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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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MALAYSIAN RESOURCES CORPORATION BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PROPOSED RATIFICATION OF THE MUTUAL TERMINATION OF THE CONCESSION AWARDED BY THE GOVERNMENT OF MALAYSIA (“GOM”) TO MRCB LINGKARAN SELATAN SDN BHD (“MLSSB”), A WHOLLY-OWNED SUBSIDIARY OF MRCB PRASARANA SDN BHD (“MPSB”), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF MALAYSIAN RESOURCES CORPORATION BERHAD (“MRCB” OR “COMPANY”) FOR THE DESIGN, CONSTRUCTION, MANAGEMENT, OPERATION AND MAINTENANCE OF THE EASTERN DISPERSAL LINK EXPRESSWAY (“EDL”) (“EDL CONCESSION”) (“CONCESSION TERMINATION”) (“PROPOSED RATIFICATION”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



CIMB Investment Bank Berhad (18417-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting (“EGM”) of MRCB which will be held at the Grand Mahkota Ballroom, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 14 February 2019 at 10:00 a.m. or at any adjournment thereof together with the Form of Proxy are enclosed in this Circular.

You are entitled to vote at the EGM. If you are unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. In such event, you should complete and deposit the Form of Proxy at our share registrar’s office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 12 February 2019 at 10.00 a.m.

This Circular is dated 10 January 2019

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DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Circular and the appendix to it:

Board	:	Board of Directors of MRCB
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CIMB or Principal Adviser	:	CIMB Investment Bank Berhad (18417-M)
Circular	:	This circular to the shareholders of the Company dated 10 January 2019 in relation to the Proposed Ratification
Concession Agreement	:	A 34-year concession agreement dated 26 June 2007 entered into between MLSSB and the GOM in relation to the EDL Concession, as supplemented by a Supplemental Agreement dated 31 July 2014
Concession Termination	:	Mutual termination of the EDL Concession by MLSSB and the GOM via the Termination Agreement
EDL	:	Eastern Dispersal Link Expressway
EDL Concession	:	The concession awarded by the GOM to MLSSB for the design, construction, management, operation and maintenance of the EDL
Effective Date	:	1 January 2018, being the effective date of the Termination Agreement
EGM	:	Extraordinary general meeting
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per share
FPE	:	Financial period ended/ending, as the case may be
FRPMA	:	Federal Roads (Private Management) Act 1984
FYE	:	Financial year ended/ending, as the case may be
Gapurna	:	Gapurna Sdn Bhd (213716-K)
GOM	:	Government of Malaysia
Junior Sukuk	:	Junior Sukuk in the aggregate nominal value of RM199.00 million issued by MSLB pursuant to the terms of the Trust Deed
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 December 2018, being the latest practicable date prior to the printing and despatch of this Circular
LTH	:	Lembaga Tabung Haji
MLSSB	:	MRCB Lingkar Selatan Sdn Bhd (533017-X), a wholly-owned subsidiary of MPSB, which in turn is a wholly-owned subsidiary of MRCB

DEFINITIONS *(cont'd)*

MLSSB Group	: Collectively, MLSSB and its subsidiary
MOW	: Ministry of Works Malaysia
MPSB	: MRCB Prasarana Sdn Bhd (37383-D), a wholly-owned subsidiary of MRCB
MRCB or Company	: Malaysian Resources Corporation Berhad (7994-D)
MRCB Group or Group	: Collectively, MRCB and its subsidiaries
MRCB Shares	: Ordinary shares in MRCB
MSLB	: MRCB Southern Link Berhad (368675-A), which is a wholly-owned subsidiary of MLSSB
NA	: Net assets
NLC	: National Land Code 1965
Performance Bond	: The performance bond of RM8.00 million deposited by MLSSB on 12 November 2018 as security for its due performance of its obligations under the Termination Agreement which is an irrevocable guarantee issued in favour of the GOM by HSBC Bank Malaysia Berhad, a bank licensed under the Financial Services Act 2013
Proposed Ratification	: Proposed shareholders' ratification of the Concession Termination and the Termination Agreement
PWD	: Public Works Department Malaysia
Senior Sukuk	: Senior sukuk in the aggregate nominal value of RM845.00 million issued by MSLB pursuant to the terms of the Trust Deed
Settlement Sum	: A sum of RM1,325,800,000 paid by the GOM to MLSSB on 23 November 2018 pursuant to the Termination Agreement
Termination Agreement	: Termination and settlement agreement in relation to the Concession Agreement dated 12 November 2018 entered into between MLSSB and the GOM
Trust Deed	: Trust Deed dated 5 June 2008 between MSLB and CIMB Islamic Trustee Berhad, as supplemented by a Supplemental Trust Deed dated 13 January 2015
Waiver Application	: Application submitted by CIMB on behalf of MRCB to Bursa Securities, seeking a waiver from having to obtain prior shareholders' approval (pursuant to Paragraph 8.29 of the Listing Requirements) for the Concession Termination and Termination Agreement and that MRCB will seek shareholders' approval for the Proposed Ratification instead at the EGM to be convened

Currency

RM and sen	: Ringgit Malaysia and sen, the legal tender of Malaysia
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DEFINITIONS *(cont'd)*

All references to “**our Company**”, “**we**”, “**us**” or “**ourselves**” in this Circular are to MRCB and where the context otherwise requires, shall include our subsidiary companies. References to “**our Group**” are to our Company and our subsidiary companies. All references to “**you**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits), be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

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

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by MRCB, such as quarterly results or annual reports, is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by your Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company’s and/or our Group’s plans and objectives will be achieved.

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MALAYSIAN RESOURCES CORPORATION BERHAD
(Company No. 7994-D)
(Incorporated in Malaysia)

Registered office:
Level 33A, Menara NU 2
No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

10 January 2019

Board of Directors

Tan Sri Azlan Zainol (*Independent Chairman*)
Mohd Imran Mohamad Salim (*Group Managing Director*)
Dato' Mohamad Nasir Ab Latif (*Non-Independent Non-Executive Director*)
Jamaludin Zakaria (*Senior Independent Director*)
Rohaya Mohammad Yusof (*Non-Independent Non-Executive Director*)
Hasman Yusri Yusoff (*Independent Director*)
To' Puan Looi Lai Heng (*Independent Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED RATIFICATION

1. INTRODUCTION

On 12 November 2018, CIMB had, on behalf of your Board, announced that MLSSB entered into the Termination Agreement with the GOM. Both MLSSB and the GOM have agreed that the Termination Agreement came into effect on 1 January 2018.

On 23 November 2018, CIMB had, on behalf of your Board, announced that MLSSB had received the Settlement Sum from the GOM in accordance with the Termination Agreement.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE CONCESSION TERMINATION, THE TERMINATION AGREEMENT AND THE PROPOSED RATIFICATION AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RATIFICATION TO BE TABLED AT THE FORTHCOMING EGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RATIFICATION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE CONCESSION TERMINATION

As a background, on 26 June 2007, MLSSB was awarded the EDL Concession by the GOM pursuant to the Concession Agreement. Under the Concession Agreement, MLSSB was granted the right to design, construct, manage, operate and maintain the EDL, the administrative office and the ancillary facilities on the EDL, as well as to demand, collect and to retain toll from all vehicles liable to pay toll. Tolling on the EDL is based on an “open” concept, whereby motorists entering and exiting the causeway will be charged a flat rate, depending on their vehicle classifications.

As part of the financing for the construction and development of the EDL, MSLB had on 23 June 2008, issued the Senior Sukuk and the Junior Sukuk pursuant to the terms of the Trust Deed. The Senior Sukuk and the Junior Sukuk were fully redeemed on 28 November 2018. For further information on the redemption, please refer to Section 2.7 of this Circular. On 5 June 2008, MSLB also obtained a term loan facility of RM220.00 million for the construction and development of the EDL. The term loan was fully settled during the FYE 31 December 2017.

The EDL was completed and the “Sijil Kesempurnaan Pembinaan Lebuhraya” was issued by Lembaga Lebuhraya Malaysia in March 2012. Upon the EDL being declared as a federal road pursuant to the Federal Government Gazette namely the Federal Roads (Eastern Dispersal Link Expressway (EDL)) Order 2012 under the Federal Roads Act 1959 (Act 376) on 1 April 2012, MLSSB commenced operations of the EDL for the use of the public in general. However, the toll collection for the EDL only commenced on 1 August 2014 when the Federal Roads (Private Management) (Collection of Tolls) (Eastern Dispersal Link Expressway (EDL)) Order 2014 in relation to the authorisation to collect tolls in accordance with Section 2 of the FRPMA came into force.

On 22 December 2017, MLSSB received a letter from the MOW, informing MLSSB of the abolishment of toll collection on the EDL effective from 1 January 2018. The concession period of the EDL would end on 31 December 2017 and that the GOM would take over the EDL thereafter. Further, the GOM had by way of publication of the Federal Government Gazette, namely the Federal Roads (Private Management) (Collection of Tolls) (Eastern Dispersal Link Expressway (EDL)) (Revocation) Order 2017 (“**Gazette Order 2017**”), revoked the authorisation previously granted to MLSSB to collect toll on the EDL, to take effect on 1 January 2018.

For clarification purposes, the Concession Termination does not entail any transfer or disposal of MLSSB and MSLB to the GOM.

2.1 Information on the GOM

For the Concession Termination, the GOM is represented by the MOW. The functions of the MOW are as follows:

- (a) to plan the development of the Federal road networks nationwide;
- (b) to coordinate and monitor the implementation of the Federal road projects and other projects under the supervision of the MOW;
- (c) to regulate the privatised maintenance work of Federal roads;
- (d) the development of Bumiputera entrepreneurs in the construction sector;
- (e) to monitor the construction, operation, toll handling and maintenance of the tolled expressways;
- (f) to plan and coordinate human resource and financial (administration and development) of the MOW and the PWD;
- (g) to monitor departments and agencies under its purview;
- (h) to monitor the implementation of the development projects of the Client Ministries carried out by the PWD;

- (i) to give advice and support services to the Construction Industry Development Board in the development of the country's construction industry and skilled workforce; and
- (j) to give advice and support services to the Malaysian Highway Authority, Board of Engineers Malaysia, Board of Architects Malaysia and Board of Quantity Surveyors Malaysia in the development of the professional services programs for the domestic and international market.

(Source: Malaysian Government Official Portal for the MOW, as at the LPD)

2.2 Additional information on the EDL Concession

Under the Concession Agreement, the concession period shall commence from the effective date of the Concession Agreement ("**Concession Effective Date**") and shall end on the 34th anniversary of the Concession Effective Date ("**Concession Period**"). Subject to the terms of the Concession Agreement and pursuant to the FRPMA, MLSSB was granted the right and authority to:

- (a) undertake the design and construction of the EDL (including the upgrading and widening of the existing roads comprised thereof);
- (b) supply and install tolling and other equipment (including telecommunications equipment) at the toll collection and control centres and manage, operate and maintain the same on the EDL during the Concession Period;
- (c) demand, collect and retain toll for its own benefit from all vehicles liable to pay toll during the operating period;
- (d) subject to all prevailing relevant laws in respect thereof, exclusively design, construct, manage, operate and maintain the ancillary facilities during the Concession Period and to retain the income received or receivable and derived therefrom;
- (e) manage, operate and maintain at its own cost and expense (including, without limitation, utility charges incurred thereby) the EDL during the Concession Period; and
- (f) design, construct, manage, operate and maintain administrative office and all other activities incidental to the performance of the works referred to in the Concession Agreement.

2.3 EDL service concession asset

As at the LPD, the total cost and net book value of EDL service concession asset were approximately RM1,326.57 million and RM1,135.28 million respectively. The total cost of EDL service concession asset comprises the cost of land acquired (including expenditure that is directly attributable to the acquisition of lands) and the cost for the construction and development of the EDL (inclusive of the cost of reconstruction and rehabilitation). The cost of the EDL service concession asset was incurred from November 2008 to December 2017.

2.4 Basis of and justification for arriving at the Settlement Sum

The Settlement Sum of RM1,325,800,000 was arrived at pursuant to the negotiations between the GOM and MLSSB and in recognition of the significant capital expenditure and operating expenditure incurred by MLSSB.

2.5 Salient terms of the Termination Agreement

The salient terms of the Termination Agreement are summarised below. For purposes of Section 2.5 of this Circular, the GOM and MLSSB shall be individually referred to as the “**Party**” and collectively referred to as the “**Parties**”.

2.5.1 Termination of the Concession Agreement

In consideration of the mutual covenants to abide by the Termination Agreement, the Parties agree to terminate the Concession Agreement and release and discharge the other Party with effect from the Effective Date from all its liabilities and obligations under the Concession Agreement to the extent assumed by the other Party and agree not to make any claims or demand whatsoever in respect thereof against the other Party, save for:

- (a) any antecedent breach by the Parties; and
- (b) the obligations of the Parties as set out in the Termination Agreement.

2.5.2 Payment of the Settlement Sum

- (a) The GOM has agreed to pay to MLSSB, a sum of RM1,325,800,000 as the Settlement Sum, which shall be the full and final settlement between the Parties.
- (b) The Settlement Sum shall be paid by the GOM to MLSSB by bank transfer within 14 days or any other later date as may be agreed in writing by the Parties after MLSSB has submitted the Performance Bond to the GOM in accordance with Section 2.5.5.2 of this Circular.
- (c) MLSSB agrees to accept the Settlement Sum as full and final settlement between the Parties, giving the GOM the absolute release from all causes of action, claims, damages (including punitive damages or future loss), demands, debts, actions, legal fees, costs of suit and liabilities of every kind or nature whatsoever, including but expressly not limited to any claims or obligations arising directly or indirectly in relation to the Concession Agreement.

2.5.3 Submission of application pursuant to Section 62 of the NLC

- (a) Pursuant to the Concession Agreement, the GOM had commenced acquisition of several pieces of land for the purpose of the EDL (“**Acquired Land**”).
- (b) MLSSB has compiled all necessary documents and submitted applications for the Acquired Land to be designated as a right of way for the EDL, pursuant to Section 62 of the NLC.
- (c) The GOM agrees to assume responsibility for any further applications or actions to be taken in respect of the Acquired Land.

2.5.4 Handing over of the EDL Concession

- (a) The Parties agree that with effect from the Effective Date, MLSSB has ceased the operations, management and maintenance of the EDL and the rights of MLSSB in respect of the EDL Concession has since reverted to and vested in the GOM.
- (b) The GOM acknowledges that MLSSB had, prior to the execution of the Termination Agreement:
 - (i) handed over the concession area to the GOM in good repair, a well-maintained and operational condition and free from encumbrances save for the outstanding works to be carried out by MLSSB under the Termination Agreement;
 - (ii) provided to the GOM an inventory of all equipment, materials and fixtures on the EDL (including, for the avoidance of doubt, any toll collection and control centre);
 - (iii) unless otherwise allowed by the GOM, removed from the concession area, all its workmen, employees, servants, agents, contractors and subcontractor and their equipment, plants and materials at no cost and expense to the GOM; and
 - (iv) handed over to the GOM all as-built drawings, plans, designs, drawings including updated as-built drawings, computerised asset management system, tolling collection system, traffic control and surveillance system including the intellectual property rights in relation thereof, specifications, manuals, records, detail reports, reports, database, licenses, source code, password, documents and any other relevant documents and information as the GOM may require in relation to the EDL at no cost and expense to the GOM.
- (c) MLSSB shall, within 1 month from the date of the Termination Agreement, terminate all the third party contracts entered into by MLSSB on or before the expiry of the concession period of the Concession Agreement in relation to the operation, management and maintenance including the construction contracts, maintenance contracts and contracts relating to ancillary facilities and the toll collection and control centre and the GOM shall not be liable for any termination costs arising thereby and shall be indemnified and held harmless by MLSSB in respect of the same.

For information purposes, as at the LPD, all the third party contracts entered into by MLSSB pertaining to the EDL Concession in relation to Section 2.5.4(c) above have been terminated.

2.5.5 MLSSB's obligations after the Effective Date

2.5.5.1 Outstanding works

- (a) Notwithstanding the termination of the Concession Agreement, MLSSB undertakes to complete the outstanding works as set out in the Termination Agreement within 6 calendar months from the date of the Termination Agreement or any further extended period as may be granted by the GOM.
- (b) Upon completion of all or any relevant outstanding works, MLSSB shall notify Ikram Premier Consulting Sdn Bhd (or such other relevant independent consultant appointed by MLSSB and agreed by the GOM) ("**Consultant**") of such completion in accordance with the Termination Agreement.
- (c) The Consultant, the GOM and MLSSB shall jointly inspect the relevant completed outstanding works within 14 days from receipt of the notification.
- (d) In the event the Consultant determines during the joint inspection, that the work has been carried out to its satisfaction, the Consultant shall issue a certificate confirming the completion of the relevant outstanding works ("**Certificate of Completion**"). For the avoidance of doubt, it is acknowledged that the Consultant may issue more than 1 Certificate of Completion in respect of the completed outstanding works.
- (e) In the event during the joint inspection, the Consultant is not satisfied with the work carried out by MLSSB, the Consultant shall issue a list of outstanding defects to MLSSB ("**Notice of Non-Conformance**") within 14 business days of the joint inspection. MLSSB shall complete the outstanding works within 60 days of receipt of the Notice of Non-Conformance and the provisions under Sections 2.5.5.1(b) to 2.5.5.1(d) of this Circular shall apply *mutatis mutandis*.
- (f) The outstanding works shall be deemed to have been completed if the outstanding works are carried out in a proper and workmanlike manner and in accordance with sound engineering practice.
- (g) The obligation of MLSSB under Section 2.5.5.1(a) of this Circular shall be deemed to have been fulfilled if the Consultant has issued the last Certificate of Completion for the last outstanding works as specified in the Termination Agreement.

2.5.5.2 Performance Bond for outstanding works

- (a) MLSSB shall, within 7 days after the execution of the Termination Agreement, deposit the Performance Bond. The value of the Performance Bond shall at all times be not less than the amount of RM8.00 million.
- (b) The Performance Bond shall remain valid until 6 months after the issuance of the last Certificate(s) of Completion, whereupon the Performance Bond shall be returned to MLSSB.
- (c) If the Performance Bond is to expire, a replacement Performance Bond shall be issued to the GOM on or prior to the date of expiry of the Performance Bond for an amount equal to the amount of that expiring Performance Bond.
- (d) All incidental costs and expenses relating to the issuance of the Performance Bond shall be borne by MLSSB.
- (e) If MLSSB fails to comply with the obligations under Section 2.5.5.1 of this Circular within the time so specified, the GOM shall be entitled to call upon the Performance Bond.

2.5.5.3 Handing over of assets

- (a) MLSSB has handed over to the GOM possession of vehicles and equipment as listed in the Termination Agreement.
- (b) MLSSB shall ensure that where applicable and necessary, it completes and hands over to the GOM, all necessary documents required for the transfer of legal title for the vehicles and equipment as listed in the Termination Agreement free from any encumbrances within 60 days from the date of the Termination Agreement.
- (c) The GOM shall not hold MLSSB liable for any claims, proceedings, demands, costs or any other related liability in respect of the use, storage and possession of the vehicles and equipment listed in the Termination Agreement after the handing over of the vehicles and equipment provided that MLSSB shall continue to be liable for any summonses issued by the respective authority in respect of the vehicles prior to the handing over date.

2.5.5.4 Latent defect

MLSSB shall be responsible for any latent defect in relation to the EDL in accordance with any laws prevailing at the time of such claim.

2.5.6 Indemnity

Notwithstanding the termination of the Concession Agreement, MLSSB shall, in respect of any act, deed, matter or thing happening up to the Effective Date, continue to be liable and indemnify at its own costs and expense and keep the GOM fully indemnified from and against all actions, suits, claims or demands, liabilities, proceedings, losses, damages, compensation, costs (including legal cost), charges and expenses whatsoever instituted by third parties against the GOM, and to which the GOM shall be held or may be or become liable in respect of or arising from:

- (a) the design, construction, occupation, operation, maintenance and/or use of the EDL by MLSSB resulting in accident, damage, injury or death;
- (b) the negligent use, misuse or abuse by MLSSB or its personnel, servants, agents or employees appointed by MLSSB in carrying out its obligation under the Concession Agreement;
- (c) any loss, damage, death or injury of whatsoever nature and kind and however or wherever sustained or caused or contributed to any person by MLSSB or its personnel, servants, agents or employees appointed by MLSSB in carrying out the EDL Concession;
- (d) any loss, damage, death or injury from any cause whatsoever to property or persons affected by the EDL Concession to the extent to which the same is occasioned or contributed to by the act, omission, negligence, breach or default of MLSSB or its personnel, servants, agents or employees;
- (e) the use of any technology, article or appliances or violation of any third party intellectual property rights;
- (f) any other agreements by MLSSB in relation to its obligations under the Termination Agreement; or
- (g) any claims from the lenders and/or sukuk holders arising out of the financing of the EDL Concession.

For clarification purposes, there is no condition precedent to the Termination Agreement.

2.6 Liabilities to be assumed by the GOM

There are no liabilities, including any contingent liabilities and guarantees, to be assumed by the GOM pursuant to the Concession Termination.

2.7 Proposed utilisation of proceeds from the Concession Termination

We intend to utilise the proceeds arising from the Concession Termination as follows:

Details of utilisation of the Settlement Sum	Estimated timeframe for utilisation from date of receipt of the Settlement Sum	Amount	
		RM'000	%
Repayment of the Senior Sukuk ⁽¹⁾	Completed	835,390	63.01
Repayment of the Junior Sukuk ⁽¹⁾	Completed	238,410	17.98
Repayment of shareholder's advances	Completed	227,100	17.13
General working capital ⁽²⁾	within 12 months	23,040	1.74
Estimated expenses ⁽³⁾⁽⁴⁾	within 3 months	1,860	0.14
Total		1,325,800	100.00

Notes:

- (1) *As highlighted in Section 2 of this Circular, MSLB had issued the Senior Sukuk and the Junior Sukuk on 23 June 2008 to finance the construction and development of the EDL. The tenure of the Senior Sukuk ranges from 10.0 to 17.5 years and the tenure of the Junior Sukuk ranges from 18.0 to 19.5 years from the date of issue and carry profit rates, which have been fixed in accordance with Syariah principles, ranging from 6.33% to 8.35% per annum for the Senior Sukuk and 10.05% to 10.40% per annum for the Junior Sukuk respectively. Both the Senior Sukuk and the Junior Sukuk are payable semi-annually from their respective issue dates and are traded on the Scripless Securities Trading System operated and managed by Bank Negara Malaysia.*

The Senior Sukuk was fully redeemed on 28 November 2018 at RM810.00 million with its profit payment at redemption date of approximately RM25.39 million while the Junior Sukuk was fully redeemed on 28 November 2018 at RM199.00 million with its profit payment (including deferred payments) at redemption date of approximately RM39.41 million.

The repayment of the Senior Sukuk and the Junior Sukuk is estimated to result in finance cost savings of approximately RM79.63 million per annum based on the average profit rate of 7.31% for the Senior Sukuk and 10.27% for the Junior Sukuk.

- (2) *Represents proceeds allocated for general working capital requirements of MLSSB Group, including an estimated cost of RM18.98 million provided for the outstanding works to be carried out pursuant to the Termination Agreement as set out in Section 2.5.5.1 of this Circular and the balance of RM4.06 million for staff costs and office overheads.*

Nevertheless, the breakdown of the general working capital requirements are estimates only and the actual utilisation by MLSSB Group for the outstanding works, staff costs and office overheads may differ according to MLSSB Group's requirements at the time of the utilisation of the Settlement Sum.

- (3) *The estimated expenses relating to the Concession Termination include, amongst others, the professional fees, fees payable to the relevant authorities (if any), printing cost of this Circular and other miscellaneous expenses. The actual expenses incurred may differ according to MLSSB Group's requirements at the time of the utilisation of the Settlement Sum.*

- (4) *Any variation (surplus/deficit) to the actual amount of the Settlement Sum being utilised for the estimated expenses will be adjusted against the amount allocated for the general working capital, and vice versa.*

3. RATIONALE FOR THE CONCESSION TERMINATION AND THE PROPOSED RATIFICATION

3.1 Concession Termination

The abolishment of toll collection on the EDL has been effected by the GOM pursuant to the Gazette Order 2017 and the EDL has been taken over by the GOM thereafter. Accordingly, MLSSB accepted the GOM's decision and proceeded to engage and negotiate with the GOM on the terms of the termination and the financial settlement sum to be paid by the GOM to MLSSB pursuant to the Concession Termination. Subsequently, MLSSB entered into the Termination Agreement with the GOM to give effect to the Concession Termination.

3.2 Proposed Ratification

Paragraph 8.29(1) of the Listing Requirements states that if a transaction or corporate proposal requires securities holders' approval pursuant to the Listing Requirements, a listed issuer must not enter into or carry into effect such transaction or corporate proposal unless:

- (a) the entering into the transaction or corporate proposal is made subject to the securities holder approval; or
- (b) the carrying into effect of the transaction or corporate proposal has been approved by the securities holders.

Given that the Concession Termination was dependent on the negotiations between MLSSB and the GOM whereby the Termination Agreement may be effective immediately once the relevant terms have been agreed, there was no certainty that we will be accorded time to seek your approval for the Concession Termination and the Termination Agreement. In relation thereto, we had submitted the Waiver Application to Bursa Securities. Pursuant to the Waiver Application, Bursa Securities had granted us conditional approval for the Proposed Ratification subject to, amongst others, seeking our shareholders' ratification within 6 months from the date of execution of the Termination Agreement ("**Conditional Approval**").

As highlighted in Section 2.5 of this Circular, there is no condition precedent to the Termination Agreement. As such, subsequent to the Conditional Approval, MLSSB had entered into the Termination Agreement with the GOM on 12 November 2018 and received the Settlement Sum on 23 November 2018. Pursuant to the Conditional Approval, we hereby seek your approval for the Proposed Ratification at the EGM to be convened.

4. RISK FACTORS

Prior to the Concession Termination, the current management team of MRCB Group has always regarded the EDL (together with the Concession Agreement) as a non-core asset and it was always the intention to remove the assets and its accompanying debts from MRCB's balance sheet through a sale. In this regard, MRCB does not foresee any material change to the risk profile of MRCB Group's businesses as MRCB Group generates a major portion of its revenue from its core businesses in the property development and investment division and its engineering, construction and environment division. Nonetheless, we wish to highlight that there is still contractual risk in relation to the Termination Agreement as disclosed in Section 4.1 of this Circular.

4.1 Contractual Risk

As disclosed in Section 2.5.6 of this Circular, the Termination Agreement provides for MLSSB to indemnify the GOM for all actions, suits, claims, demands, liabilities, proceedings, losses, damages, compensation, costs, charges and expenses instituted by third parties against the GOM and to which the GOM shall be held or may become liable, in accordance with the circumstances as outlined in the Termination Agreement. As such, in the event the GOM suffers damages and losses in the circumstances as outlined in the Termination Agreement, MLSSB may be subject to claims in accordance with the terms and conditions of the Termination Agreement. Nevertheless, the indemnity from MLSSB to the GOM shall be in respect of any act, deed, matter or thing happening up to the Effective Date.

5. EFFECTS OF THE CONCESSION TERMINATION

5.1 Share capital

The Concession Termination does not have any effect on the issued share capital of our Company as the Concession Termination does not involve any issuance of MRCB Shares and the Settlement Sum is in cash.

5.2 Substantial shareholders' shareholdings

The Concession Termination does not have any effect on the substantial shareholders' shareholdings in our Company as the Concession Termination does not involve any issuance of MRCB Shares and the Settlement Sum is in cash.

5.3 NA, NA per share and gearing

Based on the latest audited consolidated financial statements of our Group as at 31 December 2017 and assuming that the Concession Termination had been effected at the end of that financial year, the proforma effects of the Concession Termination on the NA, NA per share, gearing and net gearing are as follows:

	Audited as at 31 December 2017	After the Concession Termination
	RM'000	RM'000
Share capital	4,309,422	4,309,422
Retained earnings	457,849	482,316 ⁽¹⁾
Other reserves	56,819	56,819
Shareholders' funds / NA	4,824,090	4,848,557
Non-controlling interests	104,498	104,498
Total equity	4,928,588	4,953,055
Number of shares in issue ('000)	4,386,746	4,386,746
NA per share (RM) ⁽²⁾	1.10	1.11
Total borrowings	3,384,690	2,326,190 ⁽⁴⁾
Gearing (times) ⁽³⁾	0.69	0.47
Net gearing (times) ⁽⁵⁾	0.53	0.28

Notes:

- (1) After taking into account the expected net proforma gain from the Concession Termination of approximately RM24.47 million. The net proforma gain from the Concession Termination is computed as follows:

	<u>RM million</u>
Settlement Sum	1,325.80
<u>Less:</u>	
Service concession asset and fixed assets	(1,135.32)
Sukuk profit payments (including any deferred payments) and sukuk discount	(114.16)
Reversal of deferred tax asset	(50.72)
Estimated cost of outstanding works pursuant to the Termination Agreement	(18.98)
Staff and administration expenses	(4.38)
<u>Add:</u>	
Realisation of unamortised gain from the disposal of the Junior Sukuk	24.09
	<u>26.33</u>
<u>Less:</u>	
Estimated expenses relating to the Concession Termination	(1.86)
Net proforma gain from the Concession Termination	<u>24.47</u>

The net proforma gain includes the realisation of unamortised gain of RM24.09 million arising from our Group's disposal of the Junior Sukuk at a nominal value of RM199.00 million to The National Agricultural Cooperation Federation ("**Purchaser**") for a cash consideration of RM230 million on 30 September 2011. The Purchaser is the trustee for HanaDaol Landchip Malaysia JB Private Real Estate Fund Investment Trust No.34 (REF Trust) of Korea.

- (2) Computed based on shareholders' funds / NA over number of MRCB Shares.
- (3) Computed based on total borrowings over total equity.

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- (4) After taking into account the repayment of the Senior Sukuk and the Junior Sukuk amounting to RM1,058.50 million as at 31 December 2017. The repayment of the Senior Sukuk and the Junior Sukuk consist of the following:

	Senior Sukuk	Junior Sukuk	Unamortised Gain from Disposal of Junior Sukuk	Total
	RM million	RM million	RM million	RM million
Total sukuk balance as at 31 December 2017	837.78	196.63	24.09	1,058.50
Add: Sukuk discount not amortised as at 31 December 2017	7.22	2.37	-	9.59
Less: Principal repayment prior to 28 November 2018	(35.00)	-	-	(35.00)
Less: Realisation of unamortised gain from the disposal of the Junior Sukuk	-	-	(24.09)	(24.09)
Sub-total	810.00	199.00	-	1,009.00
Add: Remaining profit payment due	25.39	39.41	-	64.80
Full repayment of sukuk on 28 November 2018 (as disclosed in Section 2.7)	835.39	238.41	-	1,073.80

- (5) After deducting other investment and deposits, cash and bank balances.

5.4 Earnings and EPS

Based on the audited consolidated financial statements of MRCB Group for the FYE 31 December 2017 and on the assumption that the Concession Termination had been effected at the beginning of that financial year, the EPS of MRCB Group is expected to increase from 6.56 sen to 7.51 sen as a result of the Concession Termination.

	Profit attributable to equity holders	EPS ⁽¹⁾
	RM'000	sen
Profit and EPS attributable to equity holders	167,575	6.56
Add: Expected net proforma gain from the Concession Termination ⁽²⁾	24,467	0.95
Proforma profit and EPS attributable to equity holders	192,042	7.51

Notes:

- (1) Based on the weighted average number of MRCB Shares in issue of 2,556,085,174 for the FYE 31 December 2017.
- (2) The expected net proforma gain is inclusive of the estimated transaction costs of RM1.86 million pursuant to the Concession Termination. Please refer to Note 1 of Section 5.3 of this Circular for the breakdown of the net proforma gain from the Concession Termination.

6. APPROVALS REQUIRED

The Concession Termination is subject to the following approvals:

- (a) The Concession Termination was deemed a disposal of the EDL Concession by MLSSB to the GOM and the highest percentage ratio applicable to the Concession Termination under Paragraph 10.02(g) of the Listing Requirements is 27.48%. Accordingly, your approval at the EGM to be convened is required for the Concession Termination and the Termination Agreement.

In relation to this, our Company had submitted the Waiver Application to Bursa Securities and had procured written undertakings from a few of our substantial shareholders namely, the EPF, Gapurna and LTH, that they will vote in favour of the resolution for the Proposed Ratification at the EGM to be convened. Based on the respective undertaking letters, EPF, Gapurna and LTH will collectively hold at least 51% of the total issued share capital of our Company for purposes of voting on the resolution for the Proposed Ratification at the EGM to be convened.

Pursuant to the Waiver Application, Bursa Securities had granted us the Conditional Approval from having to seek your prior approval pursuant to Paragraph 8.29 of the Listing Requirements. We are allowed to seek shareholders' approval for the Proposed Ratification instead, subject to us procuring your approval within 6 months from the date of execution of the Termination Agreement and that the undertaking letters from EPF, Gapurna and LTH remain binding and valid up to the date of the EGM.

Consequently, this Circular is issued to seek your approval for the Proposed Ratification at the EGM to be convened.

- (b) Approvals from the Senior Sukuk holders and the Junior Sukuk holders:
- (i) for MSLB to redeem the Senior Sukuk at their nominal value and any accrued and unpaid profit payment due (together with secondary senior sukuk) with redemption to be subject to the receipt by MLSSB of the full Settlement Sum from the GOM pursuant to the terms of the Termination Agreement;
- (ii) for MSLB to redeem the Junior Sukuk at their nominal value and any accrued and unpaid profit payment due (together with secondary junior sukuk, including deferred payments), with redemption to be subject to the receipt by MLSSB of the full Settlement Sum from the GOM pursuant to the terms of the Termination Agreement; and
- (iii) for MLSSB to enter into the Termination Agreement.

The relevant approvals from both the Senior Sukuk holders and the Junior Sukuk holders in Section 6(b) of this Circular have been obtained on 28 February 2018.

In addition, pursuant to the receipt of the Settlement Sum on 23 November 2018, MSLB had, on 28 November 2018, fully redeemed the Senior Sukuk (together with the secondary senior sukuk) and the Junior Sukuk (together with the secondary junior sukuk, including deferred payments) at their respective outstanding nominal values including accrued and unpaid profit payments due.

The Concession Termination was not conditional upon any other corporate exercise or scheme of the Company. The Proposed Ratification is also not conditional upon any other corporate exercise or scheme of the Company.

7. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the corporate exercise as disclosed below, there are no other corporate exercises which have been announced but not yet completed prior to the printing of this Circular:

- (a) On 31 May 2017, our Company announced that our Company, Rukun Juang Sdn Bhd (“**RJSB**”), Tanjung Wibawa Sdn Bhd, a wholly-owned subsidiary of EPF (“**TWSB**”) and Bukit Jalil Sentral Property Sdn Bhd (“**BJSP**”) had on 31 May 2017 entered into a subscription and shareholders’ agreement (“**JV SSA**”) which entails the following:
- (i) RJSB and TWSB will co-invest in a special purpose company, namely BJSP, for purposes of jointly developing the three (3) parcels of leasehold lands measuring 76.14 acres located at Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (collectively referred to as the “**Exchange Lands**”) (“**Proposed Subscription**”); and
 - (ii) the proposed disposal by RJSB of the Exchange Lands to BJSP for an aggregate consideration of up to RM1,426,163,112 (“**Lands Consideration**”) (“**Proposed Disposal**”).

(collectively referred to as the “**Proposed Joint Venture**”)

The Proposed Subscription will entail the investment by RJSB and TWSB in BJSP, via the subscription by RJSB and TWSB of new ordinary shares in BJSP (“**BJSP Shares**”) and new redeemable preference shares (“**RPS**”) in BJSP. The total subscription consideration payable by RJSB and TWSB is up to approximately RM285.23 million and RM1,140.93 million respectively. Upon completion of the Proposed Subscription, RJSB and TWSB will hold 20% and 80% of the equity interest in BJSP respectively. The subscription consideration will be payable by TWSB entirely in cash while the subscription consideration payable by RJSB will be capitalised from the amount owing by BJSP to RJSB in respect of the Lands Consideration.

In accordance with the terms of the JV SSA, BJSP shall appoint a subsidiary of our Company to be the management contractor for the design and construction of the future development to be carried out on the Exchange Lands (“**Exchange Lands Development**”) subsequent to the following:

- (i) a day falling 18 months from the date of the JV SSA, or such later date as the parties may mutually agree upon in relation to the Proposed Subscription (being the cut-off date of the JV SSA); and
- (ii) the subscription for the first tranche of BJSP Shares and RPS – class A in BJSP within 15 business days from the date the conditions precedent of the JV SSA is fulfilled or waived (as the case may be) (“**First Tranche Subscription**”).

In this regard, our Company had on 26 March 2018 announced the following:

- (i) RJSB and BJSP had sought TWSB’s consent, which was granted by TWSB on 26 March 2018 for BJSP to appoint the management contractor prior to the completion of the First Tranche Subscription in view that the Exchange Lands were expected to be transferred to BJSP before the JV SSA turns unconditional and before the First Tranche Subscription (“**Consent Letter**”). This will enable BJSP to commence works on the Exchange Lands, where necessary, especially in the event of a delay in the Proposed Joint Venture. TWSB further agreed, via the Consent Letter, for the allotment and issuance by BJSP of 1,000 RPS – class B to the management contractor upon the management contract having become unconditional in accordance with the terms and conditions contained therein. The terms set out in the Consent Letter are also acknowledged and agreed by our Company; and

- (ii) Following the above, BJSP had on 26 March 2018 entered into a management contract with MRCB Land Sdn Bhd (“**MRCB Land**”), a wholly-owned subsidiary of our Company, to appoint MRCB Land as the management contractor in connection with the Exchange Lands Development, for a provisional total project sum of RM11,007,326,245 (inclusive of goods and services tax) (“**Bukit Jalil Sentral Construction**”).

For the purposes of fulfilling the condition precedent set out in the JV SSA, BJSP had on 3 October 2017 increased its issued and paid-up share capital. RJSB had in this respect subscribed for further BJSP Shares and as at 9 April 2018, RJSB holds 100% of the equity interest therein. Hence, our Company had on 9 April 2018 announced that RJSB had sought TWSB’s concurrence vide a letter dated 6 April 2018, which was accepted by TWSB on 9 April 2018, that as a result of RJSB’s further subscription of BJSP Shares on 3 October 2017:

- (i) the number of BJSP Shares to be subscribed by RJSB under the First Tranche Subscription pursuant to the terms and conditions of the JV SSA will be reduced; and
- (ii) the portion of the Lands Consideration payable by BJSP to RJSB which will be capitalised against RJSB’s portion of the First Tranche Subscription consideration will also be reduced.

The Proposed Joint Venture and the Bukit Jalil Sentral Construction were approved by our Company’s shareholders at the EGM held on 21 May 2018. The management contract had become unconditional on the same day. The JV SSA became unconditional on 30 November 2018.

On 19 December 2018, our Company had announced that:

- (i) the First Tranche Subscription was completed pursuant to the JV SSA;
- (ii) MRCB Land had subscribed for 1,000 RPS – class B issued by BJSP; and
- (iii) the first tranche of the Lands Consideration was also settled with RJSB.

The subscription by RJSB and TWSB for the remaining subscription shares under the second tranche subscription will take place within 15 business days following the receipt of the approval by the relevant authority of the development order in respect of the Exchange Lands.

The Exchange Lands Development will span approximately 20 years from 2019 to 2038.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders and/or persons connected with the directors and/or major shareholders of our Company has any interest, direct or indirect, in the Concession Termination.

9. DIRECTORS’ STATEMENT AND RECOMMENDATION

Your Board, having considered all aspects including, but not limited to, the rationale, financial effects and risks of the Concession Termination, is of the opinion that the Concession Termination is in the best interest of the Company.

Accordingly, your Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Ratification to be tabled at the forthcoming EGM.

10. TIMELINE

As disclosed in Section 1 of this Circular, MLSSB entered into the Termination Agreement with the GOM on 12 November 2018. Both MLSSB and the GOM have also agreed that the Termination Agreement came into effect on 1 January 2018. On 23 November 2018, MLSSB has received the Settlement Sum from the GOM. The Proposed Ratification will be effective upon the approvals (as set out in Section 6(a) of this Circular) being obtained at the EGM, details of which are set out in Section 11 of this Circular.

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at the Grand Mahkota Ballroom, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 14 February 2019 at 10:00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution for the Proposed Ratification.

If you are unable to attend and vote in person at the forthcoming EGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at our share registrar's office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

You are advised to refer to the attached appendix for further information.

Yours faithfully
For and on behalf of your Board
MALYSIAN RESOURCES CORPORATION BERHAD

MOHD IMRAN MOHAMAD SALIM
Group Managing Director

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by your Board who collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular. Your Board hereby confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

2. CONSENT

CIMB has given and has not subsequently withdrawn its written consent for the inclusion of its names and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST**3.1 CIMB**

CIMB, its related and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company (the “**CIMB Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Group. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and any of its affiliates and/or any other person(s), hold long or short positions in securities issued by us and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account for the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of CIMB Group generally acting independently of each other and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of the Group.

As at the LPD, CIMB Bank Berhad has in the ordinary course of its banking business, extended credit facilities to our Group.

CIMB has confirmed that the abovementioned extension of credit facilities does not result in conflict of interest situation in respect of its role as the Principal Adviser for the Concession Termination and the Proposed Ratification due to the following:

- (i) CIMB Bank Berhad is a licensed commercial bank and the extension of credit facilities to the Company arose in the ordinary course of business of CIMB Bank Berhad; and
- (ii) the total credit facilities granted by CIMB Bank Berhad are not material when compared to the audited NA of the CIMB Group as at 31 December 2017.

APPENDIX I – FURTHER INFORMATION

4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, we are not aware of any material commitment incurred or known to be incurred by our Group which upon becoming enforceable may have a material and adverse impact on the financial position of our Group.

	<u>RM'000</u>
Authorised capital expenditure for property, plant and equipment	
- contracted for	9,901
- not contracted for	15,735
Total	<u>25,636</u>

5. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, your Board is not aware of any contingent liability incurred or known to be incurred by our Group which upon becoming enforceable may have a material and adverse impact on the financial position of our Group.

	<u>RM'000</u>
Trade and performance guarantees extended to third parties	590,529

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION INVOLVING THE EDL CONCESSION

As at the LPD, our Group is not involved in any material litigation, claims or arbitration involving the EDL Concession, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of our Group, and your Board is not aware of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position or business of our Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Level 33A, Menara NU 2, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia during normal office hours from Mondays to Fridays (excluding public holidays) from the date of this Circular up to the date of the EGM:

- (i) the constitution of our Company;
- (ii) the audited consolidated financial statements for the FYE 31 December 2016 and the FYE 31 December 2017 and our latest unaudited consolidated financial statements for the 9 months period ended 30 September 2018;
- (iii) the Termination Agreement; and
- (iv) letter of consent and declaration of conflict of interest referred to in Sections 2 and 3 of Appendix I of this Circular.



MALAYSIAN RESOURCES CORPORATION BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Malaysian Resources Corporation Berhad (“**MRCB**” or the “**Company**”) will be held at the Grand Mahkota Ballroom, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 14 February 2019 at 10:00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, pass the following ordinary resolution:

ORDINARY RESOLUTION

PROPOSED RATIFICATION OF THE MUTUAL TERMINATION OF THE CONCESSION AWARDED BY THE GOVERNMENT OF MALAYSIA (“GOM”) TO MRCB LINGKARAN SELATAN SDN BHD (“MLSSB”), A WHOLLY-OWNED SUBSIDIARY OF MRCB PRASARANA SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF MRCB FOR THE DESIGN, CONSTRUCTION, MANAGEMENT, OPERATION AND MAINTENANCE OF THE EASTERN DISPERSAL LINK EXPRESSWAY (“EDL”) (“EDL CONCESSION”) (“CONCESSION TERMINATION”) (“PROPOSED RATIFICATION”)

“**THAT**, the Concession Termination and MLSSB’s entry into the Termination and Settlement Agreement dated 12 November 2018 in relation to the Concession Agreement for the EDL Concession (“**Termination Agreement**”), with the GOM, the salient terms of which are set out in the Circular to shareholders of the Company dated 10 January 2019, and the settlement sum of RM1,325,800,000 that was paid by the GOM to MLSSB on 23 November 2018 be and is hereby approved, ratified and confirmed.

THAT all acts, deeds and things carried out by MLSSB and/or by its directors and/or such other persons as authorised by its directors under or pursuant to the Concession Termination and the Termination Agreement be and is hereby approved, ratified and confirmed.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any condition, modification, variation and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to execute all such documents as may be required to implement, finalise and give full effect to the Concession Termination, the Termination Agreement and the Proposed Ratification.”

BY ORDER OF THE BOARD

Mohd Noor Rahim Yahaya
MAICSA 0866820
Company Secretary

Kuala Lumpur
Dated: 10 January 2019

Notes:

1. Only members whose names appear in the Record of Depositors on 7 February 2019 shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the EGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its common seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
6. The duly completed Form of Proxy must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time set for holding of the EGM or at any adjournment thereof.

MRCB

MALAYSIAN RESOURCES CORPORATION BERHAD

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

FORM OF PROXY

(Please see the notes below before completing the form)

Number of Ordinary Share(s) held	CDS Account No.										
				-				-			

*I/We (FULL NAME IN CAPITAL LETTERS) _____

*NRIC No./Passport No./Company No. _____

of (FULL ADDRESS) _____

being a *member/members of **MALAYSIAN RESOURCES CORPORATION BERHAD** hereby appoint:

Name of Proxy in capital letters		Proportion of Shareholdings to be represented by the proxies:	
		Number of shares	Percentage (%)
Proxy 1			
	NRIC No./Passport No:		
and/or failing him/her			
Proxy 2			
	NRIC No./Passport No:		

Total : _____

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at the Grand Mahkota Ballroom, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 14 February 2019 at 10:00 a.m., or at any adjournment thereof.

*My/our proxy is to vote on the Ordinary Resolution as indicated by an "X" in the appropriate space 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.

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Ratification		

Dated this _____ day of _____ 2019

Signature of Shareholder

**DELETE IF NOT APPLICABLE*

Notes:

- Only members whose names appear in the Record of Depositors on 7 February 2019 shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the EGM.
- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its common seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
- The duly completed Form of Proxy must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time set for holding of the EGM or at any adjournment thereof.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

To: SYMPHONY SHARE REGISTRARS SDN BHD
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here
