872	8,999	4,220	160,602

Notes to the condensed consolidated interim financial statements (cont'd)

18. Operating segments (cont'd)

Period ended 30 June 2009

	Motor vehicles	Automotive components		Vehicles body building	All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000
Revenues from external customers	479,577	26,125	35,103	5,238	42	546,085
Intersegment revenue	--	--	--	626	--	626
Operating profits for reportable segments	9,697	3,694	3,117	175	(822)	15,861
Share of results of associates	17,195	--	--	--	--	17,195
Interest income	768	216	--	--	239	1,223
Finance costs	(353)	(1)	(513)	(196)	--	(1,063)
Depreciation and amortisation	2,314	830	1,199	73	57	4,473
Other significant non-cash items						
- Provisions	152	--	--	126	--	278
Capital expenditure	8,065	4,775	859	51	--	13,750
Segment assets	377,945	73,690	40,480	16,409	60,534	569,058
Investment in associates	509,812	--	--	--	--	509,812
Segment liabilities	43,870	7,288	25,798	7,756	2,821	87,533

Notes to the condensed consolidated interim financial statements (cont'd)

18. Operating segments (cont'd)

Reconciliations of reportable operating segment revenues,
profit or loss, assets and liabilities

	Period ended 30/06/2010 RM'000	Period ended 30/06/2009 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	814,899	546,669
All others	23	42
Elimination of inter-segment revenues	(546)	(626)
Elimination of discontinued operation	(45,725)	(35,103)
	<u>768,651</u>	<u>510,982</u>
Revenue, as reported	<u>768,651</u>	<u>510,982</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	37,520	16,604
All others	310	(583)
Share of results of associates	65,003	17,195
Elimination of discontinued operation	(5,954)	(2,604)
	<u>96,879</u>	<u>30,612</u>
Profit before tax, as reported	<u>96,879</u>	<u>30,612</u>
<u>Assets</u>		
Total assets for Group's reportable segments	606,340	508,524
All others	87,409	60,534
Investment in associates	592,275	509,812
Disposal of discontinued operation	(54,801)	--
	<u>1,231,223</u>	<u>1,078,870</u>
Total assets, as reported	<u>1,231,223</u>	<u>1,078,870</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	156,382	84,712
All others	4,220	2,821
Disposal of discontinued operation	(35,872)	--
	<u>124,730</u>	<u>87,533</u>
Total liabilities, as reported	<u>124,730</u>	<u>87,533</u>

The accounting policies and method of computation of the operating segments are consistent with those described in the summary of significant accounting policies in the recent audited financial statement for the year ended 31 December 2009. The Group evaluates performance of these operating segments based on their respective profit or loss.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at arm's length transactions.

Notes to the condensed consolidated interim financial statements (cont'd)

19. Income tax expense

	Current Quarter 30/06/2010 RM'000	Year to date 30/06/2010 RM'000
Current year's provision	4,479	7,733
Add :		
Underprovision in prior years	45	45
	4,524	7,778
Deferred taxation	55	55
Income tax expense	<u>4,579</u>	<u>7,833</u>

A reconciliation of the statutory income tax rate at 25% to the effective income tax rate of the Group for the current quarter and for the year-to-date are as follows :

	Current Quarter 30/06/2010 %	Year to date 30/06/2010 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(16.7)	(16.8)
Expenses not deductible for tax purpose / (Income not subject to tax)	0.4	(0.2)
Underprovision of income tax in prior year	0.1	0.0
Underprovision of deferred tax in prior year	0.1	0.1
	<u>8.9</u>	<u>8.1</u>

20. Earnings per ordinary share (EPS)

	Quarter		Year to date	
	3 months ended		6 months ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Basic earnings/(loss) per ordinary share				
Profit attributable to ordinary shareholders (RM'000)				
- Continuing operations	42,645	11,781	79,182	20,703
- Discontinued operations	(3,866)	2,166	(466)	2,604
	<u>38,779</u>	<u>13,947</u>	<u>78,716</u>	<u>23,307</u>
Weighted average number of ordinary shares ('000)	242,106	242,073	242,106	242,073
Basic earnings/(loss) per share (sen)				
- Continuing operations	17.61	4.87	32.71	8.55
- Discontinued operations	(1.60)	0.89	(0.19)	1.08
	<u>16.02</u>	<u>5.76</u>	<u>32.51</u>	<u>9.63</u>

Notes to the condensed consolidated interim financial statements (cont'd)

20. Earnings per ordinary share (EPS) (cont'd)

	Quarter		Year to date	
	3 months ended		6 months ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Diluted earnings/(loss) per ordinary share				
Profit attributable to ordinary shareholders (RM'000)				
- Continuing operations	42,645	11,781	79,182	20,703
- Discontinued operations	(3,866)	2,166	(466)	2,604
	<u>38,779</u>	<u>13,947</u>	<u>78,716</u>	<u>23,307</u>
Adjusted weighted average number of ordinary shares in issue and issuable				
	245,444	245,508	245,444	245,508
Diluted earnings/(loss) per share (sen)				
- Continuing operations	17.37	4.80	32.26	8.43
- Discontinued operations	(1.58)	0.88	(0.19)	1.06
	<u>15.80</u>	<u>5.68</u>	<u>32.07</u>	<u>9.49</u>

	No of ordinary shares of RM1.00 each	
	30/06/2010	30/06/2009
Weighted average number of ordinary shares	242,105,540	242,072,667
Adjustment for assumed exercise of ESOS	3,338,000	3,435,000
Adjusted weighted average number of ordinary shares in issue and issuable	245,443,540	245,507,667

21. Corporate proposals

Subsequent to the first quarter 2010 announcement made on 24 May 2010, there were no further corporate proposals being made or undertaken by the Group and the Company.

22. Loans and Borrowings

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Denominated in Malaysian Currency (RM)		
Secured	4,493	14,290
Unsecured	25	--
Total	<u>4,518</u>	<u>14,290</u>

Notes to the condensed consolidated interim financial statements (cont'd)

23. Cash and Cash Equivalents

	The Group	
	As at	
	30/06/2010	30/06/2009
	RM'000	RM'000
Cash on hand at at banks	94,188	30,867
Deposits with licensed banks	93,529	65,735
Cash and bank balances, from continuing operations	187,717	96,602
Cash and bank balances, from discontinued operation	--	1,337
Cash and bank balances	187,717	97,939
Less : Bank overdrafts		
From continuing operations	(1,509)	(1,939)
Directly associated with discontinued operation	--	(564)
Cash and cash equivalents	<u>186,208</u>	<u>95,436</u>
Cash and bank balances	187,717	97,939
Less :		
Total borrowings*, from continuing operations	(18,808)	(12,894)
Total borrowings*, from discontinued operation	--	(14,177)
Total borrowings	(18,808)	(27,071)
Net cash position (after total borrowings)	<u>168,909</u>	<u>70,868</u>

(Note * Total borrowings include hire-purchase payables)

24. Off balance sheet financial instruments

Save for those which has been disclosed in note 2(b), the Group does not have any other financial instruments which are not within the scope of FRS 139 with off balance sheet risk as at 10 August 2010, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

25. Material litigations

There is no ongoing material litigation as at the date of this quarterly report.

26. Contingent liabilities

As at the date of issue of this quarterly report, there were no material changes to the contingent liabilities as disclosed in the audited financial statements for the year ended 31 December 2009.

Notes to the condensed consolidated interim financial statements (cont'd)

27. Dividend

The Board is pleased to declare a first interim dividend of 5.0 sen per share tax exempted (single tier dividend) amounting to approximately RM12,117,633 for the year ended 31 December 2010 (Second Interim 2009 - gross dividend of 3.0 sen per share tax exempted for the year ended 31 December 2009).

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

**SHAHRIZAT OTHMAN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 17 AUGUST 2010**