

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 adviser immediately.

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

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MRCB

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 32nd Annual General Meeting of the Company. Notice of the 32nd Annual General Meeting of the Company together with the Form of Proxy as set out in the Annual Report 2002 of the Company is despatched together with this Circular.

The Form of Proxy should be lodged at the Share Registrar of the Company, Malaysian Share Registration Services Sdn Bhd, 7th Floor, Exchange Square, Bukit Kewangan, 50200 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	:	23 February 2003 at 10.00 a.m.
Date and time of Annual General Meeting	:	25 February 2003 at 10.00 a.m.
Venue of Annual General Meeting	:	Dewan Perdana, Level 2, Grand BuleWave Hotel, Persiaran Perbandaran, Section 14, 40000 Shah Alam, Selangor, Malaysia

MRCB or the Company	:	Malaysian Resources Corporation Berhad;
MRCB Group or the Group	:	MRCB and its subsidiaries, collectively;
Malaysian Resources Development	:	Malaysian Resources Development Sdn Bhd;
Milmix	:	Milmix Sdn Bhd (formerly known as MRCB Construction Sdn Bhd);
MRCB Software Vision	:	MRCB Software Vision Sdn Bhd;
MRCB Utama	:	MRCB Utama Sdn Bhd;
NSTO	:	NST Outdoor Sdn Bhd (a 51% subsidiary of NSTP);
NSTP	:	The New Straits Times Press (Malaysia) Berhad (43.51% and 10.28% held by MRCB and EPF respectively);
Onesentral Park	:	Onesentral Park Sdn Bhd;
Pitisan	:	Pitisan Sdn Bhd (a 100% subsidiary of NSTP);
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;
Prosakti	:	Prosakti Sdn Bhd (a 100% subsidiary of NSTP);
Recurrent Related Party Transactions	:	Related Party Transactions involving recurrent transactions of a revenue or trading nature which are necessary for MRCB Group's day-to-day operations;
Related Party	:	A Director, Major Shareholder or person(s) connected with such Director or Major Shareholder;
Related Party Transactions	:	transactions entered into by MRCB Group which involves the interest, direct or indirect, of a Related Party;
RM and sen	:	Ringgit Malaysia and sen respectively;
Realmild	:	Realmild (M) Sdn Bhd;
Region Resources	:	Region Resources Sdn Bhd;
Selborn	:	MRCB Selborn Corporation Sdn Bhd;
SIDEC	:	Seri Iskandar Development Corporation Sdn Bhd;
Sepang Power	:	Sepang Power Sdn Bhd;
Semasa	:	Semasa Sentral Sdn Bhd;
STMB	:	Sistem Televisyen Malaysia Berhad (49.65% and 14.05% held by MRCB and EPF respectively);
Telekom	:	Syarikat Telekom Malaysia Berhad (13.20% held by EPF);
Transmission Technology	:	Transmission Technology Sdn Bhd;
TM Touch	:	Cellular telephone service provided by TM Cellular Sdn Bhd

Wirazone : Wirazone Sdn Bhd (a 100% subsidiary of Malakoff)
Zelleco Construction : Zelleco Construction Sdn Bhd;
Zelleco Engineering : Zelleco Engineering Sdn Bhd;
Zelleco : Zelleco (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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MRCB

MALAYSIAN RESOURCES CORPORATION BERHAD

(7994-D)

Registered Office:

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

31 January 2003

Board of Directors:

Dato' Seri Syed Anwar Jamalullail (Chairman)
Abdul Rahman Ahmad (Group Managing Director/Chief Executive Officer)
Shahril Ridza Ridzuan (Executive Director)
Datuk Zahari Omar (Executive Vice President)
Dato' Ahmad Ibnihajar (Independent Non-executive Director)
Dato' Zainol Abidin Dato' Salleh (Independent Non-executive Director)
Dato' Dr. Mohd Shahari Ahmad Jabar (Independent Non-executive Director)

To: The Shareholders of Malaysian Resources Corporation Berhad

Dear Sir/Madam

PROPOSED RENEWAL AND ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WHICH ARE NECESSARY FOR DAY-TO-DAY OPERATIONS

At the EGM on 15 November 2002, 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 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 the KLSE on 22 January 2003, 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 resolution 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 August 2002 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 August 2002.

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, a listed issuer 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 the following:-

- (i) the transactions are in the ordinary course of business 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 aggregate value of transactions conducted 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 to approve 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.

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
Milmix Sdn Bhd (formerly known as MRCB Construction Sdn Bhd)	100.00	Civil and infrastructure building contractor
Onesentral Park Sdn Bhd	51.00	Property development
MRCB Land Sdn Bhd	100.00	Project management and development services
Kuala Lumpur Sentral Sdn Bhd	64.38	Property development
<i>Wholly-owned subsidiary of Kuala Lumpur Sentral Sdn Bhd</i>		
• Unity Portfolio Sdn Bhd	64.38	Pre-operating
Mafira Holdings Sdn Bhd	100.00	Investment holding
MR Enterprises Sdn Bhd	100.00	Dormant

Name of Company	Effective Equity Interest (%)	Principal Activity
MR Management Sdn Bhd	100.00	Dormant
MRCB Dotcom Sdn Bhd	100.00	Dormant
Semasa Sentral Sdn Bhd	100.00	Operation, management and maintenance of Stesen Sentral Kuala Lumpur
Malaysian Resources Sentral Sdn Bhd	100.00	Facility management
MRCB Trading Sdn Bhd	100.00	Dormant
MR Securities Sdn Bhd	100.00	Investment holding
<i>Wholly-owned subsidiary of MR Securities Sdn Bhd</i>		
• Bintara Guard Force Security Sdn Bhd	100.00 ¹	Security services
MRCB Ceramics Sdn Bhd	75.00	Dormant
MRCB Engineering Sdn Bhd	100.00	Engineering services and construction
MRCB Prasarana Sdn Bhd (formerly known as Sepang Energy Resources Sdn Bhd)	100.00	Infrastructure design and build construction work
MRCB Project Management Sdn Bhd	100.00	Project management and engineering related services
MRCB Selbom Corporation Sdn Bhd	60.00	Property development
Malaysian Resources Technology Sdn Bhd	100.00	Pre-operating
Region Resources Sdn Bhd	80.00	Dormant
<i>Wholly-owned subsidiary of Region Resources Sdn Bhd</i>		
• Syarikat Gemilang Quarry Sdn Bhd	80.00	Dormant
MRCB Property Management Sdn Bhd	100.00	Property investment and management
Trans Peninsula Crude Oil Transaction Sdn Bhd	100.00	Pre-operating
Superview Development Sdn Bhd	100.00	Property development and investment holding
Malaysian Resources Development Sdn Bhd	100.00	Property development and investment holding

¹ Held through nominees of MR Securities Sdn Bhd

Name of Company	Effective Equity Interest (%)	Principal Activity
<i>Wholly-owned subsidiary of Malaysian Resources Development Sdn Bhd</i>		
• Bitar Enterprise Sdn Bhd	100.00	Dormant
• Golden East Corporation Sdn Bhd	100.00	Property development and management
• MR Properties Sdn Bhd	100.00	Dormant
• Seri Iskandar Utilities Corporation Sdn Bhd	100.00	Dormant
• Sunrise Properties Sdn Bhd	100.00	Dormant
• Taiyee Development Sdn Bhd	100.00	Property development
• MRCB Property Development Sdn Bhd	100.00	Investment holding
<i>Wholly-owned subsidiary of MRCB Property Development Sdn Bhd</i>		
• MRCB Cahaya Mutiara Sdn Bhd	100.00	Property development and management
<i>70% owned subsidiary of Malaysian Resources Development Sdn Bhd</i>		
• Seri Iskandar Development Corporation Sdn Bhd	70.00	Property development
• Kejuruteraan dan Pembinaan Seri Lumut Sdn Bhd (formerly known as Seri Ipoh-Lumut Expressway Sdn Bhd)	70.00	Pre-operating
Transmission Technology Sdn Bhd	55.00	Engineering, construction and commissioning of power transmission systems
MR Construction Sdn Bhd	51.00	Dormant
MR-H Piling and Civil Engineering (M) Sdn Bhd	51.00	Dormant
MRCB Utama Sdn Bhd	100.00	Property development
<i>Wholly-owned subsidiary of MRCB Utama Sdn Bhd</i>		
• Country Annexe Sdn Bhd	100.00	Dormant
Cheq Point (M) Sdn Bhd	74.79	Pre-operating
Zelleco (M) Sdn Bhd	70.00	Investment holding and contractor of civil and structural works
<i>Wholly-owned subsidiary of Zelleco (M) Sdn Bhd</i>		
• Zelleco Engineering Sdn Bhd	70.00	Fabrication of structured steelworks

Name of Company	Effective Equity Interest (%)	Principal Activity
<i>75% owned subsidiary of Zelleco (M) Sdn Bhd</i> • Zelleco Construction Sdn Bhd	52.50	Contractor of civil and structural works
MRCB Multimedia Consortium Sdn Bhd	71.48	Designing, developing and implementing various applications relating to information and technologies
MRCB Intelligent Systems and Control Sdn Bhd	100.00	Dormant
MRCB Oil & Gas Technical Services Sdn Bhd	100.00	Pre-operating
MRCB (Trengganu) Sdn Bhd	100.00	Dormant
MRCB Smart Sdn Bhd	100.00	Dormant
MRC Management (BVI) Ltd	100.00	Investment holding
Malaysian Resources International Sdn Bhd	100.00	Investment holding
<i>Wholly-owned subsidiary of Malaysian Resources International Sdn Bhd</i> • Mauritius Limited	100.00	Investment holding
<i>Wholly-owned subsidiary of MRCB Mauritius Limited</i> • Novelway Investments (Proprietary) Ltd	100.00	Property development
MR Investments (Cayman) Pte Ltd	100.00	Investment holding
MRCB Software Vision Sdn Bhd	100.00	Information technology services and professional outsourcing
Multimedia Base Sdn Bhd	100.00	Pre-operating
Netcelerator (M) Sdn Bhd	100.00	Pre-operating
Media Prima Berhad (formerly known as Profitune Berhad)	100.00	Pre-operating
Estroman Sdn Bhd	100.00	Pre-operating
Sibexlink Sdn Bhd	59.65	Web-development service

2.1.1 Classes of Related Parties

(i) Major Shareholders

Realmild owns 244,857,156 ordinary shares in MRCB. As such Realmild is a major shareholder of MRCB with an equity interest of 25.07%. By virtue of the 25.07% interest in MRCB, Realmild shall be deemed to have interests in all the companies in which MRCB has interest in. Innerworld is a wholly-owned subsidiary of Realmild.

DSSAJ owns 7,101,001 ordinary shares in Realmild. Thus, DSSAJ holds 99.9% direct equity interest in Realmild. By virtue of his 99.9% direct equity interest in Realmild, DSSAJ shall be deemed to have interest in MRCB. As such DSSAJ shall also be deemed to have interests in all the companies in which MRCB has interests in.

For the purpose of this Proposed Shareholders' Mandate, save for Irshad, Realmild and DSSAJ shall be deemed to have interests in all the related parties as listed in Section 2.1.2 below.

Irshad owns 350,000 ordinary shares in MRCB Multimedia. Henceforth, Irshad is a major shareholder of MRCB Multimedia by virtue of its 7% direct equity interest in MRCB Multimedia.

(ii) Directors

DSSAJ, who is a director in MRCB is also a director of STMB, an associated company of MRCB in which MRCB has an equity interest of 49.65%. He shall be deemed to have interests in both MRCB and STMB by virtue of his 99.9% direct equity interest in Realmild. DSSAJ, is also a director of Innerworld and he shall also be deemed to have interest in Innerworld.

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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:

No	Company in the MRCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM* RM
1.	MRCB	Innerworld	DSSAJ, Realmild	Air tickets for local and international flights Provision of airline tickets by Innerworld to MRCB. The expenses will be incurred on ad-hoc basis based on actual requirements of MRCB.	60,000
2.	MRCB	STMB	EPF, Realmild, DSSAJ	Tenancy at Sri Pentas 2, Plaza Alam Sentral Sub-rental by STMB of auditorium at Sri Pentas 2, Plaza Alam Sentral which is leased by MRCB under a master tenancy agreement between MRCB and its subsidiary, Selbom. At present, the sub-rental covers an area of approximately 35,368 sq. ft. chargeable at monthly rental rate of RM2.10 per sq. ft.	965,546
3.	MRCB	AMI	EPF	Insurance for hospitalisation, risks and fire Provision of insurance coverage for hospitalisation, fire and other risks provided by AMI to MRCB. The premium to be paid is based on actual requirements of MRCB and will be paid on annual basis.	156,000
4.	MRCB Utama	NSTP	EPF	Promotional advertisements Provision of print advertisement by NSTP to MRCB Utama in relation to sale of MRCB Utama's properties. The advertisement expenses will be incurred on ad-hoc basis based on marketing plan of MRCB Utama.	100,000
5.	Transmission Technology	AMI	EPF	Motor vehicle insurance Provision of insurance coverage for motor vehicles by AMI to Transmission Technology. The premium to be paid is based on actual requirements of Transmission Technology and will be paid on annual basis.	16,000

No	Company in the MPCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM* RM
6.	Semasa	NSTO	EPF	Advertising spaces at Stesen Sentral Kuala Lumpur Provision of advertisement space at Stesen Sentral Kuala Lumpur by Semasa to NSTO. The advertisement charges are stipulated in an agreement that is effective 1 June 2001 and billed on quarterly basis.	812,500
7.	Semasa	AMI	EPF	Insurance coverage for Stesen Sentral Kuala Lumpur and expenses Provision of insurance coverage for Stesen Sentral Kuala Lumpur, motor vehicles and group personal accident. The premium to be paid is based on actual requirements of Semasa and will be paid on annual basis.	510,500
8.	Semasa	Telekom	EPF	Rental of spaces for public telephones Rental of space by Telekom at various locations at Stesen Sentral Kuala Lumpur for the installation of payphones and related accessories. The rental terms are governed by an agreement and is billable monthly.	33,670
9.	Malaysian Resources Development	AMI	EPF	Insurance expenses. Provision of insurance coverage for fire, all perils, master, public liability and hospitalisation and other risks by AMI to Malaysian Resources Development. Provision of insurance coverage for hospitalisation, fire and other risk by AMI to Malaysian Resources Development. The premium to be paid is based on actual requirements of Malaysian Resources Development and will be paid on annual basis.	68,100

No	Company in the MRCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM* RM
10.	KL Sentral	NSTP	EPF	<p>Advertisement expenses</p> <p>Provision of print advertisement by NSTP to KL Sentral in relation to sale of KL Sentral's properties. The advertisement expenses will be incurred on ad-hoc basis based on marketing plan of KL Sentral</p>	1,100,000
11.	KL Sentral	AMI	EPF	<p>Insurance expenses</p> <p>Provision of insurance coverage for hospitalisation, fire and other risks by AMI to KL Sentral. The premium to be paid is based on actual requirements of KL Sentral and will be paid on annual basis.</p>	164,000
12.	MRCB Engineering	AMI	EPF	<p>Insurance expenses</p> <p>Provision of insurance coverage for hospitalisation, fire and other risks by AMI to MRCB Engineering. The premium to be paid is based on actual requirements of MRCB Engineering and will be paid on annual basis.</p>	3,360,000
13	Region Resources	AMI	EPF	<p>Insurance expenses</p> <p>Provision of insurance coverage for plant & machineries by AMI to Region Resources. The premium to be paid is based on actual requirements of Region Resources and will be paid on annual basis.</p>	10,000
14.	Golden East	AMI	EPF	<p>Insurance expenses</p> <p>Provision of insurance coverage for fire and other risks by AMI to Golden East. The premium to be paid is based on actual requirements of Golden East and will be paid on annual basis.</p>	16,000

No	Company in the MRCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM* RM
15.	SILEX	AMI	EPF	Insurance expenses Provision of insurance coverage for motor vehicles by AMI to SILEX. The premium to be paid is based on actual requirements of SILEX and will be paid on annual basis.	1,400
16.	Zelleco	AMI	EPF	Insurance expenses Provision of insurance coverage for hospitalisation, fire and other risks by AMI to Zelleco. The premium to be paid is based on actual requirements of Zelleco and will be paid on annual basis.	41,000
17.	MRCB Multimedia	AMI	EPF	Insurance expenses Provision of insurance coverage for hospitalisation, fire and other risks by AMI to MRCB Multimedia. The premium to be paid is based on actual requirements of MRCB Multimedia and will be paid on annual basis.	3,200
18.	SIDEC	NSTP	EPF	Advertisement expenses Provision of print advertisement by NSTP to SIDEC in relation to sale of SIDEC properties. The advertisement expenses will be incurred on ad-hoc basis based on marketing plan of SIDEC.	16,000
19.	MRCB Utama	AMI	EPF	Insurance expenses Provision of insurance coverage for hospitalisation, fire and other risks by AMI to MRCB Utama. The premium to be paid is based on actual requirements of MRCB Utama and will be paid on annual basis.	92,000

No	Company in the MRCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to the next AGM* RM
20.	MRCB Multimedia	Irshad	Irshad	Consulting services Provision of consulting services by Irshad to MRCB Multimedia in relation to system development, business improvement and training phases of the Human Resources Management Information System (HRMIS) project. The consultancy rates to be charged will be based on level of skills and competency provided.	1,177,500
TOTAL					8,703,416

* The above estimated values of transactions are based on values transacted for the year ended 31 August 2002. However, the value of these transactions may be subjected to changes in the current financial year.

New Recurrent Related Party Transactions

No	Company in the MRCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to next AGM RM
21.	MRCB Software Vision	BIS	EPF	Supply of computers Supply of computer hardware and software to MRCB Group. The expenses will be incurred on ad-hoc basis based on the actual requirements of MRCB Group and invoices to be raised by BIS.	60,000 [^]
22.	SIDEC	AMI	EPF	Insurance expenses Provision of insurance coverage for electronic equipment, all risk, fire & allied perils. The premium to be paid will be based on actual requirements of SIDEC and will be paid on annual basis.	1,000 ^{^^}
23.	MRCB Prasarana	AMI	EPF	Insurances expenses Provision of insurance coverage for hospitalisation, fire and other risks by AMI to MRCB Prasarana. The premium to be paid will be based on actual requirements of MRCB Prasarana and will be paid on annual basis.	2,000 ^{^^^}
24.	MRCB	NSTP	EPF, Realmild, DSSAJ	Advertisement and general expenses Provision of print advertisement by NSTP to MRCB in relation to special supplements/advertisements. Advertisement expenses will be incurred on ad-hoc basis based on requirements and the supply of newspapers to schools as part of community relations program.	290,000 ^{^^^^}

No	Company in the MRCB Group involved	Related Party	Interested Related Party	Nature of Transaction	Estimated Value from date of AGM to next AGM RM
25.	Kuala Lumpur Sentral	Wirazone	EPF	Electricity and chilled water bills Supply of chilled water and electricity to Kuala Lumpur Sentral Station will be incurred based on the bills raised by Wirazone and charged on monthly basis.	4,800,000 ^{wwww}
TOTAL					5,153,000

[^] MRCB Software Vision will assume the role of MRCB to supply computer hardware and software for MRCB Group. The transaction between MRCB Software Vision and BIS is anticipated to commence after the mandate has been obtained. The estimated amount of RM60,000 is arrived at based on the MRCB Group's budget for purchase of software and hardware.

^{^^} Insurance expenses to be incurred for the new site office of SIDEK in Ipoh. The estimated amount of RM1,000 is arrived at based on SIDEK's budget on insurance expenses and will be incurred on annual basis.

^{^^^} MRCB Prasarana has been activated to undertake the construction of infrastructure projects. The estimated amount of RM2,000 is arrived at based on MRCB Group's budget on insurance expenses and will be incurred on annual basis.

^{^^^^} Previously expenses on advertisements for MRCB Group were shared among the subsidiaries. The estimated amount of RM290,000 is arrived at based on MRCB's budget on advertisement expenses and donations.

^{^^^^^} The relevant agreements pertaining to the supply of chilled water and electricity between KL Sentral and Wirazone are expected to be signed in March 2003. Expenses on electricity by KL Sentral Station will be incurred based on units to be utilised at the rate of RM0.208 per kWh. This rate is equivalent to the rate charged by Tenaga Nasional Berhad. The expenses on chilled water by KL Sentral Station will be charged at the rate of RM0.48 per square foot per month.

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 above paragraph (iv), 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. APPROVALS 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 Shareholders of MRCB who are deemed interested in the Proposed Shareholders' Mandate, as at 31 December 2002, are as follows:-

Shareholder	Direct (No. of Shares)	Percentage (%)	Indirect (No. of Shares)	Percentage (%)
Realmild	244,857,156 [^]	25.07	-	-
DSSAJ	-	-	244,857,156 [*]	25.07
EPF	120,816,333	12.37	-	-

[^] 11,523,823 (1.18%) held directly by Realmild and 233,333,333 (23.89%) held through RHB Merchant Nominees (Tempatan) Sdn Bhd.

^{*} Deemed interested by virtue of his 99.9% interest in Realmild

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

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

5.2 Directors' Interests

None of the Directors have any shareholding, direct or indirect in MRCB save for DSSAJ. By virtue of his interests in the Related Parties as mentioned in Section 2.1 above, DSSAJ has abstained and will continue to abstain from any deliberation and voting at the Board meetings in relation to the Proposed Shareholders' Mandate on the Recurrent Related Party Transactions which he is interested in. Accordingly, DSSAJ will abstain from voting in respect of his direct and/or indirect shareholdings on the resolution(s) approving the Proposed Shareholders' Mandate which involved his interest at the forthcoming AGM.

None of the Directors of MRCB Group have any shareholding, direct or indirect in the Related Parties described in Section 2.1.2 above save for Amran Ariffin. By virtue of his common directorship and interest in the Related Parties as mentioned in Section 2.1.1 above, Amran Ariffin has abstained and will continue to abstain from any deliberation and voting at the MRCB Multimedia's Board of Directors meetings in relation to the Proposed Shareholders' Mandate.

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 year 31 August 2003 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 resolution 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 year ended 31 August 2002, which is being sent to you together with this circular. The AGM will be held at Dewan Perdana, Level 2, Grand BlueWave Hotel, Persiaran Perbandaran, Section 14, 40000 Shah Alam, Selangor, Malaysia.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon, so as to reach the Company's Share Registrar's Office at Malaysian Share Registration Services Sdn Bhd, 7th Floor, Exchange Square, Bukit Kewangan, 50200 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, with the exception of DSSAJ, 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
MALYSIAN RESOURCES CORPORATION BERHAD

ABDUL RAHMAN AHMAD
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. A conditional Agreement dated 22 October 2001 between MRCB, Sistem Televisyen Malaysia Berhad ("TV3") and Media Prima Berhad (formerly known as Profitune Berhad) ("Profitune"/ "Newco"), in respect of the parties' mutual intention and obligation to carry out the Proposed Schemes.
- ii. A conditional Agreement dated 22 October 2001 between MRCB and Newco wherein MRCB agreed to sell, and Newco agreed to purchase, 94,035,540 ordinary shares of RM1.00 each representing approximately 43.5% of the issued and paid up capital of The New Straits Times Press (Malaysia) Berhad ("NSTP") for the total purchase consideration of RM338,200,000.00 or RM3.60 per NSTP share. The purchase consideration is to be satisfied by Profitune as follows:-
 - (a) the issuance of RM182.7 million nominal value of the Irredeemable Convertible Unsecured Loan Stocks ("ICULS");
 - (b) the issue at an issue price of RM1.10 per share of 141,300,000 new ordinary shares of RM1.00 each in Profitune credited as fully paid-up; and
 - (c) the grant of the Put Option(s) to all holders of private debt securities issued by a special purpose company ("SPC-PDS").

Subsequent to the SSA, on 21 January 2002, MRCB entered into a Supplemental Share Sale Agreement ("the First Supplemental SSA") with Newco for the proposed transfer of the Sale Shares to the Purchaser. The consideration for the sale, purchase and transfer of the Sale Shares was changed to the aggregate of RM357,335,052 or RM3.80 per share based on a willing buyer willing seller basis and to be satisfied as follows:-

- (a) the issuance of RM180.0 million nominal amount of Newco ICULS in accordance with the terms and conditions more specifically set out in the Schedule 1 of the SSA without any payment on the part of MRCB;
- (b) the issuance at an issue price of RM1.10 per share of 161,213,684 new ordinary shares of RM1.00 each in Newco ranking *pari passu* in all respects with the existing issued shares in Newco as at the date of issue and allotment and credited as fully paid-up and free from encumbrances to MRCB; and
- (c) the grant of the Put Option(s) by Newco to all holders of SPC-PDS, the performance of which is to be secured by a pledge given by Newco over 47,368,421 NSTP shares comprising part of the Sale Shares comprising and totaling 21.9% of the entire issued and paid up capital of NSTP.

Subsequent to the First Supplemental SSA, MRCB had on 26 November 2002 entered into a Second Supplemental Share Sale Agreement with Newco for the proposed transfer of the Sale Shares to the Purchaser. The consideration for the sale, purchase and transfer of the Sale Shares was changed to the aggregate of RM399,651,045 or RM4.25 per share based on a willing buyer willing seller basis and to be satisfied as follows:-

- (a) the issuance of RM180.0 million nominal amount of Newco ICULS in accordance with the terms and conditions more specifically set out in the Schedule 1 of the SSA without any payment on the part of MRCB;
- (b) the issuance at an issue price of RM1.10 per share of 199,682,768 new ordinary shares of RM1.00 each in Newco ranking *pari passu* in all respects with the existing issued shares in Newco as at the date of issue and allotment and credited as fully paid-up and free from encumbrances to MRCB; and

- (c) Newco writing (at the request of MRCB) one or more put options in favour of one or more of the lenders of MRCB (whose identities shall be subject to the approval of Newco, such approval not to be unreasonably withheld) whereby the holders of the Put Option can require Newco to purchase up to all the Newco ICULS at an exercise price equal to the nominal value of the Newco ICULS, which Put Option shall be secured by a charge over 47,368,421 NSTP shares comprising part of the Sale Shares and which comprises 21.9% of the entire issued and paid up capital of NSTP.
- iii. A conditional Share Subscription Agreement dated 22 October 2001 between MRCB and Newco wherein MRCB agreed to subscribe for 77,300,000 ordinary shares of RM1.00 each in Profitune at the subscription price of RM1.10 per share or a total subscription price of RM85,030,000.00.
- iv. Share Sale Agreement dated 23 November 2001 between MRCB and Tenaga Nasional Berhad ("TNB") whereby MRCB agrees to dispose to TNB its entire 70% equity interest in Sepang Power Sdn Bhd (amounting to 700,000 Sale Shares) for a total cash consideration of RM115,000,000.00. The initial payment of 10% of the consideration was paid upon execution of the said Agreement and the balance of 90% of the consideration was paid upon completion. The Share Sale Agreement was varied by a variation agreement dated 17 May 2002 entered into between MRCB and TNB which incorporated a new Completion Date (i.e. 20 May 2002) on which MRCB had to affect the transfer and registration of 300,000 Sale Shares to TNB. In addition thereto, MRCB is to continue to be the legal owner of the other 400,000 Sale Shares and shall transfer this portion to TNB or its nominees upon TNB's instructions. A sum of RM65,700,000.00 shall be considered as an interest free non-refundable advance by TNB to MRCB and which shall be converted into full and final payment for the 400,000 Sale Shares to MRCB upon the occurrence of the earlier of:
- (a) the instructions of TNB to transfer and register the 400,000 Sale Shares to TNB or its nominees;
 - (b) the sale and purchase agreement for the 400,000 Sale Shares between TNB and Mastika Legenda Sdn Bhd ("Mastika") not being executed within three months from 17 May 2002; or
 - (c) the sale and purchase agreement for the 400,000 Sale Shares between TNB and Mastika not being completed within nine months from 17 May 2002.
- v. Share sale agreement dated 9 February 2002 between MRCB and TNB whereby MRCB agrees to dispose to TNB its entire 20% equity interest in Fibrecomm Network (M) Sdn Bhd ("FNMSB") for a cash consideration of RM22,000,000.00. The initial payment of RM1,500,000.00 was made upon execution of the said agreement and the balance of RM20,500,000.00 was paid upon completion. It was announced to the KLSE that the Share sale agreement was completed on 26 August 2002. A further cash payment of RM23,000,000.00 will be made upon the successful award of a licence under the Communications and Multimedia Act 1998 to TNB, its subsidiaries or FNMSB, provided always that the licence shall be obtained within three (3) years from the date of this agreement. On 12 August 2002, all conditions precedent of this Share Sale Agreement had been fulfilled.
- vi. A Letter of Award dated 25 February 2002 ("the Letter of Award") issued by Sabah Electricity Sdn Bhd ("SESB") to Transmission Technology Sdn Bhd and Sharikat Permodalan Kebangsaan Berhad (collectively, the "TTSB-SPK Consortium") whereby SESB has agreed to award the Survey Works and Wayleave Services for the East-West Grid Interconnection Project ("the Project") to the TTSB-SPK Consortium. Pursuant to the Letter of Award, SESB and the TTSB-SPK Consortium subsequently entered into a Survey Works & Wayleave Services Agreement which was signed on the 25 March 2002 for the TTSB-SPK Consortium to undertake, carry out, execute, complete the Survey Works and Wayleave Services in relation to the Project for a consideration sum of Ringgit Malaysia Eight Million Two Hundred and Forty Five Thousand Only (RM8,245,000.00)
- vii. The conditional sale and purchase agreement dated 20 March 2002 ("SPA") entered into between MRCB and Utama Banking Group Berhad ("UBGB") in relation to the disposal of 105,127,000 ordinary shares of RM1.00 each representing approximately 22.7% of the existing issued and paid-up capital of Rashid Hussain Berhad ("RHB") by MRCB to UBGB for a total cash consideration of RM504,609,600 ("the RHB Disposal"). The RHB Disposal was duly completed on 31 December 2002.
- viii. A Survey Works & Wayleave Services Agreement dated 25 March 2002 between Transmission Technology Sdn Bhd ("TTSB") in collaboration with Sharikat Permodalan Kebangsaan Berhad ("SPK") (jointly known herein as "the TTSB-SPK Consortium") and Sabah Electricity Sdn Bhd ("SESB") for the TTSB-SPK Consortium to undertake, carry out, execute, complete the Survey Works and Wayleave Services in relation to the "East-West Grid Interconnection Project" ("the Project") for a consideration sum of RM8,245,000.00.

ix. A Letter of Award dated 26 March 2002 from SESB to the TTSB-SPK Consortium wherein TTSB-SPK Consortium was awarded to undertake the Implementation of 275kilovolt ("kV") and 132kV Transmission Lines Project For East-West Grid Interconnection ("the Sabah East-West Project") subject to the final approval from the Federal Treasury, Ministry of Finance at a contract price of RM425,000,000. On 12 July 2002, SESB issued its Letter of Acceptance based on a contract price of RM400,000,000. Subsequently, on 4 October 2002, the TTSB-SPK Consortium entered into a Main Contract with SESB in relation to the Sabah East-West Project. The total contract price is RM400,000,000 which includes a provisional sum of RM10,000,000 for telecommunication equipment. Among the salient terms of the contract include:

- (a) The duration of the contract is thirty-six (36) months from the date of acceptance of the Letter of Award;
- (b) Provision of a Performance Bond by the TTSB-SPK Consortium for the sum of RM20,000,000 being 5% of the total Contract Price;
- (c) Validity of the Performance Bond is for sixty (60) months;
- (d) The TTSB-SPK Consortium shall maximise the usage of locally manufactured goods. Priority shall be given to manufacturers developed under the Tenaga Nasional Berhad and/or SESB Vendor Development Programme

x. A conditional Sale and Purchase of Share Agreement dated 29 August 2002 between Zelleco (M) Sdn Bhd ("ZMSB"), Sasaran Bahagia Sdn Bhd ("SBSB") and Zelleco Engineering Sdn Bhd ("ZESB") whereby ZMSB has agreed to sell to SBSB 11,983,300 ordinary shares ("the Sale Shares") of RM1.00 each representing 70% of the enlarged issued and paid up capital of ZESB ("Proposed Disposal"). The consideration for the Sale Shares shall be satisfied as follows:

- (a) SBSB shall pay ZMSB RM1.00 upon the execution of the Sale and Purchase of Share Agreement;
- (b) SBSB shall cause to be settled to ZESB's creditor, i.e. MRCB, a sum of RM10,500,000.00 ("the Debt Amounts") through the creation and issuance of redeemable secured term debt ("RSTD") by ZESB to MRCB

In consideration of the Sale Shares and as a continuing security for the repayment of the Debt Amounts and the due performance of SBSB, a Memorandum of Deposit dated 29 August 2002 was entered into between SBSB and MRCB whereby SBSB as beneficial owner of the Sale Shares, has charged by way of a first legal mortgage to MRCB all the rights, title and interests of SBSB in and to the Sale Shares.

xi. A Joint Venture and Shareholders' Agreement dated 24 October 2002 between MRCB and Wira Kristal Sdn Bhd ("WKSb") whereby the parties herein have agreed to establish a joint venture company known as Nuzen Corporation Sdn Bhd ("NCSB") which in turn will wholly own a company known as Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("KLUT"). By a Letter of Exclusivity dated 10 May 2001, the Government of Malaysia ("the Government") has agreed to privatise the design, construction, operation and management of the Kuala Lumpur North East Expressway ("the Project") whereby KLUT has been awarded with the Project. Both MRCB and WKSb via NCSB have agreed to use KLUT as the vehicle for the joint venture between the parties to undertake the implementation of the Project in accordance with the terms and conditions of a concession agreement to be negotiated and entered into with the Government. All the issued share capital of NCSB shall be held by the parties in the following proportions:

<u>Party</u>	<u>Percentage of Shareholding</u>
WKSb	70%
MRCB	30%

- xii. A conditional sale and purchase agreement dated 15 January 2003 ("SPA") entered into between MRCB and 9 vendors for the proposed acquisition by MRCB ("the Proposed Acquisition") of 100% equity interest in Landas Utama Sdn Bhd ("LUSB") comprising of 320,000 ordinary shares of RM1.00 each ("the Sale Shares"). The consideration for the Proposed Acquisition comprises of:
- (a) a cash consideration amounting to RM88,000,591.00 ("the Cash Consideration"); and
 - (b) the procurement by MRCB of the unconditional release of the personal guarantees ("Guarantee") given by the vendors in relation to a banking facility of RM131,999,409.00 ("the Banking Facility") which was granted to LUSB by Bumiputra-Commerce Bank Berhad ("the Lender") under a Facilities Agreement dated 4 May 2000.

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 KUALA LUMPUR CIVIL SUIT NO. D7-22-1600-2000
HEE CHOI, KHOO CHEE MING & KHOO CHEE KEONG V MRCB**

The plaintiffs being Hee Choi, Khoo Chee Ming and Khoo Chee Keong were the previous owners of 1,440,000 ordinary shares of Region Resources Sdn Bhd ("Region Resources"). By a Sale and Purchase Agreement dated 21 December 1998 ("Sale and Purchase Agreement"), MRCB acquired the said shares in Region Resources from the plaintiffs for the sum of RM1,656,000.00. In addition thereto, MRCB agreed to procure the release and discharge of the personal guarantees furnished by the plaintiffs to secure the borrowings of Region Resources.

By the abovementioned suit, the plaintiffs are seeking an order for the specific performance of the said Sale and Purchase Agreement, in that MRCB must obtain the release and discharge of the said personal guarantees furnished by the plaintiffs. In its defence, MRCB is contending that it has discharged its obligations under the said Sale and Purchase Agreement.

The hearing date for the matter has been fixed by the Court to be on 5 February 2003.

The Directors of MRCB are of the opinion that there are reasonable grounds of defence in this claim made by the plaintiffs.

ii. **HIGH COURT OF MALAYA AT KUALA LUMPUR ORIGINATING SUMMONS NO. D1-24-294-2001
MRCB V JURANAS SDN BHD**

Juranas Sdn Bhd ("Juranas") is claiming against MRCB the sum of RM6,000,000.00 allegedly as agreed commission fees for the Skudai Army Camp Project. Juranas had served a notice dated 9 January 2002 pursuant to section 218 of the Act on MRCB demanding payment of such sum. MRCB is disputing the claim by Juranas and on 28 February 2002 had obtained an injunction from the Court whereby Juranas is prevented from presenting a winding up petition against MRCB.

Juranas then filed a Notice of Appeal against the Court's decision on 18 March 2002 and pursuant thereto had served MRCB with the Record of Appeal on 25 June 2002. The matter is now pending for MRCB to reply to the said Record of Appeal to which no date has been fixed by the Court.

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

iii. **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. 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 a pre-trial Case Management to be heard on 10 February 2003.

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

iv. 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. Milmix has filed its defence and disputes the claims on the basis of inter alia qualified privilege and justification.

Hearing of the plaintiff's application for pre-trial Case Management is currently ongoing of which the latest date has been fixed on 27 January 2003.

The Directors of MRCB are of the opinion that Milmix has a reasonable defence against the claims.

v. 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 RM10,092,080.00 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 is now pending a referral to arbitration by Maltec.

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

vi. HIGH COURT OF MALAYA AT SHAH ALAM (SUIT NO. MT2-22-879-01) 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 Mahmud ("the 5 Individuals") 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) 83713-83727, Mukim Ampang, Daerah Wilayah Persekutuan ("the Land"). MRCB made advances to Zafran Holdings for the purchase of such Land in the sum of RM2,889,873.50.

A petition to winding up Zafran Holdings was filed by RHB Bank Berhad on 11 July 2000. MRCB has filed a Notice of Intention to Appear in Support of the said Petition on 15 September 2000. MRCB has instructed its solicitors to institute an action against the 5 individuals, pending the hearing of the said winding up petition, to claim the refund of the purchase consideration together with interest accruing in the sum of 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. On 12 November 2002, MRCB had obtained a Summary Judgment against all the 5 Individuals.

The Directors of MRCB are of the opinion that it has a reasonable chance of recovering its claim against the 5 Individuals.

vii. HIGH COURT OF MALAYA AT KUALA LUMPUR CIVIL SUIT NO. D7-22-1919-2000 MRCB V MOHD RAZI BIN SHAHADAK, MOHD ZUHDI BIN MUDA AND ST INDUSTRIAL CLAY SDN BHD

The first two defendants being 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 filed a claim against them to recover the total sum of RM6,673,140.00 comprising as follows:-

- (i) 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;
- (ii) RM173,140.00 being an amount advanced to STI Clay in respect of a mining lease.

The Court has yet to set the date for Case Management.

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 MALAYA AT SHAH ALAM WINDING UP NO. 28-90-2001
MRCB V CSK VENTURE SDN BHD**

Vide Kuala Lumpur High Court Civil Suit No. D3-22-3341-1998 filed by MRCB against CSK Venture 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 judgment 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 and on 8 March 2002 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 merit and a reasonable chance of success in its claim.

**ix. CLAIM BY MILMIX AGAINST RICH ANNEXE SDN BHD ("RICH ANNEXE") FOR THE SUM OF
RM2,845,196.51**

Rich Annexe is the developer of a 12-storey condominium project known as Mutiara Sentul. MRCB Construction is its main contractor for the said project. MRCB Construction is claiming the sum of RM2,845,196.51 as outstanding due for work done pursuant to interim building certificates for the said project. MRCB Construction has served a winding-up notice pursuant to section 218(1)(e) of the Companies Act 1965 on Rich Annexe on 21 November 2001.

On 4 April 2002, a Notice of Appeal was filed to appeal against the Court's decision and the case is currently pending for the appeal to be heard.

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

**x. HIGH COURT OF MALAYA AT SHAH ALAM WRIT SUMMONS NO. MT5-21-200-2001 MAJLIS
BANDARAYA SHAH ALAM V MRCB SELBORN CORPORATION SDN BHD**

Majlis Bandaraya Shah Alam ("MBSA") served a Writ of Summons dated 1 November 2001 on MRCB Selborn Corporation Sdn Bhd ("MSCSB") on 1 February 2002, claiming arrears of assessment tax totalling RM2,208,101.20 due and owing by MSCSB. Currently, negotiations are taking place between the parties to settle the matter amicably. It is understood that both MBSA and MSCSB are agreeable to setting-off the amounts owing to MBSA by MSCSB by way of transferring to MBSA properties belonging to the MRCB Group.

Pursuant to a meeting between MRCB and MBSA's Head of Legal Division on 18 April 2002, MBSA had agreed to withdraw its action against MSCSB but it is also agreed between the parties that MBSA are at liberty to re-file the same.

The Directors are of the opinion that this matter can be amicably settled.

xi. HIGH COURT OF SABAH & SARAWAK IN THE FEDERAL TERRITORY OF LABUAN WRIT SUMMONS NO. L22-05-2002 SYARIKAT DAYUSAHA BUMIPUTRA-PUTRA ENTREPRENEUR JV (SUNG 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. These two applications have been dismissed by the Court on 21 January 2003 and the First Defendant and the Second Defendant have been given up to 30 January 2003 to file their appeal. The Court has also ordered the First Defendant and the Second Defendant to file in their defence by 3 February 2003.

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

xii. CLAIM AGAINST MRCB BY SUEDY SUWENDY, SUWENDY, ISKANDAR KADRY BIN ABDUL KADIR, DEWI SUWENDY, ADIL, ROSAINI BINTI HAJI ABDUL LATIF, AND SAW KHENG HOE (COLLECTIVELY "THE CLAIMANTS") FOR A SUM OF APPROXIMATELY RM30,350,000.00

MRCB Property Development Sdn Bhd ("MPD"), a wholly owned subsidiary of the Company, 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.

Alleging delays and/or failure on the part of MPD in completing the transaction, Messrs. KT Tan & Co (solicitors for the Claimants) had by letter dated 28 February 2002 demanded the following:

- a sum of RM10,563,000.00 to be released to Messrs. KT Tan & Co (as stakeholders of the Claimants) for the purposes of disbursement to TRSB's creditors;
- a sum of RM9,020,000.00 to be disbursed to Aseambankers Malaysia Berhad ("Aseambankers");
- a sum of RM9,417,000.00 to be paid to the Claimants' authorised representative, Mr. Suedy Suwendy;
- a sum amounting to approximately RM600,000.00 to be paid to Messrs. KT Tan & Co as stakeholders for late payment interest on the balance sum (excluding the sum to be paid to Aseambankers) from the date of the FIC Approval until end February 2002; and
- a sum of approximately RM750,000.00 being penalty or late payment interest owing to Aseambankers.

MPD has denied liability and alleged that the conditions precedent to the SSA have not been fulfilled. At the same time, MPD has demanded repayment of RM6,000,000.00 being the monies already by paid by MPD under the terms of the SSA. Subsequently, MPD had filed an application to serve a Summons outside jurisdiction against the Claimants on 23 October 2002. The hearing for this application is pending confirmation by the Court.

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.

xiii. WINDING UP NOTICE BY HOHUA GLAZIER SDN BHD V MILMIX

Milmix had been served with a Winding-Up Notice dated 9 July 2002 under Section 218 of the Act by Hohua Glazier Sdn Bhd ("HGSB") who are claiming payment amounting to RM31,615.09 for works completed by the Claimant for the Kota Kemuning Project.

Subsequently, the Board of Directors of Milmix had on 22 August 2002 approved a Proposed Debt Settlement through a Scheme of Arrangement ("the Scheme") pursuant to Section 176 of the Companies Act 1965 ("section 176"). The Court had on 23 September 2002 granted Milmix a Restraining Order pursuant to section 176 ("RO") for a period of 3 months from the date of the RO. On 18 December 2002, Milmix's creditors have approved the Scheme and the matter is currently pending the filing of an application in court to sanction the said creditors' approval. The matter is pending for Milmix to settle HGSB's claim in accordance with the terms of the Scheme.

The Directors of MRCB are of the opinion that the matter will be amicably settled.

xiv. HIGH COURT OF MALAYA AT SHAH ALAM WINDING-UP PETITION NO: 28-187-2002 BETWEEN CLASSIC ALUMINIUM & GLAZIER SDN BHD AND MILMIX

Milmix had been served with a Winding-Up Notice under Section 218 of Act dated 9 July 2002 by Classic Aluminium & Glazier Sdn Bhd ("CAGSB") who are claiming payment of up to RM134,047.76 for works completed by the Claimant in relation to the Kota Kemuning Project. A Winding-Up petition was served on Milmix on 2 October 2002 and the date for hearing the petition has been fixed by the Court to be on 22 January 2003

The Board of Directors of Milmix had on 22 August 2002 approved a Proposed Debt Settlement through a Scheme of Arrangement ("the Scheme") pursuant to Section 176 of the Companies Act 1965 ("section 176"). The Court had on 23 September 2002 granted Milmix a Restraining Order pursuant to section 176 ("RO") for a period of 3 months from the date of the RO. On 18 December 2002, Milmix's creditors have approved the Scheme and the matter is currently pending the filing of an application in court to sanction the said creditors' approval. The matter is pending for Milmix to settle CAGSB's claim in accordance with the terms of the Scheme.

The Directors of MRCB are of the opinion that the matter will be amicably settled.

xv. WINDING-UP NOTICE BY OMAZOL CORPORATION SDN BHD V MILMIX

Milmix had been served with a Winding-Up Notice under Section 218 of Act dated 7 June 2002 by Omazol Corporation Sdn Bhd ("Omazol") whereby the Claimant has made a claim for the sum of RM124,676.93 being the outstanding amount due and owing by Milmix to Omazol as at 6 December 2001 pursuant to a Statement of Account issued by Milmix in respect of the execution and completion of a Single Storey Bungalow (Type A, B & C), 124 Units and external work at A'Famosa Golf Resort, Mukim Pagoh, Daerah Aior Gajah, Melaka for Gymtech Development Sdn Bhd.

Subsequently, the Board of Directors of Milmix had on 22 August 2002 approved a Proposed Debt Settlement through a Scheme of Arrangement ("the Scheme") pursuant to Section 176 of the Companies Act 1965 ("section 176"). The Court had on 23 September 2002, granted Milmix, a Restraining Order pursuant to section 176 ("RO") for a period of 3 months from the date of the RO. On 18 December 2002, Milmix's creditors have approved the Scheme and the matter is currently pending the filing of an application in court to sanction the said creditors' approval. The matter is pending for Milmix on to settle Omazol's claim in accordance with the terms of the Scheme. In the meantime, Omazol had agreed to withdraw its Winding-Up Notice.

The Directors of MRCB are of the opinion that the matter will be amicably settled.

xvi. HIGH COURT OF MALAYA AT KUALA LUMPUR WINDING-UP PETITION NO: 28-675-2002 BETWEEN EVERTREND (M) SDN BHD AND MILMIX

Milmix had been served with a Winding-Up Notice under Section 218 of the Act dated 28 June 2002 by Evertrend (M) Sdn Bhd ("Evertrend") on 8 July 2002 who are claiming an amount of RM186,303.30 being payment due and owing to Evertrend from Milmix. Evertrend is a subcontractor for the supply and instalment of parquet for the Company.

Subsequently, the Board of Directors of Milmix had on 22 August 2002 approved a Proposed Debt Settlement through a Scheme of Arrangement ("the Scheme") pursuant to Section 176 of the Companies Act 1965 ("section 176"). The Court had on 23 September 2002, granted Milmix, a Restraining Order pursuant to section 176 ("RO") for a period of 3 months from the date of the RO. On 18 December 2002, Milmix's creditors have approved the Scheme and the matter is currently pending the filing of an application in court to sanction the creditors' approval. The matter is pending for Milmix to settle Evertrend's claim in accordance with the terms of the Scheme.

It was however agreed that if no settlement could be obtained via the Scheme, Evertrend shall proceed with its Winding-Up Petition of which the next mention date has been fixed by the Court to be on 28 March 2003.

The Directors of MRCB are of the opinion that the matter will be amicably settled.

xvii. NOTICE OF DEMAND (PURSUANT TO SECTION 218 OF THE ACT) BY APEXJAYA INDUSTRIES SDN BHD AGAINST MILMIX FOR THE SUM OF RM14,506.11

Vide a Notice of Demand dated 30 July 2002 sent by their solicitors Messrs. Yip & Co., Apexjaya Industries Sdn Bhd ("Apexjaya") has made a claim for the sum of RM14,506.11 ("the said sum") being the balance due and payable for goods sold and delivered and services rendered to Milmix. The said Notice of Demand has given Milmix a total of twenty-one (21) days from receipt thereof to repay the said sum, failure of which action will be taken to wind up Milmix under section 218 of the Act. Milmix received the said Notice of Demand on 31 July 2002.

On 18 December 2002, Milmix's creditors have approved a Scheme of Arrangement ("the Scheme") and the matter is currently pending the filing of an application in court to sanction the said creditors' approval. The matter is pending Milmix to settle Apexjaya's claim in accordance with the terms of the Scheme.

The Directors of MRCB are of the opinion that the matter will be amicably settled.

xviii. HIGH COURT OF MALAYA AT KUALA LUMPUR CIVIL SUIT NO: D-22-1666-02 BETWEEN EKOVEST-KMZ-Dragages SDN BHD AND HSBC BANK MALAYSIA BERHAD AND KUALA LUMPUR SENTRAL SDN BHD.

Pursuant to a contract between Kuala Lumpur Sentral Sdn Bhd (the Second Defendant) and Ekovest-KMZ-Dragages Sdn Bhd ("the Plaintiff") whereby the Plaintiff had agreed to be the main contractor for the KL Sentral development and its related infrastructure works ("the Project"), the Plaintiff had provided a performance security by way of a bank guarantee issued by HSBC Bank Malaysia Berhad ("the First Defendant") in favour of the Second Defendant for the amount of RM35,687,400.00 on 30 April 1997 and which was further renewed by another bank guarantee issued on 12 January 2001 ("the Bank Guarantee").

Subsequently, the Second Defendant refused to issue the Taking Over Certificate on the basis that there still remained uncompleted works. In response, the Plaintiff issued a Writ of Summons dated 17 October 2002 whereby the Plaintiff accused the Second Defendant of having acted fraudulently, unconscionably and in bad faith and in breach of the Contract.

The Plaintiff also filed an ex-parte application on 17 October 2002 whereby the Plaintiff has prayed for, inter alia, an injunction that the First Defendant be restrained from making payment to the Second Defendant on any claim and/or demand made by the Second Defendant on the Bank Guarantee or an injunction that the Second Defendant be restrained from calling or demanding payment on the Bank Guarantee.

All submissions have been completed and the Court has fixed the decision to be given on 29 January 2003.

The Directors of MRCB are of the opinion that the Second Defendant has reasonable grounds of defence to the Plaintiff's application for an injunction.

xix. HIGH COURT OF MALAYA AT KUALA LUMPUR CIVIL SUIT NO: S7-22-500-2002 BETWEEN JURANAS SDN BHD AND MRCB; HIGH COURT OF MALAYA AT KUALA LUMPUR WINDING-UP NO: D2-28-857-2002 BETWEEN JURANAS SDN BHD (AS THE PETITIONER) AND MRCB (AS THE RESPONDENT)

Juranas is claiming from MRCB the sum of RM48,399,100.00 for Project Management fees, damages and loss of profit in relation to an MRCB project with Perbadanan Kemajuan Negeri Kelantan ("PKINK") in 1997. On 5 November 2002, Juranas advertised a winding-up petition against MRCB in The Sun newspaper. MRCB immediately appointed solicitors and obtained a copy of the Summons and the Judgment in Default which was dated 8 July 2002 and the winding-up petition from the Court's files. On 8 November 2002, MRCB filed the following applications:

1. Setting aside the Judgment in Default of Appearance dated 8 July 2002;
2. Validation Order;
3. Stay of execution of the Judgment in Default;
4. Stay and striking out of the winding up proceedings.

The Court had on 11 November 2002 granted MRCB an Interim Order for Stay of Execution of Judgment against Juranas until an Inter Parte hearing of the application to be heard on 19 December 2002. Juranas' solicitors duly served MRCB the winding-up petition on 15 November 2002. Juranas subsequently withdrew its winding-up petition and MRCB also withdrew its application for a Validation Order on 12 December 2002. The hearing of MRCB's application to set aside the Judgment in Default dated 8 July 2002 and for a stay of execution of Judgment which was originally fixed for hearing on 19 December 2002 has been postponed to 18 February 2003.

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 August 2002 and 31 August 2001
- (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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MRCB

MALAYSIAN RESOURCES CORPORATION BERHAD

(7994-D)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-second Annual General Meeting of Malaysian Resources Corporation Berhad will be held at Dewan Perdana, Level 2, Grand BlueWave Hotel, Section 14, 40000 Shah Alam, Selangor, Malaysia on Tuesday, 25 February 2003 at 10.00 a.m. for the following purposes:

AGENDA

1. To receive and adopt the Statutory Financial Statements for the financial year ended 31 August 2002 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To re-elect the following Directors who retire in accordance with Article 101 of the Company's Articles of Association, and being eligible have offered themselves for re-election:
 - (i) Dato' Ahmad Ibnihajar **(Resolution 2)**
 - (ii) Dato' Zainol Abidin Dato' Salleh **(Resolution 3)**
3. To re-elect the following Director who retires in accordance with Article 106 of the Company's Articles of Association, and being eligible has offered himself for re-election:
 - (i) Dato' Dr. Mohd Shahari Ahmad Jabar **(Resolution 4)**
4. To approve the Directors' Fees of RM120,000 for the financial year ended 31 August 2002. **(Resolution 5)**
(2001: RM20,000)
5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS:

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

6. Authority For Allotment Of Shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Board of Directors be and is hereby empowered to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and is also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange." **(Resolution 7)**
7. Proposed Shareholders' Mandate For Recurrent Related Party Transactions

"THAT subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Listing Requirements of the Kuala Lumpur Stock Exchange, 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 1, 2 and 24 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 Annual General Meeting ("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' Ratification and Shareholders' Mandate."

(Resolution 8)

8. Proposed Shareholders' Mandate For Recurrent Related Party Transactions

"THAT subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Listing Requirements of the Kuala Lumpur Stock Exchange, 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 3 to 19, 21 to 23 and 25 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 Annual General Meeting ("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' Ratification and Shareholders' Mandate."

(Resolution 9)

9. Proposed Shareholders' Mandate For Recurrent Related Party Transactions

"THAT subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Listing Requirements of the Kuala Lumpur Stock Exchange, 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 20 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 Annual General Meeting ("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' Ratification and Shareholders' Mandate."

(Resolution 10)

10. To Issue Annual Report 2003 Either In Hard Copy Or In CD-ROM Format

"THAT the Company be and is hereby given an option to issue its Annual Report 2003 for the financial year ended 31 August 2003 either in hard copy format or in CD-ROM format."

(Resolution 11)

11. To transact any other ordinary business for which due notice has been given.

BY ORDER OF THE BOARD

MOHD NOOR RAHIM YAHAYA (MAICSA 0866820)

YUSLIZAL MONEK (MAICSA 7003822)

Company Secretaries

Shah Alam

31 January 2003

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 at the Share Registrar, Malaysian Share Registration Services Sdn Bhd, 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, MALAYSIA not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes:

Ordinary Resolution 7, proposed under Special Business, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time at their absolute discretion without convening a General Meeting. The authorisation will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.

Ordinary Resolution 8 to 10, 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 the Kuala Lumpur Stock Exchange. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

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 31 January 2003.

Ordinary Resolution 11, proposed under Special Business, if passed will give the Company an option of either issuing its Annual Report 2003 in the traditional hard copy format or in CD-ROM format. As the Company's Shareholders' base is very high, it is economical for the Company to prepare the said Annual Report in CD-ROM format as it helps minimise the printing and postage costs. If the Annual Report were to be published in CD-ROM format, printed hard copies of the said Annual Report would only be given to the Shareholders upon request. This authority, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.

The personnel designated to attend the Shareholders' request is:

Puan Noor-Zihan Noordin
Client Liaison Department
Malaysian Share Registration Services Sdn Bhd,
7th Floor, Exchange Square, Bukit Kewangan,
50200 Kuala Lumpur.

Tel: 20268099
Fax: 2026 3734
e-mail: zihan@kse.com.my

MRCB

MALAYSIAN RESOURCES CORPORATION BERHAD

(7994-D)

PROXY FORM

(Before completing this form, please refer to the notes below)

I/We _____
FULL NAME IN CAPITAL LETTERS

of _____
ADDRESS

being a member/members of Malaysian Resources Corporation Berhad, hereby appoint* the Chairman of the meeting

or _____
FULL NAME

of _____
ADDRESS

or failing whom _____
FULL NAME

of _____
ADDRESS

as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty-second Annual General Meeting of the Company to be held on Tuesday, 25 February 2003 at 10.00 a.m. and 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.	To receive and adopt the Statutory Financial Statements and Reports		
2.	To re-elect the following Directors pursuant to Article 101 : Dato' Ahmad Ibnihajar		
3.	Dato' Zainol Abidin Dato' Salleh		
4.	To re-elect the following Director pursuant to Article 106 : Dato' Dr Mohd Shahari Ahmad Jabar		
5.	To approve the Directors' Fees of RM120,000 for the year ended 31 August 2002		
6.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
7.	To pass the ordinary resolution pursuant to Section 132D of the Companies Act, 1965		
8.	To pass the following ordinary resolutions for the Proposed Shareholders' Mandate for Recurrent Related Party Transactions Recurrent Related Party Transactions set out as items 1, 2 and 24 of Section 2.1.2 of the Circular to Shareholders		
9.	Recurrent Related Party Transactions set out as items 3 to 19, 21 to 23, and 25 of Section 2.1.2 of the Circular to Shareholders		
10.	Recurrent Related Party Transaction set out as item 20 of Section 2.1.2 of the Circular to Shareholders		
11.	To pass the ordinary resolution to give the Company an option to issue its Annual Report 2003 either in hard copy format or in CD-Rom format		

Dated this _____ day of _____, 2003

Number of Shares Held _____

Signature of Shareholder

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 at Malaysian Share Registration Services Sdn Bhd, 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, MALAYSIA, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

* Delete if not applicable



Fold this flap for sealing

Then fold here

AFFIX
STAMP

MALAYSIAN RESOURCES CORPORATION BERHAD
c/o Share Registrar
Malaysian Share Registration Services Sdn Bhd
7th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

1st fold here
