



QUARTERLY ANNOUNCEMENT
For the first quarter ended 31 March 2011

Highlights

- Total industry volume growth remained positive, growing by 4.3% over the preceding quarter and by 7.5% compared with the same period last year.
- The Group's revenue and profit before tax from continuing operations improved 12.6% and 2.4% respectively.
- The gradual phase out of the Daihatsu Delta trucks are reflected in the decline in Daihatsu (Malaysia)'s truck sales, compared against last year, was partly compensated by the new Hino dealership sales.
- The acquisition of Lion Motor Sdn Bhd was completed during the quarter.
- The Balance Sheet remains fundamentally strong with the cash position sufficient to fund its higher revenues and investments.

Results

	Quarter ended 31 Mar			Year to date ended 31 Mar		
	2011 RM mil	2010 RM mil	Change %	2011 RM mil	2010 RM mil	Change %
Revenue	409.8	363.8	12.6	409.8	363.8	12.6
Profit for the period						
From continuing operations	42.9	41.9	2.4	42.9	41.9	2.4
From discontinued operations	--	3.4	(100.0)	--	3.4	(100.0)
	<u>42.9</u>	<u>45.3</u>	(5.3)	<u>42.9</u>	<u>45.3</u>	(5.3)
Profit attributable to owners of the Company	<u>38.4</u>	<u>39.9</u>	(3.8)	<u>38.4</u>	<u>39.9</u>	(3.8)
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic earnings per share						
From continuing operations	15.8	15.5	2.3	15.8	15.5	2.3
From discontinued operation	--	1.0	(100.0)	--	1.0	(100.0)
	<u>As at 31 Mar 2011 RM mil</u>	<u>As at 31 Dec 2010 RM mil</u>				
Shareholders' funds	1,037.2	1,018.2	1.9			
	<u>RM</u>	<u>RM</u>				
Net assets per share	4.27	4.20	1.8			

Performance of sales by operations

	Q1'11 vs Q4'10	Q1'11 vs Q1'10	YTD Mar'11 vs YTD Mar'10
<i>Subsidiaries</i>			
DMSB - Daihatsu & Hino trucks	+ 53.3	- 16.0	- 16.0
DMMS Perodua vehicles	- 6.0	+ 1.6	+ 1.6
Federal Auto : Volvo, Volkswagen & Mitsubishi vehicles	- 4.8	+ 89.3	+ 89.3
OMI	+ 23.6	+ 7.1	+ 7.1
SVBW	+ 8.5	+ 60.2	+ 60.2
<i>Associated companies</i>			
Perodua vehicles	+ 9.6	+ 3.7	+ 3.7
Hino trucks	- 9.0	+ 21.1	+ 21.1

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

QUARTERLY ANNOUNCEMENT
For the first quarter ended 31 March 2011

Overview

According to the Malaysian Automotive Association (MAA), the Malaysian motor total industry volume (TIV) of sales by registration improved in the first quarter of 2011 by 7.5% compared against the same period of 2010. The Group's overall total vehicle sales also improved 3.9%.

Group Financial Performance

First quarter ended 31 March 2011 compared with first quarter ended 31 March 2010

Group revenue improved by 12.6% to RM409.8 million. Profit from operations declined by 4.6% to RM14.0 million, whilst share of results of associate companies improved by 4.3% to RM31.9 million. Net profit attributable to owners of the Company declined by 3.8% to RM38.4 million.

The group's net cash position (after total borrowings) improved to RM120.1 million as at 31 March 2011 compared with RM111.6 million as at 31 March 2010 (refer note 23).

First quarter ended 31 March 2011 against previous quarter ended 31 December 2010

Group revenue improved by 10.4%. Profit from operations improved 100.3% whilst share of results of associate companies were better by 16.4%. Net profit attributable to owners of the Company also better by 30.8%.

The group's net cash position (after total borrowings) declined to RM120.1 million as at 31 March 2011 compared with RM144.1 million as at the end of 31 December 2010.

Net assets per share rose to RM4.27 as at the end of March 2011 from RM4.20 as at end of December 2010.

Group Business Performance

The spillover of orders from last year, coupled with strong customers' demand, resulted in higher vehicle sales and revenue.

Prospects

The second quarter performance will probably be dampened by the issue of parts supply arising from the recent earthquake in Japan. However, we envisage a recovery in volumes from the third quarter onwards. The ongoing development of the additional branches for the dealership businesses are expected to contribute positively in the second half of the year.

Board of Directors
MBM Resources Berhad
24 MAY 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2011 - unaudited

	Note	Current Quarter Ended 31/03/2011 RM'000	Comparative Quarter Ended 31/03/2010 RM'000	3 months Cumulative To Date 31/03/2011 RM'000	Comparative 3 months Cumulative To Date 31/03/2010 RM'000
Continuing operations					
Revenue	18	409,813	363,835	409,813	363,835
Cost of sales		<u>(377,485)</u>	<u>(333,867)</u>	<u>(377,485)</u>	<u>(333,867)</u>
Gross profit		32,328	29,968	32,328	29,968
Other income		6,399	5,353	6,399	5,353
Administrative and other expenses		(13,090)	(10,957)	(13,090)	(10,957)
Selling and marketing expenses		<u>(11,665)</u>	<u>(9,720)</u>	<u>(11,665)</u>	<u>(9,720)</u>
Results from operating activities		13,972	14,644	13,972	14,644
Interest income		739	249	739	249
Finance costs		(204)	(256)	(204)	(256)
Net interest income/(finance costs)		535	(7)	535	(7)
Share of results of associates, net of tax		<u>31,872</u>	<u>30,564</u>	<u>31,872</u>	<u>30,564</u>
Profit before tax	18	46,379	45,201	46,379	45,201
Income tax expense	19	<u>(3,437)</u>	<u>(3,254)</u>	<u>(3,437)</u>	<u>(3,254)</u>
Profit from continuing operations		42,942	41,947	42,942	41,947
Discontinued operation					
Results from discontinued operation, net of tax		<u>--</u>	<u>3,400</u>	<u>--</u>	<u>3,400</u>
Profit for the period		42,942	45,347	42,942	45,347
Profit attributable to:					
Owners of the Company		38,405	39,937	38,405	39,937
Non-controlling interests		<u>4,537</u>	<u>5,410</u>	<u>4,537</u>	<u>5,410</u>
Profit for the period		42,942	45,347	42,942	45,347

The notes on pages 9 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)
For the three months ended 31 March 2011 - unaudited

	Current Quarter Ended 31/03/2011 RM'000	Comparative Quarter Ended 31/03/2010 RM'000	3 months Cumulative To Date 31/03/2011 RM'000	Comparative 3 months Cumulative To Date 31/03/2010 RM'000
Profit for the period	42,942	45,347	42,942	45,347
Other comprehensive income				
Share of foreign exchange reserve deficit in an associate	(265)	--	(265)	--
Other comprehensive income for the period, net of tax	(265)	--	(265)	--
Total comprehensive income for the period	<u>42,677</u>	<u>45,347</u>	<u>42,677</u>	<u>45,347</u>
Total comprehensive income attributable to:				
Owners of the Company	38,155	39,937	38,155	39,937
Non-controlling interests	4,522	5,410	4,522	5,410
Total comprehensive income for the period	<u>42,677</u>	<u>45,347</u>	<u>42,677</u>	<u>45,347</u>
Earnings per ordinary share	sen	sen	sen	sen
Basic	20			
- From continuing operations	15.82	15.46	15.82	15.46
- From discontinued operation	--	1.04	--	1.04
	<u>15.82</u>	<u>16.50</u>	<u>15.82</u>	<u>16.50</u>
Diluted	20			
- From continuing operations	15.64	15.24	15.64	15.24
- From discontinued operation	--	1.02	--	1.02
	<u>15.64</u>	<u>16.26</u>	<u>15.64</u>	<u>16.26</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2011 - unaudited

	Note	As at end of Current Quarter 31/03/2011 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2010 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		132,960	133,039
Prepaid land lease payments		39,410	39,596
Investment properties		12,682	12,703
Investment in associates		651,389	619,783
Other investment		1,000	1,000
Goodwill on consolidation		<u>13,025</u>	<u>11,435</u>
Total non-current assets		<u>850,466</u>	<u>817,556</u>
Current Assets			
Inventories		219,963	199,032
Trade & other receivables and prepaid expenses		168,417	135,151
Tax recoverable		5,578	6,059
Cash and bank balances		<u>153,244</u>	<u>182,818</u>
		547,202	523,060
Non-current assets classified as held for sale		<u>6,103</u>	<u>6,103</u>
Total current assets		<u>553,305</u>	<u>529,163</u>
TOTAL ASSETS	18	<u>1,403,771</u>	<u>1,346,719</u>

The notes on pages 9 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)
As at 31 March 2011 - unaudited

		As at end of Current Quarter 31/03/2011 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2010 RM'000
	Note	<u> </u>	<u> </u>
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		242,767	242,677
Reserves		<u>794,408</u>	<u>775,545</u>
Total equity attributable to owners of the Company		1,037,175	1,018,222
Non-controlling interests		<u>150,304</u>	<u>145,782</u>
Total equity		<u>1,187,479</u>	<u>1,164,004</u>
Non-current and Deferred Liabilities			
Long term borrowings	22	21,428	21,199
Deferred tax liabilities		120	136
Provision for retirement benefits		1,619	1,619
Hire purchase payables - non-current portion		<u>--</u>	<u>56</u>
Total non-current and deferred liabilities		<u>23,167</u>	<u>23,010</u>
Current Liabilities			
Provision for liabilities		3,775	3,751
Short term borrowings	22	11,698	17,483
Trade & other payables and accrued expenses		176,125	136,242
Amount owing to holding company		379	646
Hire purchase payables - current portion		<u>--</u>	<u>15</u>
Tax liabilities		<u>1,148</u>	<u>1,568</u>
Total current liabilities		<u>193,125</u>	<u>159,705</u>
Total liabilities	18	<u>216,292</u>	<u>182,715</u>
TOTAL EQUITY AND LIABILITIES		<u>1,403,771</u>	<u>1,346,719</u>
Net assets per share (RM)		4.27	4.20

The notes on pages 9 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2011 - unaudited

	/----- Attributable to owners of the Company -----/						
		/----- Non-distributable -----/		Distributable			
Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
3 months ended 31 March 2010							
At 1 January 2010	242,073	30,539	458	621,204	894,274	136,151	1,030,425
Effects of change in accounting policy	--	--	--	(285)	(285)	(66)	(351)
At 1 January 2010, as restated	242,073	30,539	458	620,919	893,989	136,085	1,030,074
Total comprehensive income for the period	--	--	--	39,937	39,937	5,410	45,347
Dividends to owners	--	--	--	(7,262)	(7,262)	--	(7,262)
Dividends paid by subsidiaries	--	--	--	--	--	--	--
At 31 March 2010	<u>242,073</u>	<u>30,539</u>	<u>458</u>	<u>653,594</u>	<u>926,664</u>	<u>141,495</u>	<u>1,068,159</u>
3 months ended 31 March 2011							
At 1 January 2011	242,677	31,433	443	743,669	1,018,222	145,782	1,164,004
Issue of ordinary shares pursuant to ESOS	8 90	129	--	--	219	--	219
Share of changes in revaluation reserve arising from fair value adjustments of assets in an associate company	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	38,405	38,405	4,537	42,942
Other comprehensive income for the period	--	--	--	(250)	(250)	(15)	(265)
Dividends to owners	--	--	--	(19,421)	(19,421)	--	(19,421)
Dividends paid by subsidiaries	--	--	--	--	--	--	--
At 31 March 2011	<u>242,767</u>	<u>31,562</u>	<u>443</u>	<u>762,403</u>	<u>1,037,175</u>	<u>150,304</u>	<u>1,187,479</u>

The notes on pages 9 to 18 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2011 - unaudited

	2011 3 months ended 31/03/2011 Note	2010 3 months ended 31/03/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	42,942	45,347
Adjustments for :		
Income tax expense	3,437	3,254
Share of results of associates	(31,872)	(30,564)
Non-cash items	2,099	1,864
Non-operating items	(380)	296
Operating profit before working capital changes	16,226	20,197
Changes in working capital		
Net changes in current assets	(51,239)	(19,954)
Net changes in current liabilities	37,654	14,593
Income tax refunded	--	--
Income tax paid	(3,391)	(2,061)
Net cash (used in)/from operating activities	<u>(750)</u>	<u>12,775</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	--	--
Interest income	739	249
Purchase of property, plant & equipment	(1,849)	(13,624)
Proceeds from disposal of property, plant & equipment	145	--
Acquisition of subsidiary	10 (2,826)	--
Net cash used in investing activities	<u>(3,791)</u>	<u>(13,375)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(19,421)	(7,262)
Dividends paid to minorities of a subsidiary	--	(599)
Proceeds from exercise of ESOS	219	--
Finance costs	(204)	(256)
Bank borrowings	(5,822)	9,606
Net cash from/(used in) financing activities	<u>(25,228)</u>	<u>1,489</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(29,769)	889
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>181,389</u>	<u>149,952</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>151,620</u>	<u>150,841</u>
Cash and cash equivalents comprise :		
Cash and bank balances	23 153,244	153,432
Bank overdrafts	(1,624)	(2,591)
	<u>151,620</u>	<u>150,841</u>

The notes on pages 9 to 18 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 three months ended 31 March 2011 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 24 May 2011.

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. The supplementary information set out in Note 25, which is not part of the financial statements, is disclosed in accordance to Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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 2010.

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 2010.

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 2010.

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 2010 was not qualified.

5. Seasonal and cyclical factors

The main activities of the Group are 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

A second interim single tier dividend of 5 sen per share on 242,766,667 ordinary shares amounting to RM12,138,333 and a special single tier dividend of 3 sen per share on 242,766,667 ordinary shares amounting to RM7,283,000 in respect of financial year ended 31 December 2010 was paid on 23 March 2011.

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

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 31 March 2011 pursuant to the Company's ESOS, the issued and paid-up capital of the Company was increased from RM242,676,667 to RM242,766,667 as a result of the exercise and allotment of 90,000 option shares of par value RM1.00 each as follows:

Option price per share (RM)	No of shares issued	Cash proceeds (RM)
2.54	7,000	17,780
2.43	83,000	201,690
	90,000	219,470

The number of unexercised share options as at 31 March 2011 was 2,741,000.

9. Subsequent material events

There was no material event or transaction during the period from 31 March 2011 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 2011 in respect of which this announcement is made.

10. Changes in composition of the Group

Acquisition of subsidiary

As stated in Note 21 and as reported in the Company's announcement on 28 February 2011, the Group completed the acquisition of Lion Motor Sdn. Bhd. ("LMSB") for which the Group obtained control of LMSB and LMSB became a wholly-owned subsidiary of F.A. Autosoft Sdn. Bhd., a wholly-owned subsidiary of Federal Auto Holdings Berhad nominated by the Company to hold shares in LMSB. The consideration for the acquisition comprise purchase consideration of RM4 and debt settlement consideration of RM2,999,994, both in cash.

Identifiable assets acquired and liabilities assumed

	As at 28/02/2011 RM'000
Property, plant and equipment	112
Inventories	2,042
Trade and other receivables	1,184
Cash and bank balances	174
	<u>3,512</u>
Trade and other payables	(2,081)
Hire purchase creditor	(21)
	<u>(21)</u>
Total net identifiable assets	<u><u>1,410</u></u>

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

10. Changes in composition of the Group (cont'd)

Acquisition of subsidiary (cont'd)

	As at 28/02/2011 RM'000
<u>Goodwill</u>	
Goodwill was recognised as a result of the acquisition as follows:	
Total consideration	3,000
Less value of net identifiable assets	<u>(1,410)</u>
Goodwill	<u><u>1,590</u></u>
 <u>Net cashflow on acquisition</u>	
Total consideration	3,000
Cash and cash equivalents acquired	<u>(174)</u>
Net cash outflow on acquisition	<u><u>2,826</u></u>

11. Significant related party transactions

During the period ended 31 March 2011, the Group and the Company had the following transactions with related parties :

	Period ended 31/03/2011 RM'000
<u>Group</u>	
Purchases from Daihatsu Motor Co. Ltd. and/or its subsidiaries and associates*	--
Purchases from a subsidiary of Perodua	207,614
Sales to subsidiaries of Perodua	5,710
Purchases from Toyota Tsusho Co. and/or its subsidiaries and associates	3,293
Central Motor Wheels Co, a minority shareholder:	
Royalty fee payable	33
Technical fee payable	--
Development expenses	--
	<hr/>
<u>Company</u>	
Gross dividends from:	
- subsidiaries	--
- associates	--
Management fees from:	
- subsidiaries	36
	<hr/>

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

12. Capital commitments

The amount of commitments in respect of the acquisition of property, plant and equipments not provided for in the interim financial statements as at 31 March 2011 is as follows :

	<u>RM'000</u>
Approved and contracted for	20,579
Approved and not contracted for	<u>12,245</u>

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

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

There was no sale of unquoted investments and/or properties for the current quarter under review and financial period to date.

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.

(Continued next page)

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

18. Operating segments (cont'd)

Period ended 31 March 2011

	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	387,115	19,081	--	3,617	--	409,813
Intersegment revenue	--	--	--	--	--	--
Operating profits/(loss) for reportable segments	11,927	3,301	--	(93)	(1,163)	13,972
Share of results of associates	31,872	--	--	--	--	31,872
Interest income	184	151	--	--	404	739
Finance costs	(97)	(4)	--	(91)	(12)	(204)
Depreciation and amortisation	3,951	469	--	34	33	4,487
Other significant non-cash items						
- Provisions	186	--	--	--	--	186
Capital expenditure	1,752	17	--	71	9	1,849
Segment assets	565,463	91,804	--	14,039	81,076	752,382
Investment in associates	651,389	--	--	--	--	651,389
Segment liabilities	186,297	11,630	--	9,837	8,528	216,292

Period ended 31 March 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	343,975	17,817	23,328	1,983	60	387,163
Intersegment revenue	--	--	--	275	--	275
Operating profits/(loss) for reportable segments	10,227	5,181	3,560	(94)	(670)	18,204
Share of results of associates	30,564	--	--	--	--	30,564
Interest income	88	85	28	--	76	277
Finance costs	(175)	--	(188)	(77)	(4)	(444)
Depreciation and amortisation	567	501	684	32	--	1,784
Other significant non-cash items						
- Provisions	181	--	--	--	--	181
Capital expenditure	2,820	949	9,844	11	--	13,624
Segment assets	430,484	86,662	60,441	13,570	57,531	648,688
Investment in associates	570,567	--	--	--	--	570,567
Segment liabilities	86,021	8,820	39,368	9,200	8,312	151,721

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 31/03/2011 RM'000	Period ended 31/03/2010 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	409,813	387,378
All others	--	60
Elimination of inter-segment revenues	--	(275)
Discontinued operations	--	(23,328)
	<u>409,813</u>	<u>363,835</u>
<u>Profit or loss</u>		
Total profit for Group's reportable segments, including finance costs and interest income	15,278	18,635
All others	(771)	(598)
Share of results of associates	31,872	30,564
Discontinued operations	--	(3,400)
	<u>46,379</u>	<u>45,201</u>
<u>Assets</u>		
Total assets for Group's reportable segments	671,306	591,157
All others	81,076	57,531
Investment in associates	651,389	570,567
	<u>1,403,771</u>	<u>1,219,255</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	207,764	143,409
All others	8,528	8,312
	<u>216,292</u>	<u>151,721</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 2010. 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 31/03/2011 RM'000	Year to date 31/03/2011 RM'000
Current year's provision	3,452	3,452
Add :		
Under/(Over) provision in prior years	--	--
	3,452	3,452
Deferred taxation	(15)	(15)
Income tax expense	<u>3,437</u>	<u>3,437</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 31/03/2011 %	Year to date 31/03/2011 %
Statutory income tax rate in Malaysia	25.0	25.0
Adjustment for tax applicable to share of results in associates	(17.2)	(17.2)
Expenses not deductible for tax purpose / (Income not subject to tax)	0.2	0.2
Tax effect on utilisation of previously unrecognised deferred tax assets and reinvestment allowances	(0.6)	(0.6)
Overprovision of income tax in prior year	--	--
Underprovision of deferred tax in prior year	--	--
	<u>7.4</u>	<u>7.4</u>

20. Earnings per ordinary share (EPS)

	Quarter 3 months ended		Year to date 3 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Basic earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)				
- Continuing operations	38,405	37,421	38,405	37,421
- Discontinued operations	--	2,516	--	2,516
	<u>38,405</u>	<u>39,937</u>	<u>38,405</u>	<u>39,937</u>
Weighted average number of ordinary shares ('000)	242,745	242,073	242,745	242,073
Basic earnings per share (sen)				
- Continuing operations	15.82	15.46	15.82	15.46
- Discontinued operations	--	1.04	--	1.04
	<u>15.82</u>	<u>16.50</u>	<u>15.82</u>	<u>16.50</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		3 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Diluted earnings per ordinary share				
Profit attributable to ordinary shareholders (RM'000)				
- Continuing operations	38,405	37,421	38,405	37,421
- Discontinued operations	--	2,516	--	2,516
	<u>38,405</u>	<u>39,937</u>	<u>38,405</u>	<u>39,937</u>
Adjusted weighted average number of ordinary shares in issue and issuable				
	245,486	245,508	245,486	245,508
Diluted earnings per share (sen)				
- Continuing operations	15.64	15.24	15.64	15.24
- Discontinued operations	--	1.02	--	1.02
	<u>15.64</u>	<u>16.26</u>	<u>15.64</u>	<u>16.26</u>

	No of ordinary shares of RM1.00 each	
	31/03/2011	31/03/2010
Weighted average number of ordinary shares	242,744,878	242,072,667
Adjustment for assumed exercise of ESOS	2,741,000	3,435,000
Adjusted weighted average number of ordinary shares in issue and issuable	245,485,878	245,507,667

21. Corporate proposals

Subsequent to the fourth quarter 2010 announcement made on 17 February 2011, the following corporate proposals were made or undertaken by the Group and the Company.

On 28 February 2011, further to the two conditional shares sale and purchase agreements on 14 October 2010 for the proposed acquisitions of KMASB and LMSB, the Company entered into supplementary agreements, each with the Lion Corporation Berhad and Lion Forest Industries Berhad (collectively referred to as "First Vendor") and Silverstone Corporation Berhad, CEDR Consulting Sdn. Bhd., Innovasi Istimewa Sdn. Bhd. and Range Grove Sdn. Bhd. (collectively referred to as "Second Vendor") to mutually agree that the Company's proposed acquisition of KMASB shall not be inter-conditional with the completion of the proposed acquisition of LMSB. In this regard, the proposed acquisition of LMSB was completed on 28 February 2011 and it became a subsidiary of F.A. Autosoft Sdn. Bhd., a wholly-owned subsidiary of Federal Auto Holdings Berhad ("FAHB") nominated by the Company to hold shares in LMSB. As at the date of this report, the Conditions Precedent for the proposed acquisition of KMASB is still pending fulfillment.

On 6 May 2011, the Company announced that FAHB completed the reduction of FAHB's share capital under Section 64 of the Companies Act, 1965 ("Act"). Arising thereto, FAHB is now a 100% owned subsidiary of Galaxy Waves Sdn. Bhd. ("GWSB"), which in turn a 100% owned subsidiary of MBMR. The Order of the High Court of Malaya at Kuala Lumpur (which was obtained on 4 April 2011) has been lodged with the Registrar of Companies on the same date. As such, the issued and paid-up share capital of FAHB is reduced from RM15,000,000, comprising 15,000,000 ordinary shares of RM1.00 each in FAHB ("Share(s)"), to RM6,181,806, comprising 6,181,806 Shares.

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

22. Loans and Borrowings

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
	<u> </u>	<u> </u>
Denominated in Malaysian Currency (RM)		
Secured	5,803	21,428
Unsecured	<u>5,895</u>	<u> </u>
Total	<u><u>11,698</u></u>	<u><u>21,428</u></u>

23. Cash and Cash Equivalents

	The Group As at	
	31/03/2011 RM'000	31/03/2010 RM'000
	<u> </u>	<u> </u>
Cash on hand and at at banks	66,399	67,115
Deposits with licensed banks	<u>86,845</u>	<u>82,458</u>
Cash and bank balances, from continuing operations	153,244	149,573
Cash and bank balances, from discontinued operation	<u> </u>	<u>3,859</u>
Cash and bank balances	153,244	153,432
Less : Bank overdrafts		
From continuing operations	(1,624)	(1,570)
Directly associated with discontinued operation	<u> </u>	<u>(1,021)</u>
Cash and cash equivalents	<u><u>151,620</u></u>	<u><u>150,841</u></u>
Cash and bank balances	153,244	153,432
Less :		
Total borrowings*, from continuing operations	(33,126)	(16,287)
Total borrowings*, from discontinued operation	<u> </u>	<u>(25,525)</u>
Total borrowings	(33,126)	(41,812)
Net cash position (after total borrowings)	<u><u>120,118</u></u>	<u><u>111,620</u></u>

(Note * Total borrowings include hire-purchase payables)

24. Off balance sheet financial instruments

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 16 May 2011, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

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

25. Supplementary information

The following information are provided pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad Listing Requirements to disclose the breakdown of the unappropriated profits or accumulated losses of the Group and of the Company as of 31 March 2011 into realised and unrealised profits or losses.

	31/03/2011	
	The Group RM'000	The Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	558,953	127,215
Unrealised	(5,506)	(1,535)
Total retained earnings from the associates		
Realised	492,429	--
Unrealised	(22,013)	--
Less : Consolidation adjustments	(261,460)	--
Total retained earnings as per statement of financial position	<u>762,403</u>	<u>125,680</u>

26. Material litigations

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

27. 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 2010.

28. 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 : 24 MAY 2011**