

MALAYSIAN RESOURCES CORPORATION BERHAD

(Incorporated in Malaysia - Company No.7994-D)

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

In RM'000	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.3.2012 (unaudited)	31.3.2011 (unaudited)	31.3.2012 (unaudited)	31.3.2011 (unaudited)
Revenue		328,624	221,497	328,624	221,497
Expenses		(291,845)	(205,904)	(291,845)	(205,904)
Other operating income	13	11,982	18,927	11,982	18,927
Profit from operations		48,761	34,520	48,761	34,520
Finance cost		(11,851)	(9,981)	(11,851)	(9,981)
Share of results of associates		(73)	(92)	(73)	(92)
Share of results of jointly controlled entities		(1,235)	(411)	(1,235)	(411)
Profit before tax		35,602	24,036	35,602	24,036
Income tax expense	14	(7,002)	151	(7,002)	151
Profit for the financial period		28,600	24,187	28,600	24,187
Other comprehensive income for the financial period, net of tax					
Items that may be reclassified subsequently to Profit or loss					
- Currency translation differences		(235)	(166)	(235)	(166)
Total comprehensive income for the financial period, net of tax		28,365	24,021	28,365	24,021
Profit attributable to:					
Equity holders of the Company		22,155	21,602	22,155	21,602
Non-controlling interest		6,445	2,585	6,445	2,585
		28,600	24,187	28,600	24,187
Total comprehensive income for the financial period, net of tax:					
Equity holders of the Company		21,991	21,482	21,991	21,482
Non-controlling interest		6,374	2,539	6,374	2,539
		28,365	24,021	28,365	24,021
Earnings per share attributable to the ordinary equity holders of the Company (sen)					
- Basic	22	1.60	1.56	1.60	1.56
- Diluted	22	1.60	1.56	1.60	1.56

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011

MALAYSIAN RESOURCES CORPORATION BERHAD

(Incorporated in Malaysia - Company No.7994-D)

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

Condensed Consolidated Statement of Financial Position

In RM'000	As at 31.03.2012 (unaudited)	As at 31.12.2011 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	205,848	206,731
Investment properties	722,304	652,976
Land held for property development	767,986	766,400
Service concession asset	1,311,321	1,265,658
Associates	113,833	117,603
Jointly controlled entities	95,490	96,725
Available for sale financial assets	577	577
Intangible assets	95,636	95,736
Deferred tax assets	29,183	29,452
	<u>3,342,178</u>	<u>3,231,858</u>
Current assets		
Inventories	16,917	16,753
Properties development costs	413,190	408,497
Trade and other receivables	1,245,768	1,120,472
Amount due from jointly controlled entities	2,298	2,841
Tax recoverable	9,327	10,018
Financial assets at fair value through profit or loss	4,687	4,545
Deposits, cash and bank balances	527,659	616,188
	<u>2,219,846</u>	<u>2,179,314</u>
TOTAL ASSETS	<u>5,562,024</u>	<u>5,411,172</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,386,423	1,386,155
Reserves	(3,939)	(26,032)
	<u>1,382,484</u>	<u>1,360,123</u>
Non-controlling interest	44,446	38,131
Total equity	<u>1,426,930</u>	<u>1,398,254</u>
Non-current liabilities		
Loan stock at cost	7,000	7,000
Senior and Junior Sukuk	1,058,481	1,058,485
Long term borrowings	1,371,948	1,317,688
Long term liabilities	124,713	124,094
Deferred tax liabilities	49,552	50,619
	<u>2,611,694</u>	<u>2,557,886</u>
Current liabilities		
Trade and payables	721,974	778,916
Other payables	363,197	321,220
Current tax liabilities	3,274	2,665
Short term borrowings	434,955	352,231
	<u>1,523,400</u>	<u>1,455,032</u>
Total liabilities	<u>4,135,094</u>	<u>4,012,918</u>
TOTAL EQUITY AND LIABILITIES	<u>5,562,024</u>	<u>5,411,172</u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>99.7</u>	<u>98.1</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.

MALAYSIAN RESOURCES CORPORATION BERHAD

(Incorporated in Malaysia - Company No.7994-D)

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

Condensed Consolidated Statement of Cash Flows

In RM'000	3 months ended	
	31.03.2012	31.03.2011 (unaudited)
Operating activities		
Cash receipts from customers	216,563	237,190
Cash paid to suppliers and employees	(404,000)	(415,973)
Cash used in operations	(187,437)	(178,783)
Finance cost paid	(483)	(610)
Taxes paid	(6,484)	(8,480)
Net cash used in operating activities	(194,404)	(187,873)
Investing activities		
Acquisition of equity investments	(4,657)	(54,704)
Disposal of equity investments	150	2,949
Dividend received	100	64
Non-equity investments	2,194	(29,912)
Net cash used in investing activities	(2,213)	(81,603)
Financing activities		
Proceed from issue of share capital	332	1,915
Proceeds from borrowings	171,208	508,620
Repayment of borrowings	(37,313)	(229,678)
Interest paid	(26,140)	(17,584)
Withdrawal / (pledged) of restricted cash	51,914	(204,580)
Net cash generated from financing activities	160,001	58,693
Net decrease in cash and cash equivalent	(36,616)	(210,783)
Cash and cash equivalents at beginning of the financial year	371,076	487,274
Cash and cash equivalent at end of financial period	334,460	276,491

For the purpose of the statement of cash flows, the cash and cash equivalents comprised the following:

Bank balances and deposits	527,659	788,801
Less: Bank balances and deposits held as security value	(193,199)	(512,310)
	<u>334,460</u>	<u>276,491</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011

MALAYSIAN RESOURCES CORPORATION BERHAD

(Incorporated in Malaysia - Company No.7994-D)

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

Condensed Consolidated Statement of Changes in Equity

In RM'000	Attributable to equity holders of the Company				<u>Total</u>	Non- controlling <u>interests</u>	<u>Total equity</u>
	<u>Share Capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Accumulated losses</u>			
At 1 January 2012	1,386,155	132,226	44,592	(202,850)	1,360,123	38,131	1,398,254
Comprehensive income							
- Profit for the financial period	-	-	-	22,155	22,155	6,445	28,600
Other comprehensive income							
- Currency translation differences	-	-	(165)	-	(165)	(70)	(235)
Total comprehensive income	-	-	(165)	22,155	21,990	6,375	28,365
Transactions with owners							
Issue of shares							
- exercise of ESOS options	268	58	-	-	326	-	326
Acquisition of additional interest in subsidiary	-	-	45	-	45	-	45
Profit distribution by a jointly controlled entity							
- financial year ended 31 December 2012	-	-	-	-	-	(60)	(60)
Total transactions with owners	268	58	45	-	371	(60)	311
At 31 March 2012 (unaudited)	1,386,423	132,284	44,472	(180,695)	1,382,484	44,446	1,426,930

MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

Condensed Consolidated Statement of Changes in Equity

In RM'000	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share Capital	Share premium	Other reserves	Accumulated losses			
At 1 January 2011	1,382,432	130,774	38,924	(265,905)	1,286,225	35,252	1,321,477
Comprehensive income							
- Profit for the financial year	-	-	-	77,462	77,462	14,463	91,925
Other comprehensive income							
- Currency translation differences	-	-	290	-	290	129	419
- Share of an associate's other comprehensive income	-	-	-	1,164	1,164	-	1,164
Total comprehensive income	-	-	290	78,626	78,916	14,592	93,508
Transactions with owners							
Issue of shares							
- exercise of ESOS options	3,723	1,452	-	-	5,175	-	5,175
Employees' share option scheme							
- options granted	-	-	3,858	-	3,858	-	3,858
Issue of shares	-	-	-	-	-	90	90
Acquisition of additional interest in subsidiaries	-	-	1,520	-	1,520	(8,708)	(7,188)
Dividends							
- financial year ended 31 December 2010	-	-	-	(15,571)	(15,571)	-	(15,571)
Profit distribution by a jointly controlled entity							
- financial year ended 31 December 2011	-	-	-	-	-	(3,095)	(3,095)
Total transactions with owners	3,723	1,452	5,378	(15,571)	(5,018)	(11,713)	(16,731)
At 31 December 2011 (unaudited)	1,386,155	132,226	44,592	(202,850)	1,360,123	38,131	1,398,254

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011

MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

Notes to the Interim Report

1. Basis of preparation

The financial report has been prepared in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2011.

The accounting policies and methods of computation adopted for the financial report are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2011, other than for the compliance with the new/revised Financial Reporting Standards (FRS) that came into effect during the financial year under review.

In the current financial year, the Group will continue to apply the Financial Reporting Standards framework. The Group will apply the following new standards, amendments to standard and interpretations that came into effect during the financial year under review:

- The revised FRS 124 "Related Party Disclosures"
- Amendments to FRS 112 "Income Taxes"
- Amendments to IC Interpretation 14 "FRS 119 – The Limit on a Defined Benefits Assets, Minimum Funding Requirements and their Interaction"
- Amendments to FRS 7 "Financial instruments: Disclosures on Transfer of Financial Assets"

The above new standards, amendments to standard and interpretations do not have material effects on the Group's financial result for the financial year under review nor the Group's shareholders' funds as at 31 March 2012.

2. Audit report of the preceding annual financial statements

The audit report of the Group's preceding annual financial statements was not subject to any qualification.

3. Seasonal or cyclical fluctuations

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the current financial period.

4. Items of unusual nature, size or incidence

There were no other items of unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows.

5. Material changes in estimates of amounts reported

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

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Notes to the Interim Report

6. Debt and equity securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period other than the shares allotment arising from the conversion of Employees' Share Option Scheme as disclosed in the statement of changes in equity.

7. Dividends

During the Company's 41st Annual General Meeting held on 3 April 2012, the shareholders of the Company had approved the payment of a first and final dividend in respect of the financial year ended 31 December 2011 of 2.0 % or 2.0 sen per ordinary share less income tax of 25%, amounting to RM20,796,502. The dividends were paid on 4 May 2012.

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8. Segmental reporting

	Engineering and Construction RM'000	Property development and investment RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding and others RM'000	Group RM'000
3 months ended 31.03.2012						
Total revenue	244,468	165,735	5,144	14,059	101	429,507
Inter-segment revenue	(99,283)	675	-	(2,275)	-	(100,883)
External revenue	145,185	166,410	5,144	11,784	101	328,624
Segment results	7,614	45,284	736	(61)	(7,220)	46,353
Finance income						2,408
Finance cost						(11,851)
Share of results of jointly controlled entities and associates	-	(1,308)	-	-	-	(1,308)
Profit before tax						35,602
3 months ended 31.03.2011						
Total revenue	309,335	56,960	11,259	16,402	106	394,062
Inter-segment revenue	(164,840)	(3,245)	-	(4,480)	-	(172,565)
External revenue	144,495	53,715	11,259	11,922	106	221,497
Segment results	14,486	13,790	2,253	(136)	(2,590)	27,803
Finance income						6,717
Finance cost						(9,981)
Share of results of jointly controlled entities and associates	(186)	(317)	-	-	-	(503)
Profit before tax						24,036

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Notes to the Interim Report

9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without any material amendments from the previous financial statements.

10. Material events subsequent to the financial period

There were no material events subsequent to the end of the current quarter.

11. Changes in the composition of the Group

The Company had on 8 February 2012 applied to Companies Commission of Malaysia to effect its three (3) non-wholly owned subsidiaries under members' voluntary liquidation pursuant to section 254(1)(b) of the Companies Act, 1965. These subsidiaries are Cheq Point (M) Sdn. Bhd., MR-H Piling and Civil Engineering (M) Sdn. Bhd. and MR Construction Sdn. Bhd.

At the date of this report, these subsidiaries are still in the process of liquidation.

12. Contingent liabilities or contingent assets

The Group's contingent liabilities, which comprised trade and performance guarantees, amounted to RM316.1 million as at 31 March 2012 (as compared to RM308.1 million as at 31 December 2011). There are no material contingent assets to be disclosed.

13. Other operating income

There was no item of unusual nature in the other operating income in the current financial period.

14. Income tax expenses

In RM'000	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
In Malaysia				
Taxation				
- current year	(7,485)	(4,170)	(7,485)	(4,170)
- over provision in prior years	268	379	268	379
Deferred tax	215	3,942	215	3,942
	<u>(7,002)</u>	<u>151</u>	<u>(7,002)</u>	<u>151</u>

The effective tax rate for the current financial period is lower than the statutory rate of taxation principally due to the availability of unutilised tax losses to set off against the taxable profits of few subsidiaries.

The reversal of deferred tax liabilities was mainly due tax losses of a subsidiary.

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Notes to the Interim Report

15. Corporate Proposal

There was no corporate proposal announced in the current financial period.

16. Group borrowings

The tenure of the Group borrowings classified as short and long terms are as follows:

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
Secured		
Short term	434,955	337,231
Long term	2,430,429	2,376,173
Unsecured		
Short term	-	15,000

The Group borrowings are all denominated in Ringgit Malaysia.

17. Material litigation

The Group is engaged in various litigations arising from its business transactions, the claims thereon amounting to approximately RM70.1 million. The Board of Directors has been advised on these claims for which reasonable defences exist and claims that are pending amicable settlement.

On this basis, the Board of Directors is of the opinion that the said litigations would not have a material effect on the financial position or the business of the Group. On the other hand, the Group has also filed some claims, some of them are counter claims amounting to approximately RM12.7 million arising from its business transactions.

18. Comparison with immediate preceding corresponding quarter's results

The Group recorded a higher profit before taxation amounting to RM35.6 million for the current 1st quarter ended 31 March 2012 compared to RM24.0 million recorded in the preceding corresponding 1st quarter ended 31 March 2011. The higher profit for the current quarter was mainly contributed by recognition of progress profit of the ongoing property development projects at Kuala Lumpur Sentral and recurring rental income from the newly completed KL Sentral Park office.

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Notes to the Interim Report

19. Review of performance

The Group recorded revenue of RM328.6 million for the current 1st quarter ended 31 March 2012 as compared to RM221.5 million recorded in the preceding 1st quarter ended 31 March 2011. Positive revenue growth recorded in the current quarter was contributed by the Group's property division which recorded higher revenue recognition especially from its ongoing property development projects at Kuala Lumpur Sentral.

20. Prospects

The Group expects to deliver another year of revenue growth, driven by on-going property development projects in Kuala Lumpur Sentral. The newly completed KL Sentral Park office, the Group's latest property investment addition, continues to attract encouraging interests with tenancy expecting to reach full occupancy by this year.

On-going construction of CIMB Tower at Lot A, Shell Tower at Lot 348 and the integrated Nu Sentral retail mall, 3 office towers and one block of hotel at Lot G are progressing on schedule to complete within this year. The Eastern Dispersal Link Expressway (EDL) in Johor Bahru was successfully opened to traffic on 1st April 2012 whilst negotiation with the Government of Malaysia for toll collection is still in progress. Among the Group's major construction works, the Ampang LRT extension line project has commenced work late last year.

However, the Board remains cautious for the Group to deliver profitability growth considering the uncertainty of commencement of toll collection from the EDL and the competitive construction industry with pressure of increasing material prices and tight labour market.

21. Variance on forecast profit/profit guarantee

Not applicable.

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Notes to the Interim Report

22. Earning per share (EPS)

Basic EPS

The basic EPS is calculated by dividing the net profit for the current financial period by the weighted average number of shares issued during the current financial period.

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Net profit for the financial period attributable to the owners of the parent (RM'000)	22,155	21,602	22,155	21,602
Weighted average number of ordinary shares in issue ('000)	1,386,343	1,383,448	1,386,343	1,383,448
Basic EPS (sen)	1.60	1.56	1.60	1.56

Diluted EPS

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares issued during the current financial period were adjusted for the dilutive effects of all potential ordinary shares that were still in the market i.e. share options (ESOS) granted to employees.

Certain tranches of ESOS options were not included in the calculation because the fair value of the issued ordinary shares as at 31 March 2012 was lower than the said option prices.

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Net profit for the financial period attributable to the owners of the parent (RM'000)	22,155	21,602	22,155	21,602
Weighted average number of ordinary shares issued ('000)	1,386,343	1,383,448	1,386,343	1,383,448
Adjustment for ESOS ('000)	950	3,853	950	3,853
Weighted average number of ordinary shares issued ('000)	1,387,293	1,387,301	1,387,293	1,387,301
Diluted EPS (sen)	1.60	1.56	1.60	1.56

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Notes to the Interim Report

23. Breakdown of realised and unrealised profits or losses

The breakdown of the accumulated losses of the Group as at 31 March 2012, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows;

	Accumulated quarter ended 31.03.2012 (RM'000)	Accumulated quarter ended 31.12.2011 (RM'000)
Total accumulated losses:		
- Realised	(85,452)	(108,636)
- Unrealised	(29,972)	(30,913)
Total share of accumulated profit or losses from associates:		
- Realised	(9,427)	(5,657)
- Unrealised	-	-
Total share of accumulated losses from jointly controlled entities:		
- Realised	(6,510)	(5,463)
- Unrealised	-	-
Add: Consolidation adjustments	(49,334)	(52,181)
Total Group accumulated losses	(180,695)	(202,850)

The analysis of realised and unrealised accumulated losses is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements as issued by the Malaysian Institute of Accountants.

The disclosure above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

By Order of the Board

Mohd Noor Rahim Yahaya
Company Secretary

Kuala Lumpur
22 May 2012