

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the next course of action, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other professional advisers immediately.

If you have sold or transferred all your ordinary shares in Malaysian Resources Corporation Berhad, you should immediately hand this Circular together with the copy of the 2004 Annual Report to the purchaser or the transferee or to the Stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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MALAYSIAN RESOURCES CORPORATION BERHAD
(7994-D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The ordinary resolutions in respect of the above proposal will be tabled as Special Business at the 34th Annual General Meeting of the Company. Notice of the 34th Annual General Meeting of the Company together with the Form of Proxy are set out in the 2004 Annual Report of the Company despatched together with this Circular.

The Form of Proxy should be lodged at the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur not less than 48 hours before the time stipulated for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 18 June 2005 at 10.00 a.m.

Date and time of Annual General Meeting : 20 June 2005 at 10.00 a.m.

Venue of Annual General Meeting : Ballroom 1, LG Level, Eastin Hotel, 13, Jalan 16/11,
Pusat Dagangan Section 16, 46350 Petaling Jaya,
Selangor, Malaysia

DEFINITIONS

Unless 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 MRCB;
DSSAJ	:	Dato' Seri Syed Anwar Jamalullail, a former Chairman and Director of MRCB who has resigned on 12 January 2005;
Director	:	Shall have the meaning given in Section 4 of the Companies Act 1965 and includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a Director of the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company);
EGM	:	Extraordinary General Meeting;
EPF	:	Employees Provident Fund;
Bursa Securities	:	Bursa Malaysia Securities Berhad;
Listing Requirements	:	Listing Requirements of the BMSB, as amended from time to time and any re-enactment thereof ;
Major Shareholder	:	Includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company as defined under paragraph 1.01 of the Listing Requirements (or any other company which is its subsidiary or holding company or a subsidiary of its holding company);
MRCB or the Company	:	Malaysian Resources Corporation Berhad;
MRCB Group or the Group	:	MRCB and its subsidiaries, collectively;
Proposed Shareholders' Mandate	:	Proposed renewal and additional shareholders' mandate for the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations;
Recurrent Related Party Transaction(s)	:	Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of MRCB Group;

Related Party(ies)	:	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s);
Related Party Transaction(s)	:	Transaction(s) entered into by MRCB Group which involve(s) the interest, direct or indirect, of a Related Party(ies);
RM and sen	:	Ringgit Malaysia and sen respectively;
Realmild	:	Realmild (M) Sdn Bhd.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

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

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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MALAYSIAN RESOURCES CORPORATION BERHAD

(7994-D)

Registered Office:

Aras 10, Menara MRCB
No. 2, Jalan Majlis 14/10
Seksyen 14
40000 Shah Alam
Selangor

27 May 2005

Board of Directors:

Datuk Azlan Mohd Zainol (Chairman, Non-independent Non-executive Director)
Shahril Ridza Ridzuan (Group Managing Director/Chief Executive Officer)
Datuk Zahari Omar (Executive Vice President)
Dato' Ahmad Ibnihajar (Independent Non-executive Director)
Dato' Dr. Mohd Shahari Ahmad Jabar (Independent Non-executive Director)
Ahmad Zaki Zahid (Independent Non-executive Director)
Abdul Rahman Ahmad (Non-independent Non-executive Director)
Dr Roslan A Ghaffar (Non-independent Non-executive Director)

To: The Shareholders of Malaysian Resources Corporation Berhad

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the AGM on 20 May 2004, the Company obtained a general mandate from its shareholders for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which is necessary for its day-to-day operations with Related Parties. The said general mandate for recurrent related party transactions shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the AGM.

Through the Announcement on the Proposed Renewal and Additional Shareholders' Mandate to Bursa Securities on 27 May 2005, the Company proposes to seek for a general mandate for the recurrent related party transactions.

The purpose of this Circular is to provide you with information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolutions relating to the Proposed Shareholders' Mandate under the agenda of Special Business as set out in the Annual Report of MRCB for the financial year ended 31 December 2004 to be tabled at the forthcoming AGM. The Notice of the AGM is enclosed together with the said Annual Report of the Company for the financial year ended 31 December 2004.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Under Part E, Paragraph 10.09 of the Listing Requirements which came into effect on 1 June 2001, the Company may seek its shareholders' mandate in respect of Related Party Transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to, inter alia, the following:-

- (i) the transactions are in the ordinary course of business of MRCB Group and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the actual breakdown of the aggregate value of transactions conducted as required under paragraph 4.1.5 of the Practice Note 12/2001 of the Listing Requirements, pursuant to the shareholders' mandate during the financial year; and
- (iii) in a meeting to obtain shareholders' mandate, interested Directors, interested Major Shareholders or interested persons connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

It is anticipated that companies within the MRCB Group would, in the ordinary course of business, continue to enter into such recurrent related party transactions with the parties stated in Section 2.1 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive and frequent nature of such Recurrent Related Party Transactions, the Board is seeking the shareholders' approval for the Proposed Shareholders' Mandate for the MRCB Group to enter into transactions in the normal course of business with the classes of Related Parties, provided such transactions are entered into at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are not detrimental to the minority shareholders.

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - (ii) The expiration of the period within which the next AGM after the date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
 - (iii) Revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier;

Thereafter, approval from the shareholders for subsequent renewals of the mandate will be sought at each subsequent AGM of the Company.

2.1 Class and Nature of Recurrent Related Party Transactions

MRCB is principally an investment holding company. The MRCB Group is principally engaged in the business of construction, engineering and property. With regards to the principal activities of the respective subsidiaries of MRCB, please refer to the table below:

Name of Company	Effective Equity Interest (%)	Principal Activity
Kuala Lumpur Sentral Sdn Bhd	64.38	Property management

Name of Company	Effective Equity Interest (%)	Principal Activity
<i>Wholly-owned subsidiary of Kuala Lumpur Sentral Sdn Bhd</i> • Unity Portfolio Sdn Bhd	64.38	Property Management
Landas Utama Sdn Bhd	100	Investment holding
MRCB Utama Sdn Bhd	100	Property development
<i>Wholly-owned subsidiary of MRCB Utama Sdn Bhd</i> • Country Annexe Sdn Bhd	100	Pre-operating
MRCB Selborn Corporation Sdn Bhd	60	Property development and property holding
MRCB Engineering Sdn Bhd	100	Engineering services and construction
MRCB Environmental Services Sdn Bhd	100	Investment holding
<i>55% owned subsidiary of MRCB Environmental Services Sdn Bhd</i> • MRCB Environment Sdn Bhd	55	Infrastructure 'design and build' construction work
MRCB Prasarana Sdn Bhd	100	Infrastructure 'design and build' construction work
MRCB Technologies Sdn Bhd	100	Information technology services and professional outsourcing
Malaysian Resources Development Sdn Bhd	100	Property development and investment holding
<i>Wholly-owned subsidiaries of Malaysian Resources Development Sdn Bhd</i> • Bitar Enterprise Sdn Bhd	100	Dormant
• Golden East Corporation Sdn Bhd	100	Property development and management
• MR Properties Sdn Bhd	100	Dormant
• Seri Iskandar Utilities Corporation Sdn Bhd	100	Pre-operating
• Sunrise Properties Sdn Bhd	100	Dormant
• Taiyee Development Sdn Bhd	100	Dormant

Name of Company	Effective Equity Interest (%)	Principal Activity
<ul style="list-style-type: none"> MRCB Property Development Sdn Bhd 	100	Investment holding
<i>Wholly-owned subsidiary of MRCB Property Development Sdn Bhd</i>		
<ul style="list-style-type: none"> MRCB Cahaya Mutiara Sdn Bhd 	100	Dormant
<i>70% owned subsidiary of Malaysian Resources Development Sdn Bhd</i>		
<ul style="list-style-type: none"> Seri Iskandar Development Corporation Sdn Bhd 	70	Property development
<ul style="list-style-type: none"> Kejuruteraan dan Pembinaan Seri Lumut Sdn Bhd 	70	Pre-operating
Malaysian Resources Sentral Sdn Bhd	100	Provision of Facility management
Mafira Holdings Sdn Bhd	100	Investment holding
Onesentral Park Sdn Bhd	51	Property development
Semasa Sentral Sdn Bhd	100	Operation, management and maintenance of the Kuala Lumpur central railway station
Superview Development Sdn Bhd	100	Property development, management and shares trading
Transmission Technology Sdn Bhd	55	Engineering, construction and commissioning services to power transmission systems
Milmix Sdn Bhd	100	Civil and infrastructure building contractor
MR Securities Sdn Bhd	100.00	Investment holding
<i>Wholly-owned subsidiary of MR Securities Sdn Bhd</i>		
<ul style="list-style-type: none"> Bintara Guard Force Security Sdn Bhd 	100* [@]	Dormant
MR Construction Sdn Bhd	51	Dormant
MR Enterprises Sdn Bhd	100	Dormant
MR Management Sdn Bhd	100	Dormant
MRC Management (BVI) Ltd	100	Dormant

* Held through nominees of MR Securities Sdn Bhd

Name of Company	Effective Equity Interest (%)	Principal Activity
MR-H Piling and Civil Engineering (M) Sdn Bhd	51	Dormant
MRCB Ceramics Sdn Bhd	75	Dormant
MRCB Dotcom Sdn Bhd	100	Dormant
MRCB Intelligent Systems and Control Sdn Bhd	100	Dormant
MRCB Smart Sdn Bhd	100	Dormant
MRCB Land Sdn Bhd	100	Dormant
MRCB Project Management Sdn Bhd	100	Dormant
MRCB Property Management Sdn Bhd	100	Dormant
MRCB Trading Sdn Bhd	100	Dormant
MRCB (Terengganu) Sdn Bhd	100	Dormant
Region Resources Sdn Bhd	100	Dormant
<i>Wholly-owned subsidiary of Region Resources Sdn Bhd</i>		
• Syarikat Gemilang Quarry Sdn Bhd	80	Dormant
Sibexlink Sdn Bhd	59.65	Dormant
Malaysian Resources International Sdn Bhd	100	Dormant
Cheq Point (M) Sdn Bhd	75	Dormant
Harmonic Fairway Sdn Bhd	100	Dormant
Estroman Sdn Bhd	100	Pre-operating
MRCB Energy International Sdn Bhd	100	Pre-operating
Malaysian Resources Technology Sdn Bhd	100	Pre-operating
Multimedia Base Sdn Bhd	100	Pre-operating
MRCB Transmission And Distribution Sdn Bhd	100	Pre-operating
Trans Peninsula Crude Oil Transaction Sdn Bhd	100	Pre-operating

2.1.1 Classes of Related Parties

(i) Major Shareholders

- a. EPF owns 233,168,229 ordinary shares in MRCB. As such EPF is major shareholder of MRCB with an equity interest of 30.35%. By virtue of the 30.35% interest in MRCB and being the largest shareholder of MRCB, EPF shall be deemed to have interests in all the companies in which MRCB has interest.
- b. Realmild owned 163,238,104 (21.25%) ordinary shares in MRCB. By virtue of the 21.25% interest in MRCB prior to 7 January 2005 and pursuant to Paragraph 10.02 of the Listing Requirements, Realmild shall be deemed to have interests in all the companies in which MRCB has interests in until 7 January 2006.

Currently, Realmild does not hold any share in MRCB.

DSSAJ owned 7,101,001(99.9%) ordinary shares in Realmild which in turn owned 21.25% equity interest in MRCB until 7 January 2005. By virtue of his 99.9 % direct equity interest in Realmild and pursuant to Paragraph 10.02 of the Listing Requirements, DSSAJ shall also be deemed to have interests in all the companies in which MRCB has interests in until 12 January 2006.

Since Realmild does not hold any share in MRCB, DSSAJ shall not be deemed to have any interest in all the companies in which MRCB has interests in after 12 January 2006.

(ii) Directors

DSSAJ, who is a former director of MRCB until 12 January 2005 was also a director of Sistem Televisyen Malaysia Berhad, a wholly-owned subsidiary of Media Prima Berhad in which Realmild had an equity interest of 18.70%. Pursuant to Paragraph 10.02 of the Listing Requirements, he shall be deemed to have interests in both MRCB and Sistem Televisyen Malaysia Berhad by virtue of his 99.9% direct equity interest in Realmild until 12 January 2006.

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2.1.2 Nature of the Recurrent Related Party Transactions

The Proposed Shareholders' Mandate are sought in respect of Recurrent Related Party Transactions with the following Related Parties as detailed in the table below:

(a) Renewal of Recurrent Related Party Transactions

No	Company in the MRCB Group involved	Transacting Party	Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM RM
1.	MRCB	Sistem Televisyen Malaysia Berhad ^A	Realmild, DSSAJ	Tenancy at Sri Pentas 2, Plaza Alam Sentral Sub-rental by Sistem Televisyen Malaysia Berhad of auditorium at Sri Pentas 2, Plaza Alam Sentral which is leased by MRCB under a master tenancy agreement between MRCB and its subsidiary, MRCB Selborn Corporation Sdn Bhd. At present, the sub-rental is based on supplemental agreement between MRCB and Sistem Televisyen Malaysia Berhad dated 11 November 2002 which covers an area of approximately 35,368 sq. ft. chargeable at monthly rental rate of RM2.10 per sq. ft. for period up to August 2004 and RM2.415 per sq. ft. from September 2004 onwards. The tenancy is for 12 years and expiring in October 2014.	1,024,965
2.	MRCB Selborn Corporation Sdn Bhd	Maxis Broadband Sdn Bhd ^{AA}	DSSAJ ^{AAA}	Rental of spaces for antennas installation. Rental of space by MRCB Selborn Sdn Bhd to Maxis Broadband Sdn Bhd at roof top of Menara MRCB and car park of Plaza Alam Sentral for antennas installation to provide in-building GSM cellular coverage. The rental terms are governed by an agreement and is billable monthly at RM2,500. The tenancy is for a period of 2 years from 1 January 2004 to 31 December 2005 with the option to renew for another 3 terms of 2 years each.	30,000
3.	Malaysian Resources Development Sdn Bhd	Maxis Mobile Sdn Bhd ^{AAAA}	DSSAJ ^{AAA}	Rental of spaces for antennas installation. Rental of space by Malaysian Resources Development Sdn Bhd to Maxis Mobile Sdn Bhd at roof top of Resource Complex for antennas installation to provide in-building GSM cellular coverage. The rental terms are governed by an agreement and is billable monthly at RM2,300. The tenancy is for 3 years from July 2005 to June 2008.	27,600

(b) Additional Recurrent Related Party Transactions

No	Company in the MRCB Group involved	Transacting Party	Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM RM
4.	Semasa Sentral Sdn Bhd	Telekom Malaysia Berhad [^] ^{^^} ^{^^^} ^{^^^}	EPF	Rental of space for public telephones and mobile telephone base station. Rental of space by Telekom Malaysia Berhad at various locations at Stesen Sentral Kuala Lumpur for installation of payphones and mobile telephone base station. The tenancy agreement for the installation of payphones is renewable annually whilst the agreement for the mobile phone base station is for a period of 3 years. The rental for the space is billable monthly at a total rental of RM17,790.	213,480
TOTAL					1,296,045

[^] Realmild was a major shareholder of Media Prima Berhad which in turn owns 100% of Sistem Televisyen Malaysia Berhad.

^{^^} Maxis Broadband Sdn Bhd is a wholly-owned subsidiary of Maxis Communications Berhad.

^{^^^} DSSAJ is a Director of Maxis Communications Berhad and a shareholder of Maxis Communications Berhad by virtue of his direct equity interest of 0.0003% in Maxis Communications Berhad.

^{^^^} Maxis Mobile Sdn Bhd is a wholly-owned subsidiary of Maxis Communications Berhad.

^{^^^} EPF is a major shareholder of Telekom Malaysia Berhad.

2.2 Review Procedure for the Recurrent Transactions

MRCB has established the following procedures and guidelines to ensure that Recurrent Related Party Transactions are conducted at arms' length and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders:-

- (i) All companies within the Group have been informed of the definition of Related Party and the review procedures applicable to all Recurrent Related Party Transactions with Related Parties;
- (ii) All companies within the Group shall only enter into Recurrent Related Party Transactions after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any Recurrent Related Party Transaction entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (iii) All companies within the Group are guided by a set of rules and policies with regard to new Recurrent Related Party Transactions to be entered into. The main rules and policies include, among others, the following:
 - (a) Certain documentations such as quotations from several sources other than the Related Party must be obtained prior to Related Party's products and/or services are rendered to or from the Group. This is to ensure that the transactions are based on prices which are competitive in comparison with the prevailing market prices, and on rental, the tenure and renewal of rental and maintenance services provided that are similar to the commercial terms for transaction with the public, which depend on the demand and supply of the products and services.
 - (b) All Recurrent Transactions require a certain limit of authority for acceptance, depending on the nature of transaction and the amount involved.
 - (c) Where a Related Party is engaged for its services, proper documentation shall be prepared such as agreement, contract and letter of engagement to govern the services, which would be reviewed from time to time (normally within 2 years).
 - (d) An interested Director and/or Shareholder is required to abstain from negotiations and from deliberating and voting on a proposal to enter into a Recurrent Related Party Transaction;
- (iv) All Recurrent Related Party Transactions which are not within the Shareholders' Mandate and have the value of equivalent to or more than RM1,000,000 or 1% of the percentage ratio (as defined under Paragraph 10.02 (h) of the Listing Requirements) shall be reviewed by the Audit Committee before the transactions are entered into;

For other Recurrent Related Party Transactions which are not covered by the aforementioned paragraph, the transactions shall be reviewed by the Audit Committee on periodic basis and the Audit Committee will ensure compliance with paragraph 10.08 of the Listing Requirements;

- (v) Any member of the Audit Committee may as he or she deems fit, request for additional information pertaining to the transactions including from independent sources or advisers;
- (vi) If a member of the Audit Committee has an interest, direct or indirect, in any particular transaction, he or she will have to abstain from any deliberation and also voting on the matter at the Audit Committee meeting in respect of such transaction;
- (vii) Proper records shall be maintained to capture all Recurrent Related Party Transactions entered into pursuant to the Shareholders' Mandate to ensure accurate disclosure thereof. Appropriate disclosure shall be made in the Annual Report of the Company of the aggregate value of transactions conducted pursuant to the given mandate;
- (viii) The annual Internal Audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;

- (ix) The Audit Committee shall review the Internal Audit Reports to ascertain that the guidelines and the procedures established to monitor Recurrent Related Party Transactions are complied with;
- (x) The Audit Committee shall have the overall responsibility of determining whether the review procedures are appropriate, with the authority to delegate such function to individuals or committee within the Company as it shall deem fit; and
- (xi) If during the periodic review, the Audit Committee is of the view that the abovementioned procedures are no longer sufficient to ensure that Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public, the Company shall obtain a fresh shareholders' mandate based on new guidelines and procedures.

2.3 Statement from Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all Related Party Transactions are appropriate to ensure that the Recurrent Related Party Transactions are within the limits approved by the Proposed Shareholders' Mandate. The Audit Committee shall have the discretion to request for limits or additional procedures to be imposed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of Shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee has reviewed the terms of the Proposed Shareholders' Mandate and is satisfied that the review procedures for Related Party Transactions are sufficient to ensure that the Recurrent Related Party Transactions will be made at arm's length and in accordance with the Company's normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

3. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE

The Recurrent Related Party Transactions entered or to be entered into by the Group are all in the ordinary course of the Group's business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time.

These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek Shareholders' approval on a case-by-case basis before entering into such Recurrent Related Party Transactions. As such, the Board is seeking the Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements for the Recurrent Related Party Transactions described in Section 2.1 above to allow the Group to enter into such Recurrent Related Party Transactions made on an arm's length basis and on normal commercial terms and which are not to the detriment of the minority shareholders.

By obtaining the Proposed Shareholders' Mandate and the renewal of the same on an annual basis, it would eliminate the necessity and the need to announce and to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions arise. This will substantially reduce the expenses relating to convening of general meetings on ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be channelled towards attaining other corporate objectives.

The Recurrent Related Party Transactions entered into by the Group are intended to meet business needs at the best possible terms. The Group should be able to have access to all available markets and products and services provided by all vendors including its Related Parties. Transacting with its Related Parties also enhances the ability to explore beneficial business opportunities within the Group, which will be of benefit to all the companies within the Group. In most instances companies within the Group have a better understanding of each other's business needs thus providing a platform where all parties can benefit from relatively lower transaction costs.

4. APPROVAL REQUIRED

The Proposed Shareholders' Mandate are subject to the approval of the Shareholders of MRCB at the forthcoming AGM.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO DIRECTORS AND MAJOR SHAREHOLDERS

5.1 Major Shareholders' Interest

The Major Shareholder of MRCB who are deemed interested in the Proposed Shareholders' Mandate, as at 29 April 2005, are as follows:-

Shareholder	Direct (No. of Shares)	Percentage (%)	Indirect (No. of Shares)	Percentage (%)
EPF	233,168,229	30.35	-	-

Prior to 7 January 2005, Realmild held directly 159,238,104 (20.73 %) and indirectly through Questhouse (M) Sdn Bhd 4,000,000 (0.52 %) shares in MRCB. Pursuant to Paragraph 10.02 of the Listing Requirements, Realmild shall be deemed as a major shareholder of the Company until 7 January 2006.

Currently, Realmild does not hold any share in MRCB.

DSSAJ owned 7,101,001 (99.9%) shares in Realmild which in turn owned 21.25% equity interest MRCB until 7 January 2005. By virtue of his 99.9% equity interest in Realmild and pursuant to Paragraph 10.02 of the Listing Requirements, he shall be deemed as a major shareholder of the Company until 7 January 2006.

Since Realmild does not hold any share in MRCB, DSSAJ shall not be deemed to have any interest in all the companies in which MRCB has interests in after 12 January 2006.

The above-named interested Major Shareholder will accordingly abstain from voting in respect of his direct and/or indirect shareholdings in MRCB in relation to the Proposed Shareholders' Mandate at the forthcoming AGM which involve his respective interest.

Save as disclosed above, none of the other Major Shareholder has any direct and/or indirect interests in the Recurrent Related Party Transactions.

5.2 Directors' Interests

None of the Directors has any interest in the Proposed Shareholders' Mandate as none of them has any shareholding, direct or indirect in MRCB save for DSSAJ, a former director of MRCB who has resigned on 12 January 2005.

DSSAJ has abstained from any deliberation in matters relating to the Proposed Shareholders' Mandate prior to his resignation.

5.3 Interest of Persons Connected to Directors and/or Major Shareholders

None of the persons connected to the Directors and/or Major Shareholders of MRCB save for Realmild, being a person connected to DSSAJ has any interest, in the Proposed Shareholders' Mandate. Realmild will abstain from voting in respect of its direct and/or indirect interest at the forthcoming AGM in relation to the Proposed Shareholders' Mandate on the Recurrent Related Party Transactions which it is interested in.

6. VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS' MANDATE

The authority to be conferred pursuant to the Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM the mandate is again renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is earlier;

7. DISCLOSURE

Disclosure on the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial period ended 31 December 2004 based on the following information will be made in the Company's Annual Report and the Annual Reports for subsequent financial years that the Mandate continues to be in force:

- (i) the type of Recurrent Related Party Transactions made; and
- (ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

8. AGM

The ordinary resolutions on the Proposed Shareholders' Mandate is set out as Special Business in the Notice of AGM contained in MRCB's Annual Report for the financial period ended 31 December 2004, which is being sent to you together with this Circular. The AGM will be held at Ballroom 1, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagangan Section 16, 46350 Petaling Jaya, Selangor, Malaysia.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy as enclosed in the Annual Report in accordance with the instructions printed thereon, so as to reach the Company's Share Registrar at Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur at least 48 hours before the time set for convening the AGM. The lodging of a Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and its shareholders and recommends that you vote in favour of the resolutions to be tabled at the forthcoming AGM.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully
for and on behalf of the Board of Directors of
MALAYSIAN RESOURCES CORPORATION BERHAD

SHAHNIL RIDZA RIDZUAN
Group Managing Director/Chief Executive Officer

FURTHER INFORMATION

1. Responsibility Statement

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

2. Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by MRCB and/or its subsidiaries during the two (2) years immediately preceding the date of this Circular:-

- i. Share sale and Purchase Agreement dated **7 April 2003** between MRCB and Anchor Developments Pte Ltd (“ADPL”) and Fraser & Neave Holdings Bhd (“FN”), ADPL and F&N (the “vendor”) have agreed to sell to MRCB 2 shares representing 50% of the entire issues and paid up share capital of Harmonic Fairway Sdn Bhd for a purchase consideration of RM5,000,000.00 only. This agreement was duly completed on 17 July 2003.
- ii. Sale Agreement dated **30 June 2003** between MRCB and Golden Bay International Management Inc. (“GBIM”) and Malaysian Resources International Sdn Bhd (“MRI”), MRI agreed to sell and GBIM agreed to purchase 80 ordinary shares representing 80% of the issued and paid up share capital of MRCB Mauritius Ltd (“MML”) and GBIM agreed to take an assignment of certain loans owing by MML, for a total consideration of RM32,000,000.00 and USD80.00, to be satisfied in cash. This agreement was duly completed on 28 October 2003.
- iii. Sale Agreement dated **30 June 2003** between MRCB and Table Mountain Holdings Sdn Bhd (“TMH”) and MRI. MRI agreed to sell and TMH agreed to purchase 20 ordinary shares representing 20% of the issued and paid up share capital of MML and TMH agreed to take an assignment of certain loans owing by MML, for a total consideration of RM6,000,000.00 and USD20.00, to be satisfied in cash. This agreement was duly completed on 28 October 2003.
- iv. Sale and Purchase Agreement dated **2 October 2003** between Kuala Lumpur Sentral Sdn Bhd and MRCB, pursuant to which MRCB has agreed to purchase from Kuala Lumpur Sentral Sdn Bhd the landed property known as Lot N, Grant 46227, Lot 79, Section 70, Town of Kuala Lumpur, District of Kuala Lumpur, measuring approximately 2,138 square metres for a purchase consideration of RM32,000,000.00 to be satisfied by in cash. This transaction is pending completion.
- v. Subscription Agreement dated **21 October 2003** between MRCB, Harmonic Fairway Sdn Bhd (“HFSB”), UDA and Promising Quality Sdn Bhd (“PQSB”), pursuant to which UDA subscribed for 15,000,000 new ordinary shares of RM1.00 each in PQSB. This agreement was duly completed on 30 March 2004.
- vi. Concession Agreement dated **27 January 2004** between Government of Malaysia (“GOM”) and Semasa Sentral Sdn Bhd (“SSSB”) whereby SSSB is the Concession Company to operate maintain and manage Stesen Sentral Kuala Lumpur situated on the land held under Title No. H.S. (D) 92385 Lot P.T. 30, Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan, for 15 years from 30 November 2000.
- vii. Sale and Purchase Agreement dated **23 March 2004** between MRCB (the “Vendor”) and Lembaga Tabung Haji (the “Purchaser”), whereby the Vendor has agreed to sell to the Purchaser a land held under Geran 46227, Lot 79, Seksyen 70, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan measuring approximately 4,138 square metres in area together with a 30 storey office building to be erected thereon for a cash consideration of RM161,460,000.00.
- viii. Joint Venture and Shareholders’ Agreement dated **28 April 2004** between United Malayan Land Bhd. (“UMLAND”) and MRCB, where the parties are desirous to form a Joint Venture Company known as Suasana Sentral Two Sdn Bhd (formerly known as Panorama Prominent Sdn. Bhd). to acquire a piece of land known as Lot L from KL Sentral Sdn Bhd and to develop 2 blocks of 36 storey condominium 600 units inclusive of car park and 1 storey recreational facilities on Lot L subject to any such amendment or variation as may be imposed by the relevant authority.

- ix. Agreement for Transfer of Shares and Assignment of Development Rights dated **12 May 2004** between MRCB (the "Vendor") and Maxdeluxe Sdn. Bhd. (the "Purchaser"), where the Purchaser has agreed to purchase the Vendor's shares in Zelleco (M) Sdn. Bhd. free from assets and liabilities. The Purchaser also has agreed to assign the development rights over several pieces of land to the Vendor. This agreement was duly completed on 30 June 2004.
- x. Contract Document No. KKR/JKR/IP/UB/24/2004 dated **10 August 2004** between Jabatan Kerja Raya Malaysia on behalf of Government of Malaysia and MRCB for an upgrading of Federal Route 5 from Ipoh to Lumut, Perak Darul Ridzuan (the "Project"), where MRCB has been awarded the said Project for a total cost of RM 175,000,000.00. The Project is expected to be completed by 2006.
- xi. Share Sale Agreement dated **10 November 2004** between MRCB and Irshad Consulting Sdn Bhd for the disposal of 1,124,000 ordinary shares of RM1.00 each in MRCB Multimedia Consortium Sdn Bhd for a consideration of RM1,124,000.00 to be satisfied in cash. This transaction was completed on 2 December 2004.
- xii. Share Sale Agreement dated **20 December 2004** between Kumpulan Perangsang Selangor Berhad ("KPSB") and MRCB for the disposal 6,500,000 ordinary shares representing 25% of the total issued and paid up capital of MRCB Ceramics free from all liens, claims, charges, mortgages, equities and other encumbrances to MRCB. This transaction was duly completed on the same date of the said Agreement since all the condition precedent has been fulfilled.

3. Material Litigation

Save as disclosed below, neither MRCB nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors do not have any knowledge or any proceedings pending or threatened against the MRCB Group or of any facts likely to give rise to any proceedings which might materially affect the position or business of the MRCB Group:

i. HIGH COURT OF MALAYA AT SHAH ALAM WRIT SUMMONS NO. MT5-22-846-2001 INXCEL PROPERTIES SDN BHD (FORMERLY KNOWN AS PERSADA WILAYAH SDN BHD) V MRCB

In this matter, MRCB has received a letter of demand dated 10 October 2001 from Inxcel claiming the sum of RM4,500,000 as damages for breach of contract to sell a land. A Writ of Summons dated 10 November 2001 in respect of the claim was served on MRCB on 24 January 2002. MRCB entered appearance on 31 January 2002 and its defence was filed on 14 February 2002. The Court has fixed the hearing date on 10,11 and 12 October 2005.

MRCB is disputing the claim and the Directors of MRCB are of the opinion that there are reasonable grounds defence in this claim.

ii. HIGH COURT OF MALAYA AT SHAH ALAM SUIT NO. MT4-22-240-2000 LEE CHEE THING V MILMIX SDN BHD (FORMERLY KNOWN AS MRCB CONSTRUCTION SDN BHD) & MOHD. ZAMRI MOHD YUSOFF

The plaintiff is suing Milmix Sdn Bhd ("Milmix") and the second defendant, Mohd Zamri Mohd Yusoff ("Zamri") who was a senior manager of Milmix, for defamation or libel based on the allegation that Zamri had written libellous statements in July 2000 in a letter addressed to the plaintiff which was published to other third persons. The plaintiff's claim is for the sum of RM2,000,000 in damages together with aggravated damages and costs. Summons dated 17 August 2000 served on Milmix and Milmix has filed its defence and disputes the claims on the basis of inter alia qualified privilege and justification. The plaintiff had withdrawn the case against Milmix on 7 April 2005.

The Directors of MRCB are of the opinion that the case is now considered closed.

iii. CLAIM BY HT MALTEC CONSULTANTS SDN BHD AGAINST SERI IPOH-LUMUT EXPRESSWAY SDN BHD FOR THE SUM OF RM10,092,800.00

By a letter of demand dated 2 August 2001, HT Maltec Consultants Sdn Bhd ("Maltec") has claimed against Seri Ipoh-Lumut Expressway Sdn Bhd ("Silex") the sum of RM10,092,080 owing by Silex to Maltec pursuant to a consultancy agreement dated 27 October 1999. Maltec has stated in the said letter of demand that it will refer the matter to arbitration in the event of non-payment of the said outstanding sum. Silex disputes any such liability pertaining to the said outstanding sum and the matter has been referred to arbitration by Maltec. Silex has filed and served the Defence and Counter Claim on 27 June 2003. The matter is pending further hearing on 25, 26 and 31 May 2005.

The Directors of MRCB are of the opinion that there are reasonable grounds of defence in this matter.

iv. HIGH COURT OF MALAYA AT SHAH ALAM SUIT NO MT2-22-879-2001. MRCB V ZAFRAN HOLDINGS SDN BHD.

In this matter, MRCB agreed with 5 individuals, being Jamalluddin Mahmud, Mariam Abdul Aziz, Diba Jamalluddin Mahmud, Amir Jamalluddin Mahmud and Zaid Jamalluddin, for the purchase of 80% of the equity of Zafran Holdings Sdn Bhd ("Zafran Holdings") for the sum of RM1,539,353.50 on the condition that Zafran Holdings would acquire a piece of land known as HS(D) 83713-82727, Mukim Ampang, Daerah Wilayah Persekutuan ("the Land"). MRCB made advances to Zafran Holdings for the purchase of the Land in the sum of RM2,889,873.50.

MRCB has instructed its solicitors to institute an action against the abovenamed 5 individuals, to claim the refund of the purchase consideration together with interest accruing in the sum of the RM1,086,937.70 as at 26 April 2000. The sealed copy of the Writ of Summons was extracted from the Court on 21 February 2002.

Pursuant to this, MRCB had filed a summary judgement application against the defendants on 25 July 2002. Summary Judgement entered against all the defendants on 12 November 2002. The matter is currently under execution of judgement process where bankruptcies notice have been filed in court against the defendants on 1 July 2003 and were extracted on 22 July 2003.

The case against Zaid has been withdrawn. Hearing for Bankruptcy proceedings against Jamaluddin, Mariam and Diba is fixed on 18 May 2005, 11 August 2005 and 29 June 2005 respectively.

The Directors of MRCB are of the opinion that it has merit and has a reasonable chance of success in its claim against the abovenamed 3 individuals.

v. HIGH COURT OF MALAYA AT KUALA LUMPUR CIVIL SUIT NO. D7-22-1919-2000 MRCB V MOHD RAZI BIN SHAHADAK & 2 ORS

The first two defendants, Mohd Razi bin Shahadak and Mohd. Zuhdi bin Muda, are shareholders and directors of the third defendant, ST Industrial Clay Sdn Bhd ("STI Clay"). MRCB has on 12 October 2000 filed a claim against them to recover the total sum of RM6,673,140.00 comprising as follows:

- RM6,500,000.00 being amounts paid to the first and second defendants under a conditional Shareholders' Agreement dated 4 April 1997 (the "Shareholders' Agreement") for the acquisition of the rights of allotment of 6,000,000 ordinary shares in the capital of STI Clay pursuant to rights issue to be undertaken by STI Clay;
- RM173,140.00 being an amount advanced to STI Clay in respect of a mining lease.

An affidavit of service filed on 21 November 2000. The court has set the hearing date for Case Management on 15 June 2005.

The Directors of MRCB are of the opinion that it has merit and a reasonable chance of success in its claim.

vi. HIGH COURT OF MALAYA AT SHAH ALAM WINDING UP NO. 28-90-2001 MRCB V CSK VENTURES SDN BHD

Vide Kuala Lumpur High Court Civil suit No. D3-22-3342-1998 filed by MRCB against CSK Ventures Sdn Bhd ("CSK"), MRCB sued CSK for breaching the conditions under a share sale and purchase agreement made between them whereby MRCB was to acquire the shares in a company known as Galian Bersama Sdn Bhd. MRCB obtained an order for summary judgement against CSK for the sum of RM6,000,000.00 together with interest at the rate of 12% per annum from 2 June 1998.

A petition for the winding up of CSK was presented by MRCB on 4 May 2001 but it was subsequently discovered that CSK was already wound up prior to the hearing of the petition (i.e. by Hong Leong Finance Berhad on 14 February 2001). MRCB has therefore withdrawn its petition for winding up on 8 March 2002 and a proof of debt has already been lodged with the Official Assignee who as at the date of this Circular has yet to call for a creditors' meeting.

The Directors of MRCB are of the opinion that it has no reasonable chance of obtaining a full recovery of its claim.

vii. CLAIM BY MILMIX AGAINST RICH ANNEXE SDN BHD ('RICH ANNEXE') FOR THE SUM OF RM2,845,196.51

Rich Annexe Sdn Bhd ("Rich Annexe") is the developer of a 12-storey condominium project known as Mutiara Sentul. Milmix is its main contractor for the said project. Milmix is claiming the sum of RM2,845,196.51 as outstanding due for work done pursuant to interim building certificates for the said project. Milmix served a notice pursuant to section 218 of the Act on Rich Annexe on 21 November 2001 demanding payment of the said sum. On 5 March 2002, the Court granted an injunction against Milmix from filing a winding up petition against Rich Annexe.

On 4 April 2002, a Notice of Appeal was filed to appeal against the Court's decision. However the appeal was withdrawn on 7 March 2005 base on the advise given by Milmix's solicitor. Milmix is considering to proceed with an arbitration proceeding against Rich Annexe and is waiting for a legal advise from its solicitor on the proper mode of proceedings against Rich Annexe. The Winding-up petition has also been withdrawn on 21 March 2005.

The Directors of MRCB are of the opinion that it has merit and a reasonable chance of success in its claim.

viii. HIGH COURT OF SABAH & SARAWAK IN THE FEDERAL TERRITORY OF LABUAN WRIT SUMMONS NO. L22-05-2002 SYARIKAT DAYAUSAHA BUMIPUTRA-PUTRA ENTREPRENEUR JV (SUING AS A FIRM) V MRCB ENGINEERING SDN BHD & MRCB

A Writ of Summons dated 11 March 2002 was served on MRCB Engineering Sdn Bhd ("the First Defendant") and MRCB ("the Second Defendant") by Syarikat Dayausaha Bumiputra Putra Entrepreneur JV ("the Plaintiff") whereby the Plaintiff has made a total claim of RM16,612,611.35 against the First Defendant (or alternatively, the Second Defendant) for wrongful and premature termination of a sub-contract allegedly entered into between the Plaintiff and the First Defendant in relation to the construction and completion of a proposed matriculation college at Jalan OKK Daud, Jalan Merinding, Labuan.

A Striking Out application and a Stay of Proceeding application was subsequently filed by the First Defendant and the Second Defendant on 24 April 2002. The Court had dismissed the First and Second Defendant's two applications on 21 January 2003. An appeal has been filed on 28 January 2003. The court has fixed the hearing date of the appeal on 15 June 2006.

The Directors of MRCB are of the opinion that there are reasonable grounds of defence in this matter.

ix. HIGH COURT OF MALAYA AT KUALA LUMPUR CIVIL SUIT NO: D2-22-648-2003 BETWEEN MRCB PROPERTY DEVELOPMENT SDN BHD V SUEDY SUWENDY AND 6 ORS.

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 Claimants whereby MPD had agreed to purchase 24,000,006 fully paid ordinary shares of RM1.00 each ("the Sale Shares") representing the Claimants' 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 has alleged that the conditions precedent to the SSA have not been fulfilled and demanded repayment of RM6,000,000.00 being the monies already paid by MPD under the terms of the SSA. On 28 May 2003, Kuala Lumpur High Court has granted MPD application to serve Summons Out of Jurisdiction against foreign shareholders of TRSB. Decision date for Summary Judgement application against the 1st, 3rd, 6th and 7th Defendants is fixed on 17 May 2005. The matter is also pending issuance of Summons Out of Jurisdiction against 2nd, 4th and 5th Defendants whose resides at Indonesia and Singapore.

The Directors of MRCB are of the opinion that MPD has reasonable grounds of defence to the Claimants' demands and that MPD's claim has merit and a reasonable chance of success.

x. HIGH COURT OF MALAYA AT KUALA LUMPUR CIVIL SUIT NO: S-22-28-2003 BETWEEN K & K GLOBAL CO. LTD v MRCB AND DATO' SERI ABDUL RAHMAN MAIDIN.

A general endorsement Writ of Summons dated 10 January 2003 was served on MRCB ("the First Defendant") by K & K Global Co.Ltd ("the Plaintiff") on 17 March 2003, whereby the Plaintiff has made a claim of USD83,304.00 and RM152,654.00 against the First Defendant for retainer fees, expenses incurred and consultation services and damages for misrepresentation against the Second Defendant. The First Defendant has entered an Appearance on 28 March 2003 and defence has been filed on 8 July 2003. The First Defendant had withdrawn its application for Security for Cost on 11 April 2005 and awaiting for the Plaintiff to officially withdrawn it's case against the First Defendant. The Court had set 25 November 2005 for case management.

The Directors of MRCB are of the opinion that the First Defendant has reasonable grounds of defence to the Plaintiff's claim.

xi. HIGH COURT OF MALAYA AT SHAH ALAM CIVIL SUIT NO: S1-27-736-2001 BETWEEN MOHD HARITH SIDDIK v MALAYSIAN RESOURCES CORPORATION BERHAD.

The Plaintiff was the previous employee of Malaysian Resources Corporation Berhad ("MRCB") and suing for Special Damages amounting to RM952,000.00 and General Damages for wrongful termination based on Plaintiff's contract of appointment. The Plaintiff through its solicitor served MRCB a Writ of Summons dated 2 October 2001. MRCB entered an Appearance on 29 October 2001 and file a defence on 26 November 2001. The Plaintiff filed a Summary Judgement application on 12 November 2001 and served it to MRCB's solicitors on 23 January 2002. The court dismissed the Summary Judgement application with cost on 22 May 2002 but the Plaintiff proceeded to file an appeal on 24 May 2002. The mention date for the appeal is fix on 18 July 2005.

The Directors of MRCB are of the opinion that the MRCB has reasonable grounds of defence to the Plaintiff's claim.

xii. HIGH COURT OF MALAYA AT SHAH ALAM CIVIL SUIT NO: MT3-22-69-2004 BETWEEN KOTA FRANCAIS (M) SDN BHD v MRCB SELBORN CORPORATION SDN BHD.

A Writ of Summons served on MRCB Selborn Corporation Sdn Bhd ("MSCSB") through its solicitor on 8 March 2004. The Plaintiff has made a claim of RM27,300,000.00, damages, cost, interest and court's declarations and order including that MSCSB had wrongfully terminated the Memorandum of Agreement between MSCSB and the Plaintiff. MSCSB has on 15 March 2003 filed a Memorandum of Appearance and defence was filed on 30 March 2004. The matter is pending the court to set date for Case Management. Defendant's application for Further and Better Particulars fixed for hearing on 23 August 2005.

The Directors of MSCSB are of the opinion that MSCSB has reasonable grounds of defence to the Plaintiff's claim.

4. Documents available for inspection

The following documents are available for inspection at the Registered Office of MRCB during normal business hours from the date of this Circular to the date of the AGM:-

- (a) Memorandum and Articles of Association of MRCB;
- (b) Audited accounts of MRCB for the past two (2) financial years ended 31 December 2004 and 31 August 2003
- (c) The material contracts referred to in Section 2 above; and
- (d) The relevant cause papers in respect of the material litigation referred to in Section 3 above.

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MALAYSIAN RESOURCES CORPORATION BERHAD

(7994-D)

EXTRACT OF THE NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting of Malaysian Resources Corporation Berhad ("MRCB" or "the Company") will be held at Ballroom 1, LG Level, Eastin Hotel, 13, Jalan 16/11, Pusat Dagangan Section 16, 46350 Petaling Jaya, Selangor, Malaysia on Monday, 20 June 2005 at 10.00 a.m. for the following purposes:

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following Ordinary Resolutions:

7. Proposed Shareholders' Mandate For Recurrent Related Party Transactions

"THAT subject to the Act, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the categories of Recurrent Related Party Transaction of a revenue or trading nature set out as item 1 of Section 2.1.2 of the Circular with the Related Parties mentioned therein which are necessary for the MRCB Group's day-to-day operations subject further to the following:-

- (i) the transaction are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship;

AND THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next AGM, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the Shareholders in a General Meeting,

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the Shareholders' Mandate."

(Resolution 9)

8. Proposed Shareholders' Mandate For Recurrent Related Party Transactions

"THAT subject to the Act, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the categories of Recurrent Related Party Transactions of a revenue or trading nature set out as items 2 and 3 of Section 2.1.2 of the Circular with the Related Parties mentioned therein which are necessary for the MRCB Group's day-to-day operations subject further to the following:-

- (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship;

AND THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next AGM, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the Shareholders in a General Meeting,

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the Shareholders' Mandate."

(Resolution 10)

9. Proposed Shareholders' Mandate For Recurrent Related Party Transactions

"THAT subject to the Act, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the categories of Recurrent Related Party Transactions of a revenue or trading nature set out as item 4 of Section 2.1.2 of the Circular with the Related Parties mentioned therein which are necessary for the MRCB Group's day-to-day operations subject further to the following:-

- (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate together with a breakdown of the aggregate value of the transactions during the financial year based on the type of transactions, names of the related parties and their relationship;

AND THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next AGM, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the Shareholders in a General Meeting,

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the Shareholders' Mandate."

(Resolution 11)

BY ORDER OF THE BOARD

MOHD NOOR RAHIM YAHAYA (MAICSA 0866820)
Company Secretary

Shah Alam
27 May 2005

Notes :

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.*
2. *The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.*
3. *The instrument appointing the proxy must be deposited with the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, MALAYSIA not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

Explanatory Notes:

Ordinary Resolution 9 to 11, proposed under Special Business if passed, the Shareholders' Mandate will be given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties listed, in compliance with Para 10.09 of the Listing Requirements of Bursa Securities. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM.

The class of related parties, the nature of the transactions, the rationale and the methods of determining the transaction prices with the related parties, are detailed out in the Circular to Shareholders dated 27 May 2005.