

MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

Condensed Consolidated Statement Comprehensive Income

In RM'000	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.6.2015 (unaudited)	30.6.2014 (unaudited)	30.6.2015 (unaudited)	30.6.2014 (unaudited)
Continuing operations					
Revenue		530,280	325,685	934,465	530,334
Expenses		(444,541)	(312,157)	(792,918)	(487,987)
Other operating income	13	49,605	175,005	292,205	214,288
Profit from operations		135,344	188,533	433,752	256,635
Finance costs		(44,300)	(47,112)	(89,662)	(85,507)
Share of results of associates		3,248	5,050	9,079	5,728
Share of results of joint venture		(2,342)	(7,708)	(8,760)	(14,185)
Profit before tax		91,950	138,763	344,409	162,671
Income tax expense	14	(18,518)	(15,449)	(25,592)	(25,988)
Profit from continuing operations		73,432	123,314	318,817	136,683
Discontinuing operations					
Profit from discontinuing operations (net of tax)		16	689	3,394	6,540
Profit for the financial period		73,448	124,003	322,211	143,223
Other comprehensive income for the financial period, net of tax:					
Item that may be reclassified subsequent to comprehensive income					
- Currency translation differences		140	(14)	69	368
- Share of associate's gain on re-measurement of financial derivatives		437	-	437	-
Item that may not be reclassified subsequent to comprehensive income					
- Re-measurement of post-employment benefit obligations		(335)	-	(335)	-
Total comprehensive income for the financial period, net of tax		73,690	123,989	322,382	143,591

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REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

Condensed Consolidated Statement Comprehensive Income

In RM'000	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.6.2015 (unaudited)	30.6.2014 (unaudited)	30.6.2015 (unaudited)	30.6.2014 (unaudited)
Profit for the financial period attributable to:					
Equity holders of the Company					
- from continuing operations		60,088	117,842	294,571	123,976
- from discontinuing operations		16	689	3,394	6,540
		<u>60,104</u>	<u>118,531</u>	<u>297,965</u>	<u>130,516</u>
Non controlling interests		13,344	5,472	24,246	12,707
		<u>73,448</u>	<u>124,003</u>	<u>322,211</u>	<u>143,223</u>
Total comprehensive income for the financial period attributable to:					
Equity holders of the Company					
- from continuing operations		60,330	117,824	294,742	124,453
- from discontinuing operations		16	689	3,394	6,540
		<u>60,346</u>	<u>118,513</u>	<u>298,136</u>	<u>130,993</u>
Non controlling interests		13,344	5,476	24,246	12,598
		<u>73,690</u>	<u>123,989</u>	<u>322,382</u>	<u>143,591</u>
Earnings per share attributable to the ordinary equity holders of the Company (sen)					
Basic and diluted					
- from the continuing operations	23	3.36	7.11	16.50	7.48
- from the discontinuing operations	23	0.00	0.04	0.19	0.40
		<u>3.36</u>	<u>7.15</u>	<u>16.69</u>	<u>7.88</u>

Note: Discontinuing operations in the financial period are in relation to an investment property for which the disposal has been completed in the quarter 1 of the current financial period 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 30 JUNE 2015

Condensed Consolidated Statement of Financial Position

In RM'000	As at 30.6.2015 (unaudited)	As at 31.12.2014 (audited)
ASSETS		
Non current assets		
Property, plant and equipment	311,210	228,586
Investment properties	791,294	812,958
Land held for property development	1,175,038	1,041,962
Service concession asset	1,226,902	1,237,295
Associates	248,638	84,240
Joint venture	-	58,432
Long term receivable	5,947	5,924
Available for sale financial assets	577	577
Intangible assets	320,394	271,787
Deferred tax assets	45,173	35,784
	<u>4,125,173</u>	<u>3,777,545</u>
Current assets		
Inventories	81,314	42,626
Properties development costs	658,521	831,524
Trade and other receivables	1,409,027	1,314,032
Amount due from joint venture	4,519	5,813
Tax recoverable	7,344	4,649
Financial assets at fair value through profit or loss	2,768	3,229
Deposits, cash and bank balances	539,945	660,688
	<u>2,703,438</u>	<u>2,862,561</u>
Assets held for sale (see Note A below)	49,672	401,817
TOTAL ASSETS	<u><u>6,878,283</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 30 JUNE 2015

Condensed Consolidated Statement of Financial Position

In RM'000	As at 30.6.2015 (unaudited)	As at 31.12.2014 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,786,581	1,760,178
Share premium	327,946	323,986
Retained earnings/(accumulated losses)	139,734	(154,845)
Other reserves	57,428	55,937
	<u>2,311,689</u>	<u>1,985,256</u>
Non controlling interests	107,025	79,253
Total equity	<u>2,418,714</u>	<u>2,064,509</u>
Non current liabilities		
Loan stock at cost	7,000	7,000
Senior and Junior Sukuk	1,058,461	1,058,459
Long term borrowings	1,189,678	1,234,681
Long term liabilities	16,054	16,542
Deferred income	33,024	-
Deferred tax liabilities	88,124	90,219
	<u>2,392,341</u>	<u>2,406,901</u>
Current liabilities		
Trade and other payables	1,157,264	1,158,713
Current tax liabilities	23,115	14,674
Short term borrowings	886,849	1,390,521
	<u>2,067,228</u>	<u>2,563,908</u>
Liabilities associated with assets held for sale (see Note A below)	-	6,605
Total liabilities	<u>4,459,569</u>	<u>4,977,414</u>
TOTAL EQUITY AND LIABILITIES	<u><u>6,878,283</u></u>	<u><u>7,041,923</u></u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>129.4</u>	<u>112.8</u>

MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

Condensed Consolidated Statement of Financial Position

In RM'000	As at 30.6.2015 (unaudited)	As at 31.12.2014 (audited)
Note A		
Non current assets held for sale		
Joint venture	49,672	-
Investment properties	-	396,891
Deferred tax asset in relation to investment property	-	4,926
	<hr/>	<hr/>
	49,672	401,817
Liabilities associated with assets held for sale		
Other payables	-	(6,605)
	<hr/>	<hr/>
Net assets held for sale	<u>49,672</u>	<u>395,212</u>

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 30 JUNE 2015

Condensed Consolidated Statement of Cash Flows

In RM'000	6 months ended	
	30.6.2015	30.6.2014 (unaudited)
Operating activities		
Cash receipts from customers	1,041,357	645,928
Cash paid to suppliers and employees	(777,753)	(522,196)
Cash generated from operations	263,604	123,732
Finance cost paid	(1,376)	(7,061)
Taxes paid	(32,124)	(6,811)
Net cash generated from operating activities from continuing operations	230,104	109,860
Net cash used in operating activities from discontinuing operation	(54,276)	(367)
Net cash generated from operating activities	175,828	109,493
Investing activities		
Acquisition of equity investments	(17,135)	(122,573)
Proceeds from divestment of equity investments	-	273,000
Dividend received	48	85
Non equity investments	347,362	(5,201)
Acquisition of subsidiaries	-	27,642
Disposal of a subsidiary	(6)	-
Net cash generated from investing activities from continuing operations	330,269	172,953
Net cash generated from investing activities from discontinuing operations	248	168
Net cash generated from investing activities	330,517	173,121
Financing activities		
Proceeds from borrowings	74,917	401,643
Repayment of borrowings	(624,849)	(277,568)
Proceed from Government grant	33,024	-
Interest paid	(100,862)	(85,885)
Placement of restricted cash	133,673	(15,154)
Net cash used in financing activities from continuing operations	(484,097)	23,036
Net cash used in financing activities from discontinuing operations	(9,318)	(9,318)
Net cash used in financing activities	(493,415)	13,718
Net increase in cash and cash equivalent	12,930	296,332
Cash and cash equivalents at beginning of the financial period	308,210	308,520
Cash and cash equivalent at end of financial period	321,140	604,852
For the purpose of the statement of cash flows, the cash and cash equivalents comprised the following:		
Bank balances and deposits	539,945	914,531
Less: Bank balances and deposits held as security value	(218,805)	(309,679)
	321,140	604,852

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 30 JUNE 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>
At 1 January 2015	1,760,178	323,986	55,937	(154,845)	1,985,256	79,253	2,064,509
Comprehensive income							
- Profit for the financial period	-	-	-	297,965	297,965	24,246	322,211
Other comprehensive income/(losses)							
- Currency translation differences	-	-	69	-	69	-	69
- Share of associate's gain on re-measurement of financial derivatives	-	-	437	-	437	-	437
- Re-measurement of post-employment benefit obligations	-	-	(335)	335	-	-	-
Total comprehensive income	-	-	171	298,300	298,471	24,246	322,717
Transactions with owners							
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 subsidiaries	-	-	-	(34)	(34)	(82)	(34)
Total transactions with owners	26,403	3,960	1,320	(3,721)	27,962	3,526	31,488
At 30 June 2015 (unaudited)	<u>1,786,581</u>	<u>327,946</u>	<u>57,428</u>	<u>139,734</u>	<u>2,311,689</u>	<u>107,025</u>	<u>2,418,714</u>
Other reserves							
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>
At 1 January 2015	28,090	1,666	188	1,485	27,035	(2,527)	55,937
Other comprehensive income							
- Currency translation differences	-	-	69	-	-	-	69
- Share of associate's gain on re-measurement of financial derivatives	-	437	-	-	-	-	437
- Re-measurement of post-employment benefit obligations	-	-	-	-	-	(335)	(335)
Total other comprehensive loss	-	437	69	-	-	(335)	171
Transactions with owners							
Issued upon settlement of balance of purchase consideration for a subsidiary	-	-	-	-	1,320	-	1,320
	-	-	-	-	1,320	-	1,320
At 30 June 2015 (unaudited)	<u>28,090</u>	<u>2,103</u>	<u>257</u>	<u>1,485</u>	<u>28,355</u>	<u>(2,862)</u>	<u>57,428</u>

MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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			
At 1 January 2014	1,651,311	247,780	51,381	(275,056)	1,675,416	61,318	1,736,734
Comprehensive income							
- Profit for the financial year	-	-	-	152,634	152,634	30,885	183,519
Other comprehensive income							
- 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
Transactions with owners							
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
At 31 December 2014 (audited)	1,760,178	323,986	55,937	(154,845)	1,985,256	79,253	2,064,509

MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
Other comprehensive loss							
- 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)
Transactions with owners							
Issue upon acquisition of a subsidiary	-	-	-	-	7,461	-	7,461
Employees' share option scheme							
- options exercised	-	-	-	(4)	-	-	(4)
- options lapsed	-	-	-	(388)	-	-	(388)
At 31 December 2014 (audited)	28,090	1,666	188	1,485	27,035	(2,527)	55,937

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 30 JUNE 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.

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 in the current financial quarter under review except for the completion of the disposal of 70% equity interest in Paradigma Berkat Sdn Bhd resulting in a gain of RM38.8 million arising upon completion of the sale of investment (Note 11(c)).

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 quarter under review.

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REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

Notes to the Interim Report

6. Debt and equity securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

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 was paid on 24 July 2015.

MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

Notes to the Interim Report

8. Segmental reporting

	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
6 months ended 30.6.2015								
Total revenue	482,782	470,002	58,281	42,259	164,011	1,216,405	13,044	1,229,449
Inter segment revenue	(5,058)	(108,841)	(731)	(5,980)	(162,260)	(281,940)	(493)	(282,433)
External revenue	477,724	361,161	57,550	36,279	1,751	934,465	12,551	947,016
Segment results	352,700	29,668	31,902	2,596	(5,397)	411,469	10,806	422,275
Finance income						22,283	228	22,511
Finance costs						(89,662)	(4,271)	(93,933)
Share of results of joint venture and associates	(4,473)	3,754	1,038	-	-	319	-	319
Profit before tax						344,409	6,763	351,172

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REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
6 months ended 30.6.2014								
Total revenue	335,050	316,220	1,269	43,576	2,331	698,446	23,708	722,154
Inter segment revenue	(150,503)	(4,703)	(1,269)	(9,392)	(2,245)	(168,112)	(900)	(169,012)
External revenue	184,547	311,517	-	34,184	86	530,334	22,808	553,142
Segment results	14,599	65,807	414	2,753	99,303	182,876	15,369	198,245
Interim payment from Government						53,367	-	53,367
Finance income						20,392	207	20,599
Finance costs						(85,507)	(7,849)	(93,356)
Share of results of joint venture and associates	5,035	(15,884)	2,392	-	-	(8,457)	-	(8,457)
Profit before tax						162,671	7,727	170,398

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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 was 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.

- (c) 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 Berkat Sdn Bhd, represented by 210,000 ordinary share of RM1.00 each for a cash consideration of RM39,010,808.

The disposal was completed on 1 June 2015.

12. Contingent liabilities or contingent assets

The Group's contingent liabilities, which comprises trade and performance guarantees, amounted to RM151.2 million as at 30 June 2015 (as compared to RM140.5 million as at 31 December 2014). There are no material contingent assets to be disclosed.

MALAYSIAN RESOURCES CORPORATION BERHAD

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REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

Notes to the Interim Report

13. Other operating income

Other operating income for the current quarter under review was mainly due to the disposal gain of RM38.8 million from the transaction as stated in Note 11(c).

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

14. Income tax expenses

In RM'000	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
In Malaysia				
Taxation				
- current year	(19,721)	(16,524)	(35,394)	(27,879)
- over provision in prior years	(31)	1,076	3,238	1,838
Deferred tax	1,234	(1)	6,564	53
	<u>(18,518)</u>	<u>(15,449)</u>	<u>(25,592)</u>	<u>(25,988)</u>

The lower effective taxation for the current quarter under review was mainly due to the non-taxable capital gains arising from the completion of the sale of property and investment stated in Note 11 which are not taxable.

Taxation is provided mainly for taxable profits from certain subsidiaries and 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:-

- (a) 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").
- (b) 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.

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15. Corporate Proposal (continued)

- (c) The Company had on 5 August 2015 entered into a Sale and Purchase Agreement with Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd (formerly known as KL Cardiac And Vascular Centre Sdn Bhd) for the sale of Sooka Sentral for a total consideration of RM90.8 million. Sooka Sentral consist of a five-storey commercial building and one level of car park on a 5,662 sq meter land.

16. Group borrowings

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

	As at 30.6.2015 RM'000	As at 31.12.2014 RM'000
Secured		
Short term	736,849	1,240,521
Long term	2,248,139	2,293,140
Unsecured		
Short term	<u>150,000</u>	<u>150,000</u>
Total	<u>3,134,988</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 RM520 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 and unsecured short term loans mainly consist of;

- (d) Project loans for The Sentral Residences, Nu Tower offices and the Little India Privatization projects totaling RM600 million; and
- (e) Certain short term credit facilities and 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 RM1.5 million only. 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 RM20.4 million arising from its business transactions.

18. Review of performance

For the cumulative quarter ended 30th June 2015, the Group reported a revenue and profit before taxation of RM934.5 million and RM344.4 million respectively as compared to RM530.3 million and RM162.7 million in the preceding cumulative quarter ended 30 June 2014. The strong revenue growth and higher profit before taxation was attributable to the completion of the Q Sentral development and the sale of Platinum Sentral and also other on-going development projects including the Sentral Residences and 9 Seputeh.

19. Variation of results against immediate preceding quarter

The Group recorded revenue and profit before taxation of RM530.3 million and RM92.0 million respectively for the current quarter ended 30 June 2015 as compared to a revenue of RM404.2 million and profit before taxation of RM252.5 million recorded in the preceding immediate quarter ended 31 March 2015.

The higher revenue of RM530.3 million recorded in the current quarter compared with the immediate preceding quarter of RM404.2 million was the results of higher revenue recognition from all business divisions. The lower profit before taxation recorded for the current quarter was mainly due to the gain recognized from the sale of the Platinum Sentral in the preceding immediate quarter.

20. Prospects

The strong performance and value creation through monetization and crystallization of the Group's assets including the REITs platform was the results of the transformation plan embarked by the Group since the previous financial year.

The purchase of new land bank and the winning of numerous new construction contracts form part of the Group's growth strategy. The Group will continue to focus on planning and obtaining approval for the launching of its development projects and actively participate in tendering for more construction contracts to boost its revenue and profit. With all these in place, the Board is confident of a sustainable growth ahead.

21. Variance on forecast profit/profit guarantee

Not applicable.

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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		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Net profit for the financial period attributable to the owners of the parent (RM'000)				
- from continuing operations	60,088	117,842	294,571	123,976
- from discontinuing operations	16	689	3,394	6,540
Weighted average number of Ordinary shares in issue ('000)	1,786,581	1,660,876	1,784,830	1,656,120
Basic Earnings Per Share (sen)				
- from continuing operations	3.36	7.11	16.50	7.48
- from discontinuing operations	0.00	0.04	0.19	0.40

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.

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23. Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group as at 30 June 2015, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows;

	Accumulated quarter ended 30.6.2015 (unaudited) (RM'000)	Accumulated quarter ended 31.12.2014 (audited) (RM'000)
Total accumulated profit or losses:		
- Realised	663,177	187,985
- Unrealised	(42,804)	(53,827)
Total share of accumulated profit from associates:		
- Realised	54,178	45,099
Total share of accumulated losses from joint venture:		
- Realised	(52,328)	(43,568)
Add: Consolidation adjustments	(482,489)	(290,534)
Total Group retained earnings/accumulated losses	139,734	(154,845)

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
24 August 2015