

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement Comprehensive Income

In RM'000	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.3.2015 (unaudited)	31.3.2014 (unaudited)	31.3.2015 (unaudited)	31.3.2014 (unaudited)
<b><u>Continuing operations</u></b>					
Revenue		404,185	204,649	404,185	204,649
Expenses		(348,377)	(175,830)	(348,377)	(175,830)
Other operating income	13	242,600	39,283	242,600	39,283
Profit from operations		298,408	68,102	298,408	68,102
Finance costs		(45,362)	(38,395)	(45,362)	(38,395)
Share of results of associates		5,831	678	5,831	678
Share of results of joint venture		(6,418)	(6,477)	(6,418)	(6,477)
Profit before tax		252,459	23,908	252,459	23,908
Income tax expense	14	(7,074)	(10,539)	(7,074)	(10,539)
Profit from continuing operations		245,385	13,369	245,385	13,369
<b><u>Discontinuing operations</u></b>					
Profit from discontinuing operations (net of tax)		3,378	5,851	3,378	5,851
Profit for the financial period		248,763	19,220	248,763	19,220
Other comprehensive income for the financial period, net of tax:					
Item that may be reclassified subsequent to comprehensive income					
- currency translation differences		(71)	382	(71)	382
Total comprehensive income for the financial period, net of tax		248,692	19,602	248,692	19,602

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement Comprehensive Income

In RM'000	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.3.2015 (unaudited)	31.3.2014 (unaudited)	31.3.2015 (unaudited)	31.3.2014 (unaudited)
<b>Profit for the financial period attributable to:</b>					
Equity holders of the Company					
- from continuing operations		234,483	6,134	234,483	6,134
- from discontinuing operations		3,378	5,851	3,378	5,851
		<u>237,861</u>	<u>11,985</u>	<u>237,861</u>	<u>11,985</u>
Non controlling interests		10,902	7,235	10,902	7,235
		<u>248,763</u>	<u>19,220</u>	<u>248,763</u>	<u>19,220</u>
<b>Total comprehensive income for the financial period attributable to:</b>					
Equity holders of the Company					
- from continuing operations		236,412	6,629	234,412	6,629
- from discontinuing operations		3,378	5,851	3,378	5,851
		<u>237,790</u>	<u>12,480</u>	<u>237,790</u>	<u>12,480</u>
Non controlling interests		10,902	7,122	10,902	7,122
		<u>248,692</u>	<u>19,602</u>	<u>248,692</u>	<u>19,602</u>
Earnings per share attributable to the ordinary equity holders of the Company (sen)					
Basic and diluted					
- from the continuing operations	23	13.15	0.37	13.15	0.37
- from the discontinuing operations	23	0.19	0.35	0.19	0.35
		<u>13.34</u>	<u>0.72</u>	<u>13.34</u>	<u>0.72</u>

**Note: Discontinuing operations in the financial period are in relation to an investment property for which the disposal has been completed in the current quarter under review, see Note 11(a) for details.**

**The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014**

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement of Financial Position

In RM'000	As at 31.3.2015 (unaudited)	As at 31.12.2014 (audited)
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	237,403	228,586
Investment properties	821,311	812,958
Land held for property development	1,174,463	1,041,962
Service concession asset	1,230,854	1,237,295
Associates	244,678	84,240
Joint venture	52,015	58,432
Long term receivable	5,947	5,924
Available for sale financial assets	577	577
Intangible assets	322,135	271,787
Deferred tax assets	45,265	35,784
	<u>4,134,648</u>	<u>3,777,545</u>
<b>Current assets</b>		
Inventories	37,746	42,626
Properties development costs	816,208	831,524
Trade and other receivables	1,099,758	1,314,032
Amount due from joint venture	6,681	5,813
Tax recoverable	8,343	4,649
Financial assets at fair value through profit or loss	3,140	3,229
Deposits, cash and bank balances	633,617	660,688
	<u>2,605,493</u>	<u>2,862,561</u>
<b>Assets held for sale</b> (see Note A below)	-	401,817
<b>TOTAL ASSETS</b>	<u><u>6,740,141</u></u>	<u><u>7,041,923</u></u>

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement of Financial Position

In RM'000	As at 31.3.2015 (unaudited)	As at 31.12.2014 (audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,786,581	1,760,178
Share premium	327,946	323,986
Retained earnings/(accumulated losses)	79,327	(154,845)
Other reserves	57,186	55,937
	<u>2,251,040</u>	<u>1,985,256</u>
Non controlling interests	93,763	79,253
<b>Total equity</b>	<u>2,344,803</u>	<u>2,064,509</u>
<b>Non current liabilities</b>		
Loan stock at cost	7,000	7,000
Senior and Junior Sukuk	1,058,460	1,058,459
Long term borrowings	1,190,860	1,234,681
Long term liabilities	15,850	16,542
Deferred tax liabilities	89,445	90,219
	<u>2,361,615</u>	<u>2,406,901</u>
<b>Current liabilities</b>		
Trade and other payables	1,119,684	1,158,713
Current tax liabilities	15,945	14,674
Short term borrowings	898,094	1,390,521
	<u>2,033,723</u>	<u>2,563,908</u>
<b>Liabilities associated with assets held for sale</b> (see Note A below)	-	6,605
<b>Total liabilities</b>	<u>4,395,338</u>	<u>4,977,414</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,740,141</u>	<u>7,041,923</u>
<b>Net assets per share attributable to the equity holders of the Company (sen)</b>	<u>126.0</u>	<u>112.8</u>

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement of Financial Position

In RM'000	As at 31.3.2015 (unaudited)	As at 31.12.2014 (audited)
<b>Note A</b>		
<b>Non current assets held for sale</b>		
Investment properties	-	396,891
Deferred tax asset in relation to investment property	-	4,926
	<hr/>	<hr/>
	-	401,817
<b>Liabilities associated with assets held for sale</b>		
Other payables	-	(6,605)
	<hr/>	<hr/>
Net assets held for sale	-	395,212
	<hr/> <hr/>	<hr/> <hr/>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014*

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement of Cash Flows

In RM'000	3months ended	
	31.3.2015	31.3.2014 (unaudited)
<b>Operating activities</b>		
Cash receipts from customers	629,468	347,879
Cash paid to suppliers and employees	(462,225)	(246,296)
Cash generated from operations	167,243	101,583
Finance cost paid	(768)	(325)
Taxes paid	(17,724)	(1,199)
Net cash generated from operating activities from continuing operations	148,751	100,059
Net cash used in operating activities from discontinuing operation	(39,143)	(6,766)
<b>Net cash generated from operating activities</b>	<b>109,608</b>	<b>93,293</b>
<b>Investing activities</b>		
Acquisition of equity investments	(7,135)	-
Proceeds from divestment of equity investments	-	67,800
Dividend received	48	-
Non equity investments	448,518	(19,900)
Net cash generated from investing activities from continuing operations	441,431	47,900
Net cash generated from investing activities from discontinuing operations	248	71
<b>Net cash generated from investing activities</b>	<b>441,679</b>	<b>47,971</b>
<b>Financing activities</b>		
Proceeds from borrowings	36,545	86,422
Repayment of borrowings	(574,083)	(130,914)
Interest paid	(32,161)	(22,239)
Placement of restricted cash	28,116	(45,155)
Net cash used in financing activities from continuing operations	(541,583)	(111,886)
Net cash used in financing activities from discontinuing operations	(9,318)	(9,318)
<b>Net cash used in financing activities</b>	<b>(550,901)</b>	<b>(121,204)</b>
Net increase in cash and cash equivalent	386	20,060
Cash and cash equivalents at beginning of the financial period	308,210	308,520
<b>Cash and cash equivalent at end of financial period</b>	<b>308,596</b>	<b>328,580</b>
<b>For the purpose of the statement of cash flows, the cash and cash equivalents comprised the following:</b>		
Bank balances and deposits	633,617	668,260
Less: Bank overdraft	(658)	-
	632,959	668,260
Less: Bank balances and deposits held as security value	(324,363)	(339,680)
	308,596	328,580

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014*

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement of Changes in Equity

<u>Attributable to equity holders of the Company</u>							
In RM'000	<u>Share Capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings/ Accumulated losses</u>	<u>Total</u>	<u>Non controlling interests</u>	<u>Total equity</u>
<b>At 1 January 2015</b>	1,760,178	323,986	55,937	(154,845)	1,985,256	79,253	2,064,509
<b>Comprehensive income</b>							
- Profit for the financial period	-	-	-	237,861	237,861	10,902	248,763
<b>Other comprehensive income</b>							
- Currency translation differences	-	-	(71)	-	(71)	-	(71)
Total comprehensive income	-	-	(71)	237,861	237,790	10,902	248,692
<b>Transactions with owners</b>							
Issued upon settlement of balance of purchase consideration for a subsidiary							
- ordinary shares	26,403	3,960	-	-	30,363	-	30,363
- warrants	-	-	1,320	-	1,320	-	1,320
Acquisition of additional equity interest in a subsidiary	-	-	-	(3,687)	(3,687)	3,608	(79)
Disposal of a subsidiary	-	-	-	(2)	(2)	-	(2)
Total transactions with owners	26,403	3,960	1,320	(3,689)	27,994	3,608	31,602
<b>At 31 March 2015 (unaudited)</b>	<u>1,786,581</u>	<u>327,946</u>	<u>57,186</u>	<u>79,327</u>	<u>2,251,040</u>	<u>93,763</u>	<u>2,344,803</u>
<b>Other reserves</b>							
In RM'000	<u>Revaluation reserve</u>	<u>Other reserve</u>	<u>Currency translation reserve</u>	<u>Share option reserve</u>	<u>Warrants reserve</u>	<u>Retirement benefit reserve</u>	<u>Total</u>
<b>At 1 January 2015</b>	28,090	1,666	188	1,485	27,035	(2,527)	55,937
<b>Other comprehensive income</b>							
- Currency translation differences	-	-	(71)	-	-	-	(71)
Total other comprehensive loss	-	-	(71)	-	-	-	(71)
<b>Transactions with owners</b>							
Issued upon settlement of balance of purchase consideration for a subsidiary	-	-	-	-	1,320	-	1,320
	-	-	-	-	1,320	-	1,320
<b>At 31 March 2015 (unaudited)</b>	<u>28,090</u>	<u>1,666</u>	<u>117</u>	<u>1,485</u>	<u>28,355</u>	<u>(2,527)</u>	<u>57,186</u>

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Condensed Consolidated Statement of Changes in Equity

In RM'000	Attributable to equity holders of the Company				Total	Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Accumulated losses			
<b>At 1 January 2014</b>	1,651,311	247,780	51,381	(275,056)	1,675,416	61,318	1,736,734
<b>Comprehensive income</b>							
- Profit for the financial year	-	-	-	152,634	152,634	30,885	183,519
<b>Other comprehensive income</b>							
- Currency translation differences	-	-	(257)	-	(257)	109	(148)
- Actuarial loss on post-employment benefit obligations	-	-	(2,256)	-	(2,256)	14	(2,242)
Total comprehensive income/(loss)	-	-	(2,513)	152,634	150,121	31,008	181,129
<b>Transactions with owners</b>							
Issue upon acquisition of a subsidiary							
- ordinary shares	108,807	76,165	-	-	184,972	95,478	280,450
- warrants	-	-	7,461	-	7,461	-	7,461
Issue of shares							
- exercise of ESOS options	60	37	-	-	97	-	97
Acquisition of additional equity interest in subsidiaries	-	-	-	(15,210)	(15,210)	(107,894)	(123,104)
Employees' share option scheme							
- options exercised	-	4	(4)	-	-	-	-
- options lapsed	-	-	(388)	388	-	-	-
Dividends							
- financial year ended 31 December 2013	-	-	-	(17,601)	(17,601)	-	(17,601)
Profit distribution							
- financial year ended 31 December 2014	-	-	-	-	-	(657)	(657)
Total transactions with owners	108,867	76,206	7,069	(32,423)	159,719	(13,073)	146,646
<b>At 31 December 2014 (audited)</b>	<b>1,760,178</b>	<b>323,986</b>	<b>55,937</b>	<b>(154,845)</b>	<b>1,985,256</b>	<b>79,253</b>	<b>2,064,509</b>



# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### Other reserves

In RM'000	Revaluation <u>reserve</u>	Other <u>reserve</u>	Currency translation <u>reserve</u>	Share option <u>reserve</u>	Warrants <u>reserve</u>	Retirement benefit <u>reserve</u>	<u>Total</u>
At 1 January 2014	28,090	1,666	445	1,877	19,574	(271)	51,381
<b>Other comprehensive loss</b>							
- Currency translation differences	-	-	(257)	-	-	-	(257)
- Actuarial loss on post-employment benefit obligations	-	-	-	-	-	(2,256)	(2,256)
Total other comprehensive losses	-	-	(257)	-	-	(2,256)	(2,513)
<b>Transactions with owners</b>							
Issue upon acquisition of a subsidiary	-	-	-	-	7,461	-	7,461
Employees' share option scheme							
- options exercised	-	-	-	(4)	-	-	(4)
- options lapsed	-	-	-	(388)	-	-	(388)
<b>At 31 December 2014 (audited)</b>	<u>28,090</u>	<u>1,666</u>	<u>188</u>	<u>1,485</u>	<u>27,035</u>	<u>(2,527)</u>	<u>55,937</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014*

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

## REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

### Notes to the Interim Report

#### 1. Basis of preparation

The financial report has been prepared in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2014.

The accounting policies and methods of computation adopted for the financial report are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2014, other than for the compliance with the new/revised Financial Reporting Standards (FRS) that came into effect during the financial period under review.

There were no new/revised accounting standards, amendments to standards and interpretations that came into effect during the financial year that significantly impact the Group. The annual improvement to published standards do not have financial impact on the results of the Group as these only affect disclosures.

The Malaysian Accounting Standard Board has given the Transitioning Entities the option to continue to apply the Financial Reporting Standards framework until 31 December 2016. The Group is a Transitioning Entities due to its involvement in the development and construction of real estate. The Group shall adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standard from financial year beginning 1 January 2017.

On 28 April 2015, the International Accounting Standards Board ("IASB") voted to publish an Exposure Draft proposing a one-year deferred of the effective date of the revenue Standard to 1 January 2018.

#### 2. Audit report of the preceding annual financial statements

The audit report of the Group's preceding annual financial statements was not subject to any qualification.

#### 3. Seasonal or cyclical fluctuations

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the current financial period.

#### 4. Items of unusual nature, size or incidence

There were no other items of unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows except on 13 January 2015, the Company settled the balance purchase consideration amounting to RM60,923,964 for the acquisition of MRCB Builders Sdn. Bhd. ("MBSB") (formerly known as Gelanggang Harapan Construction Sdn Bhd) ("Balance MBSB Consideration"). In this regard, the Company paid the cash consideration amounting to RM20,000,000 and allotted 26,402,558 of the Company's shares at an issue price of RM1.55 per share together with 7,543,588 free detachable warrants to Gapurna Sdn Bhd, being the party nominated by the MBSB's Vendors to receive the balance MBSB Consideration.

# MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### 5. Material changes in estimates of amounts reported

There were no changes in estimates of amounts reported in prior financial year that would have a material effect in the current financial period.

### 6. Debt and equity securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period other than the allotment of 26,402,558 ordinary shares of RM1.00 each and 7,543,588 free detachable warrants pursuant to the settlement of the balance of purchase consideration for the acquisition of MRCB Builders Sdn. Bhd (formerly known as Gelanggang Harapan Construction Sdn. Bhd.) (Note 4(a)).

### 7. Dividends

During the Company's 44th Annual General Meeting held on 11 May 2015, the shareholders of the Company had approved the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2014 of 2.5% or 2.5 sen per ordinary share, amounting to RM44,664,525. The dividend will be paid on 24 July 2015 to depositors whose names appear in the Record of Depositors on 2 July 2015.

# MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### 8. Segmental reporting

	Property developmen & investment RM'000	Engineering, construction & environment RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Investment holding & others RM'000	Total RM'000	Discontinued operations RM'000	Total RM'000
<b>3 months ended 31.3.2015</b>								
Total revenue	224,156	169,063	29,134	21,975	7,614	451,942	13,038	457,895
Inter segment revenue	(2,430)	(33,582)	(731)	(4,261)	(6,753)	(47,757)	(487)	(41,159)
External revenue	221,726	135,481	28,403	17,714	861	404,185	12,551	416,736
Segment results	273,308	2,172	16,546	5,361	(14,975)	282,412	10,790	293,202
Finance income						15,996	228	16,224
Finance costs						(45,362)	(4,271)	(49,633)
Share of results of joint venture and associates	(4,945)	3,675	683	-	-	(587)	-	(587)
Profit before tax						252,459	6,747	259,206

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### 8. Segmental reporting (continued)

	Property development & investment RM'000	Engineering, construction & environment RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Investment holding & others RM'000	Total RM'000	Discontinued operations RM'000	Total RM'000
<b>3 months ended 31.3.2014</b>								
Total revenue	153,691	122,209	635	20,777	10	296,687	12,198	308,885
Inter segment revenue	(2,288)	(85,037)	(635)	(4,713)	-	(92,038)	(450)	(92,488)
External revenue	151,403	37,172	-	16,064	10	204,649	11,748	216,397
Segment results	35,109	5,390	(1,049)	3,821	(11,521)	31,750	10,030	41,780
Interim payment from Government						26,234	-	26,234
Finance income						10,118	111	10,229
Finance costs						(38,395)	(2,805)	(41,200)
Share of results of joint venture and associates	(5,817)	318	(300)	-	-	(5,799)	-	(5,799)
Profit before tax						23,908	7,336	31,244

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

## REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

### Notes to the Interim Report

#### 9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without any material amendments from the previous financial statements.

#### 10. Material events subsequent to the financial period

There were no material events subsequent to the end of the financial period.

#### 11. Changes in the composition of the Group

- (a) The Company's wholly owned subsidiary, MRCB Sentral Properties Sdn Bhd had on 30 March 2015 completed its sale of Platinum Sentral to Maybank Trustees Berhad, acting as trustee for Quill Capita Trust ("QCT"), a real estate investment trust ("REIT") for a total consideration of RM727,625,000, satisfied by cash of RM486,000,000 and issuance of 206,250,000 units in QCT ("Unit") at market price of RM1.22 per Unit. The sale had generated a gain of RM220.5 million to the Group. With this, QCT became 31.18% equity associate of the Group.

The Company also completed its acquisition of 41% equity interest in Quill Capita Management Sdn Bhd ("QCM") (being the management company of QCT) from CapitaLand RECM Pte Ltd and Coast Capital Sdn Bhd on 31 March 2015 for a cash consideration of RM5,882,835. With this, QCM became a 41% equity associate of the Company.

- (b) The Company had on 31 March 2015 entered into a Share Swap Agreement with DMIA (M) Sdn Bhd ("DMIA") to transfer the Company's 100% equity in Lotus Terrain Sdn Bhd, representing by 2 ordinary shares of RM1.00 each as consideration for the transfer of DMIA's 30% equity interest in Country Annexe Sdn Bhd ("CASB") to the Company ("Share Swap"). The Company's equity interest in CASB prior to the Share Swap was 70%.

The consideration for the Share Swap is RM78,719. There will be no cash payment between the seller and buyer, as the RM78,719 will be the value attributed to the Share Swap.

The Share Swap was completed on 31 March 2015. With this, CASB became a wholly owned subsidiary of the Company.

#### 12. Contingent liabilities or contingent assets

The Group's contingent liabilities, which comprises trade and performance guarantees, amounted to RM172.2 million as at 31 March 2015 (as compared to RM140.5 million as at 31 December 2014). There are no material contingent assets to be disclosed.

#### 13. Other operating income

Other operating income was mainly due to the disposal gain of RM220.5 million as stated in Note 11(a).

There was no other item of unusual nature in the other operating income in the current financial period.

# MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### 14. Income tax expenses

In RM'000	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
In Malaysia				
Taxation				
- current year	(15,673)	(11,355)	(15,673)	(11,355)
- over provision in prior years	3,269	762	3,269	762
Deferred tax	5,330	54	5,330	54
	<u>(7,074)</u>	<u>(10,539)</u>	<u>(7,074)</u>	<u>(10,539)</u>

The lower effective taxation for the current quarter under review was mainly due to the non-taxable capital gain of RM220.5 million arising from the completion of the sale of property stated in Note 11(a) which is not taxable.

Taxation is provided mainly for taxable profits from certain subsidiaries and also due to certain expenses being non tax deductible.

The deferred tax was mainly due to the net impact from reversal of deferred tax liabilities and some non-deductible temporary differences as well as recognition of unabsorbed tax losses as deferred tax asset.

### 15. Corporate Proposal

Corporate proposal announced that are yet to be completed at the date of this report are as follows:-

- The Company had on 31 March 2015 entered into a Share Sale Agreement DMIA (M) Sdn. Bhd. to dispose its entire 70% equity interest in Paradigma Berkas Sdn Bhd, represented by 210,000 ordinary share of RM1.00 each for a cash consideration of RM39,010,808.
- The Company's wholly owned subsidiary, Legasi Azam Sdn. Bhd. had on 7 April 2015 entered into a Sale and Purchase Agreement with the Government of The Federal Republic of Germany for the acquisition of a parcel of land together with buildings erected held under Geran 34211, Lot 94, Seksyen 58, Bandar and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a total cash consideration of RM259,155,708 ("German Embassy Land").
- The Company had on 22 April 2015 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad ("PHB") to dispose its entire 51% equity interest in Nu Sentral Sdn. Bhd. comprising 10,200,000 ordinary shares of RM1.00 and 91,800,000 redeemable non-convertible preference shares of RM0.01 each to PHB for a cash consideration of RM119,776,136.

# MALAYSIAN RESOURCES CORPORATION BERHAD

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### 16. Group borrowings

The tenure of the Group borrowings classified as short and long terms are as follows:

	<b>As at 31.3.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
<b>Secured</b>		
Short term	748,094	1,240,521
Long term	2,249,320	2,293,140
<b>Unsecured</b>		
Short term	<u>150,000</u>	<u>150,000</u>
Total	<u>3,147,414</u>	<u>3,683,661</u>

The decrease in the Group borrowings was mainly due to the followings;

- (1) Full settlement of the RM380 million Guaranteed Islamic Medium Term Notes upon completion of the disposal of Platinum Sentral; and
- (2) Partial repayment of Nu Tower office project loan of RM129 million.

The secured long term loan consist mainly of:

- (a) The Senior and Junior Sukuk and the related syndicated term loan amounting to RM1.231 billion which were obtained for the purpose of financing the construction of the Eastern Dispersal Link Expressway ("EDL");
- (b) Long term loan and Sukuk Murabahah Programme totaling RM500 million for the Group's working capital purpose;
- (c) The project loan for Menara Shell and Ascott Sentral of RM430 million.

and the Group's secured short term loans mainly consist of;

- (d) Project loans for The Sentral Residences, Nu Tower offices and the Little India Privatization projects totaling RM527 million; and
- (e) Loans which are due within the next 12 months.

The Group borrowings are all denominated in Ringgit Malaysia.



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#### 17. Material litigation

The Group is engaged in various litigations arising from its business transactions, the potential claims amounting to approximately RM33.9 million. Based on management assessment and legal advice on these claims for which reasonable defence exist, no provision have been made by the Group at this juncture.

On the other hand, the Group has also filed some claims, some of them are counter claims amounting to approximately RM31.2 million arising from its business transactions.

#### 18. Review of performance

The Group reported commendable performance for the current 1<sup>st</sup> quarter ended 31 March 2015, recording a revenue and profit before taxation of RM404.2 million and RM252.5 million as compared to RM204.6 million and RM23.9 million respectively in the preceding corresponding quarter ended 31 March 2014.

Higher revenue contribution by all the business units has contributed to the 97.6% jump in revenue in the current quarter compared to previous corresponding quarter ended 31 March 2014.

The completion of the sale of the Platinum Sentral has added RM220.5 million gain on top of the profit before taxation generated by the Group's on-going property development projects namely Q Sentral office and The Sentral Residences.

#### 19. Variation of results against immediate preceding quarter

The Group recorded revenue and profit before taxation of RM404.2 million and RM252.5 million for the current quarter ended 31 March 2015 as compared to revenue of RM487.2 million and profit before taxation of RM16.6 million recorded in the preceding immediate quarter ended 31 December 2014.

The lower revenue of RM404.2 million recorded in the current quarter compared with the immediate preceding quarter of RM487.2 million was mainly due to slower work progress in the engineering, construction and environment division and lower revenue recognition from The Sentral Residences property development project. The higher profit before taxation recorded for the current quarter as compared with the immediate preceding quarter was mainly derived from the improved performance of all the business units and gain generated by the property division as stated in Note 18 above.

#### 20. Prospects

The Group will keep on focusing on acquiring strategic and prime land banks that fit its development profile. Simultaneously, the Group will also continue to embark on monetizing its investment properties and non-core assets and investments as part of its business strategies to generate continuous income stream. With this direction set, the Board is confident of improved performance moving forward.

#### 21. Variance on forecast profit/profit guarantee

Not applicable.

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REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### 22. Earnings per share (EPS)

#### Basic EPS

The basic EPS is calculated by dividing the net profit for the current financial period by the weighted average number of shares issued during the current financial period.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Net profit for the financial period attributable to the owners of the parent (RM'000)				
- from continuing operations	234,483	6,134	234,483	6,134
- from discontinuing operations	3,378	5,851	3,378	5,851
Weighted average number of Ordinary shares in issue ('000)	1,783,060	1,651,311	1,783,060	1,651,311
Basic Earnings Per Share (sen)				
- from continuing operations	13.15	0.37	13.15	0.37
- from discontinuing operations	0.19	0.35	0.19	0.35

#### Diluted Earnings Per Share

There is no significant effect for the diluted earnings per share arising from the outstanding share options and warrants. Hence, the basic earnings per share approximates to diluted earnings per share.

# MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

## Notes to the Interim Report

### 23. Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group as at 31 March 2015, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows;

	Accumulated quarter ended 31.3.2015 (unaudited) (RM'000)	Accumulated quarter ended 31.12.2014 (audited) (RM'000)
Total accumulated profit or losses:		
- Realised	592,948	187,985
- Unrealised	(43,661)	(53,827)
Total share of accumulated profit from associates:		
- Realised	50,930	45,099
Total share of accumulated losses from joint venture:		
- Realised	(49,985)	(43,568)
Add: Consolidation adjustments	(470,905)	(290,534)
<b>Total Group retained earnings/accumulated losses</b>	<b>79,327</b>	<b>(154,845)</b>

The analysis of realised and unrealised retained earnings is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements as issued by the Malaysian Institute of Accountants.

The disclosure above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

**By Order of the Board**

**Mohd Noor Rahim Yahaya**  
Company Secretary

**Kuala Lumpur**  
**21 May 2015**