

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**MALAYSIAN RESOURCES CORPORATION BERHAD**

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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED SHARE BUY-BACK OF UP TO TEN PERCENT (10%)  
OF THE ISSUED AND PAID-UP SHARE CAPITAL  
OF MALAYSIAN RESOURCES CORPORATION BERHAD**

The Notice of Extraordinary General Meeting ("EGM") to be held at **Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50300 Kuala Lumpur on Monday, 11 May 2015 at 12.00 noon or immediately after the conclusion of the 44th Annual General Meeting** which will be held at the same venue and on the same day at 11.00 a.m., whichever is later, or at any adjournment thereof, together with the Form of Proxy are enclosed with this Circular.

You may appoint a proxy or proxies to attend the EGM and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the office of the share registrar of the Company, Symphony Share Registrars Sdn.Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 9 May 2015 at 12.00 noon  
Date and time of Extraordinary General Meeting : Monday, 11 May 2015 at 12.00 noon

This Circular is dated 17 April 2015

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Circular	:	This Circular dated 17 April 2015 which sets out details of the Proposed Share Buy-Back
Code	:	Malaysian Code on Takeovers and Mergers 2010, and any amendment made thereto from time to time
MRCB or Company	:	Malaysian Resources Corporation Berhad (7994-D)
MRCB Group or Group	:	Collectively, MRCB and its subsidiaries
MRCB Shares(s) or Share(s)	:	Ordinary shares of RM1.00 each in MRCB
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per Share
ESOS	:	Employees' Share Option Scheme of MRCB
ESOS Options	:	Options granted pursuant to the ESOS
FYE	:	Financial year ended
Listing Requirements	:	The Listing Requirements of Bursa Securities, as amended from time to time
NTA	:	Net tangible assets
Proposed Share Buy-Back	:	Proposed authority to enable the Company to purchase MRCB Shares of up to 10% of the issued and paid-up share capital of MRCB
RM and sen	:	Ringgit Malaysia and sen, respectively
WAP	:	Weighted average market price
Warrants	:	576,519,012 five-year warrants 2013/2018

Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

All references to "our Company" in this Circular are to MRCB, references to "our Group" are to our Company and our subsidiaries and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise requires shall include our subsidiaries.

All references to "you" in this Circular are to our shareholders.

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## MALAYSIAN RESOURCES CORPORATION BERHAD

(Company No.: 7994-D)

(Incorporated in Malaysia under the Companies Act 1965)

### Registered Office:

Level 33A, Menara NU2

No. 203, Jalan Tun Sambanthan

Kuala Lumpur Sentral

50470 Kuala Lumpur

17 April 2015

### Board of Directors

Tan Sri Azlan Zainol (*Non-Independent Non-Executive Chairman*)

Tan Sri Mohamad Salim Fateh Din (*Group Managing Director*)

Mohd Imran Tan Sri Mohamad Salim (*Executive Director*)

Datuk Shahril Ridza Ridzuan (*Non-Independent Non-Executive Director*)

Dato' Abdul Rahman Ahmad (*Independent Director*)

Dato' Chong Pah Aung (*Independent Director*)

Jamaludin Zakaria (*Independent Director*)

Dato' Johari Razak (*Independent Director*)

Rohaya Mohammad Yusof (*Non-Independent Non-Executive Director*)

### To: Our shareholders

Dear Sir / Madam,

#### 1. INTRODUCTION

On 14 April 2015, the Company had announced that it proposes to undertake a proposed share buy-back of up to ten percent (10%) of its issued and paid-up share capital.

The purpose of this Circular is to provide you with information on the Proposed Share Buy-Back and to seek your approval for the ordinary resolution relating to the Proposed Share Buy-Back to be tabled at the forthcoming EGM of the Company to be convened. The notice of the EGM together with the Form of Proxy are enclosed in this Circular.

You are advised to read the contents of this Circular carefully before voting on the resolution pertaining to the Proposed Share Buy-Back.

**SHAREHOLDERS OF MRCB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING EGM.**

#### 2. DETAILS OF THE PROPOSED SHARE BUY-BACK

MRCB is proposing to seek authority from the shareholders to purchase up to ten percent (10%) of its issued and paid-up share capital. Based on the issued and paid-up capital of the Company as at 16 March 2015 of RM1,786,580,857 comprising 1,786,580,857 MRCB Shares, the maximum number of MRCB Shares that may be purchased by the Company pursuant to the Proposed Share Buy-Back amounts to 178,658,085 MRCB Shares (assuming no exercise of Warrants and ESOS Options).

## **2.1 Effective Period**

The Proposed Share Buy-Back shall be effective upon the passing of the ordinary resolution authorising the Proposed Share Buy Back, until:

- (a) the conclusion of the next AGM of MRCB following the EGM at which such resolution was passed at which time it shall lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

## **2.2 Quantum and Funding**

The number of shares to be purchased and timing of the purchase will depend on, inter-alia, market conditions, the availability of the retained profits/share premium and financial resources of MRCB as well as Bursa Securities's requirement to maintain the necessary shareholding spread and minimum issued and paid-up share capital.

The Proposed Share Buy-Back will be financed through internally generated funds and/or borrowings and will be made wholly out of the retained profits and/or the share premium account of MRCB.

Based on the latest audited financial statements of MRCB for the financial year ended 31 December 2014, the retained profit and share premium account of the Company were RM38.77 million and RM323.99 million respectively.

## **2.3 Status and Treatment of Shares Purchased**

Subject to the compliance with Section 67A of the Act, the Listing Requirements and other relevant statutory and regulatory requirements, the Company will deal with the Shares purchased, in the following manner:

- (a) cancel all or part of the Shares purchased; and/or
- (b) retain all or part of the Shares purchased as Treasury Shares; and/or
- (c) resell the Treasury Shares on Bursa Securities; and/or
- (d) distribute the Treasury Shares as share dividends to the shareholders of the Company for the time being.

In the event that the Shares purchased are held as Treasury Shares, the rights attached to them as to voting, dividends and participation in any other distribution and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution at meetings.

## **2.4 Pricing**

In accordance with the Listing Requirements, MRCB may only purchase its own Shares at a price not more than 15% above the weighted average market price of MRCB Shares for the past five (5) market days immediately preceding the date of purchase(s).

Should MRCB decide to retain the Shares purchased as treasury shares, MRCB may only resell the said shares at a price which is:

- (a) not less than the weighted average market price for the Shares for the 5 market days immediately prior to the resale; or
- (b) not less than 5% below the weighted average market price for the Shares for the 5 market days immediately prior to the resale provided that:
  - (i) the resale takes place no earlier than 30 days from the date of purchase; and
  - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

## **3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back is intended to enable the Company to utilise any of its surplus financial resources which is not immediately required for other uses, to purchase its own shares from the market. The Company will be able to purchase its own shares when the Shares are being traded at values that are grossly below what the Board believes to be their intrinsic value. This will enable the prices of MRCB Shares traded on the Bursa Securities to be stabilised and therefore better reflect its fundamentals.

If the Shares purchased are subsequently cancelled, the EPS of MRCB may strengthen and if so, it is expected to benefit the shareholders of the Company.

If the Purchased Shares are held as Treasury Shares, such Shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves. Should the Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

## **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

### **4.1 Potential Advantages**

The potential advantages of the Proposed Share Buy-Back to MRCB and its shareholders are as follows:

- (a) allows the Company the flexibility to achieve its desired capital structure;
- (b) rewards the shareholders in the event the treasury shares are distributed as share dividends; and
- (c) mitigate the dilution effects on the Company's EPS as a result of exercise of Warrants, conversion of ICULS and exercise of ESOS options

## **4.2 Potential Disadvantages**

The potential disadvantages of the Proposed Share Buy-Back to MRCB and its shareholders are as follows:

- (a) any purchase by the Company of its own Shares will reduce its financial resources and may result in MRCB foregoing better investment opportunities that may emerge in future; and
- (b) as any purchase of its own Shares can only be made out of its retained profits and share premium account, it may result in the reduction of financial resources available for distribution to MRCB's shareholders in the immediate future.

Nevertheless, the Board of MRCB will be mindful of the interest of the Company and its shareholders in undertaking any purchase of its own Shares and in the subsequent resale of Treasury Shares on Bursa Securities, if any.

## **5. EFFECTS OF THE PROPOSED SHARE BUY-BACK**

The financial effects of the Proposed Share Buy-Back are illustrated below based on the following assumptions:

- (a) the purchase of MRCB Shares of up to 10% of the issued and paid-up share capital of MRCB is carried out in full; and
- (b) MRCB Shares so purchased are cancelled or alternatively retained as treasury shares or both.

### **5.1 Share Capital**

As at 16 March 2015:

- (a) the issued and paid up share capital of MRCB is RM1,786,580,857 comprising 1,786,580,857 MRCB Shares;
- (b) the existing number of Warrants are 576,519,012; and
- (c) the existing number of ESOS options are 21,158,398.

In the event that all MRCB Shares to be purchased are cancelled:

- (a) assuming no exercise of Warrants and no exercise of ESOS options, the issued and paid-up share capital of MRCB will be reduced to RM1,607,922,771 comprising 1,607,922,771 MRCB Shares; and
- (b) assuming full exercise of Warrants, and full exercise of ESOS options, the issued and paid-up share capital of MRCB will be increased to RM2,384,258,267 comprising 2,384,258,267 MRCB Shares and subsequently reduced to RM2,145,832,440 comprising 2,145,832,440 MRCB Shares.

The effects of the Proposed Share Buy-Back on the issued and paid-up share capital of MRCB are set out below:

	Assuming no exercise of Warrants and no exercise of ESOS options	Assuming full exercise of Warrants and full exercise of the ESOS options
	No. of Shares	No. of Shares
Issued and paid-up share capital as at 16 March 2015	1,786,580,857	1,786,580,857
Shares to be issued upon full exercise of Warrants	-	576,519,012
Shares to be issued upon full exercise of ESOS options	-	2,363,099,869
	1,786,580,857	2,384,258,267
Less: Maximum number of Shares that may be purchased pursuant to the Proposed Share Buy-Back	(178,658,086)	(238,425,827)
Issued and paid-up share capital after Proposed Share Buy-Back and cancellation	1,607,922,771	2,145,832,440

However, the Proposed Share Buy-Back is not expected to have any effect on the issued and paid-up share capital if all MRCB Shares purchased are retained as treasury shares.

## 5.2 NTA

The effects of the Proposed Share Buy-Back on the NTA per share of MRCB Group is dependent on whether or not the Shares purchased are cancelled or retained as treasury shares, the number of Shares purchased, the timing, the purchase price and the eventual treatment of any treasury shares arising therefrom.

The Proposed Share Buy-Back will reduce the NTA per share when the purchase price exceeds the NTA per share at the relevant point in time. On the contrary, the NTA per share will be increased when the purchase price is less than the NTA per share at the relevant point in time.

If the purchased Shares were held as treasury shares and subsequently resold on Bursa Securities, the Company's NTA per share would increase if the Company realise a gain from the resale and vice-versa.

In addition to the purchase price of the Shares, the effective cost of funds or any loss in interest income to the Group may also have an impact on the NTA per share.

The Proposed Share Buy-Back will reduce the working capital of the Group, the quantum being dependent on the amount of financial resources to be utilised for the purchase of MRCB Shares.

## 5.3 Earnings

The effect of the Proposed Share Buy-Back on the EPS of the Group is dependent on the purchase prices of MRCB Shares and the effective funding cost or loss in interest income to the Group.

Similarly, on the assumption that the Shares so purchased are treated as treasury shares, the extent of the effect on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the gain from disposal.



#### **5.4 Gearing**

The effect of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowing used to fund the Purchase Shares. The utilisation of any borrowings to fund the Proposed Share Buy-back will serve to increase the gearing of the Group.

#### **5.5 Dividend**

The Proposed Share Buy-Back is not expected to have any material effect on the dividend policy of the Company. The dividend to be declared by our Company in the future, if any, shall depend on, amongst others, the profitability and cashflow position of the Group and Company.

#### **5.6 Shareholdings**

The following tables show the effects of the Proposed Share Buy-Back on the major shareholders' and Directors' shareholdings (if any) as at 16 March 2015 assuming that:

- (a) the purchase of own shares of up to 10% of the issued and paid-up share capital of MRCB;
- (b) the MRCB Shares so purchased are cancelled;
- (c) the major shareholders and/or Directors do not sell down their shareholdings; and
- (d) there will be dilution of issued and paid-up share capital of MRCB upon full exercise of Warrants and full exercise of ESOS options.

As at 16 March 2015, none of the Directors hold any Shares, Warrants or ESOS options in MRCB, save for the following Directors:

- (a) Tan Sri Mohamad Salim Fateh Din, the Group Managing Director of the Company
- (b) Mohd Imran Tan Sri Mohamad Salim, the Executive Director of the Company
- (c) Datuk Shahril Ridza Ridzuan, the non-executive non-independent

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The proforma effects of the Proposed Share Buy-back on the shareholdings structure of the major shareholders and Directors (if any) are set out below:

(a) Assuming no exercise of Warrants and no exercise of ESOS options

	(I) No. of Shares as at 16 March 2015				(II) After (I) and assuming full cancellation of Shares purchased			
	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
<b>Major shareholders</b>								
Employees Provident Fund ("EPF")	685,457,897	38.37	-	-	685,457,897	42.64	-	-
Gapurna Sdn Bhd ("Gapurna")	298,322,581	16.70	-	-	<sup>(1)</sup> 298,322,581	18.55	-	-
Lembaga Tabung Haji ("LTH")	180,265,673	10.09	-	-	180,265,673	11.21	-	-
Tan Sri Mohamad Salim Fateh Din	-	-	<sup>(1)</sup> 298,322,581	16.70	-	-	<sup>(1)</sup> 298,322,581	18.55
Mohd Imran Tan Sri Mohamad Salim	-	-	<sup>(2)</sup> 298,322,581	16.70	-	-	<sup>(2)</sup> 298,322,581	18.55
<b>Director</b>								
Tan Sri Mohamad Salim Fateh Din	-	-	<sup>(1)</sup> 298,322,581	16.70	-	-	<sup>(1)</sup> 298,322,581	18.55
Mohd Imran Tan Sri Mohamad Salim	-	-	<sup>(2)</sup> 298,322,581	16.70	-	-	<sup>(2)</sup> 298,322,581	18.55
Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-	-	-	500,000	0.03

Please refer to notes under table (c)

(b) Assuming full exercise of Warrants

	(I) No. of Shares as at 16 March 2015				(II) After (I) and assuming full exercise of Warrants				(III) After (II) and assuming full cancellation of Shares purchased			
	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
<b>Major shareholders</b>												
Employees Provident Fund ("EPF")	685,457,897	38.37	-	-	686,805,825	29.06	-	-	686,805,825	32.29	-	-
Gapurna Sdn Bhd ("Gapurna")	298,322,581	16.70	-	-	#383,557,604	16.23	-	-	#383,557,604	18.03	-	-
Lembaga Tabung Haji ("LTH")	180,265,673	10.09	-	-	180,265,673	7.63	-	-	180,265,673	8.48	-	-
Tan Sri Mohamad Salim Fateh Din	-	-	<sup>(1)</sup> 298,322,581	16.70	-	-	<sup>(1)</sup> 383,557,604	16.23	-	-	<sup>(1)</sup> 383,557,604	18.03
Mohd Imran Tan Sri Mohamad Salim	-	-	<sup>(2)</sup> 298,322,581	16.70	-	-	<sup>(2)</sup> 383,557,604	16.23	-	-	<sup>(2)</sup> 383,557,604	18.03
<b>Director</b>												
Tan Sri Mohamad Salim Fateh Din	-	-	<sup>(1)</sup> 298,322,581	16.70	-	-	<sup>(1)</sup> 383,557,604	16.23	-	-	<sup>(1)</sup> 383,557,604	18.03
Mohd Imran Tan Sri Mohamad Salim	-	-	<sup>(2)</sup> 298,322,581	16.70	-	-	<sup>(2)</sup> 383,557,604	16.23	-	-	<sup>(2)</sup> 383,557,604	18.03
Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-	##666,667	0.03	-	-	666,667	0.03	-	-

Please refer to notes under table (c)

(c) Assuming full exercise of Warrants and full exercise of ESOS options

	(I) No. of Shares as at 16 March 2015				(II) After (I) and assuming full exercise of Warrants				(III) After (II) and assuming full exercise of ESOS options				(IV) After (III) and assuming full cancellation of Shares purchased			
	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
<b>Major shareholders</b>																
Employees Provident Fund ("EPF")	685,457,897	38.37	-	-	686,805,825	29.06	-	-	686,805,825	28.81	-	-	686,805,825	32.01	-	-
Gapurna Sdn Bhd ("Gapurna")	<sup>(1)</sup> 298,322,581	16.70	-	-	#383,557,604	16.23	-	-	#383,557,604	16.09	-	-	#383,557,604	17.87	-	-
Lembaga Tabung Haji ("LTH")	180,265,673	10.09	-	-	180,265,673	7.63	-	-	180,265,673	7.56	-	-	180,265,673	8.40	-	-
Tan Sri Mohamad Salim Fateh Din	-	-	<sup>(1)</sup> 298,322,581	16.70	-	-	<sup>(1)</sup> 383,557,604	16.23	-	-	<sup>(1)</sup> 383,557,604	16.08	-	-	<sup>(1)</sup> 383,557,604	17.87
Mohd Imran Tan Sri Mohamad Salim	-	-	<sup>(2)</sup> 298,322,581	16.70	-	-	<sup>(2)</sup> 383,557,604	16.23	-	-	<sup>(2)</sup> 383,557,604	16.08	-	-	<sup>(2)</sup> 383,557,604	17.87
<b>Director</b>																
Tan Sri Mohamad Salim Fateh Din	-	-	<sup>(1)</sup> 298,322,581	16.70	-	-	<sup>(1)</sup> 383,557,604	16.23	-	-	<sup>(1)</sup> 383,557,604	16.08	-	-	<sup>(1)</sup> 383,557,604	17.87
Mohd Imran Tan Sri Mohamad Salim	-	-	<sup>(2)</sup> 298,322,581	16.70	-	-	<sup>(2)</sup> 383,557,604	16.23	-	-	<sup>(2)</sup> 383,557,604	16.08	-	-	<sup>(2)</sup> 383,557,604	17.87
Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-	##666,667	0.03	-	-	666,667	0.03	-	-	-	-	-	-

Notes :-

(1) Deemed interested by virtue of his substantial shareholding in Gapurna Sdn Bhd.

(2) Deemed interest by virtue of his parents' substantial shareholding in Gapurna Sdn Bhd.

# Based on 85,235,023 Warrants held by Gapurna Sdn Bhd

## Based on 166,667 Warrants held Datuk Shahril

## 5.7 Implementation Relating to the Code

Based on the existing shareholding structure as at 16 March 2015, the Proposed Share Buy-Back is not expected to trigger any obligation to undertake a mandatory offer under the Code as a result of its implementation.

## 6. PUBLIC SHAREHOLDINGS SPREAD

As at 16 March 2015, the public shareholding spread of the Company was 34.80%. The Board will be mindful of the public shareholding spread requirement before making any purchase of its own Shares.

## 7. PURCHASE, RESALE AND CANCELLATION OF MRCB SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

MRCB does not have any treasury shares and neither have the Company made any purchase of or cancelled our own shares in the twelve (12) months preceding the date of this Circular.

## 8. SHARE PRICE PERFORMANCE

The monthly high and low prices of the Shares as traded on Bursa Securities for the past twelve (12) months from April 2014 to March 2015 are as follows:

	High (RM)	Low (RM)
<b>2014</b>		
April	1.68	1.56
May	1.62	1.53
June	1.74	1.58
July	1.79	1.65
August	1.75	1.66
September	1.73	1.64
October	1.66	1.42
November	1.59	1.42
December	1.45	1.05
<b>2015</b>		
January	1.41	1.06
February	1.46	1.32
March	1.40	1.19

Source : Bloomberg

Last transacted market price on 14 April 2015 (being the last practicable date immediately prior to the printing of this Circular) was RM1.28.

## 9. MAJOR SHAREHOLDERS' AND/OR DIRECTORS' INTERESTS

Save for the consequential increase in the percentage shareholdings of the shareholders of MRCB as a result of the Proposed Share Buy-Back, none of the major shareholders and/or directors of MRCB and persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of treasury shares.

**10. APPROVAL REQUIRED**

The Proposed Share Buy-Back is conditional upon the approval of the shareholders of MRCB at the forthcoming EGM.

**11. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and accordingly, recommends that you vote in favour of the Proposed Share Buy-Back to be tabled at the forthcoming EGM.

**12. EGM**

An EGM, the Notice of which is enclosed in this Circular, will be held at Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50300 Kuala Lumpur on Monday, 11 May 2015 at 12.00 noon or immediately after the conclusion of the Forty-fourth Annual General Meeting which will be held at 11.00 a.m. on the same day and at the same venue, whichever is the later, for the purpose of considering and if thought fit, approving, with or without modification, the resolution on the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the EGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon, so as to reach the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set for convening the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**13. FURTHER INFORMATION**

You are requested to refer to the attached appendices for further information.

Yours faithfully  
for and on behalf of the Board of  
**MALYSIAN RESOURCES CORPORATION BERHAD**

**Tan Sri Mohamad Salim Fateh Din**  
Group Managing Director

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**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board of Directors of MRCB and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statements herein false or misleading.

**2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Neither MRCB nor its subsidiaries are engaged in any material litigation, claims or arbitration either as a plaintiff or defendant or claimant or respondent, and as at 16 March 2015, the directors of MRCB are not aware of any proceeding pending or threatened against MRCB and its subsidiaries, or of any fact likely to give rise to any proceeding, which may materially affect the position or business of MRCB and its subsidiaries, financially or otherwise, save for the following:-

**(a) High Court Of Malaya At Kuala Lumpur, Civil Suit D2-22-648-2003, MRCB Property Development Sdn Bhd v Suedy Suwendy And Six Others**

MRCB Property Development Sdn Bhd ("MPD"), a wholly owned subsidiary of MRCB, had entered into a Share Sale Agreement dated 2 January 2001 ("SSA") with the defendants whereby MPD had agreed to purchase 24,000,006 fully paid ordinary shares of RM1.00 each ("Sale Shares") representing the defendants' entire shareholding in Taman Ratu Sdn Bhd ("TRSB") and also representing 100% of the issued and paid-up capital of TRSB, for a total purchase consideration not exceeding RM15,417,000.00.

MPD alleged that the conditions precedent to the SSA have not been fulfilled and demanded a refund of RM6,000,000.00, plus interest and costs, being the monies already by paid by MPD under the terms of the SSA. Summary judgement entered against the 1st, 3rd, 6th and 7th defendants on 18 November 2005. The appeal of the defendants against the summary judgment was allowed on 16 August 2006. On 16 March 2008 Judgement in default entered against the defendants. The defendants filed an appeal but the appeal was dismissed by the High Court on 10 August 2009. Defendants filed appeal at the Court of Appeal and were allowed on 12 October 2011. High Court has yet to fix date for Case Management.

The directors of MRCB are of the opinion that MPD has reasonable grounds of success in its claim.

**(b) High Court of Malaya at Kuala Lumpur, Civil Suit no. 22-NCC-629-10/2013 between MRCB Engineering Sdn Bhd ("MESB") v Pacific Insurance Bhd ("PIB")**

MESB sued PIB for rejecting MESB's insurance claims for losses suffered due to fire at Lot 348, Kuala Lumpur Sentral, Kuala Lumpur. MESB filed a writ of summon on 29 October 2013 against PIB claiming losses of RM14,433,224.14, exemplary and aggravated damages. PIB filed defence on 18/12/2013. Hearing proceeded on 24 and 25 March 2014 and closed on 22 May 2014. Written submission filed on 3 July 2014. Oral submission and clarification fixed on 23 January 2015.

The directors of MESB are of the opinion that MESB has reasonable grounds of success in its claims against PIB.

(c) **High Court of Malaya at Kuala Lumpur, Civil Suit no. 22-NCC-311-08/2014 between HT Maltech Consultants (“HMC”) v Malaysian Resources Corporation Berhad (“MRCB”), Malaysian Resources Development Sdn Bhd (“MRDSB”), Perbadanan Kemajuan Negeri Perak (“PKNP”) & 5 others**

HMC sued MRCB, MRDSB and all defendants alleging unlawful and fraudulent conspiracy to cheat and defraud the plaintiff from recovering the amounts due to the plaintiff based on a court judgement obtained by the plaintiff against a company previously owned by the 2<sup>nd</sup> and 3<sup>rd</sup> defendants known as Kejuruteraan Dan Pembinaan Seri Lumut Sdn Bhd (“KPSL”). Plaintiff is seeking for a court declaration that disposal of the entire KPSL shares was fraudulent and the defendants be made liable to satisfy for the judgement obtained by the Plaintiff. Plaintiff also seek for a special damages amounting to RM32,418,055.80, general damages, interest, cost and other court relief. Summons received by the defendants on 22 September 2014 and court appearance entered on 23 September 2014. Defence filed on 20 October 2014. Next Case Management date is on 5 November 2014.

1<sup>st</sup> and 2<sup>nd</sup> defendant filed a striking out proceeding on 4 November 2014. During this hearing, the court dismissed the striking out application with cost of RM 2,000. An appeal to this striking out application was filed and the court did not grant it as the judge was of the opinion that it was not a plain and obvious case to strike out.

High court has fixed trial dates on 20<sup>th</sup> and 21<sup>st</sup> May, 25<sup>th</sup> and 26<sup>th</sup> June and 31<sup>st</sup> July 2015.

The directors of MRCB and MRDSB are of the opinion that MRCB and MRDSB have reasonable grounds of success in its defence against HMC.

(d) **In the matter of adjudication between Bisraya Construction-MRCB Engineering Consortium (“BCME”) an unincorporated joint ventures between Bisraya Construction Sdn Bhd and MRCB Engineering Sdn Bhd against UDA Holdings Berhad (“UDA”) under the Construction Industry Payment & Adjudication Act 2010 (“CIPAA”).**

BCME filed an adjudication claim dated 20 August 2014 against UDA as a result of non-payment under the construction contract dated 24 February 2009.

The works were practically completed on 24 November 2011 whereby the S.O issued a Certificate of Practical Completion (CPC) with a contractual defects liability period of 33 months.

The dispute arose as to the extension of time (RM 4.8million) and variation orders (5.2 million) which led the claimant to seek a sum of RM 10,777,673.41 from the respondent as a sum rightfully due to the claimant under the contract, to be certified and paid as part of the final account for the contract.

This matter is to be decided by the adjudicator by the mid of November, however the respondent has challenged the claimant’s position to bring this claim under CIPAA however the court has decided that it does come under the purview of CIPAA. This decision is being appealed.

(e) **In the matter of adjudication between Malaysian Resources Corporation Berhad (Claimant) and Government of Malaysia (Respondent)**

MRCB bought a claim under the Construction Industry Payment and Adjudication Act (CIPAA) against Jabatan Kerja Raya Malaysia for RM 22,273,167.17 being the disputed amount.

The parties entered into a construction contract on 10<sup>th</sup> August 2004 for the design, construction and maintenance of Upgrading Federal Route 5 (FR5) from Ipoh to Lumut.

The certificate of practical completion was issued by the respondent on 28 February 2008 upon the completion of the upgrading works performed by the claimant.

The respondent however goes on to reject the variations and loss and expense claim portion of the claimants final account submission without justifications. The claimant requested the respondent to provide justification for the ground of the rejection and to no avail.

The adjudicator made his decision against Jabatan Kerja Raya and instructed them to pay us.

(f) **Ipoh High Court Civil Suit No 22NCVC-115-10/2014, Amir Azman & Abdul Halim v MRCB**

Amir Azman bin Yusuf and Abdul Halim bin Ali (“**the Plaintiffs**”) were both formerly employed with MRCB as General Manager and Manager, Construction, respectively, of its subsidiary, Seri Iskandar Development Corporation Sdn Bhd (“**SIDEC**”). The Plaintiffs had by way of Writ of Summons and a Statement of Claim dated 9 May 2014 (Summons No. A52-22-05/2014 – Amir Azman) and 22 May 2014 (Summons No. A52-27-05/2014 – Abdul Halim), respectively, initiated separate claims against MRCB premised on the common ground i.e. Clause 7 of MRCB Employment: Executive Handbook for Gratuity benefit. The Plaintiffs each, have claimed for damages in the sum of RM271,596.50 and RM122,137.75, respectively, exemplary damages, general damages as well as interest on the sum thereon and costs.

MRCB filed its Defence and Counterclaim/Set Off on 3 July 2014 and 18 July 2014, respectively, for both the Suits. The Defendant had, *inter alia*, raised a common defence that the Defendant had rejected the Plaintiffs’ respective claims for gratuity given the fact that (i) the Plaintiffs have tendered their resignation to avoid disciplinary action, including dismissal from service; and (ii) there was the loss and damages caused and/or contributed by the Plaintiffs as a result of their respective breach of contractual duty of care and/or tortious duty of care. The Defendant counterclaimed a sum of RM10,770,294.47 and RM10,767,627.47 against the Plaintiffs’ respectively being loss and damages as a result of the Plaintiffs’ respective breach of contractual duty of care and tortious duty of care.

The Plaintiffs in the Suits had subsequently filed their respective Reply to the Defendant’s Defence and Counterclaim on 17 July 2014 and 6 August 2014.

By a “*Perintah Penyatuan*” dated 7 August 2014, the Sessions Court at Ipoh allowed the Defendant’s application for the abovementioned Summons No. A52-22-05/2014 and Summons No. A52-27-05/2014 to be consolidated and heard together as one suit.

The above matter is now fixed for hearing on 8 to 12 of June 2015. The Case Management is set on 24<sup>th</sup> April 2014 pending further direction from High Court at Ipoh.

Parties are now in the midst of finalizing the Draft Statement of Agreed Facts, Draft Statements of Issues to be Tried and Bundle of Documents.

### 3. MATERIAL CONTRACTS

As at the date to this Circular, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular.



## **5. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company during normal office hours from the date of this Circular up to and including the date of the EGM :-

- (i) Memorandum and Articles of Association of the Company;
- (ii) Audited consolidated financial statements of MRCB for the past two (2) financial years ended 31 December 2013 and 2014;
- (iii) The relevant cause papers in respect of the material litigation referred to in Section 2 above;
- (iv) The material contracts referred to in Section 3 above; and



**MALAYSIAN RESOURCES CORPORATION BERHAD**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Malaysian Resources Corporation Berhad will be held at Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50300 Kuala Lumpur on Monday, 11 May 2015 at 12.00 noon or immediately after the conclusion of the 44th Annual General Meeting which will be held at 11.00 a.m. on the same day and at the same venue, whichever is the later or at any adjournment thereof, for the purpose of considering and if though fit, passing with or without modifications the following ordinary resolution:

**ORDINARY RESOLUTION**

**PROPOSED SHARE BUY-BACK BY THE COMPANY OF UP TO 10% OF THE TOTAL ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF MALAYSIAN RESOURCES CORPORATION BERHAD (“PROPOSED SHARE BUY-BACK”)**

“THAT, subject always to the Companies Act, 1965 (“Act”), the provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company (“Shares”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of Shares which may be purchased and/or held as treasury shares does not exceed 10% of the total issued and paid up share capital of the Company;
- (ii) the maximum fund to be allocated for the share buy-back shall not exceed the retained profits and the share premium account of the Company;
- (iii) upon completion of the purchase by the Company of its own Shares, the Director of the Company are authorised to deal with the Shares purchased in any of the following manner:
  - a. cancel the Shares so purchased; and/or
  - b. retain the Shares so purchased as treasury shares and held by the Company; and/or
  - c. resell the treasury shares on Bursa Securities; and/or
  - d. distribute the treasury shares as share dividends to the shareholders of the Company for the time being.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements or any other relevant authorities.”

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.

## **BY ORDER OF THE BOARD**

**Mohd Noor Rahim Yahaya**  
MAICSA 0866820  
Company Secretary

### **Notes:**

1. Only members whose names appear in the Record of Depositors on 5 May 2015 (“General Meeting Record of Depositors”) shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the EGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
4. Where a member of the company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
6. Duly completed Proxy Form must be deposited at Symphony Share Registrars Sdn.Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set for holding the meeting or any adjournment thereof.



**MALAYSIAN RESOURCES CORPORATION BERHAD**

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

**PROXY FORM**

(Please see the notes below before completing the form)

CDS Account No.	
No. of Ordinary share(s) held	

I/We \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member/members of Malaysian Resources Corporation Berhad hereby appoint:

*First Proxy*

Full Name of Proxy in capital letters	NRIC Number	Proportion of shareholdings	
		Number of shares	Percentage [%]

and/or failing him/her

*Second Proxy*

Full Name of Proxy in capital letters	NRIC Number	Proportion of shareholdings	
		Number of shares	Percentage [%]

or failing him/her the Chairman of the Meeting as my/our proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on Monday, 11 May 2015 at 12.00 noon or immediately after the conclusion of the 44th Annual General Meeting which will be held at 11.00 a.m. on the same day and at the same venue, whichever is the later or at any adjournment thereof.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

No	Resolution	For	Against
1	ORDINARY RESOLUTION – PROPOSED SHARE BUY-BACK		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\* DELETE IF NOT APPLICABLE

\_\_\_\_\_  
Signature of Shareholders

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AFFIX STAMP

To: SYMPHONY SHARE REGISTRARS SDN BHD (378993-D)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Malaysia

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