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Malaysian Resources Corporation Berhad

(Company No.: 7994-D)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

PROPOSED DISPOSAL BY MALAYSIAN RESOURCES CORPORATION BERHAD ("MRCB") OF AN 18-STOREY OFFICE BUILDING IN PLAZA SENTRAL PHASE II KNOWN AS BLOCK 1A (MAXIS TOWER) SITUATED AT PLAZA SENTRAL, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL TO LEMBAGA KUMPULAN WANG SIMPANAN PEKERJA FOR A TOTAL CASH CONSIDERATION OF RM80,036,250 ("PROPOSED DISPOSAL")

PART B

INDEPENDENT ADVICE LETTER TO THE MINORITY SHAREHOLDERS OF MRCB IN RELATION TO THE PROPOSED DISPOSAL

Financial Adviser:



Newfields

NEWFIELDS ADVISORS SDN BHD

(Company No.: 296051-V)

Independent Adviser:

AmInvestment Bank Berhad

(formerly known as AmMerchant Bank Berhad)

(Company no. 23742-V)

A member of



AmInvestment Bank

Group

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting of MRCB which will be held at Rebana Hall, Level 1, Convention Centre, Grand Blue Wave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan, on Friday, 19 January 2007 at 3:30 p.m. or at any adjournment thereof together with the Form of Proxy is enclosed.

The Form of Proxy (if you are unable to attend) should be lodged at the share registrar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof. The lodgement 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 day and time for lodging of Form of Proxy : Wednesday, 17 January 2007 at 3:30 p.m.

Date and time of Extraordinary General Meeting : Friday, 19 January 2007 at 3:30 p.m.

This Circular is dated 22 December 2006

DEFINITIONS

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

Act	:	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
AmInvestment Bank	:	AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad) (23742-V)
Board of Directors or the Board	:	Board of Directors of MRCB
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
C H Williams or Independent Valuer	:	C H Williams Talhar & Wong Sdn Bhd (18149-U)
EGM	:	Extraordinary General Meeting
FYE	:	Financial year ended
KLSSB or the Proprietor	:	Kuala Lumpur Sentral Sdn Bhd (322688-X), a subsidiary of MRCB
KWSP	:	Lembaga Kumpulan Wang Simpanan Pekerja
Listing Requirements	:	Listing Requirements of Bursa Securities
Maxis	:	Maxis Mobile Sdn Bhd (229892-M)
MRCB or the Company	:	Malaysian Resources Corporation Berhad (7994-D)
MRCB Group or the Group	:	MRCB, its subsidiaries and associated companies, collectively
MV	:	Market value
NA	:	Net assets
Newfields	:	Newfields Advisors Sdn Bhd (296051-V)
Office Building	:	18-storey office building in Plaza Sentral Phase II known as Block 1A (Maxis Tower) situated at Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral
Proposed Disposal	:	Proposed disposal of the Office Building by MRCB to KWSP for the Sale Consideration
RM and sen	:	Ringgit Malaysia and sen respectively
Sale Consideration	:	The sale consideration of the Office Building amounting to RM80,036,250
Share(s)	:	Ordinary share(s) of RM1.00 each
SPA	:	Conditional sale and purchase agreement dated 1 December 2006 entered into between MRCB, KLSSB and KWSP for the Proposed Disposal
sq. ft.	:	Square feet

DEFINITIONS (Cont'd)

- Tenancy Agreement** : Tenancy agreement dated 17 August 2006 entered into between MRCB and Maxis for the leasing of the Office Building, which has a net lettable area of 152,450 sq. ft., by Maxis for a total tenancy period of up to fifteen (15) years commencing 1 July 2006
- Valuation Report** : Report on the valuation carried out by the Independent Valuer on the MV of the Office Building dated 28 September 2006

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NOTICE OF EGM	ENCLOSED
FORM OF PROXY	ENCLOSED

PART A

**LETTER TO SHAREHOLDERS OF MRCB IN
RELATION TO THE PROPOSED DISPOSAL**



Malaysian Resources Corporation Berhad

(Company No. 7994-D)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

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

22 December 2006

Directors

Datuk Azlan Zainol (*Chairman*)
Shahril Ridza Ridzuan (*Group Managing Director*)
Dato' Ahmad Hj. Ibniহার (*Independent Director*)
Dato' Dr. Mohd Shahari Ahmad Jabar (*Independent Director*)
Abdul Rahman Ahmad (*Non-Independent Non-Executive Director*)
Dr. Roslan A Ghaffar (*Non-Independent Non-Executive Director*)
Ahmad Zaki Zahid (*Independent Director*)
Mohamad Loffy Mohamad Noh (*Non-Independent Non-Executive Director*)

To : The Shareholders of Malaysian Resources Corporation Berhad

Dear Sir/Madam,

PROPOSED DISPOSAL BY MRCB OF AN 18-STOREY OFFICE BUILDING IN PLAZA SENTRAL PHASE II KNOWN AS BLOCK 1A (MAXIS TOWER) SITUATED AT PLAZA SENTRAL, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL TO KWSP FOR A TOTAL CASH CONSIDERATION OF RM80,036,250

1. INTRODUCTION

On 1 December 2006, the Board announced that MRCB had on the same day entered into the SPA with KLSSB and KWSP for the proposed disposal of an 18-storey office building in Plaza Sentral Phase II known as Block 1A (Maxis Tower) to KWSP for a total cash consideration of RM80,036,250.

Newfields have been appointed as the Financial Adviser to MRCB for the Proposed Disposal. As the Proposed Disposal is a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, AmInvestment Bank had been appointed as the Independent Adviser to advise the minority shareholders of MRCB in relation to the Proposed Disposal.

The purpose of this Circular is to provide you with the details and rationale for the Proposed Disposal, set out the Board's recommendation thereon and also seek your approval for the resolution to be tabled at the forthcoming EGM.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE INDEPENDENT ADVICE LETTER FROM AmINVESTMENT BANK AS SET OUT IN PART B OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Background and Description of the Office Building

The Office Building is located within Lot M or commercially known as "Plaza Sentral", being a collection of office suites on a strata basis, located in the KL Sentral Development Area and is presently identified under Geran 46226, Lot 78, Seksyen 70, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan, being freehold with a land area measuring approximately 6.281 acres (25,420 square meters).

Lot M is presently registered in the name of KLSSB ("**Proprietor**"). The Government has previously granted the Proprietor the right to manage, operate, maintain and/or sell all or part of the buildings erected or to be erected on Lot M. The practical completion of the construction of the Office Building on Lot M was on 3 February 2006 and the temporary certificate for occupation for the Office Building was issued on 2 May 2006. The Office Building was acquired by MRCB from KLSSB pursuant to a sale and purchase agreement dated 22 October 2004.

The Office Building, which has a gross built-up area of 189,926 sq. ft. and a net lettable area of 152,450 sq. ft., is being leased to Maxis with a total tenancy period of up to fifteen (15) years commencing 1 July 2006, via the Tenancy Agreement. Based on the Tenancy Agreement, the Office Building is being leased for two (2) continuous fixed terms of three (3) years each with an option to renew for a period of three (3) successive terms of three (3) years each. The estimated average gross rental revenue of the Office Building pursuant to the Tenancy Agreement is approximately RM8.35 million per annum or approximately RM125.24 million for the total tenancy period.

The Office Building is currently charged to Bumiputra-Commerce Bank Berhad as security for a loan granted to the Company.

The MV of the Office Building, as appraised by the Independent Valuer on 28 September 2006, being the valuation date, was RM80,000,000. The market valuation of the Office Building was carried out primarily based on the investment method and supported by the comparison method. The valuation letter from the Independent Valuer is enclosed in Appendix II of this Circular.

2.2 Cost of Investment of the Office Building

The practical completion of the construction of the Office Building was on 3 February 2006. MRCB's total development cost is approximately RM54.85 million.

2.3 Liabilities to be Assumed by KWSP

There are no liabilities (including contingent liabilities and guarantees) to be assumed by KWSP arising from the Proposed Disposal.

2.4 Salient Terms of the SPA

The salient terms of the SPA include, amongst others, the following:-

- (i) MRCB shall dispose to KWSP the Office Building free from any encumbrances with vacant possession but subject always to any conditions, express and/or implied and restrictions in interest affecting the issue of document of title to the Office Building when issued and subject further to the terms and conditions contained therein and the deed of mutual covenants executed simultaneously with the SPA on 1 December 2006.

- (ii) The Proprietor shall at its sole costs and expense make the necessary applications for separate block title (on floor basis) for the Office Building and separate strata titles for the remaining offices and retail units of the buildings within Lot M.
- (iii) The Proprietor warrants and undertakes that it shall ensure that upon issuance of the block title (on floor basis) for the Office Building, the block title (on floor basis) for the Office Building shall be a freehold title free of encumbrances, the expressed category of land use shall be "commercial building" and the block title (on floor basis) will not contain any restrictions in interest and restrictive conditions.
- (iv) The Sale Consideration will be paid entirely in cash by KWSP to MRCB on the date of completion of the sale and purchase by the payment of the Sale Consideration in full ("**Completion Date**"), which will be on or before ninety (90) days from the date of the SPA or twenty-one (21) days from the date of satisfaction of the last conditions precedent in accordance with the SPA ("**Completion Period**") or within an extended completion period of thirty (30) days from the date of expiry of the Completion Period.
- (v) Service charges, presently fixed at RM1.00 per sq. ft. on the net lettable area per month or such other amount of monies to be determined from time to time by KLSSB and/or the management corporation in respect of the maintenance and management services provided or to be provided to the Office Building, shall be payable by KWSP from the Completion Date. In this respect, MRCB agrees to provide a service charge rebate to KWSP based on the sum of RM0.17 per sq. ft. on the net lettable area per month for the first thirty-six (36) months from the Completion Date.

2.5 Conditions Precedent

The SPA shall be conditional upon, inter alia, the following:-

- (i) All the relevant approvals as set out in Section 6 of this Circular being obtained;
- (ii) An undertaking from MRCB to secure the certificate of fitness for occupation for the Office Building within twelve (12) months from the date of the SPA;
- (iii) An undertaking from KLSSB to submit the application for the subdivision of Lot M into separate block title (on floor basis) for the Office Building and separate strata titles for the remaining offices and retail units of the buildings within Lot M;
- (iv) A written confirmation from KLSSB confirming that all the rights to the Office Building have been legally assigned to MRCB and that MRCB has good title to the Office Building and the absolute right to transfer the Office Building to KWSP and that MRCB has the right to retain the proceeds of sale in respect of the Office Building;
- (v) A written confirmation from MRCB confirming that all the rights to the Office Building have been legally assigned by KLSSB to MRCB and that MRCB has good title to the Office Building and the absolute right to transfer the Office Building to KWSP; and
- (vi) The execution of a novation agreement between MRCB, Maxis and KWSP for the Novation of Tenancy and such novation shall take effect on the Completion Date.

(collectively to be referred to as “Approvals”)

In the event the Approvals are not obtained within a period of sixty (60) days from the date of the SPA, a further period of thirty (30) days shall be granted to obtain the Approvals, and thereafter, any further extension of time required may only be granted by mutual agreement of the parties.

In the event that the Approvals are not obtained within the period stated above or in the event any of the Approvals shall contain terms which are not acceptable to MRCB and/or KWSP, the parties may either mutually agree to an extension or failing such agreement, the SPA shall become null and void and of no further force or effect and neither party shall have any claim against the other save for antecedent breach.

2.6 Basis for Determining the Sale Consideration

The sale consideration of RM80,036,250 for the Proposed Disposal was arrived at on a “willing buyer willing seller” basis after taking into consideration the MV of the Office Building as appraised by the Independent Valuer of RM80,000,000. The Sale Consideration represents a slight premium of approximately 0.05% (amounting to RM36,250) to the MV of the Office Building.

2.7 Utilisation of Proceeds

The cash proceeds of RM80,036,250 arising from the Proposed Disposal is expected to be utilised for the repayment of borrowings of the MRCB Group and to defray the estimated expenses in relation to the Proposed Disposal, as detailed in the table below:-

	RM'000
Repayment of borrowings of the Group	78,353
Estimated expenses	750
Service charge rebate to KWSP	933
Total	80,036

2.8 Information on KWSP

KWSP was established under the KWSP Ordinance 1951 as a National Social Security Organisation on 1 October 1951. KWSP is a National Social Security Organisation operating through a Provident Fund in Malaysia, which provides retirement benefits for members through management of their savings in an efficient and reliable manner. KWSP also provides a convenient framework for employers to meet their statutory and moral obligations to their employees.

As at 31 December 2005, the contributions account of KWSP amounted to approximately RM262.7 billion. Based on the latest audited financial statements of KWSP for the FYE 31 December 2005, KWSP recorded a net income of approximately RM12.1 billion and net income after taxation of approximately RM12.07 billion. As at 31 December 2005, the audited NA of KWSP and its subsidiaries was approximately RM262.9 billion.

(Source: KWSP Annual Report for the FYE 31 December 2005, obtained from its website: www.kwsp.gov.my)

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal represents an opportunity for MRCB to realise its investment in the Office Building at a fair price compared to the prevailing market price. The Sale Consideration translates to RM525 per sq. ft., which is comparable to similar and current transactions within the Kuala Lumpur Sentral vicinity.

After taking into consideration the total development cost of the Office Building of approximately RM54.85 million, the service charge rebate to KWSP of approximately RM0.93 million and estimated expenses in relation to the Proposed Disposal of RM0.75 million, the estimated gain arising from the Proposed Disposal is approximately RM23.50 million at MRCB group level.

4. RISK FACTORS

Shareholders should consider the following risk factors arising from the Proposed Disposal (which may not be exhaustive) prior to the voting on the Proposed Disposal.

(i) Failure/Delay in the approval from the authorities/parties

The Proposed Disposal is conditional upon the approvals from the relevant authorities and/or parties, as disclosed in Section 6 below. There is no assurance that the Proposed Disposal can be completed within the time period permitted under the SPA. In the event that the Approvals are not obtained within the permitted time period, or in the event any of the Approvals shall contain terms, which are not acceptable to KWSP, the parties may either mutually extend the said period or failing which, terminate the SPA.

(ii) Contractual risks

MRCB may be subjected to certain contractual risks such as specific performance and payment of liquidated damages as a result of non-fulfilment of its obligations under the SPA. Nevertheless, the Company endeavours to ensure full compliance in relation to fulfilment of its part of the obligations under the SPA.

5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Share capital

The Proposed Disposal will not have any effect on the share capital of MRCB as the Sale Consideration will be fully satisfied in cash.

5.2 Major Shareholders' Shareholding

The Proposed Disposal will not have any effect on the major shareholders' shareholding in MRCB as the Sale Consideration will be fully satisfied in cash.

5.3 Earnings

Barring any unforeseen circumstances and based on the assumption that the Proposed Disposal will be completed by the first quarter of 2007, the Proposed Disposal is not expected to have any effect on the earnings of the MRCB Group for the financial year ending 31 December 2006. However, MRCB expects to realise a gain on disposal of approximately RM23.50 million in the consolidated financial statements of MRCB for the financial year ending 31 December 2007.

As the proceeds from the Proposed Disposal will mainly be used for repayment of MRCB Group's borrowings, the Proposed Disposal will result in interest savings of approximately RM5.09 million per annum to MRCB Group.

5.4 Net Assets and Gearing

For illustrative purposes, the proforma effects of the Proposed Disposal on the NA and net gearing of MRCB Group based on the latest audited financial statements of MRCB Group as at 31 December 2005 is set out below:-

	Audited as at 31 December 2005 (RM'000)	After Proposed Disposal (RM'000)
Share capital	768,186	768,186
Reserves	(288,190)	(264,686)*
Shareholders' funds / NA [^]	479,996	503,500
No. of Shares in issue ('000)	768,186	768,186
NA per Share (RM)	0.62	0.66
Total borrowings**	1,193,539	1,115,186
Net gearing ratio# (times)	1.91	1.66

Notes:

[^] Attributable to the equity holders of the parent company

* Increase is attributed to the gain arising from the disposal of the Office Building of approximately RM23.50 million, being the difference between the Sale Consideration and the total development cost of the Office Building of RM54.85 million net of the service charge rebate to KWSP of approximately RM0.93 million and estimated expenses in relation to the Proposed Disposal of RM0.75 million

** Comprises all interest bearing debt

Computed based on total borrowings as defined above net of cash or cash equivalent over the shareholders' funds

The proforma NA per Share of MRCB Group after the Proposed Disposal will increase from approximately RM0.62 as at 31 December 2005 to approximately RM0.66.

The repayment of approximately RM78.35 million borrowings of MRCB Group from the proceeds of the Proposed Disposal will result in potential interest savings of approximately RM5.09 million per annum. This will result in a reduction in the total borrowings of MRCB Group from approximately RM1,193.54 million as at 31 December 2005 to approximately RM1,115.19 million and a reduction in the net gearing ratio from 1.91 times as at 31 December 2005 to 1.66 times after the Proposed Disposal.

6. APPROVALS REQUIRED

The Proposed Disposal is subject to the following approvals being obtained: -

- (i) Foreign Investment Committee for the acquisition of the Office Building by KWSP;
- (ii) The shareholders of MRCB at the EGM to be convened;
- (iii) The respective board / investment committee of the respective parties for the sale and purchase of the Office Building; and
- (iv) Any other approvals as stated in Section 2.5 (ii) to (vi) of this Circular.

The Proposed Disposal is not conditional upon any other corporate proposals by MRCB.

7. DISCLOSURE OF DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the Directors and major shareholders of MRCB and/or persons connected to them have any interest, direct or indirect, in the Proposed Disposal:

(i) Directors' interests

Y. Bhg. Dato' Azlan Zainol, Dr Roslan A. Ghaffar and Encik Mohamad Lotfy Mohamad Noh who are Directors of MRCB, are also employees of KWSP. The aforesaid Directors are deemed interested in the Proposal Disposal by virtue of them being persons connected to KWSP pursuant to the Listing Requirements.

Accordingly, Y. Bhg. Dato' Azlan Zainol, Dr Roslan A. Ghaffar and Encik Mohamad Lotfy Mohamad Noh ("**Interested Directors**") have abstained and will continue to abstain from all Board deliberations and voting at the Board meeting pertaining to the Proposed Disposal. They will also abstain from voting in respect of their direct and/or indirect shareholdings in MRCB on the resolution in relation to Proposed Disposal to be tabled at the EGM and will undertake to ensure that the persons connected to them will also abstain from voting in respect of their direct and/or indirect shareholdings at the said EGM.

As at 19 December 2006, none of the Interested Directors has any interest, direct or indirect, in the Shares of MRCB.

(ii) Major shareholders' interests

KWSP is deemed interested in the Proposed Disposal by virtue of being a major shareholder of MRCB.

Accordingly, KWSP ("**Interested Major Shareholder**") will abstain from voting in respect of their direct and/or indirect shareholdings in MRCB on the resolution in relation to Proposed Disposal to be tabled at the EGM and will undertake to ensure that the persons connected to it will abstain from voting in respect of their direct and/or indirect shareholdings at the said EGM.

As at 19 December 2006, the Interested Major Shareholder has a direct shareholding of 223,521,162 Shares representing 29.10% equity interest in MRCB. As at the said date, the Interested Major Shareholder has no indirect shareholding in MRCB.

8. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Disposal and after careful deliberation, the Board (save for the Interested Directors) is of the opinion that the Proposed Disposal is in the best interest of the Company and its shareholders.

Accordingly, the Board (save for the Interested Directors) recommend that you vote in favour of the ordinary resolution in relation to the Proposed Disposal to be tabled at the EGM.

9. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSED DISPOSAL

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the first quarter of 2007.

10. DETAILS OF OTHER PROPOSED CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at 19 December 2006, being the latest practicable date prior to the printing of this Circular, there are no other proposed corporate exercises announced by MRCB but pending completion.

11. EGM

For the purpose of approving the Proposed Disposal, an EGM, the notice of which is enclosed with this Circular, is to be held at Rebana Hall, Level 1, Convention Centre, Grand Blue Wave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan, on Friday, 19 January 2007 at 3:30 p.m.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for the EGM. The completion and return of the Form of Proxy does not preclude you from attending and voting in person should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are requested to refer to the appendices for further information.

Yours faithfully

**For and on behalf of the Board
MALAYSIAN RESOURCES CORPORATION BERHAD**

**DATO' DR. MOHD SHAHARI AHMAD JABAR
INDEPENDENT DIRECTOR**

PART B

**INDEPENDENT ADVICE LETTER TO THE MINORITY
SHAREHOLDERS OF MRCB IN RELATION TO THE
PROPOSED DISPOSAL**



AmInvestment Bank

Group

Registered Office:

22nd Floor
Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

22 December 2006

To : **The Minority Shareholders of Malaysian Resources Corporation Berhad**

Dear Sir / Madam,

INDEPENDENT ADVICE LETTER ("IA LETTER") FROM AmINVESTMENT BANK BERHAD (FORMERLY KNOWN AS AmMERCHANT BANK BERHAD) TO THE MINORITY SHAREHOLDERS OF MALAYSIAN RESOURCES CORPORATION BERHAD ("MRCB") IN RELATION TO THE PROPOSED DISPOSAL BY MRCB OF AN 18-STOREY OFFICE BUILDING IN PLAZA SENTRAL PHASE II KNOWN AS BLOCK 1A (MAXIS TOWER) SITUATED AT PLAZA SENTRAL, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL TO LEMBAGA KUMPULAN WANG SIMPANAN PEKERJA FOR A TOTAL CASH CONSIDERATION OF RM80,036,250

1. PREAMBLE

This IA Letter is prepared for inclusion in the circular to shareholders of MRCB dated 22 December 2006 ("**Circular**") in relation to the Proposed Disposal and should be read in conjunction with the same. All definitions used in this IA Letter shall have the same meaning as the words and expressions provided in the definitions section of the Circular, except where the context otherwise requires or where otherwise defined herein.

Pursuant to Paragraph 10.08 of the Listing Requirements, the Proposed Disposal is a related party transaction by virtue of the interested persons described in Section 3 of this IA Letter. In compliance with Paragraph 10.08 of the Listing Requirements, the Board had appointed AmInvestment Bank as the Independent Adviser ("**IA**") to the minority shareholders of MRCB in relation to the Proposed Disposal. AmInvestment Bank had on 5 December 2006 confirmed to Bursa Securities on its eligibility to act as the IA in relation to the Proposed Disposal.

The purpose of this IA Letter is to provide the minority shareholders of MRCB with an independent evaluation of the Proposed Disposal, to form an opinion as to whether the Proposed Disposal is fair and reasonable in so far as the shareholders of MRCB are concerned and whether the transaction is to the detriment of minority shareholders as well as to provide a recommendation thereon on the voting of the resolution pertaining to the Proposed Disposal.

2. INTRODUCTION

The Board had on 1 December 2006, announced that the Company entered into a conditional sale and purchase agreement with KLSSB and KWSP for the proposed disposal of an 18-storey office building in Plaza Sentral Phase II known as Block 1A (Maxis Tower) to KWSP for a total cash consideration of RM80,036,250.

Plaza Sentral Phase II is presently registered in the name of KLSSB. KLSSB has been granted the right by the Government to manage, operate, maintain and/or sell all or part of the buildings erected or to be erected on Plaza Sentral Phase II. The Office Building was acquired by MRCB from KLSSB pursuant to a sale and purchase agreement dated 22 October 2004. The practical completion of the construction of the Office Building was on 3 February 2006 and the temporary certificate for occupation for the Office Building was issued on 2 May 2006.

The Proposed Disposal is subject to the approvals, as set out in Section 6 of Part A of the Circular, being obtained. The Proposed Disposal is not conditional upon any other corporate proposals by MRCB.

3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the Directors and major shareholders of MRCB and/or persons connected to them have any interest, direct or indirect, in the Proposed Disposal:-

- (i) Y. Bhg. Dato' Azlan Zainol, Dr Roslan A. Ghaffar and Encik Mohamad Lotfy Mohamad Noh ("**Interested Directors**") who are persons connected to KWSP by virtue of them being employees of KWSP. As at 19 December 2006, none of the Interested Directors has any interest, direct or indirect, in the Shares of MRCB; and
- (ii) KWSP ("**Interested Major Shareholder**"), by virtue of it being a substantial shareholder of the Company. As at 19 December 2006, the Interested Major Shareholder has a direct shareholding of 223,521,162 Shares representing 29.10% equity interest in MRCB.

Accordingly, the Interested Directors have abstained and will continue to abstain from all Board deliberations and voting at the Board meeting pertaining to the Proposed Disposal. They will also abstain from voting in respect of their direct and/or indirect shareholdings in MRCB on the resolution in relation to Proposed Disposal to be tabled at the EGM and will undertake to ensure that the persons connected to them will also abstain from voting in respect of their direct and/or indirect shareholdings at the said EGM.

The Interested Major Shareholder will also abstain from voting in respect of their direct and/or indirect shareholdings in MRCB on the resolution in relation to Proposed Disposal to be tabled at the EGM and will undertake to ensure that the persons connected to it will abstain from voting in respect of their direct and/or indirect shareholdings at the said EGM.

4. DETAILS OF THE PROPOSED DISPOSAL

The details of the Proposed Disposal are set out in Section 2 of Part A of the Circular.

MRCB proposes to dispose the Office Building to KWSP for a total cash consideration of RM80,036,250. The Sale Consideration represents a slight premium of RM36,250 or approximately 0.05% to the MV of the Office Building based on the valuation as appraised by the independent registered valuer, Messrs. C H Williams, of RM80,000,000. The valuation letter from Messrs. C H Williams is enclosed in Appendix II of the Circular.

The Sale Consideration will be paid entirely in cash by KWSP to MRCB on date of completion of the sale and purchase by the payment of the Sale Consideration in full ("**Completion Date**"), which will be on or before ninety (90) days from the date of the SPA or twenty-one (21) days from the date of satisfaction of the last conditions precedent in accordance with the SPA ("**Completion Period**") or within an extended completion period of thirty (30) days from the date of expiry of the Completion Period.

5. LIMITATIONS TO THE EVALUATION OF THE PROPOSED DISPOSAL

We wish to highlight that AmlInvestment Bank was not involved in any negotiations on the terms and conditions of the Proposed Disposal. AmlInvestment Bank's evaluation on the Proposed Disposal had been based on information furnished to us by MRCB and discussions with the management of MRCB. We have relied on the accuracy of the information furnished to us by or on behalf of MRCB and had not independently verified such information given to us. In addition, our evaluation and opinion in relation to the Proposed Disposal are based on prevailing market conditions and information made available to AmlInvestment Bank at this point of time.

As the IA, we have evaluated the Proposed Disposal and in forming our opinion, we have considered factors, which we believe would be of general relevance and concern to the minority shareholders of MRCB. Our evaluation is rendered solely for the benefit of the minority shareholders of MRCB as a whole.

It is not within our terms of reference to express any opinion on the commercial merits of the Proposed Disposal and this remains the sole responsibility of the Directors of MRCB. Neither does our appointment require us to express an opinion on the future plans of MRCB nor consider the specific investment objectives, financial situation and particular needs of any individual shareholder or any group of shareholders.

We wish to also emphasise that our role as IA does not extend to conducting any independent valuation or appraisal in respect of the subject property/building to be disposed nor rendering an expert opinion on tax implications, if any, arising from the Proposed Disposal.

We recommend that any individual shareholder or any group of shareholders who may require advice in relation to the Proposed Disposal in the context of their individual objectives, financial situation and particular needs to consult their respective stockbrokers, bank managers, solicitors or other professional advisers. We shall not be liable for any damage or loss of any kind sustained or suffered by any individual shareholder or any group of shareholders in reliance on the opinion stated herein for any purpose whatsoever which is particular to such individual shareholder or group of shareholders.

6. EVALUATION OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have considered the following:-

- (a) rationale for the Proposed Disposal;
- (b) financial aspects of the Proposed Disposal; and
- (c) risk factors relating to the Proposed Disposal.

6.1 Rationale for the Proposed Disposal

The rationale for the Proposed Disposal as set out in Section 3 of Part A of the Circular is as follows:-

"The Proposed Disposal represents an opportunity for MRCB to realise its investment in the Office Building at a fair price compared to the prevailing market price. The Sale Consideration translates to RM525 per sq. ft. which is comparable to similar and current transactions within the Kuala Lumpur Sentral vicinity."

The Proposed Disposal will enable MRCB to unlock its investment in the Office Building at the Sale Consideration and at the same time realise a net gain on disposal of approximately RM23.50 million at MRCB group level, based on the total development cost of the Office Building of approximately RM54.85 million.

The sale proceeds is expected to be utilised for the repayment of borrowings of MRCB Group and to defray the estimated expenses in relation to the Proposed Disposal and the service charge rebate to KWSP, as detailed in Section 2.7 of Part A of the Circular. The potential interest savings arising from the said repayment of borrowings is approximately RM5.09 million per annum to MRCB Group. In addition, MRCB Group's net gearing ratio will reduce from 1.91 times as at FYE 31 December 2005 to 1.66 times and the total borrowings of the Group will reduce from approximately RM1,193.54 million as at FYE 31 December 2005 to approximately RM1,115.19 million after the Proposed Disposal. The service charge rebate to KWSP is agreed upon between MRCB and KWSP pursuant to the SPA whereby MRCB will provide a service charge rebate to KWSP based on the sum of RM0.17 per sq. ft. per month for the first thirty-six (36) months from the Completion Date.

We wish to highlight that property development and investment is the mainstay of MRCB's core business activities and its flagship KL Sentral Development project continues to enhance the Group's property development portfolio. As such, the Proposed Disposal is in the ordinary course of business of the Company.

Based on the foregoing, we are of the view that the rationale for the Proposed Disposal is fair and reasonable and is not to the detriment of minority shareholders of MRCB.

6.2 Financial aspects of the Proposed Disposal

In assessing the financial aspects of the Proposed Disposal, we have considered the following:-

- (a) the basis in arriving at the Sale Consideration;
- (b) the market valuation of the Office Building by the Independent Valuer;
- (c) financial effects of the Proposed Disposal; and
- (d) utilisation of the proceeds from the Proposed Disposal.

6.2.1 The basis in arriving at the Sale Consideration

As stated in Section 2.6 of Part A of the Circular, the Sale Consideration was a negotiated amount between MRCB and KWSP on a "willing buyer willing seller" basis after taking into consideration the MV of the Office Building as ascribed by the Independent Valuer of RM80,000,000 as at 4 September 2006, being the valuation date.

In assessing the Sale Consideration, we have compared the Sale Consideration with recent transactions of stratified office suites within Plaza Sentral, Kuala Lumpur Sentral as follows:-

Unit / Parcel No.	Date of transaction	Floor area (sq. ft.)	Consideration (RM)	Consideration per sq. ft. (RM)
Parcel No. 2A-21-1, Block 2A	11.07.2006	2,715	1,438,950	530
Parcel No. 2A-21-2, Block 2A	11.07.2006	3,893	2,063,290	530
Parcel No. 2A-22-2, Block 2A	11.07.2006	3,893	2,063,290	530
Parcel No. 2A-23-1, Block 2A	21.06.2006	2,715	1,452,525	535
Parcel No. 2A-23-2, Block 2A	21.06.2006	3,893	2,082,755	535
Parcel No. 1B-6, Block No. 1B, Plaza Sentral Phase II	25.11.2005	9,917	4,819,662	486
CS/3B/21-3 & CS/3B/21-3A, Jalan Sentral 5	26.09.2005	4,387	2,237,370	510

(Source: Valuation Report)

Based on the above, the Sale Consideration, which translates to RM525 per sq. ft., is within the range of recent sales of stratified office suites within Plaza Sentral, Kuala Lumpur Sentral of between RM486 per sq. ft. and RM535 per sq. ft..

However, it should be noted that the abovementioned recent sales reflect smaller units being transacted whereas the Proposed Disposal is for an entire tower block with net lettable area of 152,450 sq. ft..

We have also compared the Sale Consideration with selected precedent transactions of office towers within Kuala Lumpur as set out below:-

Property location / (name)	Date of transaction	Net lettable area (sq. ft.)	Consideration (RM)	Consideration per sq. ft. (RM)
Jalan Sultan Ismail, Kuala Lumpur / Bangunan MAS	28.06.2006	270,071	130,000,000	481
Jalan Sultan Ismail, Kuala Lumpur / Wisma KFC	31.05.2004	175,292	90,000,000	513
Jalan P. Ramlee, Kuala Lumpur / Mui Plaza	25.03.2004	345,564	166,000,000	480
Lot N, Kuala Lumpur Sentral, Kuala Lumpur / proposed 30-storey office building comprising 3 levels of basement car park, split lobbies, 5 levels of elevated car park and 22 levels of office (under construction)	23.03.2004	351,000	161,460,000	460
Lot Nos. 1724, 1508, 1507 and part of Lot No. 1512, Kuala Lumpur / proposed 39-storey office tower and 4 levels of basement car park (under construction)	20.01.2004	629,988	375,000,000	595

(Source: Bursa Securities / Valuation Report)

Based on the above, we noted that the Sale Consideration, which translates to RM525 per sq. ft., is within the range of selected precedent transactions of office towers situated in Kuala Lumpur of between RM480 per sq. ft. and RM595 per sq. ft..

Based on the foregoing analysis on precedent transactions involving stratified office suites and office towers within the Kuala Lumpur area, we are of the view that the Sale Consideration is fair and reasonable.

6.2.2 The market valuation of the Office Building by the Independent Valuer

The Board has appointed Messrs. C H Williams, being the Independent Valuer, to undertake a market valuation of the Office Building. Based on the valuation report of the Independent Valuer dated 28 September 2006, subject to the assumptions stated therein, the Independent Valuer had ascribed the MV of the Office Building at RM80,000,000 or RM525 per sq. ft. as at 4 September 2006, being the valuation date.

The valuation of the Office Building was carried out based on the Investment Method and supported by the Comparison Method of valuation.

The Investment Method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the MV.

In deriving the net annual income of the Office Building, the Independent Valuer has considered the rental revenues pursuant to the Tenancy Agreement whereby the Office Building is being leased for two (2) continuous fixed terms of three (3) years each with an option to renew for a period of three (3) successive terms of three (3) years each, starting from 1 September 2006, being the assumed commencement date.

The key assumptions used by the Independent Valuer under the Investment Method of valuation are set out below:-

Tenancy term	Period (years)	Gross rental per sq. ft. per month (RM)	Outgoings per sq. ft. per month (RM)	Yield / Rate of return (%)
First term*	2.75	3.70	1.36	6.50
Second term	3	4.00	1.43	6.50
Renewal term (1 st option)	3	4.48	1.50	6.75
Renewal term (2 nd option)	3	5.02	1.57	6.75
Renewal term (3 rd option)	3	5.62	1.65	6.75
Reversion to perpetuity	-	5.62	1.36	7.00

Note:

* *The date of the Tenancy Agreement was 17 August 2006 and the assumed commencement date is 1 September 2006*

In addition, the Independent Valuer had assumed a discount (void) of 5.00% to the gross annual income during the renewal terms and the reversionary periods in arriving at the MV of the Office Building.

The Comparison Method of Valuation entails comparison of recent transactions and asking prices of similar property in the locality with adjustments made for differences in location, size, age and condition of the building, tenure, title restrictions if any, and other relevant characteristics to arrive at the MV.

We are of the opinion that the methods of valuation employed by the Independent Valuer are reasonable and are generally accepted methods of valuing office buildings, subject to the reliability of the projected annual income, the rate of return applied and other assumptions used.

We are also of the opinion that the assumed rate of return of the Office Building as applied by the Independent Valuer is fair as it is within the expected yields of listed real estate investment trusts (REITs) for similar asset class based on their retail offer price of between 6.40% and 8.00% (Source: Bursa Securities).

In this respect, we are of the view that the Sale Consideration is fair as it is comparable with the Independent Valuer's ascribed MV of the Office Building.

6.3 Financial effects of the Proposed Disposal

The financial effects of the Proposed Disposal as extracted from Section 5 of Part A of the Circular are as follows:-

6.3.1 Share capital

The Proposed Disposal will not have any effect on the share capital of MRCB as the Sale Consideration will be fully satisfied by cash.

6.3.2 Major Shareholders' Shareholding

The Proposed Disposal will not have any effect on the major shareholders' shareholding in MRCB as the Sale Consideration will be fully satisfied by cash.

6.3.3 Earnings

Barring any unforeseen circumstances and based on the assumption that the Proposed Disposal will be completed by the first quarter of 2007, the Proposed Disposal is not expected to have any effect on the earnings of MRCB Group for the financial year ending 31 December 2006. However, MRCB expects to realise a net gain on disposal of approximately RM23.50 million in the consolidated financial statements of MRCB for the financial year ending 31 December 2007.

In addition, the Proposed Disposal is expected to result in interest savings of approximately RM5.09 million per annum to MRCB Group as the proceeds arising from the Proposed Disposal are to be utilised for the repayment of approximately RM78.35 million borrowings of MRCB Group.

6.3.4 Net Assets and Gearing

The proforma effects of the Proposed Disposal on the NA and net gearing of MRCB Group based on the latest audited consolidated financial statements of MRCB as at 31 December 2005 are set out below:-

	Audited as at 31 December 2005 (RM'000)	After Proposed Disposal (RM'000)
Share capital	768,186	768,186
Reserves	(288,190)	(264,686)*
Shareholders' funds / NA [^]	479,996	503,500
No. of Shares in issue ('000)	768,186	768,186
NA [^] per Share (RM)	0.62	0.66
Total borrowings**	1,193,539	1,115,186
Net gearing ratio# (times)	1.91	1.66

Notes:

[^] Attributable to the equity holders of the parent company

* Increase is attributed to the gain arising from the disposal of the Office Building of approximately RM23.50 million, being the difference between the Sale Consideration and the total development cost of the Office Building of RM54.85 million net of the service charge rebate to KWSP of approximately RM0.93 million and estimated expenses in relation to the Proposed Disposal of RM0.75 million

** Comprises all interest bearing debt

Computed based on total borrowings as defined above net of cash or cash equivalent over the shareholders' funds

The repayment of borrowings of MRCB Group pursuant to the Proposed Disposal is expected to reduce the total borrowings and net gearing ratio of the Group. We noted that the Proposed Disposal will reduce the total borrowings of MRCB Group by RM78.35 million.

Further, the total borrowings of the Group will reduce from approximately RM1,193.54 million as at FYE 31 December 2005 to approximately RM1,115.19 million and the net gearing ratio of the Group will reduce from 1.91 times as at FYE 31 December 2005 to 1.66 times after the Proposed Disposal.

Based on the foregoing, we are of the view that the financial effects of the Proposed Disposal are not detrimental to MRCB or its shareholders.

6.4 Risk Factors

Save as disclosed in Section 4 of Part A of this Circular, the Board does not foresee any material risk arising from the Proposed Disposal.

We wish to highlight that upon completion of the Proposed Disposal, there will be no earnings contributions from the Office Building to MRCB Group in the future. However, the proceeds from the Proposed Disposal will accord the Group with immediate cash inflow which will be utilised to reduce its bank borrowings and lower its gearing.

7. FURTHER INFORMATION

Please refer to the Appendices to the Circular for further information on the Proposed Disposal.

8. CONCLUSION AND RECOMMENDATION

In evaluating the Proposed Disposal, minority shareholders should consider carefully the following factors:-

- (i) the Proposed Disposal represents an opportunity for MRCB to unlock its investment in the Office Building at the Sale Consideration and at the same time realise a net gain on disposal of approximately RM23.50 million at group level based on MRCB's total development cost of the Office Building of approximately RM54.85 million;
- (ii) property development and investment is the mainstay of MRCB's core business activities and the Proposed Disposal is in the ordinary course of business of the Company;
- (iii) the Sale Consideration, which translates to RM525 per sq. ft., is within the range of recent sales of stratified office suites within Plaza Sentral, Kuala Lumpur Sentral of between RM486 per sq. ft. and RM535 per sq. ft.;
- (iv) the Sale Consideration, which translates to RM525 per sq. ft., is within the range of selected precedent transactions of office towers situated in the Kuala Lumpur area of between RM480 per sq. ft. and RM595 per sq. ft.;
- (v) The Sale Consideration represents a slight premium of 0.05% to the MV of the Office Building, which has a gross built-up area of 189,926 sq. ft. and a net lettable area of 152,450 sq. ft., as appraised by the Independent Valuer of RM80,000,000 or approximately RM525 per sq. ft.;
- (vi) the sale proceeds from the Proposed Disposal will be mainly utilised for the repayment of the MRCB Group's borrowings, which is expected to result in interest savings of approximately RM5.09 million per annum to the MRCB Group; and
- (vii) upon completion of the Proposed Disposal, there will be no earnings contributions from Office Building to the MRCB Group in the future. Nonetheless, the proceeds from the Proposed Disposal will accord the Group with immediate cash inflow which will be utilised to reduce its bank borrowings and lower its gearing.

We have assessed and evaluated the Proposed Disposal after taking into consideration the various factors as discussed above. Based on our evaluation and on the basis of the information available to us, we are of the view that the terms of the Proposed Disposal are fair and reasonable and in the long-term interests of MRCB and its shareholders. We are also of the view that the Proposed Disposal will not be detrimental to the interest of the minority shareholders of MRCB.

Accordingly, we recommend that the shareholders of MRCB vote in favour of the resolution pertaining to the Proposed Disposal to be tabled at the Company's forthcoming EGM.

Yours faithfully,
For and on behalf of
AmInvestment Bank Berhad
(formerly known as AmMerchant Bank Berhad)

FOONG YEIN FUN
Director / Co-Head, Corporate Advisory Services
Corporate Finance

LIN SHUEH FEN
Associate Director
Corporate Finance

1. Directors' Responsibility Statement

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

2. Consent

Newfields, AmlInvestment Bank and Messrs. C H Williams have given and have not subsequently withdrawn their written consent to the inclusion in this Circular of their names and/or letters and all references to them in the form and context in which they appear.

Newfields and AmlInvestment Bank are of the view that there is no existing and potential conflict of interest situation in their acting as the Financial Adviser and Independent Adviser respectively, in respect of the Proposed Disposal. Messrs. C H Williams is of the view that there is no existing and potential conflict of interest situation in their acting as independent valuer in respect of the Proposed Disposal.

3. Material Litigation

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

(i) High Court Of Malaya At Shah Alam, Civil Suit MT5-22-846-2001, Inxcel Properties Sdn Bhd v MRCB

In this matter, the plaintiff claimed breach of contract on the part of the Company in relation to a parcel of land which the plaintiff alleges should have been sold by the Company to the plaintiff, via a sale and purchase agreement which (the plaintiff alleges) ought to have been executed by the Company, but was not. The plaintiff claimed that it had relied on the Company's representations that the terms of the transaction had been finalised, even though the sale and purchase agreement was not, eventually, executed. Consequently, the plaintiff claimed for RM4.5 million as loss of profits, and other damages for losses suffered due to its alleged reliance on the Company's alleged representations. The court has fixed the hearing of this case on 20 to 22 August 2007.

The Company disputes the plaintiff's claim. The directors of the Company are of the opinion that the Company has reasonable grounds of defence against the plaintiff's claim.

(ii) Claim by HT Maltec Consultants Sdn Bhd Against Seri Ipoh-Lumut Expressway Sdn Bhd For The Sum Of RM19,318,796.00 And Other Damages To Be Assessed

By a letter of demand dated 2 August 2001, HT Maltec Consultants Sdn Bhd ("Maltec") had claimed against Seri Ipoh-Lumut Expressway Sdn Bhd ("Silex"), a subsidiary of MRCB, a lump sum of RM19,318,796.00 which it alleges is owing by Silex to Maltec pursuant to a consultancy agreement dated 27 October 1999 which Maltec claims Silex had wrongfully terminated. Silex disputes any such liability pertaining to the said outstanding sum and the matter has been referred to arbitration. The arbitration hearing commenced in October 2006 and the next hearing date for arbitration is 17 and 18 January 2007.

The directors of the Company are of the opinion that Silex has reasonable grounds of defence in this matter.

(iii) High Court Of Malaya At Kuala Lumpur, Civil Suit D7-22-1919-2000, MRCB v Mohd Razi Bin Shahadak And Two Others

The first two defendants, Mohd Razi bin Shahadak and Mohd. Zuhdi bin Muda, are shareholders and directors of the third defendant, ST Industrial Clay Sdn Bhd ("**STI Clay**"). The Company had on 12 October 2000 filed a claim against them to recover:

- (a) the refund of RM6,500,000.00 being amounts paid to the first and second defendants under a conditional shareholders' agreement dated 4 April 1997 ("**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;
- (b) RM173,140.00 being an amount advanced to STI Clay in respect of a mining lease; and
- (c) interest and costs.

A case management hearing is scheduled on 29 January 2007.

The directors of the Company are of the opinion that the Company's claim has merit and a reasonable chance of success.

(iv) High Court Of Sabah And Sarawak In The Federal Territory Of Labuan, Civil Suit L22-05-2002, Syarikat Dayausaha Bumiputra-Putra Entrepreneur JV (Suing As A Firm) v MRCB Engineering Sdn Bhd And MRCB

In this matter, the plaintiff claimed that MRCB Engineering Sdn Bhd, a subsidiary of the Company, and the Company had wrongfully terminated a sub-contract that had been awarded to the plaintiff in connection with the construction of a college in Labuan. Consequently, the plaintiff claimed for total damages of approximately RM16.6 million. On 24 April 2002, the defendants had filed applications to strike-out and for a stay of proceedings. These 2 applications were dismissed by the court on 21 January 2003. A notice of appeal was filed by the 2 defendants on 28 January 2003. The court has fixed the hearing of these appeals on 9 February 2007.

MRCB Engineering Sdn Bhd and the Company dispute the plaintiff's claim. The directors of the Company believe that there are reasonable grounds of defence against the plaintiff's claim.

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

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

MPD alleged that the conditions precedent to the SSA have not been fulfilled and demanded a refund of RM6,000,000.00, plus interest and costs, being the monies already paid by MPD under the terms of the SSA. Service out of jurisdiction on the foreign defendants is pending, after the court granted MPD's application to do so on 28 May 2003. In the meantime, summary judgement was entered against the 1st, 3rd, 6th and 7th defendants on 18 November 2005. The appeal of these defendants against the summary judgment was allowed on 16 August 2006. The matter is yet to be fixed for full trial.

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

(vi) High Court Of Malaya At Shah Alam, Civil Suit MT3-22-69-2004, Kota Francais (M) Sdn Bhd v MRCB Selborn Corporation Sdn Bhd

A writ of summons was served on MRCB Selborn Corporation Sdn Bhd ("MSCSB") by the plaintiff on 8 March 2004, claiming (among others) RM27,300,000.00, damages, cost, interest and declarations, due to an alleged wrongful termination by MSCSB of a memorandum of agreement between MSCSB and the plaintiff. MSCSB had on 15 March 2003 filed a memorandum of appearance, and its defence was filed on 30 March 2004. The matter is fixed for case management on 23 July 2007.

The directors of the Company are of the opinion that MSCSB has reasonable grounds of defence against the plaintiff's claim.

(vii) Arbitration On A Claim For Breach Of Contract Between KLSSB And Express Rail Link Sdn Bhd

KLSSB alleges that Express Rail Link Sdn Bhd ("ERL") had breached an interface agreement entered into between KLSSB and ERL, and is claiming damages amounting to approximately RM8,700,000.00. ERL has counterclaimed for damages amounting to approximately RM11,400,000.00. KLSSB's claim in arbitration commenced on 2 February 2005. The arbitration commenced in October 2006 and has been fixed for further hearing on 2 to 4 January 2007.

The directors of the Company are of the opinion that KLSSB's claim has merit, and that it has reasonable grounds of defence against the counterclaim.

(viii) Arbitration On A Dispute Pertaining To Supply Of Chilled Water Between Semasa Sentral Sdn Bhd And Express Rail Link Sdn Bhd

Semasa Sentral Sdn Bhd ("SSSB") and ERL are disputing the price charged in respect of chilled water supplied by SSSB to ERL. Both parties have agreed to refer the matter to arbitration to determine the rate of the price that should be payable for the chilled water supply. The panel of arbitrators are presently being appointed. After the panel is appointed, the parties will await the arbitrators' directions on progressing the matter for hearing.

The directors of the Company are of the opinion that SSSB's claim has merits and a reasonable chance of success.

(ix) High Court Of Malaya At Shah Alam, Civil Suit, MT4-22-495-2004, Intelligent Essence Sdn Bhd v TT Dotcom Sdn Bhd And KLSSB

TT Dotcom Sdn Bhd ("**TDSB**") had claimed against Intelligent Essence Sdn Bhd ("**IESB**") for a sum of RM939,331.96 being payment for telecommunication services rendered. IESB then filed a counterclaim against TDSB as the first defendant for a sum of RM446,987.78 and KLSSB as the second defendant for a sum of RM1,319,239.00 being loss of profits for wrongful termination of contract, and RM108,872.02 being the unpaid telecommunication services. KLSSB had then counterclaimed against IESB inter alia for loss of profits amounting to RM42,500,000.00. The court has fixed the Case Management on 8 January 2007.

The directors of the Company are of the opinion that KLSSB has reasonable grounds of defence against the plaintiff's claim.

4. Material Contracts

The Board of MRCB is not aware of any material contract (not being contract entered into in the ordinary course of business) entered into by MRCB and its subsidiaries within the two (2) years preceding the date of this Circular, save for the following:

- (i) Share Sale Agreement dated 10 November 2004 between the Company and Irshad Consulting Sdn Bhd for the disposal of 1,124,000 ordinary shares of RM1.00 each in MRCB Multimedia Consortium Sdn Bhd for a cash consideration of RM1,124,000.00. The transaction has been completed.
- (ii) Share Sale Agreement dated 20 December 2004 between Kumpulan Perangsang Selangor Berhad and the Company for the acquisition of 6,500,000 ordinary shares representing 25% of the equity of MRCB Ceramics Sdn Bhd for a cash consideration of RM1.00. The transaction has been completed.
- (iii) Three Share Sale Agreements each dated 17 January 2005 between the Company, Sibexlink and Telekom Malaysia Berhad; South Investment, Trade and Technology Data Exchange Centre and Malaysian South-South Corporation Berhad respectively for the acquisition of a total of 3,450,000 ordinary shares of RM1.00 each from these vendors for a total cash consideration of RM3.00. The transactions have been completed.
- (iv) Subscription Agreement dated 1 June 2005 between Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("**Kesturi**"), the Company and Ekovest Berhad for the subscription by the Company of 585 redeemable preference shares in Kesturi for a cash consideration of RM58,500,000.00. The transaction has been completed.
- (v) Sale and Purchase Agreement dated 20 September 2006 between MRCB Selborn Corporation Sdn Bhd ("**MSC**") and Bank Kerjasama Rakyat Malaysia Berhad ("**Bank Rakyat**") for the disposal of Menara MRCB to Bank Rakyat for a cash consideration of RM70,000,000.00 with an option for MSC to re-purchase the building after 10 years. The transaction is pending completion.

5. Documents for Inspection

Copies of the following documents will be made available for inspection during normal business office hours on any weekday (except public holidays) at the Registered Office of MRCB at Aras 10, Menara MRCB, No. 2, Jalan Majlis 14/10, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan from the date of this Circular up to and including the time and date of the EGM:

APPENDIX I - FURTHER INFORMATION (Cont'd)

- (i) The Memorandum and Articles of Association of MRCB;
- (ii) Letter of Consent referred to in Section 2 above;
- (iii) The litigation cause papers referred to in Section 3 above;
- (iv) The material contracts referred to in Section 4 above;
- (v) The audited consolidated financial statements of MRCB for the two (2) financial years ended 31 December 2004 and 31 December 2005;
- (vi) The unaudited financial results of MRCB for the nine (9) months period ended 30 September 2006;
- (vii) The SPA dated 1 December 2006; and
- (viii) The valuation letter and Valuation Report prepared by the Independent Valuer.

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C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Juruukur Berkanun
Chartered Surveyors

Perunding Harta Antarabangsa
International Property Consultants



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Report and Valuation

Our Ref : 6594/06/HWP/wk

Date : 28 September 2006

Malaysian Resources Corporation Berhad
Level 7, Menara MRCB
No 2, Jalan Majlis 14/10
Section 14, Shah Alam
40712 Shah Alam
Selangor

Attention: En Shahril Ridza Ridzuan – Group Managing Director

Dear Sirs

**VALUATION CERTIFICATE FOR THE
THE WHOLE OF GROUND FLOOR, LEVELS 01 TO 03 (INCLUSIVE)
LEVEL 03A, LEVELS 5 TO 13 (INCLUSIVE), LEVEL 13A
LEVELS 15 TO 17 (INCLUSIVE), BLOCK 1A, PLAZA SENTRAL
LOCATED WITHIN KUALA LUMPUR SENTRAL
ERECTED ON PART OF LOT 78 SECTION 70
TOWN AND DISTRICT OF KUALA LUMPUR
FEDERAL TERRITORY OF KUALA LUMPUR
FOR THE PROPOSED DISPOSAL BY MALAYSIAN RESOURCES
CORPORATION BERHAD OF THE ABOVE PROPERTY KNOWN AS
BLOCK 1A, PLAZA SENTRAL TO KUMPULAN WANG SIMPANAN
PEKERJA**

Mohd Talhar A Rahman
FRICS, FISM, MSISV, APEPS
Goh Tian Sui
B.Sc., FRICS, FISM, APEPS
P'ng Soo Theng
B.Sc., FRICS, MISM, APEPS
Chong Pah Aung SMP
B.Sc., FRICS, FISM, APEPS
Tew You Kian
B.Surv., MISM, APEPS
Md Baharuddin Mustafa
B.Surv., FISM, MISM, APEPS
Wan Nordin Wan Salleh
Dip in Val., Dip in Est. Mgt., MISM, APEPS
Danny Yeo Soon Kee
Dip in Val, MISM, APEPS
Foo Gee Jen
B.Surv., MISM, APEPS
Tony Lee Eng Kow
B.Sc., MISM, APEPS
Ku Fuziah Ku Hamzah
B.Sc., MISM, APEPS
Aziah Mohd Yusoff
MBA, BIE, MRICS, MISM, APEPS
Heng Kiang Hai
MBA, B.Surv., MISM, APEPS

Consultant
Abdul Halim Othman
B.Sc., FRICS, FISM, APEPS

This certificate has been prepared for inclusion in the Circular to the shareholders.

We received an instruction from Malaysian Resources Corporation Berhad to value the above-mentioned property for sale purposes.

We have inspected the property on 4 September 2006. As instructed, the material date of valuation is taken as at 4 September 2006.

The basis of the valuation is the market value of the subject property. The market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuation has been prepared in accordance with the requirements as set out in the Guidelines on Asset Valuations issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

APPENDIX II – VALUATION LETTER (Cont'd)



C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref : 6594/06/HWP/wk

Brief description of the subject property is as follows: -

Property Identification (Title Details, Address)	General Description of Property	Market Value
<p><u>Lot No. :</u> The whole of Ground Floor, Levels 01 to 03 (inclusive), Level 03A, Levels 5 to 13 (inclusive), Level 13A, Levels 15 to 17 (inclusive), Block 1A, Plaza Sentral, located within Kuala Lumpur Sentral, erected on part of Lot 78 Section 70, Town and District of Kuala Lumpur, Federal Territory of Kuala Lumpur</p> <p><u>Title No. :</u> GERAN 46226</p> <p><u>Address :</u> Block 1A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur</p> <p><u>Net Lettable Area :</u> 14,163 square metres (152,450 square feet)</p> <p><u>Registered Owner of Parent Title :</u> Kuala Lumpur Sentral Sdn Bhd</p> <p><u>Category of Land Use :</u> Building</p> <p><u>Tenure:</u> Term In Perpetuity</p> <p><u>Encumbrances :</u> Charged to MALAYSIAN TRUSTEES BERHAD</p>	<p>The subject property is an eighteen (18) storey office building bearing postal address as Block 1A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur</p> <p>Vide a copy of the approved building plans dated 5th December 2005, we noted that Lot 78, Section 70 Town and District of Kuala Lumpur within which the subject property is erected on, has been approved for seven (7) blocks of office buildings known as Plaza Sentral.</p> <p><u>Building</u></p> <p>Block 1A is a modern architectural designed office building constructed of reinforced concrete framework with external façade partly clad with tinted glazed and aluminium panel curtain walling and partly plastered brickwalls. The external walls for the entrance lobby on the ground and first floors are of frameless glass panels.</p> <p>The framework construction is also supported with reinforced concrete floor slabs and covered with reinforced concrete flat roof concealed behind parapet walls.</p> <p>Block 1A lies about 1.8 metres (6 feet) above the level of its frontage road.</p> <p>Vertical access between floors is by means of six (6) passenger lifts located at a private lift lobby and two (2) reinforced concrete staircases located within the building. The subject property is also installed with an escalator which provides access between ground and first floors.</p> <p>There are four (4) levels of car park bays located on the Lower Ground 1, Lower Ground Floor 2, Basement 1 and Basement 2.</p> <p>As instructed by the client, we have excluded the aforesaid four (4) levels of car parking bays in our valuation.</p>	<p>RM80,000,000/-</p>

APPENDIX II – VALUATION LETTER (Cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)



Our Ref : 6594/06/HWP/wk

Brief description of the subject property is as follows: -

Property Identification (Title Details, Address)	General Description of Property	Market Value
<p><u>Express Condition :</u></p> <p>1) Tanah ini hendaklah digunakan bagi maksud bangunan perdagangan sahaja.</p> <p>2) Pembangunan tanah ini adalah tertakluk kepada Perintah Pembangunan oleh Datuk Bandar Kuala Lumpur</p> <p>3) Koridor Rel Keretapi : 3.1. Pihak Kerajaan Malaysia ('Kerajaan') atau mana-mana penyelia keretapi yang diberi hak secara bertulis oleh Kerajaan ('Penyelia Rel') adalah berhak untuk mendirikan, membina dan menyelenggara rel keretapi, struktur-struktur dan infrastruktur keretapi dan apa-apa lagi fasiliti yang berkaitan dengannya di dalam kawasan yang diwarnakan di dalam Pelan R.S. No. 1052/96/1</p>	<p><u>Subject Property</u></p> <p>The subject property comprises the whole of Ground Floor, Levels 01 to 03 (inclusive), Level 03A, Levels 5 to 13 (inclusive), Level 13A, Levels 15 to 17 (inclusive), all located within Block 1A, Plaza Sentral.</p> <p>At the time our inspection, we noted that the subject property is undergoing renovation and fit-out works.</p> <p>Doors are generally of fire-rated timber panelled doors, flushed timber and frameless glass panels whilst windows are generally of aluminium framed glass panels.</p> <p>Ceiling is generally of mineral fibre boards on exposed anodised aluminium suspension grid system and concrete slabs of the floor above whilst flooring is generally of cement screed.</p> <p>The approximate net lettable area based on the Tenancy Agreement dated 15th August 2006 as provided by the client is 14,163 square metres (152,450 square feet).</p> <p><u>Note:</u></p> <p>The valuation is based on the above information provided and is assumed to be correct. We reserve the right to amend the facts and the value in the event these are incorrect. We suggest a proper investigation to be done to confirm the information.</p> <p>Block 1A has been issued with a Temporary Certificate For Occupation by Dewan Bandaraya Kuala Lumpur bearing Certificate No. 9614 under Reference No. BP F960034 & BP S1 F19960034 A01 BP F960034B dated 2nd May 2006.</p>	

APPENDIX II – VALUATION LETTER (Cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)



Our Ref : 6594/06/HWP/wk

Brief description of the subject property is as follows: -

Property Identification (Title Details, Address)	General Description of Property	Market Value
<p>('Koridor Rel Keretapi') di mana luas dan koordinatnya adalah sama seperti mana yang dinyatakan di dalam pelan tersebut dengan ketinggian am sebanyak 6.0 meter diatas rel keretapi di dalam Koridor Rel Keretapi.</p> <p>3.2 Kerajaan atau Penyelia Rel mempunyai hak kawalan dan pendudukan yang eksklusif di dalam Koridor Rel Keretapi untuk tujuan operasi perkhidmatan keretapi, infrastruktur rel dan facility penyelenggaraa n dan apa-apa yang berkenaan dengannya untuk perkhidmatan Keretapi Tanah Melayu dan Ekspres Rail Link.</p>	<p><u>Occupation</u></p> <p>Refer to Appendix 1</p> <p><u>Planning Provisions</u></p> <p>The subject property is designated for commercial building as per the Express Condition in the document of title.</p>	

APPENDIX II – VALUATION LETTER (Cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref : 6594/06/HWP/wk

Brief description of the subject property is as follows: -

Property Identification (Title Details, Address)	General Description of Property	Market Value
<p>4) Jalan Awam :</p> <p>4.1. Kesemua jalan diatas ataupun yang dibina di dalam kawasan yang diwarnakan di dalam Pelan R.S. No. 1052/96/3 dianggap sebagai jalan awam terletak hak (vested) kepada Datuk Bandar Kuala Lumpur</p> <p>4.2 Pihak Berkuasa Tempatan mempunyai hak memasuki menyelenggara, membaiki dan menjalankan apa-apa kerja yang berkaitan dan berkenaan dengannya.</p> <p>5) Parit Utama :</p> <p>5.1 Kawasan yang diwarnakan di dalam Pelan R.S. No. 1052/96/4 yang mana luas isipadu lebar dan koordinatnya adalah sepertimana yang dinyatakan di dalam pelan tersebut adalah untuk digunakan sebagai sebuah</p>		

APPENDIX II – VALUATION LETTER (Cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref : 6594/06/HWP/wk

Brief description of the subject property is as follows: -

Property Identification (Title Details, Address)	General Description of Property	Market Value
<p>Parit Besar (‘Parit Besar’). Kerajaan Malaysia berhak untuk mendalamkan dan melebarkan Parit Besar itu jika berpendapat bahawa adalah perlu untuk membuat demikian untuk tujuan menaikkan jumlah air yang boleh dialirkan melalui Parit Besar itu.</p> <p>5.2 Pihak Berkuasa Tempatan mempunyai akses untuk menyelenggara membaiki dan menjalankan apa-apa kerja yang berkaitan dan berkenaan dengannya.</p> <p><u>Restriction In Interest :</u></p> <p><u>Other Endorsements :</u> Nombor Perserahan : 4598/2005 Pindaan Cukai Tanah didaftarkan pada 25 Ogos 2005 jam 02:57:16 petang</p>		

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)



Our Ref : 6594/06/HWP/wk

We have valued the property as mentioned above by the Investment Method of Valuation and, as a check, the Comparison Method of Valuation vide our Valuation Report under Reference No. 6594/06/HWP/wk dated 28th September 2006.

In our opinion, the market value of the subject property as at 4th September 2006 and free from all encumbrances is RM80,000,000/- (Ringgit Malaysia : Eighty Million Only).

Yours faithfully
for and on behalf of
C H Williams Talhar & Wong Sdn Bhd

A handwritten signature in black ink, appearing to read 'P'NG SOO THENG'.

P'NG SOO THENG
BSc FRICS MISM
Registered Valuer (V-140)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

**Appendix 1**

Our Ref : 6594/06/HWP/wk

Occupation Status

Vide the Tenancy Agreement dated 15th August 2006 made between Malaysian Resources Corporation Berhad (the Landlord) and Maxis Mobile Sdn Bhd (the Tenant), we noted that the commencement date for the tenancy of the subject property with a net lettable area of 14,163 square metres (152,450 square feet) is on 1st July 2006.

As stated in the aforesaid Tenancy Agreement, the subject property is tenanted for two (2) continuous fixed terms of three (3) years each with an option to renew for a period of three (3) successive terms of three (3) years each.

Gross monthly rental (inclusive of the Service Charges and Sinking Fund) as per Clause No. 4.1 of the Tenancy Agreement dated 15th August 2006 is tabulated as follows:-

		Gross Monthly Rental	
Term 1	means the period commencing immediately from the Commencement Date and shall end on the last day of the Third (3 rd) year of the Tenancy	RM564,065/-	RM3.70 psf
Second Term	means the period commencing immediately from the expiry of the Term and shall end on the last day of the sixth (6 th) year of the Tenancy	RM609,800/-	RM4.00 psf
Renewed Term	means the period commencing immediately from the expiry of the Second Term for a period of three (3) successive terms of three (3) years each	The rate for the Renewed Term shall be reviewed every three (3) years and shall be subject to an increase of not less than twelve per centum (12%) from the last applicable rental or at the prevailing market rate, (whichever is higher provided that the increase of rental shall not exceed eighteen per centum (18%) from the last applicable rental. In the event that there is any dispute arising to the proposed rate of rental for the Renewed Term, then in determining the "prevailing market rate", an independent valuer shall be appointed by both parties and the cost shall be equally borne by the parties.	



Malaysian Resources Corporation Berhad

(Company No. 7994-D)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ("EGM") of Malaysian Resources Corporation Berhad ("Company") will be held at Rebana Hall, Level 1, Convention Centre, Grand Blue Wave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 19 January 2007 at 3:30 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without amendments the following resolution:

DISPOSAL OF AN 18-STOREY OFFICE BUILDING IN PLAZA SENTRAL PHASE II KNOWN AS BLOCK 1A (MAXIS TOWER) SITUATED AT PLAZA SENTRAL, JALAN STESSEN SENTRAL 5, KUALA LUMPUR SENTRAL TO LEMBAGA KUMPULAN WANG SIMPANAN PEKERJA FOR A TOTAL CASH CONSIDERATION OF RM80,036,250 ("DISPOSAL")

(To be passed as an ordinary resolution)

"THAT subject to the approvals of all the relevant authorities being obtained, approval be and is hereby given for the Company to dispose an 18-storey office building in Plaza Sentral Phase II known as Block 1A (Maxis Tower) situated at Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral to Lembaga Kumpulan Wang Simpanan Pekerja ("KWSP") for a cash consideration of RM80,036,250 in accordance with the terms and conditions of the Sale and Purchase Agreement dated 1 December 2006 entered between the Company, Kuala Lumpur Sentral Sdn Bhd and KWSP.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps and to enter into all other agreements, arrangements, undertakings to implement, finalise and give full effect to the Disposal with full powers to assent to any conditions, modifications, variations, amendments and/or supplements as may be necessary and/or as may be imposed by the relevant authorities."

By order of the Board.

MOHD NOOR RAHIM YAHAYA

(MAICSA 0866820)

Company Secretary

Shah Alam

22 December 2006

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 its place. A proxy need not be a member of the Company.*
2. *The form of proxy must be signed by the appointer of the proxy, or its 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 a duly authorised officer on behalf of the corporation.*
3. *The form of proxy must be deposited with the Company's share registrar, Symphony Share Registrars Sdn Bhd at Level 26, Menara Multi-Purpose, Capital Square, 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.*

MRCB

Malaysian Resources Corporation Berhad

(Company No. 7994-D)

(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

(Before completing this form of proxy, please refer to the notes thereto)

I/We, _____,
(full name in capital letters)

of _____,
(address)

being a member/members of Malaysian Resources Corporation Berhad ("Company"), appoint _____

_____,
(full name of proxy)

of _____,
(address)

or, failing him, _____,
(full name)

of _____,
(address)

or, failing him, the chairman of the extraordinary general meeting ("EGM") as my/our proxy to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at Rebana Hall, Level 1, Convention Centre, Grand Blue Wave Hotel Shah Alam, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 19 January 2007 at 3:30 p.m. or at any adjournment thereof.

My/Our proxy is to vote on the following resolutions as indicated by an "X" in the appropriate spaces; but if this form is returned without any indication as to how my/our proxy shall vote, the proxy shall vote or abstains as he/she thinks fit.

	ORDINARY RESOLUTION	FOR	AGAINST
1	Disposal of an 18-Storey Office Building in Plaza Sentral Phase II known as Block 1A (Maxis Tower) situated at Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral to Lembaga Kumpulan Wang Simpanan Pekerja for a total cash consideration of RM80,036,250		

Date: _____

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 its place. A proxy need not be a member of the Company.
2. The form of proxy must be signed by the appointer of the proxy, or its 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 a duly authorised officer on behalf of the corporation.
3. The form of proxy must be deposited at the Company's share registrar, Symphony Share Registrars Sdn Bhd at Level 26, Menara Multi-Purpose, Capital Square, 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.

