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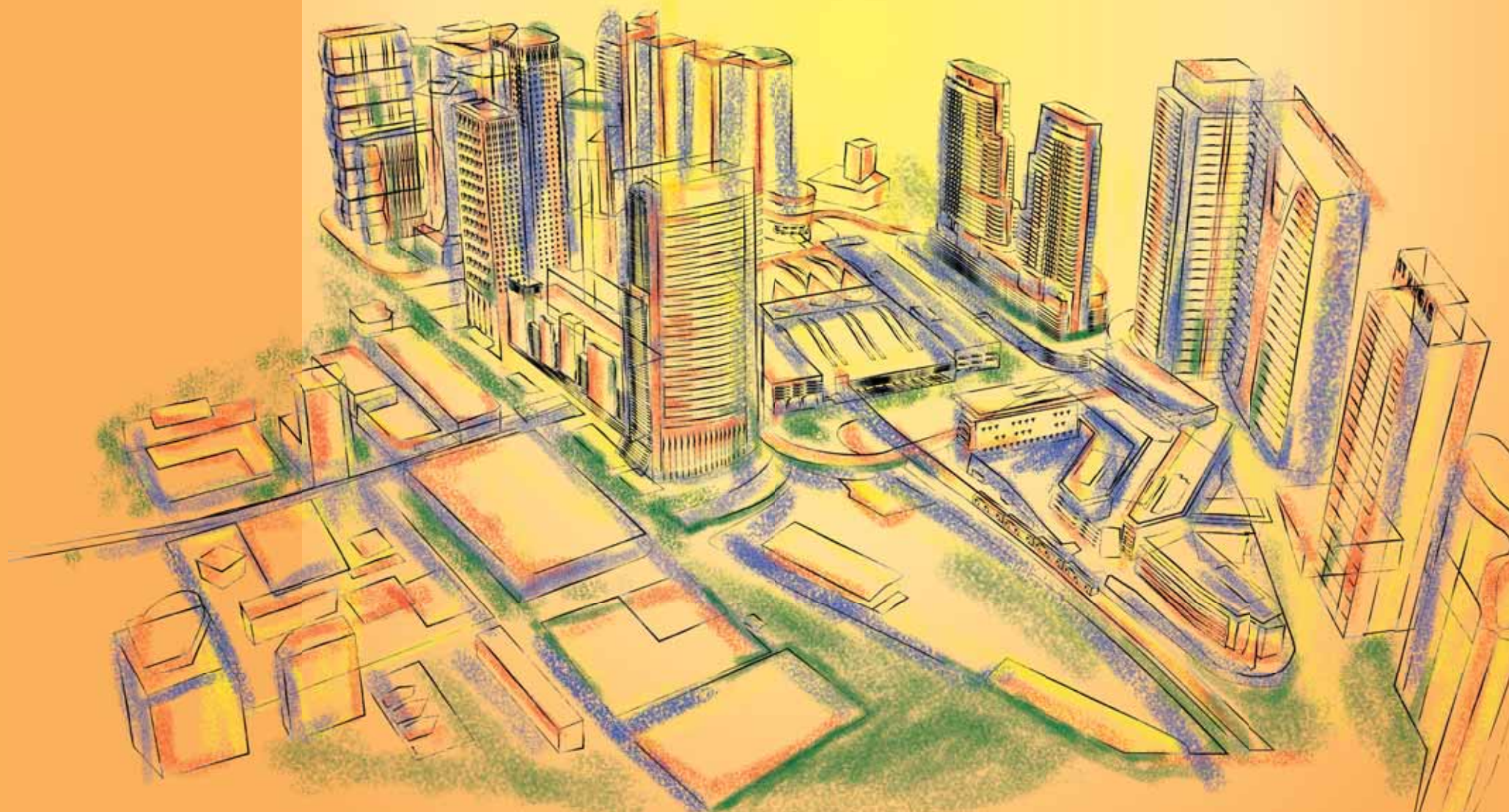


# KUALA LUMPUR SENTRAL CBD

THE NEW METROPOLIS

A MAGNIFICENT CITY WITHIN A CITY

LAPORAN TAHUNAN 2013 ANNUAL REPORT





# KUALA LUMPUR SENTRAL CBD

## MENARA SHELL

### GOING GREEN. AND PLATINUM!

Kuala Lumpur Sentral CDB's jewel in the crown, Menara Shell, sets a new benchmark with its state-of-the-art green technology and management systems. The 33-storey landmark has been built to meet Shell's stringent requirements and specifications for integrating green features and systems. As a result, it is one of the first buildings in Malaysia to have garnered the coveted US LEED Platinum certification.

## NU TOWER 1 & 2

### FREEHOLD GRADE A OFFICE TOWERS

Nu Tower 1 & 2 represent the new generation in Grade A office tower prestige and presence, with large floor plates from 10,000 to 14,000 sq. ft, all column-free, allowing for greater flexibility. Other features include high-speed lifts, spacious drop-off area, ample parking, panoramic city view. Linked to Aloft Hotel with covered connectivity to all Kuala Lumpur Sentral rail links.

## NU SENTRAL RETAIL MALL

### NU STYLE NU EXPERIENCE

Nu Sentral is set to transform the Kuala Lumpur retail experience as no other shopping mall has. It will be the first integrated "green" lifestyle retail mall within the largest transportation hub in Malaysia, offering an eclectic mix of brand names, as well as a variety of dining and entertainment options, in the city's dynamic Central Business District. The apex of convenience, convergence and connectivity.

## 1 SENTRUM

### THE DYNAMIC NEW FACE OF BUSINESS

Blending high-profile and high visibility with high tech design and green solutions, 1 Sentrum is as impressive inside as it is outside. The architecturally imposing 33-storey office tower boasts state-of-the-art business spaces and a prestigious address, with unrivaled connectivity and accessibility.

## MENARA CIMB

### NEW FINANCIAL HEIGHTS

CIMB Investment Bank's gleaming new corporate headquarters marks the latest milestone of one of Malaysia's leading financial groups in South East Asia. It also represents Kuala Lumpur Sentral CBD's growing importance as a financial hub for Kuala Lumpur.

## Q SENTRAL

### THE STRATA GRADE A OFFICES OF TOMORROW

Its name derived from the ancient Chinese concept of Qi, the ubiquitous and omnipresent life force. Q Sentral is set to energise and enhance business with its innovative design and holistic environment. Q Sentral's unique design provides office spaces that have two separate zones – High Zone and Low Zone. The High Zone (Levels 30–42) will offer the biggest floor plate in Malaysia – up to 40,000 sq. ft. The Low Zone (Levels 13A–29) offer all the design advantages as well as efficient facilities.

## PLATINUM SENTRAL

### MULTI-AWARD-WINNING GREEN BUILDING

Multi-award-winning Platinum Sentral is a true pioneer in "spreading green," both functionally and aesthetically. The office/campus style commercial development is a green oasis with its park niches, "mini-forest," roof gardens, as well as a profusion of green designs and features such as optimal building envelope configuration, solar shading and high performance low-e double glazed units to minimise heat load, sensor controlled high efficiency light fittings, solar energy generation, waste heat energy recovery, an automated waste collection system, energy conserving lifts, sensor activated escalators, and much more.

## THE ST. REGIS HOTEL AND RESIDENCES KUALA LUMPUR

### EPITOME OF LUXURY

This new high-end hospitality development will be managed by a 6-star luxury hospitality brand St. Regis and will create a new benchmark in the hospitality industry as a new landmark in the country's international tourism industry.

A tower comprising 208 rooms and 160 units of luxury residences with a GFA totalling over 1 million sq.ft., the St. Regis Hotel will occupy floors 1 to 22 of the tower while the luxury residences will be located above the hotel from floors 23 to 48.

The hotel is expected to tap into a market of high-income tourists as the St. Regis brand caters to Heads of States, diplomats, dignitaries and captains of industries.

## THE SENTRAL RESIDENCES

### LIVING FABULOUSLY, THE ULTIMATE URBAN LIFESTYLE

The Sentral Residences promises to raise the bar for exclusive urban living. Comprising two iconic 55-storey towers joined at the top floor by a spectacular rooftop deck, the residences feature an impressive green environment combined with luxury amenities and topflight facilities, along with a spectacular view of Lake Garden and KLCC as well as a six-star neighbour – the new St. Regis Hotel!



# KUALA LUMPUR SENTRAL CBD

## THE METROPOLIS

MRCB has long been at the forefront of sustainable development, most notably in its portfolio of transit hub oriented projects. Its masterplan for Kuala Lumpur Sentral CBD continues to unfold, heralding a remarkable urban transformation that is being recognised by industry watchers and worldwide audience. Indeed, Kuala Lumpur Sentral CBD is both the showcase and the benchmark for the next level of green design, innovation, and environmental sensitivity. This year's annual report focuses on eight green buildings in Kuala Lumpur Sentral CBD that are not only magnificent examples of high standards of green development, but also represent MRCB's accomplishments and aspiration of being one of the top green developers in the country.



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Proxy Form

## VISION VISI

Our Vision is to be a leading Malaysian organisation, recognised for the delivery of world-class services in each of our core businesses, with a corporate presence in strategically selected countries and markets. In doing so, we will strive to be an organisation differentiated globally for its dedication to the delivery of the critical resources for growth in the interest of our country, employees, stakeholders, and the various communities within the countries which we operate.

Visi kami adalah untuk menjadi sebuah organisasi Malaysia terkemuka yang diiktiraf sebagai penyedia perkhidmatan bertaraf dunia dalam setiap perniagaan teras kami, serta memainkan peranan di negara-negara dan pasaran yang strategik. Dalam mencapai visi ini, kami berusaha menjadi organisasi unik di peringkat global yang bertekad untuk menggunakan sumber pembangunan kritikal demi kepentingan negara, warga kerja, pemegang kepentingan dan pelbagai komuniti di setiap negara di mana kami beroperasi.

## MISSION MISI

In achieving our Mission, we are firmly committed to the following:

- Supporting Malaysia's economic growth and its pursuit of developed nation status by developing and delivering critical resources for the present and future knowledge and IT-driven economies.
- Building and sustaining a leadership position in the delivery of excellent services in each of our core businesses through the creative efforts and dedication of our skilled employees.
- Enhancing the quality of life of the communities within which we operate through projects and activities that are socially, culturally and environmentally responsible.
- Creating shareholder value not only through the development of viable business strategies with partners and investors, but upholding the principles of good corporate governance, integrity and honesty.
- Nurturing a corporate culture that places an emphasis on learning, knowledge sharing, creativity and speed of delivery in its pursuit of excellence, through effective training and career development programmes; underscoring the value we place in our employees as enablers in achieving our Vision and fulfilling our Mission.

Kami berpegang teguh dengan perkara-perkara berikut demi merealisasikan misi kami:

- Menyokong pertumbuhan ekonomi Malaysia dan membantu negara mencapai status negara maju, dengan membangun dan menawarkan sumber kritikal untuk ekonomi berasaskan Pengetahuan (K-Ekonomi) dan Teknologi Maklumat (IT) masa kini dan yang akan datang.
- Membina dan mengekalkan kedudukan terulung di dalam memberikan perkhidmatan cemerlang dalam setiap perniagaan teras kami melalui usaha kreatif dan semangat dedikasi para kakitangan kami.
- Meningkatkan kualiti hidup masyarakat di mana kami beroperasi melalui pelbagai projek dan aktiviti yang menjurus kepada perkembangan sosial, budaya dan pemeliharaan alam sekitar.
- Membina nilai pemegang saham melalui perkembangan strategi perniagaan yang berdaya maju bersama rakan niaga dan para pelabur serta mengamalkan prinsip pentadbiran korporat yang mementingkan integriti dan kejujuran.
- Memupuk budaya korporat yang memberi penekanan kepada pembelajaran, perkongsian pengetahuan, kreativiti dan juga kepantasan dalam mengejar kecemerlangan, melalui program latihan dan pembangunan kerjaya yang berkesan; sejajar dengan kebolehan kakitangan kami demi mencapai visi dan misi kami.

# CORPORATE INFORMATION MAKLUMAT KORPORAT

## BOARD OF DIRECTORS/ LEMBAGA PENGARAH

**TAN SRI AZLAN ZAINOL**  
Non-Independent  
Non-Executive Chairman/  
Pengerusi Bukan Bebas  
Bukan Eksekutif

**DATUK MOHAMAD SALIM FATEH DIN**  
Group Managing Director/  
Pengarah Urusan Kumpulan

**DATUK SHAHRIL RIDZA RIDZUAN**  
Non-Independent  
Non-Executive Director/  
Pengarah Bukan Bebas Bukan Eksekutif

**DATO' ABDUL RAHMAN AHMAD**  
Independent Director/Pengarah Bebas

**DATO' CHONG PAH AUNG**  
Independent Director/Pengarah Bebas

**JAMALUDIN ZAKARIA**  
Independent Director/Pengarah Bebas

**DATO' ISHAK HAJI MOHAMED**  
Non-Independent  
Non-Executive Director/  
Pengarah Bukan Bebas Bukan Eksekutif

**TAN SRI AHMAD FUAD ISMAIL**  
Independent Director/Pengarah Bebas

**DATO' JOHARI RAZAK**  
Independent Director/Pengarah Bebas

**ROHAYA MOHAMMAD YUSOF**  
Non-Independent  
Non-Executive Director/  
Pengarah Bukan Bebas Bukan Eksekutif

## COMPANY SECRETARY/ SETIAUSAHA SYARIKAT

Mohd Noor Rahim Yahaya  
(MAICSA 0866820)

## AUDIT COMMITTEE/ JAWATANKUASA AUDIT

Dato' Abdul Rahman Ahmad  
Jamaludin Zakaria  
Tan Sri Ahmad Fuad Ismail  
Rohaya Mohammad Yusof

## REGISTERED OFFICE/ PEJABAT BERDAFTAR

Level 21, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel : 03-2786 8080  
Fax : 03-2780 7668

## SHARE REGISTRAR/ PENDAFTAR SAHAM

Symphony Share Registrars Sdn. Bhd.  
Level 6, Symphony House, Block D13  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7841 8000  
Fax : 03-7841 8151/03-7841 8152

## AUDITORS/JURUAUDIT

PricewaterhouseCoopers

## PRINCIPAL BANKERS/ BANK-BANK UTAMA

Affin Bank Berhad  
Affin Investment Bank Berhad  
RHB Bank Berhad  
Malayan Banking Berhad  
CIMB Bank Berhad  
HSBC Bank Malaysia Berhad  
HSBC Amanah Malaysia Berhad

## STOCK EXCHANGE LISTING/ PENYENARAIAH BURSA SAHAM

Listed on Main Market of Bursa Malaysia  
Securities Berhad  
Tersenarai di Pasaran Utama Bursa  
Malaysia Securities Berhad

## DATE OF LISTING/ TARIKH PENYENARAIAH

22 March 1971  
22 Mac 1971



## PROMOTING EXCELLENCE IN EDUCATION



The future is in their eyes, in their minds, in their hearts, in their passion. One of MRCB's most vital and rewarding missions is to provide today's youth with the tools and the values to make theirs an even better, stronger, and more vibrant Malaysia with on-going education initiatives, support and engagement.





## CORPORATE SOCIAL RESPONSIBILITY



At MRCB, we believe sustainable progress is made possible by developing better systems while also minimising the economic, social and environmental costs of ownership. This is reflected in the sustainability principles we developed over the years. These principles and strategies are featured prominently throughout our Sustainability Report. It shows how we apply innovation and technology to improve the sustainability performance of MRCB.

MRCB became a signatory of the UN Global Compact on 4th September 2008. The UN Global Compact works towards the vision of a sustainable and inclusive global economy which delivers lasting benefits to people, communities, and markets. MRCB has aligned its operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Stakeholder engagement is a key part of corporate social responsibility and achieving the triple bottom line. Stakeholder engagement helps us align our business practices with societal needs and expectations to drive long-term sustainability and shareholder value. The needs of our key stakeholders are at the heart of our corporate strategy and business objectives. We continue to inform our stakeholders of our corporate values, ongoing and upcoming projects as well as involving them in prioritising our strategies moving forward.



## ENVIRONMENT

MRCB supported higher appliance efficiency standards, lower greenhouse gas emissions and a smaller carbon footprint long before sustainability became a significant focus of business and society. Embracing our responsibility for creating a better environment, we have proudly become one of the first in green construction. We challenge other companies to join us.

We take care to understand and respond to all environmental challenges that arise in our operations. Minimising our environmental footprint helps us to do more with less: less energy, less carbon, less waste and less use of resources.

### What We Have Done So far?

PROJECT	CONDITIONS PRIOR TO PROJECT IMPLEMENTATION	SUCCESSSES POST PROJECT COMPLETION
Sg Pahang Rehabilitation Project	<ul style="list-style-type: none"> <li>Coastal flooding of surrounding areas</li> <li>Siltation problem at the river mouth</li> <li>Large waves providing strong currents near the shore</li> <li>Unsafe navigation for fishing vessels</li> </ul>	<ul style="list-style-type: none"> <li>Reduced risk of coastal flooding in surrounding areas</li> <li>Overcome siltation problem by providing better flushing and discharging of peak flows to the sea</li> <li>Provide shelter from waves at all times</li> <li>Provide adequate navigation channels, mooring and berthing areas</li> </ul>
Sg Kuantan Rehabilitation Project	<ul style="list-style-type: none"> <li>Coastal flooding of surrounding areas</li> <li>Siltation problem at the river mouth</li> <li>Large waves providing strong currents near the shore</li> <li>Unsafe navigation for fishing vessels</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the risk of coastal flooding in surrounding area</li> <li>Overcome siltation problem by providing better flushing and discharging of peak flows to the sea</li> <li>Provide shelter from waves at all time</li> <li>Provide adequate navigation channels, mooring and berthing areas</li> </ul>
Sg Perai Rehabilitation Project	<ul style="list-style-type: none"> <li>Coastal erosion</li> <li>Inadequate navigation channel, mooring and berthing areas</li> <li>Unsafe navigation for fishing vessels</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the risk of coastal flooding in surrounding area</li> <li>Provide shelter from waves at all times</li> <li>Provide adequate navigation channels, mooring and berthing areas</li> </ul>
Teluk Cempedak Rehabilitation Project	<ul style="list-style-type: none"> <li>Narrow and steep beach</li> <li>Large waves providing strong currents near the shore</li> <li>Dangerous for recreation</li> </ul>	<ul style="list-style-type: none"> <li>Increase size of beach by between 20 and 25m compared with the original beach for recreation</li> <li>Reduced sand loss by 15% from 2004 to 2007 after PEM installation</li> </ul>

## OUR CONTRIBUTIONS TO THE BIODIVERSITY AND CONSERVATION OF NATURE

Managing impacts from operations require a sophisticated, ecosystems-based approach. Particular attention is on biodiversity when developing environmental management plans. In September 2013, MRCB secured the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang. The contract, worth RM130 million, was awarded by the Department of Irrigation and Drainage.



## CORPORATE SOCIAL RESPONSIBILITY



### GREEN BUILDING

We continue to showcase our expertise in Green Building developments in Kuala Lumpur Sentral CBD to:

- Provide value for building owners, tenants and occupants
- Enhance brand and corporate reputation
- Invest for a future of Green-conscious marketplace
- Support MRCB's business leadership with a vision and commitment to develop Green Initiatives

The achievements recorded by each of our Green buildings are:

GREEN BUILDING	ACHIEVEMENTS
Platinum Sentral	<ul style="list-style-type: none"> <li>• Complies with Singapore's Building and Construction Authority's (BCA) Green Mark highest Platinum rating, &amp; Green Building Index (GBI) Certification</li> <li>• The first Green building in Kuala Lumpur Sentral CBD, paving the way for seven more Green buildings, taking shape as office towers, serviced apartments and a retail mall</li> </ul>
Menara Shell	<ul style="list-style-type: none"> <li>• Platinum rating for LEED</li> </ul>
1 Sentrum	<ul style="list-style-type: none"> <li>• Silver rating for LEED and Green Building Index (GBI) certification</li> </ul>
Menara CIMB	<ul style="list-style-type: none"> <li>• Gold rating for BCA Greenmark and GBI Certification</li> </ul>
Q Sentral	<ul style="list-style-type: none"> <li>• GBI Standard</li> </ul>
The Sentral Residences	<ul style="list-style-type: none"> <li>• GBI Standard</li> </ul>
Nu Sentral	<ul style="list-style-type: none"> <li>• BCA Greenmark Compliance and GBI Certification</li> </ul>

Our green development resulted in the following benefits and positive impacts:

GREEN IMPACT	POSITIVE ENVIRONMENTAL IMPACT
Minimising waste	Highly efficient ventilation system
Use of environmental friendly materials	Integrating natural energy such as solar power with building power gridline
Consuming fewer natural resources	Reusing waste heat energy and exhausts by using heat recovery wheel
Energy efficiency design	Using highly efficient and energy saving lighting, with sensors automatically controlling illumination levels
Low greenhouse and ozone depleting gases	Using generative lifts and motion sensor activated escalators



## NEW GREEN TECHNOLOGY VENTURES

Energy Efficiency and Green Technology is a new journey for Semasa Services Sdn Bhd under Facilities Management. The efficient utilisation of energy, water and materials is prioritised. This service is a concerted effort to reduce a building's impact on human health and the environment throughout the structure's lifecycle. This is achieved through better design, construction, operation, maintenance and ultimately removal or demolition. Semasa Services assesses buildings in order to classify them. The Company aims to manage a wider scope of green rated buildings under various green certification bodies such as Malaysia's Green Building Index (GBI), Singapore's BCA Green Mark and USA's LEED. Prominent buildings under its supervision are Platinum Sentral, located in Kuala Lumpur Sentral CBD and the Energy Commission's Diamond Building in Putrajaya. Green buildings allow clients to benefit from the premium rental by attracting reputable tenants who are conscious of the pressing need for sustainability. It also helps incorporate energy and water efficient technologies while reducing management costs and creating value-added services.

In 2013, Semasa Services signed an agreement with Phillips Malaysia for the supply of LED tubes. This lighting can be five times more efficient than conventional lighting, is environmentally safe, has an extended life and is more durable. These characteristics translate into energy savings. LED tubes have been installed in Stesen Sentral Kuala Lumpur, Plaza Sentral, Sooka Sentral, 1 Sentral and Kompleks Sentral.



## MRCB'S GREEN PLAN

As the master developer of Kuala Lumpur Sentral CBD, MRCB has eight spectacular buildings, some of which are in various stages of completion. These buildings are Platinum Sentral, Menara CIMB, Q Sentral, The Sentral Residences, Nu Sentral retail mall, 1 Sentrum, Menara Shell and Ascott Sentral. They are all built to green specifications and the designs have been certified by local or international certification bodies.

Deemed one of Malaysia's premier construction players and urban property developers, MRCB made concerted efforts in 2008 to incorporate sustainable practices into its core business DNA. An internal transformation was implemented to enhance the way it conducted its businesses, incorporating the Green commitment in its property development projects. MRCB is now synonymous with its sustainable development strategies, and all its developments comply with Green certification bodies such as Malaysia's Green Building Index (GBI), the US-based Leadership in Energy and Environmental Design (LEED), or the Singapore-based BCA Green Mark (BCA).

Currently, MRCB is rolling out the principles of the Green Agenda under the Government Transformation Programme. The company sets an example and contributes to sustainable development. This positively affects its immediate stakeholders - its suppliers, the authorities, surrounding communities and its business partners.

## CORPORATE SOCIAL RESPONSIBILITY

### COMMUNITY

#### EDUCATION

##### PINTAR

PINTAR (Promoting Intelligence, Nurturing Talent and Advocating Responsibility) is a collaborative social responsibility initiative by PINTAR Foundation. MRCB has been a strong supporter of Yayasan PINTAR programme since 2007. In 2013, improving an understanding of Mathematics, English and Science was promoted in the PINTAR school programme for the sixth year. Underprivileged and lower-performing students directly benefited from focused and specialised tutoring sessions from experienced former teachers and academicians. As of 2013, more than

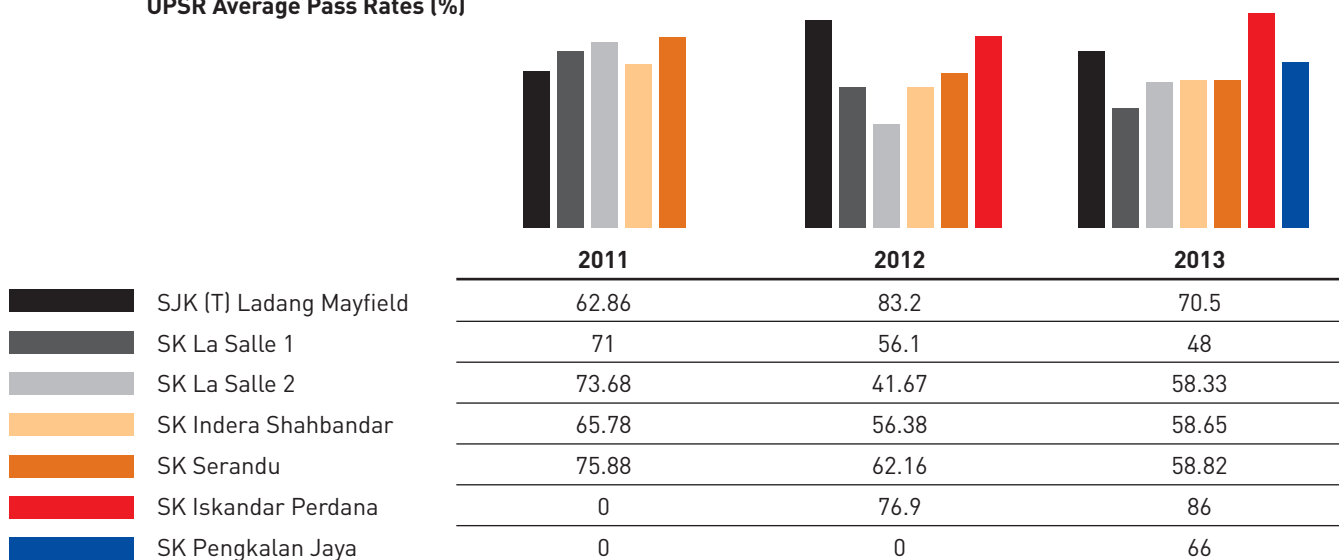
15,000 students have been adopted since MRCB became a member of PINTAR in 2007. These students will continue to touch other lives as they progress, mature and enter the job market in the future. MRCB's tradition of caring and giving also continued in 2013. Close to 700 school bags, shoes, socks and stationary sets were given to underprivileged students from its seven adopted PINTAR schools in Pulau Pinang, Perak, Kuala Lumpur, Johor and Pahang.

MRCB expanded its education initiatives by adding SK Pengkalan Jaya to its list of adopted schools in 2013. Three schools also graduated from the PINTAR programme in 2013; SK Bagan Jermal in Penang; SK Tebrau Bakar Batu in Johor; and SJK Yoke Hwa in Pahang. The following seven schools are currently under the MRCB PINTAR Schools Adoption Programme:

- SJK (T) Ladang Mayfield, Tasek Gelugor, Penang
- SK La Salle 1, Brickfields, Kuala Lumpur
- SK La Salle 2, Brickfields, Kuala Lumpur
- SK Indera Shahbandar, Kuala Pahang, Pahang
- SK Serandu, Kuala Pahang, Pahang
- SK Iskandar Perdana, Seri Iskandar, Perak
- SK Pengkalan Jaya, Butterworth, Penang



UPSR Average Pass Rates (%)





PINTAR ACTIVITIES	SCHOOLS INVOLVED	DESCRIPTION
English Workshop	<ul style="list-style-type: none"> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> <li>• SK Iskandar Perdana</li> <li>• SK La Salle 1</li> <li>• SK La Salle 2</li> </ul>	Workshops focused on improving students' command of English were held for standard six students.
Study Revision Books for Students and Reading Materials	<ul style="list-style-type: none"> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> <li>• SK Iskandar Perdana</li> <li>• SK La Salle 1</li> <li>• SK La Salle 2</li> </ul>	MRCB sponsored the purchase of revision books for students and updated the reading materials in the school libraries
UPSR Clinic	<ul style="list-style-type: none"> <li>• SK Indera Shahbandar</li> <li>• SK Serandu</li> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> </ul>	Two-day intensive classes were held to prepare students for the UPSR examinations. The sessions focused on the four core subjects of English, Bahasa Malaysia, Mathematics and Science. The sessions were conducted by the New Straits Times (NST)
Motivasi Kecemerlangan UPSR (Smart Learning)	<ul style="list-style-type: none"> <li>• SK Indera Shahbandar</li> <li>• SK Serandu</li> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> <li>• SK Iskandar Perdana</li> <li>• SK La Salle 1</li> <li>• SK La Salle 2</li> </ul>	Smart Learning classes were held to guide students on answering examination questions. Dr Abdul Aziz Sahat from Akademi Minda Bestari led the sessions and shared effective learning methods, which are key to succeeding in their studies
EZ Math	<ul style="list-style-type: none"> <li>• SK Serandu</li> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> <li>• SK Iskandar Perdana</li> <li>• SK La Salle 1</li> <li>• SK La Salle 2</li> </ul>	EZ Math conducted classes that introduced techniques to solve mathematics questions during examinations. Students were guided to think critically especially when trying to solve challenging mathematical equations.
MRCB Campaign Kids & Cash	<ul style="list-style-type: none"> <li>• SK Serandu</li> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> <li>• SK Iskandar Perdana</li> <li>• SK La Salle 1</li> <li>• SK La Salle 2</li> </ul>	Students learned ways of managing their finances effectively. They were also introduced to the importance of saving and spending money responsibly.
Young Leaders Campaign	<ul style="list-style-type: none"> <li>• SK Pengkalan Jaya</li> <li>• SJK (T) Ladang Mayfield</li> <li>• SK Iskandar Perdana</li> <li>• SK La Salle 1</li> <li>• SK La Salle 2</li> </ul>	MRCB purchased school uniforms, school bags and socks as part of its support of the Young Leaders Campaign.

## CORPORATE SOCIAL RESPONSIBILITY

### COMMUNITY DEVELOPMENT

#### Pines Bazaar

MRCB completed a multi-storey development on the site of the former Pines food court. The building has 140 parking bays on two basement levels; the upper three levels contain food outlets, retail outlets and office space.

The project is based on a concept of classical Moghul-Indian architecture. The two floors of parking help alleviate parking congestion in Little India. Traffic has also been very heavy in Little India. The development of Pines Bazaar provided the much-needed space to park and offers visitors and shoppers a clean and orderly place to eat. Brickfields has been transformed into a new cultural and tourism enclave. The local business community and Malaysia has benefited by the increased number of tourists visiting Brickfields.

In total, 3,000 parking bays will be available in Brickfields with the opening of another MRCB project in coming years.

#### 1Malaysia Library

The 1Malaysia Library is a CSR project in Kuala Lumpur championed by MRCB to provide a community-based service. A special computer laboratory that is equipped with special software for online learning sets this apart from any other libraries in the country. The

libraries contain community rooms that can be used by anyone to organise community activities. To date, MRCB has ongoing 1Malaysia library projects in Lembah Pantai, Gombak and Kampung Pandan areas. These locations have high concentration of people with low incomes.

1Malaysia libraries provide a comfortable place for people of all ages and all walks of life to meet. It serves as a venue for members of the local community to hold meetings and tutorials classes. MRCB hopes this library project will encourage community volunteerism activities especially by the local communities.

#### Strengthening of Bumiputera's capacity building

Yayasan Peneraju Pendidikan Bumiputera is an initiative under the Bumiputera Economic Roadmap launched through TERAJU under the Economic Planning Unit, Prime Minister's Office. It focuses on the strengthening of Bumiputera capacity building. Objectives include increasing the quality, quantity and relevance of Bumiputera talents. This is in line with the Government's effort to lead Malaysia to a high income nation status through academic and vocational education. MRCB contributed its 3rd installment of RM250,000 as part of its overall RM1 million contribution since 2012 to this cause.

#### Kechara Soup Kitchen

Kechara Soup Kitchen (KSK) is a non-religious community action group that distributes halal food, basic medical aid and counselling to the homeless and urban poor in Malaysia. Volunteers give to the poor and homeless, regardless of religion or race. The KSK is led by its President Dato' Ruby Khong, who heads a dedicated committee of volunteers who are all passionate about what they do. They have grown KSK's services from the distribution of 20 weekly food packets per week in 2006, to currently more than 850.







A permanent KSK soup kitchen and operations centre in Jalan Barat, off Jalan Imbi officially started making home-cooked food for the homeless in September 2010. It serves up to 180 people from Monday to Friday alongside their regular weekend distribution service.

#### **Collaboration Between MRCB-KSK**

MRCB actively promotes CSR through numerous strategic programmes especially those that support children and the general community. In 2013, MRCB's Corporate Communication Department allocated RM46,504.00 for KSK's activities in a collaborative programme called "Nourish The Poor". Among the areas targeted under this programme is the Brickfields area; Kuala Lumpur Sentral CBD's neighbour community where on average 20 to 30 homeless people are provided with food and ambulance medical services every weekend.

#### **HUMANITARIAN**

##### **Contributions to Tabung Bencana NSTP-Media Prima**

MRCB donated RM500,000 to the NSTP-Media Prima Flood Relief Fund. Tabung Bencana NSTP-Media Prima was launched in response to a huge earthquake that occurred in Padang, Sumatra. This platform provides relief to victims of major catastrophes, natural disasters and other humanitarian crises. Tabung Bencana NSTP-Media Prima has also run several well-known fundraising campaigns such as the Thailand Fund, Japanese Tsunami Fund and Padang Earthquake Fund. The funds also covered local campaigns to help victims of major floods, landslides and fire. Flood relief missions disbursed groceries, toiletries, cleaning equipment and other basic items.

On 7 December 2013, Prime Minister Datuk Seri Najib Razak witnessed a RM500,000 cheque presentation to the NSTP-Media Prima Flood Relief Fund. The contribution was handed over at the exhibition site of the NSTP Pavilion, at the Umno General Assembly 2013, at the Putra World Trade Centre (PWTC).

##### **Contributions to Tabung Wira Lahad Datu**

Tabung Wira Lahad Datu Media Prima was launched in March 2013 following the militant intrusion in Lahad Datu. Tabung Wira Lahad Datu was established to commemorate the services of security personnel who were killed or injured in the line of duty defending the sovereignty of the country during Ops Daulat at Lahad Datu, Semporna and Kunak in Sabah. The immediate activation of the fund provided relief to the family members of the fallen and injured security personnel.

MRCB's Facilities Management (FM) helped to spread the message of caring and giving via a donation drive at SSKL. A donation box was placed to encourage donation for the Lahad Datu Heroes. RM5,399.60 was collected from the public, management and employees. The amount was handed over to the Tabung Wira Negara – Lahad Datu.

## CORPORATE SOCIAL RESPONSIBILITY

### WORKPLACE

At the core of MRCB's success, is a team of people that is driven by its strong values of respect, integrity, diversity and inclusion, team work and a spirit of winning. What makes MRCB special? At the core, it is the people – their passion, commitment and integrity. Employee engagement and individual and manager performance are assessed annually. This mechanism ensures that MRCB continues to engage and motivate its employees and ensure that they have the skills and support they need to help the Company succeed.

### PROVIDING EMPLOYMENT OPPORTUNITIES TO THE LOCALS

There is no specific policy covering the hiring of locals. However, MRCB's hiring practices ensure a consistent, fair and cost effective approach to candidate selection and recruitment. Locals are prioritised during hiring unless the specialised skillset and expertise required is not available in the country.

In communicating this commitment, various job fairs held in Malaysia are participated in. One of the job fairs that MRCB took part in was the BN Youth Job Fair 2013. This was held from 27 to 29 September 2013 at the Putra World Trade Centre, Kuala Lumpur.



### COMPETITIVE BENEFITS

Progressive compensation, benefits and rewards practices are designed to attract, motivate and retain top performers to support business strategy.

### Employees Share Option Scheme (ESOS)

Any confirmed MRCB employees aged 18 and above are eligible to participate in the ESOS. The employee must have been on MRCB's payroll for at least six calendar months.

#### Leave

- Annual Leave
- Compassionate Leave
- Examination Leave
- Sick Leave
- Pilgrimage Leave
- Medical Facilities
- Retirement Benefit / Gratuity

### High Achievers' Awards for Employees' Children

On 5 June 2013, the 11th High Achievers' Awards was held for the children of employees who achieved commendable results for the Sijil Tinggi Persekolahan Malaysia (STPM), Sijil Pelajaran Malaysia (SPM) and Penilaian Menengah Rendah (PMR).

A total of 49 students were invited to a special ceremony to receive their awards in the form of cash incentives worth approximately RM20,000 in total. Each student received their share of the cash pool according to how many A-graded subjects they achieved in their respective examinations.

This year's award of cash incentives were received by two STPM students, 24 SPM students and 23 PMR students.







## SAFETY AND HEALTH

MRCB is committed towards ensuring a safe and healthy working environment for its employees and all others involved in its activities.

The effectiveness and implementation of the Occupational Safety and Health Policy is the management's and line managers' responsibility together with the support and involvement of all employees. MRCB will ensure that adequate training and resources are made available towards achieving this.

MRCB values the Safety and Health policy as primary and equal to our Corporate Vision, Mission and Corporate Quality Policy. MRCB also adheres to the Occupational Safety and Health management system.

It is hoped that the appropriate practices and sharing of OSH approach and common values will inculcate safe and healthy working culture for MRCB and its group of companies.

The Safety and Health initiatives shall be regularly reviewed to ensure continuous improvements are made to the Policy and how it is implemented. This policy will be monitored to ensure the achievement of our objectives, and will be reviewed in light of legislative or organizational changes.

## Emergency Response Plan (ERP)

In 2013, an Emergency Response Plan Simulation Exercise was conducted on 14 June based on a scenario involving a fire at a fast food restaurant. The objective was to ensure all safety and security procedures are maintained at all times. The exercise prepared employees at the station for any case of emergency and control damage to employees and assets in the building. Agencies and uniformed units participating in the exercise were the National Security Council, the Royal Malaysian Police, the Fire and Rescue Department, the Emergency Department of University Malaya Medical Centre, SSKL rail operators and the Civil Defence Department.

## TRAINING AND DEVELOPMENT

At MRCB, employees are offered a wide variety of learning and development opportunities that build on their strengths, improve their skills and help them to overcome individual challenges. Matching individual employees' aspirations with organisational needs are prioritised.

Ongoing employee training programmes are announced through various channels such as emails, newsletters and notice boards. Hard copies of registration forms are distributed throughout the Company. Employees can complete this form and submit it the Human Resource Department to secure their seats.

In addition to bespoke internal training sessions, MRCB employees attend external training in many disciplines. Both internal and external training courses are arranged to develop skills and knowledge for a particular employee's role. Employees are also encouraged to attend conferences and seminars to improve their technical and industry knowledge.

## CORPORATE SOCIAL RESPONSIBILITY

### QLASSIC AWARENESS COURSE

Quality Assessment System in Construction (QLASSIC) is developed by the Construction Industry Development Board (CIDB) Malaysia in conjunction with major construction industry stakeholders. QLASSIC is an industry benchmark tool to measure workmanship quality of construction works for a completed building project.

### CIDB GREEN CARD

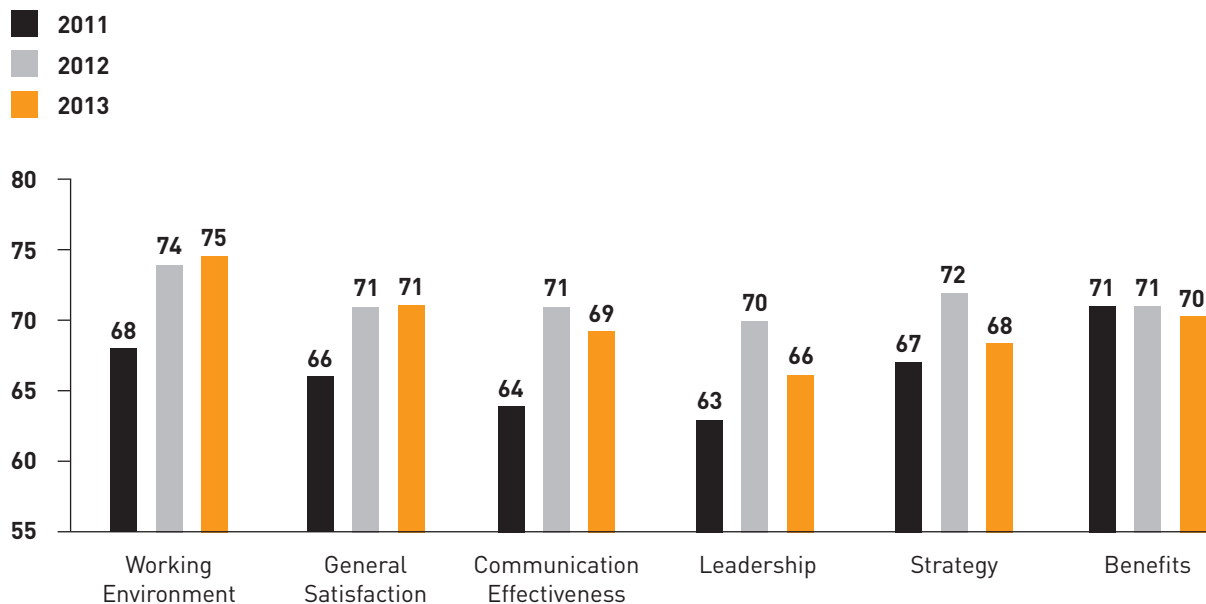
This is an integrated programme that involves the registration and accreditation of Construction Personnel to enhance safety levels at Construction work sites. These qualifications ensure that construction workers are aware of the importance of a safe and healthy working place. The training programme provides a basic knowledge on safety and health at the construction work site. It also informs workers of the legal requirements in relation to safety and health.

### EMPLOYEE SATISFACTION

MRCB conducted a survey to measure the satisfaction, motivation and loyalty of employees. The survey was conducted in April 2014. This was based on a similar survey performed in February 2013 and March 2012.

MRCB employs an external consultant to collect the data and generate the reports. It is hoped that employees will feel more comfortable and respond more openly and candidly when they know their responses are being handled by an outside organisation.

Results of Employee Satisfaction Survey for 2011 and 2013





The general satisfaction of our workforce remains high. Employees also believe that the working environment has improved. Although communication effectiveness, leadership and strategy have decreased slightly in 2013 they remain higher than in 2011. The major restructuring of the company explains this slight drop in satisfaction. Employees are also slightly less satisfied with the benefits they received although these have not changed. MRCB takes employee satisfaction seriously. Although this survey suggests employees are generally happy there is no room for complacency.

## PERFORMANCE APPRAISALS

Prior to reviewing the actual performance of individual employees, the overall performance of the employee is discussed with the Head of Department and Head of Division. Consensus is first obtained on employees' overall performance. This review approach provides senior management the opportunity to discuss and resolve any inconsistencies in the evaluation prior to discussing it with the employee.

At the end of the performance review, employees are given an interim rating, pending finalisation of the overall rating by the Moderating Committee. Ratings are based solely on the performance of key goals and competency. Evaluators rate employees' performance based on what has been accomplished and how this was achieved.

## WORKFORCE DIVERSITY

### Workforce Statistics 2011 - 2013

	2011	2012	2013
<b>EMPLOYEES</b>			
Total number	1,218	1,221	<b>1,155</b>
Executive	674	653	<b>590</b>
Non-Executive	544	568	<b>565</b>
Permanent Staff	510	536	<b>517</b>
Non-permanent staff	708	685	<b>638</b>
Female	367	367	<b>341</b>
Male	851	854	<b>814</b>
Age group			
←30	516	521	<b>461</b>
30-50	638	630	<b>611</b>
→50	64	70	<b>83</b>
<b>DIVERSITY</b>			
Malay	1,088	1,090	<b>1,023</b>
Chinese	65	63	<b>58</b>
Indian	43	37	<b>39</b>
Others	22	31	<b>35</b>

## CORPORATE SOCIAL RESPONSIBILITY

### MARKETPLACE

#### SUSTAINABLE PROCUREMENT

Sustainable procurement embeds environmental, economic and social criteria into contractual documents with the aim of motivating suppliers to offer more sustainable products and services.

#### CUSTOMER SATISFACTION

An annual Customer Satisfaction Survey (CSS) gauges purchasers and tenants' satisfaction. The surveys are administered by a dedicated and independent team, Customer Relationship Management (CRM). The surveys target purchasers for newly completed property development and tenants of buildings that are being managed by MRCB's subsidiaries.

The survey feedback on Facilities Management is used in the formulation plans for service improvements. Findings related to project development are directed to the project team for improvements in product design, specifications, marketing, sales and other after sales services.

The results of the CSS for Facilities Management and MRCB Land, MRCB's property arm from 2011 to 2013 are presented below:

#### COMPANY

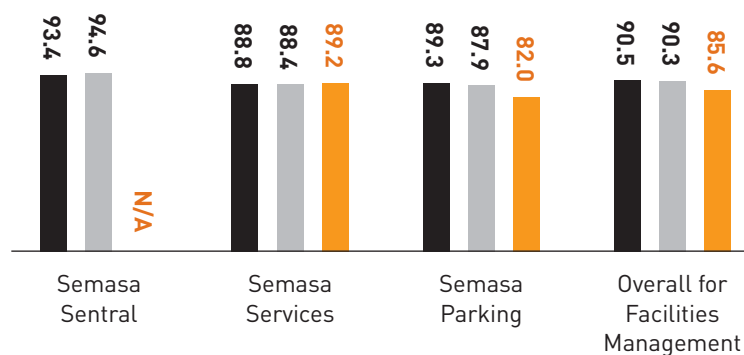
#### FACILITIES MANAGEMENT

YEAR (%)

■ 2011

■ 2012

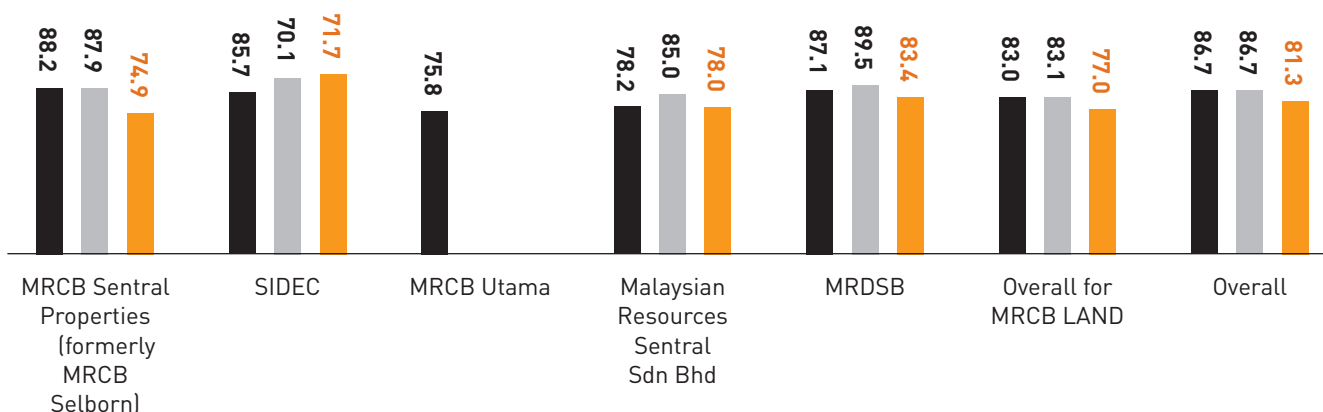
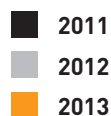
■ 2013





## MRCB LAND - Property arm of MRCB

### YEAR (%)



*Note: Overall score calculations for Facilities Management and MRCB Land are an average of the companies under each Division. The final overall score is an average of the Facilities Management and MRCB Land overall scores.*

## CUSTOMER PRIVACY

CRM surveys are conducted by an independent team within the MRCB Group. The profiles of survey respondents are not shared with the business units and management. All respondents feel free to share their views and grouses. All reports are forwarded in pdf format and individual company data remains confidential.

MRCB is committed to maintaining its clientele's privacy by securely accessing and storing all personal information. Only certain employees are trusted to input information, update or maintain the clientele databank and retrieve required information. These employees can only gain access to the databank via dedicated usernames and passwords.

## ENSURING OUR CUSTOMERS ARE WELL-INFORMED

One-to-one sessions are conducted with the prospective purchasers of MRCB products. Additional information related to the organisation is disseminated as and when requested by the purchaser or customer.

A website is maintained in addition to the ongoing production of various sales kits and 3-D scale models (physical and computer-generated). Customers and potential customers are kept informed through various channels including advertisements, promotion campaigns, soft or pre-opening events leading up to official launching events.

## Advertising Materials Approval Process

Project and product facts are summarised in the draft advertising copy highlighting the Unique Selling Points (USP) that each product offers. This is either done internally or by an external specialist advertising agency. These USPs encapsulate the defining features of each product and form the basis of our information via publicity. After the initial fact gathering and the creative process of copywriting and graphic design, approval is sought from the Company's Group Chief Operating Officer. The publicity material is refined to enhance the promotional aspects of the 'sell' while proactively safeguarding against any misrepresentation.

\*Full disclosure on our Corporate Responsibility can be found in MRCB Sustainability Report 2013 or visit our website [www.mrcb.com](http://www.mrcb.com)

# NOTICE OF 43<sup>RD</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 43rd Annual General Meeting of Malaysian Resources Corporation Berhad (“MRCB” or “the Company”) will be held at Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Friday, 27 June 2014 at 3.00 p.m. for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Statutory Financial Statements of the Company for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon.
2. To approve a first and final single tier dividend of 1.0% or 1.0 sen per ordinary share for the financial year ended 31 December 2013 **RESOLUTION 1**
3. To re-elect the following Directors who will retire pursuant to Article 106 of the Company's Articles of Association, and being eligible have offered themselves for re-election:
  - (i) Datuk Mohamad Salim Fateh Din **RESOLUTION 2**
  - (ii) Tan Sri Ahmad Fuad Ismail **RESOLUTION 3**
  - (iii) Dato' Ishak Haji Mohamed **RESOLUTION 4**
  - (iv) Dato' Johari Razak **RESOLUTION 5**
  - (v) Rohaya Mohammad Yusof **RESOLUTION 6**
4. To re-elect the following Directors who will retire pursuant to Articles 101 and 102 of the Company's Articles of Association, and being eligible have offered themselves for re-election:
  - (i) Tan Sri Azlan Zainol **RESOLUTION 7**
  - (ii) Datuk Shahril Ridza Ridzuan **RESOLUTION 8**
5. To approve the Directors' Fees of RM767,808 for the financial year ended 31 December 2013. (2012: RM750,000) **RESOLUTION 9**
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 10**
7. To transact any other ordinary business for which due notice has been given.



## NOTICE OF DIVIDEND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT**, subject to the approval of the shareholders at the 43rd Annual General Meeting, a first and final single tier dividend of 1.0% or 1.0 sen per ordinary share for the financial year ended 31 December 2013 will be paid on 23 July 2014 to Depositors whose names appear in the Record of Depositors on 30 June 2014.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 June 2014 in respect of transfers;
- b. Shares deposited into the Depositor's Securities Account before 12.30 p.m on 26 June 2014 in respect of shares exempted from mandatory deposit; and
- c. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

## BY ORDER OF THE BOARD

**MOHD NOOR RAHIM YAHAYA**  
(MAICSA 0866820)  
Company Secretary

Kuala Lumpur  
5 June 2014

## NOTES:

### Proxy

1. Only members whose names appear in the Record of Depositors on 20 June 2014 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
4. Where a member of the company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
6. Duly completed Proxy Form must be deposited at Symphony Share Registrars Sdn.Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set holding the meeting or any adjournment thereof.

### Audited Financial Statements for the financial year ended 31 December 2013

The audited financial statements under Agenda 1, is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 169(1) and (3) of the Companies Act 1965. Hence, it will not be put for voting.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

## Directors who are standing for re-election and re-appointment at the 43rd Annual General Meeting of the Company:

- (a) Pursuant to Article 106 of the Articles of Association:
  - (i) Datuk Mohamad Salim Fateh Din
  - (ii) Tan Sri Ahmad Fuad Ismail
  - (iii) Dato' Ishak Haji Mohamad
  - (iv) Dato' Johari Razak
  - (v) Rohaya Mohammad Yusof
- (b) Pursuant to Articles 101 and 102 of the Articles of Association:
  - (i) Tan Sri Azlan Zainol
  - (ii) Datuk Shahril Ridza Ridzuan

The profiles of Directors including those seeking re-election at the 43rd Annual General Meeting are set out on pages 26 to 35. Their shareholdings in the Company are set out on page 149.

# NOTIS MESYUARAT AGUNG TAHUNAN KE-43

**DENGAN INI DIMAKLUMKAN BAHAWA** Mesyuarat Agung Tahunan Malaysian Resources Corporation Berhad ("MRCB" atau "Syarikat") yang Ke-43 akan diadakan di Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50200 Kuala Lumpur pada hari Jumaat, 27 Jun 2014 pada pukul 3.00 petang untuk melaksanakan urusan-urusan berikut:

## AGENDA

### SEBAGAI URUSAN BIASA

1. Untuk Menerima Penyata Kewangan Syarikat bagi tahun kewangan berakhir 31 Disember 2013 bersama Laporan Lembaga Pengarah dan Juruaudit mengenainya.
2. Untuk meluluskan bayaran dividen pertama dan akhir satu peringkat sebanyak 1.0% atau 1.0 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2013. **RESOLUSI 1**
3. Untuk memilih semula pengarah-pengarah berikut yang akan bersara menurut Artikel 106 Tataurusan Syarikat dan oleh kerana layak, telah menawarkan diri mereka untuk pemilihan semula:
  - (i) Datuk Mohamad Salim Fateh Din **RESOLUSI 2**
  - (ii) Tan Sri Ahmad Fuad Ismail **RESOLUSI 3**
  - (iii) Dato' Ishak Haji Mohamed **RESOLUSI 4**
  - (iv) Dato' Johari Razak **RESOLUSI 5**
  - (v) Rohaya Mohammad Yusof **RESOLUSI 6**
4. Untuk memilih semula pengarah-pengarah berikut yang akan bersara menurut Artikel 101 dan 102 Tataurusan Syarikat dan oleh kerana layak, telah menawarkan diri mereka untuk pemilihan semula:
  - (i) Tan Sri Azlan Zainol **RESOLUSI 7**
  - (ii) Datuk Shahril Ridza Ridzuan **RESOLUSI 8**
5. Untuk meluluskan yuran pengarah-pengarah sebanyak RM767,808 bagi tahun kewangan berakhir 31 Disember 2013. (2012: RM750,000). **RESOLUSI 9**
6. Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah untuk menetapkan imbuhan mereka. **RESOLUSI 10**
7. Untuk melaksanakan sebarang urusan biasa lain di mana notis yang sewajarnya telah diterima.



## NOTIS PEMBAYARAN DIVIDEN

**DENGAN INI JUGA DIMAKLUMKAN BAHAWA**, tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan Ke-43, dividen pertama dan akhir satu peringkat sebanyak 1.0% atau 1.0 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2013 akan dibayar pada 23 Julai 2014 kepada semua pendeposit yang tersenarai dalam Rekod Depositori (ROD) pada 30 Jun 2014.

Seorang Pendeposit hanya layak untuk menerima dividen bagi:

- Saham-saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum 4.00 petang pada 30 Jun 2014, bagi pindahan biasa;
- Saham-saham yang didepositkan ke Akaun Sekuriti Pendeposit sebelum 12.30 petang pada 26 Jun 2014, bagi saham-saham yang dikecualikan dari deposit mandatori; dan
- Saham-saham yang dibeli di Bursa Malaysia Securities Berhad atas dasar kelayakan menurut peraturan-peraturan Bursa Malaysia Securities Berhad.

## ATAS PERINTAH LEMBAGA PENGARAH

### MOHD NOOR RAHIM YAHAYA

(MAICSA 0866820)

Setiausaha Syarikat

Kuala Lumpur

5 Jun 2014

## NOTA:

### Proksi

- Hanya Ahli yang berdaftar di dalam Rekod Depositori (ROD) setakat 20 Jun 2014 yang layak menghadiri atau melantik proksi bagi menghadiri dan mengundi bagi pihaknya di Mesyuarat Agung Tahunan (MAT).
- Seorang Ahli yang layak untuk menghadiri dan mengundi di Mesyuarat ini adalah layak untuk melantik tidak lebih daripada dua (2) proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya seorang Ahli Syarikat. Tiada sebarang sekatan ke atas kelayakan sebagai proksi dan peruntukan di bawah Seksyen 149(1)(b) kepada Akta Syarikat, 1965 adalah tidak terpakai.
- Jika seorang Ahli melantik dua (2) orang proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi ditetapkan.
- Jika Ahli adalah merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada pelbagai pemilik benefisial di dalam satu akaun sekuriti ("akaun omnibus"), tiada sebarang had dikenakan bagi jumlah proksi yang dilantik, di mana wakil berkecuali yang telah diberi kuasa berhak melantik mengikut setiap akaun omnibus yang dipegang.
- Instrumen pelantikan proksi perlu dibuat secara bertulis dan ditandatangani oleh orang yang melantik atau peguam yang dilantik di bawah surat kuasa wakil. Di mana instrument pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat ini hendaklah dimeterai atau ditandatangani oleh seorang pegawai atau peguam cara yang dilantik di bawah surat kuasa wakil.
- Borang Pelantikan Proksi yang telah lengkap hendaklah diserahkan kepada Symphony Share Registrars Sdn. Bhd., Aras 6, Symphony House, Blok D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia tidak kurang daripada empat puluh lapan (48) jam sebelum waktu yang ditetapkan untuk Mesyuarat.

### Penyata Kewangan Beraudit bagi tahun kewangan berakhir 31 Disember 2013

Penyata kewangan beraudit tersebut hanya untuk perbincangan di bawah Agenda 1 kerana ia tidak memerlukan kelulusan pemegang saham di bawah peruntukan Seksyen 169(1) dan (3) Akta Syarikat 1965 dan oleh yang demikian, ia tidak akan dikemukakan untuk undian.

# PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG TAHUNAN

**Pengarah-Pengarah yang menawarkan diri untuk pelantikan semula pada Mesyuarat Agung Tahunan Syarikat Ke-43:**

(a) Menurut Artikel 106 Tataurusian Pertubuhan:

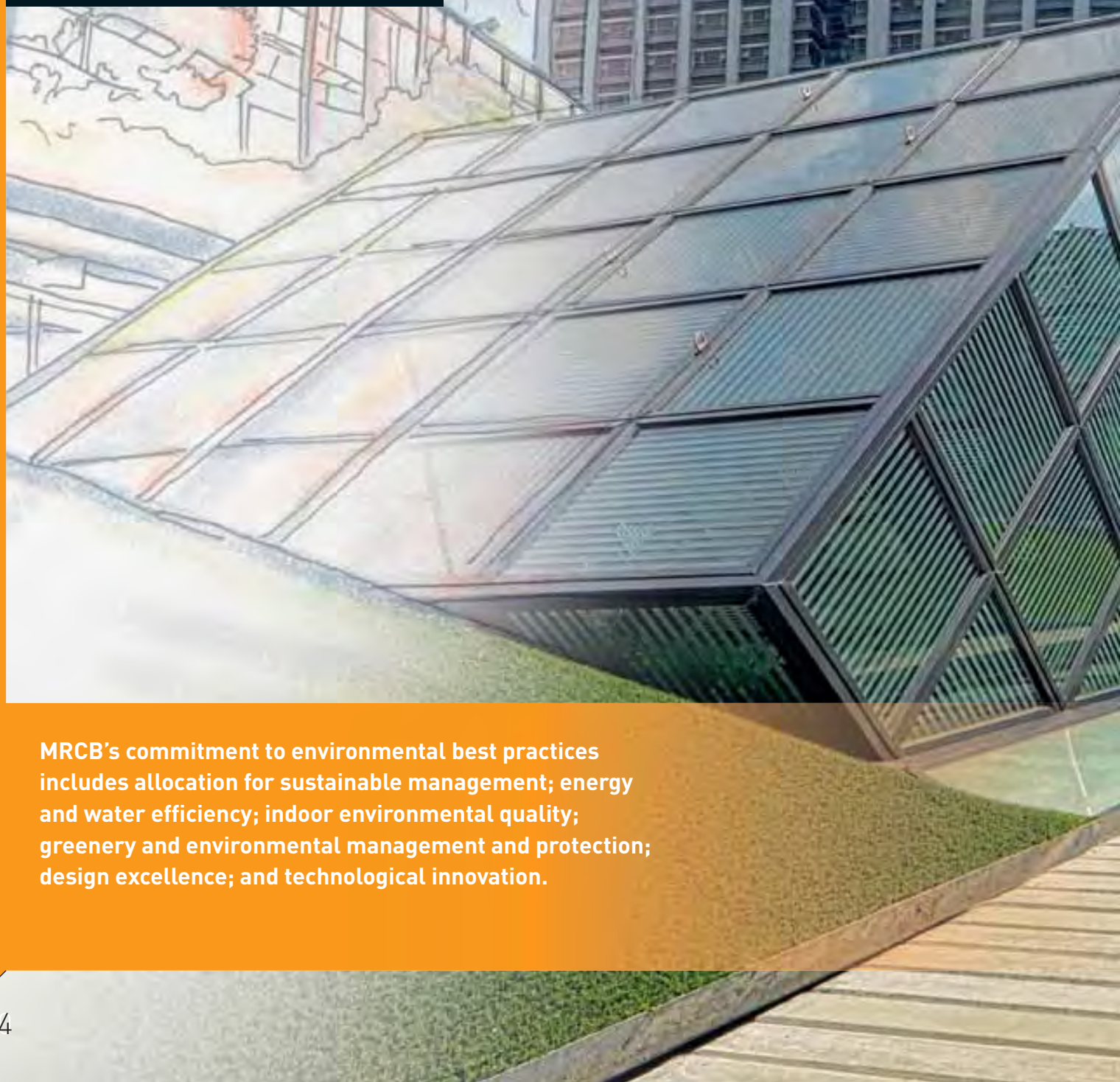
- Datuk Mohamad Salim Fateh Din
- Tan Sri Ahmad Fuad Ismail
- Dato' Ishak Haji Mohamed
- Dato' Johari Razak
- Rohaya Mohammad Yusof

(b) Menurut Artikel 101 dan 102 Tataurusian Pertubuhan:

- Tan Sri Azlan Zainol
- Datuk Shahril Ridza Ridzuan

Profil pengarah-pengarah termasuk yang menawarkan diri untuk dipilih semula pada Mesyuarat Agung Tahunan Syarikat Ke-43 dibentangkan di muka surat 26 hingga 35. Pegangan saham mereka dalam Syarikat disenaraikan di muka surat 149.

# ENVIRONMENTAL LEADERSHIP



MRCB's commitment to environmental best practices includes allocation for sustainable management; energy and water efficiency; indoor environmental quality; greenery and environmental management and protection; design excellence; and technological innovation.







## DIRECTORS' PROFILE PROFIL PENGARAH

### TAN SRI AZLAN ZAINOL

Non-Independent  
Non-Executive Chairman  
**Pengerusi Bukan Bebas**  
**Bukan Eksekutif**



Tan Sri Azlan Zainol, 64, a Malaysian, was appointed to the Board of MRCB on 12 January 2005. He is a Fellow of the Institute of Chartered Accountants in England & Wales, a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Tan Sri Azlan was previously the Chief Executive Officer of Employees Provident Fund (EPF) before his retirement on 16 April 2013. He has more than 29 years of experience in the financial sector, having been appointed as the Managing Director of AmBank Berhad and prior to that, as the Managing Director of AmFinance Berhad.

He is the Chairman of RHB Bank Berhad and Yayasan Astro Kasih, member of the Board of RHB Capital Berhad, RHB Investment Bank Berhad, Rashid Hussain Berhad (in Members' Voluntary Liquidation), Kuala Lumpur Kepong Berhad, Jardine Cycle & Carriage Limited (Singapore) and RHB Holdings Hong Kong Limited (formerly known as OSK Holdings Hong Kong Limited).

He is also a member of the Advisory Forum, Battersea Project Holding Company Limited.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Tan Sri Azlan Zainol, 64, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 12 Januari 2005. Beliau merupakan Felo Institut Akauntan Bertauliah di England & Wales (England & Wales), ahli Institut Akauntan Awam Bertauliah Malaysian dan ahli Institut Perakaunan Malaysia.

Tan Sri Azlan Zainol adalah bekas Ketua Pegawai Eksekutif Kumpulan Wang Simpanan Pekerja (KWSP) sebelum bersara pada 16 April 2013. Beliau mempunyai pengalaman lebih daripada 29 tahun di dalam sektor kewangan, di mana pernah dilantik sebagai Pengarah Urusan AmBank Berhad dan sebelum itu, sebagai Pengarah Urusan AmFinance Berhad.

Beliau merupakan Pengerusi RHB Bank Berhad dan Yayasan Astro Kasih, ahli Lembaga Pengarah RHB Capital Berhad, RHB Investment Bank Berhad, Rashid Hussain Berhad (dalam Pembubaran Sukarela Ahli), Kuala Lumpur Kepong Berhad, Jardine Cycle dan Carriage Limited (Singapore) dan RHB Holdings Hong Kong Limited (dahulu dikenali sebagai OSK Holdings Hong Kong Limited).

Beliau juga adalah ahli Forum Penasihat, Battersea Project Holding Company Limited.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



**DATUK MOHAMAD SALIM  
FATEH DIN**

Group Managing Director  
Pengarah Urusan Kumpulan

Datuk Mohamad Salim, 57, a Malaysian, was appointed to the Board of MRCB on 2 September 2013 and is a member of the Executive Committee. He is a self-made entrepreneur and business innovator, who has owned and managed businesses in construction, property investment and property development.

A successful entrepreneur with a pioneering spirit, he is one of the first property developers in the country to embark on the green development concept. His hallmark green projects include Shell Malaysia's new headquarters in Menara Shell and the Ascott Sentral serviced apartment at Kuala Lumpur Sentral, and the ongoing PJ Sentral Garden City, both hailed as industry benchmarks geared towards the highest standard of the Green Building Index (GBI) as well as US-based Leadership in Energy & Environmental Design (LEED).

Datuk Mohamad Salim also pioneered the "Super Store Petrol Station" concept for leading oil companies namely Shell, Esso, BP and Caltex. He was responsible for designing the latest distribution centres for Malaysian leading retailer, Giant, by modernizing and improving its food-processing systems while reducing its logistic costs and delivery turnaround time. The success of Giant's hypermarkets was later emulated by others in the country's food supply chain.

He also sits on the boards of Gapurna group of companies; is Chairman of British American Tobacco (Malaysia) Berhad and the Chairman of the Malaysia-Pakistan Business Council. He has contributed unwaveringly towards the creation of bilateral trade opportunities between the governments of Pakistan and Malaysia as well as the business communities of both countries. For his contribution, the government of Pakistan has honoured him a Medal of Excellence or Tamgha-i-Imtiaz.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Datuk Mohamad Salim, 57, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 2 September 2013 dan merupakan seorang ahli Jawatankuasa Eksekutif. Beliau adalah seorang usahawan dan penginovasi perniagaan, yang memiliki dan mengendalikan sendiri pelbagai perniagaan dalam bidang pembinaan, pelaburan hartanah dan pembangunan hartanah.

Seorang usahawan berjaya yang mempunyai semangat merintis, beliau adalah salah seorang pemaju hartanah pertama di negara ini yang memulakan konsep pembangunan hijau. Projek hijaunya yang menjadi mercutanda termasuk ibu pejabat baru Shell Malaysia di Menara Shell dan pangsapuri beserta perkhidmatan Ascott Sentral di Kuala Lumpur Sentral serta PJ Sentral Garden City yang sedang dalam pembinaan, di mana kedua-duanya dianggap sebagai penanda aras industri ke arah mencapai piawaian tertinggi dalam Indeks Bangunan Hijau (GBI) serta Leadership in Energy & Environmental Design (LEED) Amerika Syarikat.

Datuk Mohamad Salim juga merintis "Super Store Petrol Station" untuk beberapa syarikat minyak terkemuka seperti Shell, Esso, BP dan Caltex. Beliau bertanggungjawab mereka bentuk pusat pengedaran terkini untuk peruncit utama di Malaysia, Giant, dengan mempermoden dan menambahbaik sistem pemprosesan makanan sambil mengurangkan kos logistik dan masa pusing ganti penghantaran. Kejayaan pasar raya besar Giant ini kini telah dicontohi oleh beberapa pasar raya besar lain dalam rantaian bekalan makanan negara.

Beliau juga menganggotai lembaga pengarah syarikat-syarikat dalam Kumpulan Gapurna; Pengerusi British American Tobacco (Malaysia) Berhad dan Pengerusi Majlis Perniagaan Malaysia-Pakistan. Beliau gigih menyumbang ke arah mewujudkan peluang perdagangan dua hala antara kerajaan Pakistan dan Malaysia serta komuniti perniagaan kedua-dua negara. Atas sumbangan tersebut, kerajaan Pakistan telah menganugerahkan beliau dengan Pingat Kecemerlangan atau Tamgha-i-Imtiaz.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



## DIRECTORS' PROFILE PROFIL PENGARAH

### DATUK SHAHRIL RIDZA RIDZUAN

Non-Independent  
Non-Executive Director  
Pengarah Bukan Bebas  
Bukan Eksekutif



Datuk Shahril Ridza Ridzuan, 44, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Executive Committee and ESOS Committee.

He holds a Bachelor of Civil Law (1st Class) from University of Oxford, United Kingdom, a Master of Arts (1st Class) from University of Cambridge, United Kingdom and has been called to the Malaysian Bar and the Bar of England and Wales.

Datuk Shahril was a Legal Assistant at Zain & Co from 1994 to 1996. From 1997 to 1998, he was the Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad from 1998 to 1999. From 1999 to August 2001, he was an Executive Director of SSR Associates Sdn Bhd.

He was the Group Managing Director of the Company from 1 September 2003 to 1 December 2009 and currently serves as Chief Executive Officer of the Employees Provident Fund.

Datuk Shahril also sits on the Boards of Media Prima Berhad, Pengurusan Danaharta Nasional Berhad and Malaysia Building Society Berhad.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Datuk Shahril Ridza Ridzuan, 44, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau merupakan Pengerusi Jawatankuasa Eksekutif dan Jawatankuasa ESOS.

Beliau memiliki Ijazah Sarjana Muda Undang-undang Sivill (Kelas Pertama) daripada University of Oxford, United Kingdom, Sarjana Sastera (Kelas Pertama) daripada University of Cambridge, United Kingdom dan telah diterima ke Bar Malaysia dan Bar of England and Wales.

Datuk Shahril pernah menjadi Pembantu Undang-undang di Zain & Co dari tahun 1994 hingga 1996. Dari tahun 1997 hingga 1998, beliau berkhidmat sebagai Pembantu Khas kepada Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad mulai tahun 1998 hingga 1999. Dari tahun 1999 hingga bulan Ogos 2001, beliau berkhidmat sebagai Pengarah Eksekutif SSR Associates Sdn Bhd.

Beliau dilantik sebagai Pengarah Urusan Syarikat mulai 1 September 2003 hingga 1 Disember 2009 dan kini menyandang jawatan sebagai Ketua Pegawai Eksekutif Kumpulan Wang Simpanan Pekerja.

Datuk Shahril juga menduduki Lembaga Pengarah Media Prima Berhad, Pengurusan Danaharta Nasional Berhad dan Malaysia Building Society Berhad.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



**DATO' ABDUL RAHMAN AHMAD**

Independent Director

**Pengarah Bebas**

Dato' Abdul Rahman Ahmad, 45, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Audit Committee and member of Nomination & Remuneration Committee.

He holds a Master in Economics from University of Cambridge, United Kingdom and is a member of the Institute of Chartered Accountants, England & Wales.

Dato' Abdul Rahman began his career at Arthur Andersen, London and later served as Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad, the country's national asset management company, as Unit Head and later went on to become an Executive Director of SSR Associates Sdn Bhd.

Dato' Abdul Rahman was the Group Managing Director/Chief Executive Officer of MRCB and subsequently Media Prima Berhad, a leading integrated media investment group in Malaysia. He is currently a Director and the Chief Executive Officer of Ekuiti Nasional Berhad and also serves as Director of Axiata Berhad.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Abdul Rahman Ahmad, 45, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau merupakan Pengerusi Jawatankuasa Audit dan ahli Jawatankuasa Pencalonan & Imbuhan.

Beliau memiliki Ijazah Sarjana Ekonomi daripada University of Cambridge, United Kingdom dan seorang Ahli Institut Akauntan Bertauliah di England dan Wales.

Dato' Abdul Rahman memulakan kerjaya beliau bersama Arthur Andersen, London dan kemudian berkhidmat sebagai Pembantu Khas kepada Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad, syarikat pengurusan aset negara, sebagai Ketua Unit dan kemudian berkhidmat sebagai Pengarah Eksekutif SSR Associates Sdn Bhd.

Dato' Abdul Rahman merupakan Pengarah Urusan Kumpulan/Ketua Pegawai Eksekutif MRCB dan kemudian berpindah ke Media Prima Berhad, sebuah kumpulan pelaburan media bersepadu yang terkemuka di Malaysia. Kini, beliau adalah seorang Pengarah dan Ketua Pegawai Eksekutif Ekuiti Nasional Berhad dan turut berkhidmat sebagai Pengarah Axiata Berhad.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

## DIRECTORS' PROFILE PROFIL PENGARAH

### DATO' CHONG PAH AUNG

Independent Director

Pengarah Bebas

Dato' Chong Pah Aung, 60, a Malaysian, was appointed to the Board of MRCB on 21 June 2011. He is a member of Executive Committee and Nomination & Remuneration Committee.

He holds a Bachelor of Science in Estate Management and is a Fellow of the Royal Institution of Chartered Surveyors and Royal Institution of Surveyors Malaysia respectively. He is also a Registered Valuer and Estate Agent.

Dato' Chong was formerly with C H Williams Talhar & Wong ("WTW"). He joined WTW in 1981 and retired as Senior Executive Director in April 2009.

Currently, he is the Managing Director of Compass Real Estate Sdn Bhd and Compass Property Management Sdn Bhd.

Dato' Chong also sits on the Board of Tasek Corporation Berhad as an independent director since 28 April 2009.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Chong Pah Aung, 60, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 21 Jun 2011. Beliau merupakan ahli Jawatankuasa Eksekutif dan Jawatankuasa Pencalonan & Imbuhan.

Beliau memiliki Ijazah Sarjana Muda Sains dalam Pengurusan Hartanah dan Felo Royal Institution of Chartered Surveyors dan Royal Institute of Surveyors, Malaysia. Beliau juga merupakan seorang Jurunilai dan Ejen Hartanah Berdaftar.

Sebelum ini, Dato' Chong pernah berkhidmat dengan C H Williams Talhar & Wong ("WTW"). Beliau menyertai WTW pada tahun 1981 dan bersara sebagai Pengarah Eksekutif Kanan pada bulan April 2009.

Kini, beliau merupakan Pengarah Urusan Compass Real Estate Sdn Bhd dan Compass Property Management Sdn Bhd.

Dato' Chong turut menduduki Lembaga Pengarah Tasek Corporation Berhad sebagai seorang pengarah bebas sejak 28 April 2009.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.





**JAMALUDIN ZAKARIA**

Independent Director

Pengarah Bebas

Jamaludin Zakaria, 48, a Malaysian, was appointed to the Board of MRCB on 24 August 2011. He is a member of the Audit Committee and ESOS Committee.

He holds a Bachelor of Science in Accounting with a minor in Real Estates and Insurance from Arkansas State University.

He has more than 15 years experience in investment banking and corporate finance, having been attached with domestic and international investment banks. He is currently the Managing Director of Macquarie Capital.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Jamaludin Zakaria, 48, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 24 Ogos 2011. Beliau merupakan ahli Jawatankuasa Audit dan Jawatankuasa ESOS.

Beliau memiliki Ijazah Sarjana Muda Sains dalam Perakaunan dengan pengajian sampingan dalam Hartanah dan Insurans daripada Arkansas State University.

Beliau mempunyai lebih 15 tahun pengalaman dalam bidang perbankan pelaburan dan kewangan korporat melalui penglibatan bersama beberapa bank pelaburan domestik dan antarabangsa. Kini beliau memegang jawatan sebagai Pengarah Urusan Macquarie Capital.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

## DIRECTORS' PROFILE PROFIL PENGARAH

### DATO' ISHAK HAJI MOHAMED

Non-Independent  
Non-Executive Director  
Pengarah Bukan Bebas  
Bukan Eksekutif

Dato' Ishak, 61, a Malaysian, was appointed to the Board of MRCB on 28 October 2013 and also a member of the Executive Committee.

He is a graduate from Universiti Sains Malaysia, Penang with a Bachelor of Social Science in 1983 followed by a Masters in Public Policy from the University of Wisconsin, USA in 1992. He also has a Diploma in Public Administration from INTAN.

Dato' Ishak last served the Malaysian Immigration Department as the Director of Enforcement and previously held several key positions in the government agencies such as with the Ministry of Home Affairs, Ministry of Finance, Ministry of Defence, Prime Minister's Department and Public Services Department.

He is also active in NGO activities and currently holds the post of President of Perak Tenpin Bowling Association and FAM Integrity Committee.

Dato' Ishak also sits on the Board of Digistar Corporation Berhad and several Private Limited Companies.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Ishak, 61, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 28 Oktober 2013 dan juga merupakan ahli Jawatankuasa Eksekutif.

Beliau adalah lepasan Universiti Sains Malaysia, Pulau Pinang dengan Ijazah Sains Sosial pada tahun 1983 diikuti dengan Ijazah Sarjana dalam Polisi Awam daripada University of Wisconsin, Amerika Syarikat pada tahun 1992. Beliau juga memiliki Diploma Pentadbiran Awam daripada INTAN.

Jawatan terakhir Dato' Ishak adalah bersama Jabatan Imigresen Malaysia sebagai Pengarah Penguatkuasa dan pernah memegang pelbagai jawatan penting dengan agensi-agensi kerajaan seperti Kementerian Dalam Negeri, Kementerian Kewangan, Kementerian Pertahanan, Jabatan Perdana Menteri dan Jabatan Perkhidmatan Awam.

Beliau turut terlibat secara aktif dalam aktiviti NGO dan kini menyandang jawatan Presiden Persatuan Tenpin Bowling Perak dan Jawatankuasa Integriti FAM.

Dato' Ishak turut menduduki lembaga pengarah Digistar Corporation Berhad dan beberapa Syarikat Sendirian Berhad.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



**TAN SRI AHMAD FUAD ISMAIL**

Independent Director

**Pengarah Bebas**

Tan Sri Ahmad Fuad, 61, a Malaysian, was appointed to the Board of MRCB on 5 February 2014. He is the Chairman of the Nomination & Remuneration Committee and a member of the Audit Committee.

He holds a Bachelor of Arts (History) from University of Malaya and Master in Public and International Affairs (Strategic) from University of Denver, USA.

After his graduation from University of Malaya in early 1976, Tan Sri Ahmad Fuad was a Tutor at the Department of History in the Faculty of Arts, University of Malaya. Throughout his career, he held several key positions in the Government Agencies such as Assistant Secretary at Ministry of Health, Senior Project Officer of National Institute of Public Administration, Special Officer to the Director General of Public Service Department, President of Subang Jaya Municipal Council, General Manager at Penang Development Corporation, Secretary General of the Ministry of Housing and Local Government and lastly, as the Mayor of Kuala Lumpur from 14 December 2008 to 16 July 2012.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

**Tan Sri Ahmad Fuad, 61, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 5 Februari 2014. Beliau merupakan Pengerusi Jawatankuasa Pencalonan & Imbuan dan ahli Jawatankuasa Audit.**

**Beliau memiliki Ijazah Sarjana Muda Kesusasteraan (Sejarah) daripada Universiti Malaya dan Sarjana Perhubungan Awam dan Antarabangsa (Strategik) daripada Universiti Denver, USA.**

**Setelah menamatkan pengajian di Universiti Malaya pada awal 1976, Tan Sri Ahmad Fuad merupakan seorang tutor di Jabatan Sejarah di Fakulti Kesusasteraan, Universiti Malaya. Sepanjang karier beliau, Tan Sri Ahmad Fuad telah menyandang beberapa jawatan penting di agensi Kerajaan seperti Timbalan Setiausaha di Kementerian Kesihatan, Pegawai Projek Kanan di Institut Pentadbiran Awam Nasional, Pegawai Khas kepada Ketua Pengarah Jabatan Perkhidmatan Awam, Presiden Majlis Perbandaran Subang Jaya, Pengurus Besar di Penang Development Corporation, Ketua Setiausaha di Kementerian Perumahan dan Kerajaan Tempatan dan yang terakhir, sebagai Datuk Bandar Kuala Lumpur dari 14 Disember 2008 sehingga 16 Julai 2012.**

**Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.**



## DIRECTORS' PROFILE PROFIL PENGARAH

### DATO' JOHARI RAZAK

Independent Director  
Pengarah Bebas



Dato' Johari Razak, 60, a Malaysian, was appointed to the Board of MRCB on 5 February 2014. He is a member of the Nomination & Remuneration Committee and ESOS Committee.

He holds a Bachelor of Laws degree from the University of Kent, United Kingdom. He was called to the Bar of England and Wales at Lincoln's Inn in 1976 and was admitted as an Advocate and Solicitor of the High Court of Malaya in 1977. He practiced law with a leading law firm in Malaysia from 1979 and was a Partner of the firm from 1981 to 1994. He re-joined the firm as a Partner on 1 August 2007.

Dato' Johari is the Chairman of Ancom Berhad and Daiman Development Berhad. He also sits on the Board of Hong Leong Industries Berhad, Deutsche Bank (Malaysia) Berhad and Daiman Golf Berhad. In the academic field, he is an Adjunct Professor at University of Technology Mara Law Faculty.

Other than as disclosed, he does not have any family relationship with any Director and/or major shareholder of MRCB. He has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Dato' Johari Razak, 60, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 5 Februari 2014. Beliau merupakan ahli Jawatankuasa Pencalonan & Imbuan dan Jawatankuasa ESOS.

Beliau memiliki Ijazah Undang-undang daripada University of Kent, United Kingdom. Beliau telah diterima ke Bar of England and Wales di Lincoln's Inn pada tahun 1976 dan diterima menjadi Peguamcara dan Peguambela Mahkamah Tinggi Malaya pada tahun 1977. Beliau menjadi pengamal undang-undang di sebuah firma guaman terkemuka di Malaysia dari tahun 1979 dan merupakan Rakan Kongsi firma berkenaan dari tahun 1981 hingga 1994. Beliau menyertai semula firma tersebut sebagai Rakan Kongsi pada 1 Ogos 2007.

Dato' Johari merupakan Pengerusi Ancom Berhad dan Daiman Development Berhad. Beliau turut menduduki Lembaga Pengarah Hong Leong Industries Berhad, Deutsche Bank (Malaysia) Berhad dan Daiman Golf Berhad. Dalam bidang akademik, beliau merupakan Profesor Adjung Fakulti Undang-Undang, Universiti Teknologi Mara.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.


**ROHAYA MOHAMMAD YUSOF**

Non-Independent

Non-Executive Director

**Pengarah Bukan Bebas**
**Bukan Eksekutif**

Rohaya Mohammad Yusof, 49, a Malaysian, was appointed to the Board of MRCB on 6 March 2014, and a member of the Audit Committee.

She holds a Bachelor of Commerce (Accountancy) from Australian National University and an associate member of Certified Public Accountant, Australia

Rohaya began her career with Arthur Andersen & Co. as Financial Consultant in the Audit division. Her working experiences include among others; auditing various fields ranging from manufacturing, banking, oil & gas and trading industries where she was involved in audit planning and preparing of audited financial accounts and evaluating internal control of accounting system. In 1990, she joined Maybank Investment Bank (previously named Aseambankers) and was appointed as Executive Vice President for Corporate Investment Banking in the year 2005. After 18 years of acquiring vast experience in Maybank Investment Bank in areas of Fixed Income, Equity and Corporate Finance, Rohaya joined Employee Provident Fund ("EPF") in 2008 as Head of Corporate Finance. During her tenure with EPF, Rohaya was appointed as Head of Capital Market Department in 2010 where she oversees Domestic and Global investment in loans and bonds. Her portfolio also includes monitoring of Domestic and Global Fixed Income External Fund Managers.

Rohaya also sits on the Boards of UMW Holdings Berhad, Plus Malaysia Berhad, Projek Lebuhraya Usahasama Berhad and Kuwasa Global (Jersey) Limited.

Other than as disclosed, she does not have any family relationship with any Director and/or major shareholder of MRCB. She has no personal interest in any business arrangement involving MRCB and has not been convicted for any offence within the past 10 years.

Rohaya Mohammad Yusof, 49, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 6 Mac 2014 dan merupakan ahli Jawatankuasa Audit.

Beliau memiliki Ijazah Sarjana Muda Perdagangan (Perakaunan) daripada Australian National University dan ahli bersekutu Akauntan Awam Bertauliah, Australia.

Rohaya memulakan kerjaya beliau bersama Arthur Andersen & Co. sebagai Perunding Kewangan di bahagian Audit. Pengalaman kerja beliau antara lain meliputi; mengaudit pelbagai bidang daripada industri perkilangan, perbankan, minyak & gas dan perdagangan di mana beliau terlibat dalam perancangan audit dan penyediaan akaun kewangan diaudit serta menilai kawalan dalaman sistem perakaunan. Beliau menyertai Maybank Investment Bank (dahulu dikenali sebagai Aseambankers) pada tahun 1990 dan telah dilantik sebagai Naib Presiden Eksekutif bagi Perbankan Pelaburan Korporat pada tahun 2005. Selepas 18 tahun menimba pengalaman luas bersama Maybank Investment Bank dalam pelbagai bidang seperti Pendapatan Tetap, Ekuiti dan Kewangan Korporat, Rohaya menyertai Kumpulan Wang Simpanan Pekerja ("KWSP") pada tahun 2008 sebagai Ketua Kewangan Korporat. Sepanjang tempoh bersama KWSP, Rohaya telah dilantik sebagai Ketua Jabatan Pasaran Modal pada tahun 2010 di mana beliau memantau pelaburan pinjaman dan bon Domestik serta Global. Portfolio beliau juga meliputi memantau Pengurus Dana Luar Pendapatan Tetap Domestik dan Global.

Rohaya turut menduduki Lembaga Pengarah UMW Holdings Berhad, Plus Malaysia Berhad, Projek Lebuhraya Usahasama Berhad dan Kuwasa Global (Jersey) Limited.

Selain daripada yang dimaklumkan, beliau tidak mempunyai sebarang hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama MRCB. Beliau tidak mempunyai kepentingan peribadi dalam sebarang pengaturan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan sebarang kesalahan dalam tempoh 10 tahun lepas.

## AWARDS & RECOGNITIONS ANUGERAH & PENGIKTIRAFAN

As one of the leading property and engineering & construction players in the country, MRCB advocates the highest level of excellence in developing all of its projects, which in turn will benefit its clients, purchasers and business partners.

MRCB's depth of technical and technological expertise, which underpins the Group's array of credentials is further strengthened by the attainment of quality certifications; recognised by highly renowned local and international quality certification authorities.

Sebagai salah satu daripada peneraju hartanah dan kejuruteraan & pembinaan utama negara, MRCB menekankan kepentingan piawaian tertinggi untuk semua projek yang dilaksanakannya, yang mana akan memanfaatkan para pelanggan, para pembeli dan rakan-rakan niaganya.

Kepakaran MRCB dalam bidang teknikal dan teknologi jelas menunjukkan keupayaan Kumpulan; diperteguhkan lagi dengan pencapaian sijil pengiktirafan piawaian kualiti yang diiktiraf oleh badan-badan piawaian kualiti negara dan juga di peringkat antarabangsa.



### MRCB GROUP KUMPULAN MRCB

#### 5th Malaysian Business Award 2013

- Industry Excellence

#### National Annual Corporate Report Awards 2013

- Finalist (Overall)

#### Malaysia Achievement Awards 2012

Special Organisation Achievement Category

#### National Annual Corporate Report Awards 2012

Finalist (Overall)

#### BrandLaureate Awards 2011

- Conglomerate Awards

#### ACCA Masra 2011

- Shortlisted

#### Stevie International Business Awards 2011

- Distinguished Honoree for Best Corporate Social Responsibility Programme of the Year in Asia (subcontinent, Australia and New Zealand) for PINTAR programme



#### **The Edge Billion Ringgit Club 2011**

- Member

#### **NACRA Award 2010**

- Best Corporate Social Responsibility Reporting Award – Silver Award

#### **ACCA MaSRA 2010**

- Shortlisted

#### **Asean Business Awards (Innovation) 2010**

- 1st Runner Up

#### **Stevie International Business Awards 2010**

- Distinguished Honoree for Best Corporate Social Responsibility Programme of the Year in Asia (subcontinent, Australia and New Zealand) for the MRCB Arts Awards 2008/2009

#### **PM CSR Award 2009**

- Honourable Mention – Culture & Heritage

#### **ACCA MaSRA 2009**

- Winner – Environmental Performance Report

#### **ACCA MaSRA 2009**

- Special Mention – Assurance Approach

#### **NACRA Award 2009**

- Best Corporate Social Responsibility Reporting Award – Silver Award

#### **Member**

- The Edge Billion Ringgit Club 2010

#### **StarBIZ ICR Malaysia Corporate Responsibility Awards 2009**

- Finalist – Marketplace Category

#### **NACRA Award 2008**

- Best Corporate Social Responsibility Reporting Award – Platinum Award

#### **StarBIZ – ICR Malaysia**

#### **Corporate Responsibility Awards 2008**

- Finalist – Community Category



## AWARDS & RECOGNITIONS

### ANUGERAH & PENGIKTIRAFAN



#### PROPERTY HARTANAH

##### KUALA LUMPUR SENTRAL SDN BHD

##### FIABCI Malaysia Chapter Property Awards for Green Sustainable Development Category 2013

- Winner – Platinum Sentral

##### The Edge-PAM Green Excellence Awards 2012

- Green Building – Platinum Sentral

##### Editors Choice Property Awards 2012

- **Best Green Office Development** – Platinum Sentral
- **Best Green Initiative** – Platinum Sentral
- **Best Integrated Development** – Kuala Lumpur Sentral CBD

##### Stevie International Business Awards 2011

- Distinguished Honoree for the Environmental Responsibility Programme of the year in Asia (subcontinent, Australia and New Zealand) for the Green Building Initiative

##### FIABCI International Prix d'Excellence Awards for Purpose-Built Development Category 2010

- 1st Runner-up – Sooka Sentral Lifestyle Centre

##### FIABCI Malaysia Chapter Property Awards for Purpose-Built Development Category 2009

- Winner – Sooka Sentral Lifestyle Centre

##### 2009 FIABCI Malaysia Property CEO of the Year Award

- Datuk Shahril Ridza Ridzuan, formerly Group Managing Director of MRCB

##### FIABCI International Prix d'Excellence Awards 2009 for Office Development Category

- 1st Runner-up – 1 Sentral

##### FIABCI Malaysia Chapter Property Awards for Office Development 2008

- Winner – 1 Sentral

##### Islamic Finance News Award Musyarakah Deal of the Year 2007

- Kuala Lumpur Sentral CBD

#### Malaysia's First MSC Cybercentre in 2006

- Kuala Lumpur Sentral CBD

#### FIABCI International Prix d'Excellence Awards for Specialised and Public Sector Category 2003

- Finalist – Stesen Sentral Kuala Lumpur

#### Best Steel Roof Design and Honorary Mention for Excellence in Architecture (PAM ) for 2002 & 2003

- Stesen Sentral Kuala Lumpur

#### FIABCI Malaysia Chapter Property Award for Specialised and Public Sector Category 2002

- Stesen Sentral Kuala Lumpur

#### PAM 2002 Awards for Excellence in Architecture

- Stesen Sentral Kuala Lumpur

#### MRCB Sentral Properties Sdn Bhd

- MS ISO 9001:2000

#### FACILITIES MANAGEMENT

##### PENGURUSAN KEMUDAHAN

- Certification to ISO 9001:2000 under the provision of corporate service covering corporate affair and business development, finance, legal affairs and human resource, administration and quality on 16 November 2007

#### Semasa Sentral Sdn Bhd

- Building Gemilang Decoration Competition 2011 – 1st place
- "Best Facilities Management Company in Asia Pacific": Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- "Best Operation Driver of The Year": Mohamed Roslan Mohamed Shariff, Chief Operating Officer, SSSB – Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- Human Resource Development Award 2008; Medium and Small Service Industry by the Human Resource Development in October 2008
- Re-certification to MS ISO 9001:2000 QMS in March 2006
- Transportation Project Award by Eastern Asia Society of Transportation Studies
- Public Toilet Cleanliness Competition organised by Dewan Bandaraya Kuala Lumpur (DBKL) – 1st prize for Year 2004 and 2005





## AWARDS & RECOGNITIONS

### ANUGERAH & PENGIKTIRAFAN

- Shortlist for QMEA 2004 Award for Category 1 (Local Company With Annual Sales Not Exceeding RM10 Million) organised by Ministry of International Trade & Industry (MITI)
- Special Award for Quality Management Excellence 2005 organised by MITI

#### Semasa Services Sdn Bhd

- Certification to MS ISO 9001:2000 QMS in March 2006
- 1st Runner up in the ASEAN Energy Management Best Practice Competition for Building Category on 23 August 2007

#### Semasa Security Sdn Bhd

- SIRIM ISO 9001 : 2000 Provision of Static Security Services for Sooka Sentral and KWSP Building Damansara Fairway 1

#### MRCB Technologies Sdn Bhd Accreditation

- MS ISO 9001:2000
- MSC Status Incubator

#### Licenses

- MOF (Bumiputera Status)
- CIDB G7
- PKK Class A
- Tabung Haji
- Telekom, Celcom, Maxis, TT dotcom
- Ministry of Defence, Malaysia
- TNB, SESB, KTMB, SPNB
- MCMC - ASP (C)
- Boustead Naval Shipyard

#### INFRASTRUCTURE & CONCESSION

#### INFRASTRUKTUR & KONSESI

#### MRCB Lingkaran Selatan Sdn Bhd

- The Asset Asian Awards 2008, Triple A under the Best Project Finance for RM1.26 Billion Sukuk & Syndicated loan

#### MRCB Prasarana Sdn Bhd License

- CIDB G7
- Quality Management System
- SIRIM ISO 9001 : 2008



#### **MRCB Environment Sdn Bhd**

- Stevie International Business Awards 2010 Distinguished Honoree for Best Environmental Responsibility Programme of the Year for the River and Beach Rehabilitation Project at Teluk Bay, Tioman Island 2008/2009

#### **License**

- CIDB G7
- Quality Management System SIRIM ISO 9001:2008

### **ENGINEERING & CONSTRUCTION**

#### **KEJURUTERAAN & PEMBINAAN**

#### **Transmission Technology Sdn Bhd Accreditation**

- MS ISO 9001:2000

#### **Licenses**

- PKK Class 1 - Electrical
- PKK Class 1 - Bumiputera Status
- CIDB G7
- Petronas, TNB, SESB
- Ministry of Finance, Malaysia

#### **MILMIX Sdn Bhd Accreditation**

- MS ISO 9001:2000 License
- CIDB G7

#### **MRCB Engineering Sdn Bhd Accreditation**

- MS ISO 9001:2000

#### **Licenses**

- PKK Class A
- CIDB G7
- JPP Class D
- Bank Negara Malaysia



## CHAIRMAN'S STATEMENT

### DEAR VALUED SHAREHOLDERS,

For the financial year 2013, Malaysian Resources Corporation Berhad (MRCB) continued to make progress on its major projects, as well as acquiring land banks around the Klang Valley for future developments. From a financial perspective, MRCB experienced a challenging year for the financial year ended 31 December 2013, which saw revenue drop to RM940.9 million from the RM1,243.5 million recorded in 2012. There was a loss before taxation of RM110.4 million compared to the previous year's profit before taxation of RM124.9 million from continuing operations.

The drop in revenue was mainly due to the revenue recognition from the Kuala Lumpur Sentral Lot G office towers and hotel developments, which were sold en-bloc and recognised progressively based on percentage of completion in the preceding financial years. The construction of the office towers and hotel were completed in December 2012 and January 2013 respectively.

The loss recorded in 2013 was mainly due to a one-off adjustment arising from the reduction in the fair value adjustment of sales proceeds for Lot G office towers and other provisions relating to construction costs.

I am pleased to report that, despite the one-off adjustment and provisions, the Group returned to profitability in the final quarter of 2013 by recording a profit before taxation of RM19.3 million.

For the financial year ended 31 December 2013, the Directors recommend the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2013 of 1.0% or 1.0 sen per ordinary share, totalling approximately RM16.51 million, which is subject to the approval by members of the Company at the forthcoming Annual General Meeting.

### CORPORATE HIGHLIGHTS

During the financial year, MRCB acquired 100% equity of Gapurna Land Sdn Bhd, Gapurna Builders Sdn Bhd, Gapurna Global Solutions Sdn Bhd, Gelanggang Harapan Construction Sdn Bhd and Puncak Wangi Sdn Bhd, via a cash consideration of RM60,651,416 and the issuance of 263,499,755 new ordinary shares of RM1.00 each at an issue price of RM1.43 per MRCB share, together with 75,285,645 free detachable warrants at the fair value of RM0.26 per warrant on the basis of two free detachable warrants for every seven MRCB shares issued.

This marked a significant milestone in MRCB's business strategy, as Gapurna Group brought along a wealth of experience in property construction and development, as well as prime land banks around the Klang Valley. These attributes fit perfectly with MRCB's vision, enabling the synergy between the two entities which will propel MRCB to greater heights in property construction and development.







## CHAIRMAN'S STATEMENT

### OPERATIONAL REVIEW

#### Property Development

The property division experienced an eventful year, with continued progress for ongoing and planned developments in Kuala Lumpur Sentral CBD, Penang and Bandar Sri Iskandar, Perak.

The Nu Sentral retail mall was completed in Quarter 4 2013, with a Gross Development Value (GDV) of RM1.05 billion and a net lettable space of 1.3 million sq.ft. Featuring as Malaysia's first integrated green lifestyle mall, the Nu Sentral retail mall complies with both Malaysia's Green Building Index (GBI) and Singapore's Building & Construction Authority (BCA) Green Mark.

MRCB's premier residential development, the affluent Sentral Residences, continues to make steady progress in terms of construction. The 55-storey tower, located in Lot B of the Kuala Lumpur Sentral CBD is scheduled for completion in 2016 and has a GDV of RM1.3 billion.

Adjacent to the Sentral Residences is Q Sentral, a 'Grade A' 45-Storey office tower with a Gold standard GBI accreditation. It is expected to command top rental rates upon completion in 2015. It has a GDV of RM1.2 billion.

Completing the trio of developments in Kuala Lumpur Sentral CBD is the luxurious 6-star St. Regis Hotel & Residences Kuala Lumpur. The hotel comprises rooms for rent and residences that will be managed and operated by the St. Regis Group. MRCB owns 30% of this development, which is scheduled for completion in 2015 with a GDV of RM1.3 billion.

The construction of the headquarters of Menara CIMB was completed in March 2013, housing one of the largest financial institutions in the country within the Kuala Lumpur Sentral CBD.

North of the Peninsular, MRCB is embarking on an exciting new transit hub orientated development known as Penang Sentral. Located in Seberang Prai, Butterworth, and occupying about 23 acres, Penang Sentral will be an integrated urban development featuring a mix of commercial, retail and property development centred around a major transportation hub. This hub will serve as a point of entry from the mainland to Penang Island and vice-versa. With a GDV of approximately RM2.05 billion, the development is scheduled to be carried out in four (4) phases over a period of twelve (12) years, with construction works for Phase 1, scheduled to begin in Quarter 3 2014.

In Perak, MRCB is focusing its efforts on Bandar Seri Iskandar, a fully integrated residential development spread over 5,000 acres of land. In 2013, Seri Iskandar Development Corporation Sdn Bhd (SIDEK), a 70:30 joint venture between Malaysian Resources Development Sdn Bhd (MRDSB) and the Perak State Development Corporation, made considerable headway with Phase 2, a high-end, low density RM342 million development known as Puncak Iskandar. Phase 2 is expected to be fully completed by 2017.

The Property Division also provides total integrated facilities management and energy services via MRCB's wholly owned subsidiary, Semasa Services Sdn Bhd (SSSB), which caters to the commercial, industrial and government sectors as well as to transportation hubs and high rise buildings.

SSSB's projects encompass the management of Stesen Sentral Kuala Lumpur and the Penang Sentral Temporary Terminal in Butterworth. Meanwhile, Semasa Parking Sdn Bhd manages car park operations both for the Group and for external clients.

SSSB is also involved in energy efficiency and green technology consultancy, focusing on improving the efficiency of the utilisation of resources such as energy, water and materials.



## Engineering & Construction (E&C)

During the year, the E&C division completed the construction of Menara CIMB, Menara Shell and Nu Sentral shopping mall at Kuala Lumpur Sentral CBD. Construction of Q Sentral and The Sentral Residences are currently on going and are scheduled for completion in 2015 and 2016 respectively.

The E&C division is also involved in facilities work for the Ampang Line LRT extension as well as fabrication and delivery of segmental box girders for the Kelana Jaya Line LRT extension.

In highway construction, MRCB is currently collaborating with UEMB in a Joint-Venture to construct for PLUS, a RM1.4 billion fourth lane extension from Shah Alam to the Rawang/Jalan Duta Toll Plaza and from Nilai Utara to Seremban as well as the New Seremban Interchange. The Division through its wholly-owned subsidiary, Transmission Technology Sdn Bhd, has been actively involved in the Engineering, Procurement and Construction of high voltage transmission projects comprising substations, overhead transmission lines and underground cabling works. One of the major projects procured during the year was the construction of a transmission line from Pantai Siring to Pulau Besar, Melaka, which is a first in Malaysia involving the installation of overhead transmission lines crossing over the Straits of Malacca.

## Infrastructure & Concession

This Division started the year by completing two (2) projects awarded by the Department of Irrigation and Drainage with a combined value of RM86.8 million. Phase 2 of works to upgrade the Sungai Pahang river and estuary was completed ahead of schedule in March 2013; which also saw the completion of Phase 3 of the protection works at the Sungai Perai river mouth and adjacent coastal areas.

Subsequently, in August 2013, MRCB was awarded the Phase 3 works of the Pahang project. Work began in September 2013 and the project is expected to be completed in 2015. This division is actively seeking to secure other river, beach and coastline rehabilitation projects.

In Johor Bahru, 2013 witnessed the completion of the EDL Expressway Rest & Service station, which provides users with a variety of facilities 24 hours a day.

## RECOGNITION AND AWARDS

MRCB once again achieved acclaim for its differentiation in the market via the FIABCI Malaysia Property Award under the Sustainable Development category for Platinum Sentral, an office-campus style green building in the Kuala Lumpur Sentral CBD. I would also like to congratulate our Group Managing Director, Datuk Mohamad Salim Bin Fateh Din, for receiving the Industry Excellence Award for Development and Construction at the 5th Malaysia Business Awards.

## CORPORATE SOCIAL RESPONSIBILITY

MRCB's Corporate Social Responsibility (CSR) programme follows the basis of its five pillars: Community, Environment, Education, Arts and Philanthropy.

During the year, the Group reiterated its commitment to green technology and sustainability, which has become a Key Performance Indicator in its assessment of performance. MRCB differentiates itself from the rest of the market by focusing on developments that comply with Malaysia's Green Building Index, the US Leadership in Energy and Environmental Design standards and Singapore's Building and Construction Authority Green Mark.

As part of its efforts to give back to the community, MRCB continued to sponsor seven (7) schools with a total enrolment of 3,500 students under the Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) programme. In conjunction with promotion of education MRCB conducted the ground breaking ceremonies for three community libraries under MRCB's 1Malaysia library project.

To boost awareness on the threat of global warming, the Group took part in the global Earth Hour movement in March.



## CHAIRMAN'S STATEMENT

MRCB held its 11th High Achievers' Awards for children of Company staff who achieved commendable results for the Sijil Tinggi Persekolahan Malaysia, Sijil Pelajaran Malaysia, and Penilaian Menengah Rendah. It also hosted a Trisakti Civil Engineering from Indonesia study excursion.

As part of the Group's commitment to ensure public safety, MRCB constantly monitors and benchmarks the protocols and standard operating procedures of the Group's Emergency Response Plan, which is designed to tackle various situations ranging from fires to bomb threats and natural disasters at all its premises.

As part of its efforts in the Lahad Datu incursion, MRCB launched a donation drive in aid of our Malaysian heroes who fell defending our country. MRCB had also donated RM500,000 in November to East Coast flood victims via the NSTP-Media Prima Flood Relief Fund.

Our full CSR report is available on our website at [www.mrcb.com](http://www.mrcb.com) and in our Sustainability Report 2013.

### PROSPECTS

In 2014, the Malaysian economy is expected to achieve a growth in gross domestic product of 5.0% to 5.5%.

Against this backdrop, the Group has embarked on a transformation plan which involves the monetisation and crystallisation of its non-core assets. The first of such exercises were the proposed disposal of its 30% equity interest in the Duta-Ulu Kelang Expressway to Ekovest Bhd for a cash consideration of RM228 million and the proposed disposal of Platinum Sentral to Quill Capita Trust for RM750 million. The proposed disposals would reduce debt and strengthen our balance sheet and cash-flow position, enabling the Group to invest further in landbank in prime areas. As part of its transformation, MRCB is focussing on its competitive edge which is transit hub-orientated developments and green technology.

Together, these initiatives will boost MRCB's status as a leading property investment, development and construction company, which I believe will complement the Group's strategy moving forward.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank the management and all staff within the Group for their tremendous contribution to the achievement of MRCB's objectives during the year. In addition, I deeply appreciate the wisdom and guidance contributed by my contemporaries on the Board throughout the year.

Let me take this opportunity to thank and express my gratitude to Dato'Ahmad Ibniহার and Che King Tow, both of whom resigned as board members during the year under review, for their invaluable knowledge, insight and contribution to MRCB's strategic development.

I would also like to welcome the newest additions to the Board of MRCB, Dato' Johari Razak, Puan Rohaya Mohammad Yusof, Dato' Ishak Haji Mohamed and Tan Sri Ahmad Fuad Ismail. We are also profoundly grateful for the continued support by various Government authorities as well as by our financiers, associates, suppliers, customers and above all our shareholders.

### TAN SRI AZLAN ZAINOL

Chairman

## PENYATA PENGURUS

### PARA PEMEGANG SAHAM YANG DIHARGAI,

Pada tahun 2013, Malaysian Resources Corporation Berhad ("MRCB") telah meneruskan pelaksanaan pelbagai projek utama serta mendapatkan tanah simpanan baharu di sekitar Lembah Klang untuk pembangunan masa depan. Dari perspektif kewangan, MRCB menghadapi satu tahun yang mencabar bagi tempoh berakhir 31 Disember 2013 di mana hasilnya susut kepada RM940.9 juta berbanding RM1,243.5 juta yang dicapai pada tahun 2012. Ia mencatatkan kerugian sebelum cukai sebanyak RM110.4 juta berbanding keuntungan sebelum cukai sebanyak RM124.9 juta pada tahun sebelumnya yang dicapai melalui operasi berterusan.

Punca utama yang menyebabkan hasil susut ialah kesan pengiktirafan hasil daripada pembangunan menara pejabat dan hotel Lot G di Kuala Lumpur Sentral yang dijual secara 'en-bloc' dan telah diiktiraf secara berperingkat berasaskan kepada peratus penyediaan pada tahun-tahun kewangan terdahulu. Pembinaan menara pejabat ini telah disiapkan pada bulan Disember 2012, manakala pembinaan hotel pula disiapkan pada bulan Januari 2013.

Sebab utama yang mengakibatkan Kumpulan mencatatkan kerugian pada tahun 2013 ialah pelarasan sekali sahaja yang timbul daripada pengurangan di dalam pelarasan nilai saksama hasil jualan menara pejabat Lot G dan beberapa peruntukan lain berkaitan kos pembinaan.

Walau bagaimanapun, saya dengan sukacitanya ingin melaporkan bahawa sungguhpun menerima kesan daripada pelarasan dan peruntukan ini; Kumpulan masih mampu mencatatkan semula keuntungan pada suku terakhir 2013 dengan merekodkan keuntungan sebelum cukai sebanyak RM19.3 juta.

Bagi tahun kewangan berakhir 31 Disember 2013, para Pengarah mencadangkan pembayaran dividen satu peringkat pertama dan akhir bagi tahun kewangan berakhir 31 Disember 2013 sebanyak 1.0% atau 1.0 sen sesaham biasa berjumlah kira-kira RM16.51 juta. Pembayaran dividen ini tertakluk kepada kelulusan para pemegang saham di Mesyuarat Agung Tahunan akan datang.

### MAKLUMAT KORPORAT

Pada tahun kewangan ini, MRCB mengambilalih 100% saham Gapurna Land Sdn Bhd, Gapurna Builders Sdn Bhd, Gapurna Global Solutions Sdn Bhd, Gelanggang Harapan Construction Sdn Bhd dan Puncak Wangi Sdn Bhd melalui bayaran tunai sebanyak RM60,651,416 dan terbitan sebanyak 263,499,755 saham biasa baharu berharga RM1.00 sesaham pada harga terbitan RM1.43 bagi setiap saham MRCB, berserta dengan 75,285,645 waran boleh cerai percuma pada nilai wajar RM0.26 setiap waran yang berasaskan kepada dua waran boleh cerai percuma bagi setiap tujuh saham MRCB yang diterbitkan.

Langkah ini melambangkan satu mercutanda penting dalam strategi perniagaan MRCB kerana Kumpulan Gapurna membawa bersama mereka pengalaman yang luas dalam bidang pembinaan dan pembangunan hartanah dan ia juga memiliki beberapa bidang tanah simpanan bertaraf premium di sekitar Lembah Klang. Semua kelebihan ini menepati wawasan MRCB yang membolehkan sinergi antara kedua-dua entiti ini melonjakkan MRCB ke puncak yang lebih tinggi lagi dalam bidang pembinaan dan pembangunan hartanah.

## PENYATA PENGURUSI

### TINJAUAN OPERASI

#### Pembangunan Hartanah

Bahagian hartanah mencatatkan satu tahun amat sibuk di mana pelbagai pembangunan di Kuala Lumpur Sentral CBD, Pulau Pinang dan Bandar Seri Iskandar, Perak yang sedang dilaksana dan dirancang menunjukkan kemajuan berterusan.

Gedung membeli-belah Nu Sentral yang mempunyai Nilai Pembangunan Kasar (GDV) sebanyak RM1.05 bilion dan ruang boleh disewa bersih seluas 1.3 juta kaki persegi telah disiapkan pada suku ke-empat tahun 2013. Menampilkan konsep gaya hidup 'hijau' bersepadu yang pertama di Malaysia, gedung membeli-belah Nu Sentral mematuhi keperluan Indeks Bangunan Hijau (GBI) Malaysia dan *Building & Construction Authority (BCA) Green Mark*, Singapura.

Pembinaan pembangunan kediaman mewah MRCB, the Sentral Residences, menunjukkan kemajuan pembinaan yang lancar. Menara setinggi 55 tingkat yang terletak di Lot B, Kuala Lumpur Sentral CBD ini dijadual siap menjelang tahun 2016 dan mempunyai GDV bernilai RM1.3 bilion.

Q Sentral yang terletak bersebelahan The Sentral Residences, adalah menara pejabat 'Gred A' setinggi 45 tingkat dengan akreditasi GBI piawai Emas. Ia dijangka akan mencapai kadar sewa yang tinggi apabila siap pada tahun 2015. Projek ini mempunyai GDV bernilai RM1.2 bilion.

St. Regis Hotel & Residences Kuala Lumpur, hotel bertaraf 6 bintang bakal melengkapkan pembangunan tiga serangkai di Kuala Lumpur Sentral CBD. Hotel ini menyediakan bilik untuk disewa serta kediaman yang akan diurus dan dikendalikan oleh Kumpulan St. Regis. MRCB memiliki 30% ekuiti daripada pembangunan tersebut dengan GDV bernilai RM1.3 bilion. Ia dijadual siap pada tahun 2015.

Menara CIMB yang terletak di Kuala Lumpur Sentral CBD yang menjadi ibu pejabat CIMB Investment Bank, merupakan salah sebuah institusi kewangan terbesar di negara ini, telah siap pembinaannya pada bulan Mac 2013.

Di utara Semenanjung, MRCB sedang melaksanakan sebuah pembangunan berorientasikan hab transit baharu dikenali sebagai Penang Sentral. Terletak di Seberang Prai, Butterworth, dan menduduki kawasan seluas 23 ekar, Penang Sentral akan menjadi sebuah pembangunan bandar bersepadu yang menampilkan campuran hartanah komersial dan pusat membeli-belah di sekeliling sebuah hab pengangkutan utama. Hab ini akan bertindak sebagai pintu masuk ulang-alik dari Butterworth ke Pulau Pinang dan seterusnya. Pembangunan dengan GDV bernilai kira-kira RM2.05 bilion ini dijadual akan dilaksanakan dalam empat (4) fasa sepanjang tempoh dua belas (12) tahun. Kerja pembinaan bagi Fasa 1 dijadual akan dimulakan pada suku Ketiga tahun 2014.

Di Perak, MRCB sedang menumpukan usahanya di Bandar Seri Iskandar, iaitu sebuah pembangunan kediaman bersepadu yang meliputi kawasan seluas lebih 5,000 ekar. Pada tahun 2013, Seri Iskandar Development Corporation Sdn Bhd, sebuah syarikat usahasama 70:30 antara Malaysian Resources Development Sdn Bhd (MRDSB) dengan Perbadanan Kemajuan Negeri Perak, telah menunjukkan kemajuan ketara dalam pembangunan Fasa 2. Pembangunan bernilai RM342 juta yang dikenali sebagai Puncak Iskandar ini merupakan sebuah pembangunan agak mewah berkepadatan rendah dan dijangka siap sepenuhnya menjelang tahun 2017.

Bahagian Hartanah juga menyediakan perkhidmatan pengurusan kemudahan bersepadu dan tenaga secara menyeluruh melalui syarikat subsidiari milik penuh MRCB, Semasa Services Sdn Bhd (SSSB), yang memenuhi keperluan sektor komersial, perindustrian, kerajaan dan turut menyediakan perkhidmatan kepada hab pengangkutan serta bangunan bertingkat tinggi.

Projek SSSB merangkumi pengurusan Stesen Sentral Kuala Lumpur dan Terminal Sementara Penang Sentral di Butterworth. Sementara itu, Semasa Parking Sdn Bhd pula menguruskan operasi tempat letak kereta untuk Kumpulan dan juga pelanggan luar.

SSSB turut terlibat dalam khidmat rundingan kecekapan tenaga dan teknologi hijau dengan memfokus tumpuan kepada usaha menambahbaik tahap kecekapan penggunaan pelbagai sumber seperti tenaga, air dan bahan.



## Kejuruteraan & Pembinaan ("E&C")

Pada tahun ini, bahagian Kejuruteraan & Pembinaan (E&C) telah menyiapkan pembinaan Menara CIMB, Menara Shell dan gedung membeli-belah Nu Sentral di Kuala Lumpur Sentral CBD. Pembinaan Q Sentral dan The Sentral Residences kini sedang giat dijalankan dan masing-masing dijadual siap menjelang tahun 2015 dan 2016.

Bahagian E&C turut terlibat dalam kerja fasiliti bagi sambungan laluan LRT Ampang serta fabrikasi dan penghantaran galang kotak bersegmen bagi sambungan laluan LRT Kelana Jaya.

Dalam pembinaan lebuh raya pula, MRCB dan UEMB melalui sebuah perjanjian usahasama, sedang membina untuk PLUS pelebaran lorong keempat bernilai RM1.4 bilion dari Shah Alam ke Plaza Tol Rawang/Jalan Duta dan dari Nilai Utara ke Seremban. Bahagian E&C ini melalui syarikat subsidiari milik penuhnya, Transmission Technology Sdn Bhd, telah terlibat secara aktif dalam kejuruteraan, pemerolehan dan pembinaan pelbagai projek penghantaran voltan tinggi yang meliputi pencawang, talian penghantaran atas dan kerja menanam kabel bawah tanah. Salah satu projek utama yang diperoleh pada tahun ini ialah pembinaan sebuah talian penghantaran dari Pantai Siring ke Pulau Besar, Melaka, yang merupakan projek pertama seumpamanya di Malaysia yang melibatkan pemasangan talian atas melintasi Selat Melaka.

## Infrastruktur & Konsesi

Bahagian ini memulakan tahun ini dengan menyiapkan dua projek, secara gabungan bernilai RM86.8 juta, melalui kontrak daripada Jabatan Pengairan dan Saliran. Kerja Fasa 2 untuk menaik taraf sungai dan muara di Sungai Pahang telah disiapkan lebih awal daripada yang dijadualkan, iaitu pada bulan Mac 2013, di mana pada masa yang sama, ia turut menyaksikan penyiapan kerja pemuliharaan di muara Sungai Perai dan kawasan pesisir pantai bersebelahannya dalam Fasa 3.

Selepas itu, pada bulan Ogos 2013, MRCB telah mendapat kontrak untuk kerja projek Pahang Fasa 3. Kerja tersebut telah dimulakan pada bulan September 2013 dan projek ini dijangka siap pada tahun 2015. Bahagian ini sedang berusaha secara aktif untuk mencari pelbagai projek pemulihan sungai, pantai dan pesisir pantai yang lain.

Di Johor Bahru, tahun 2013 menyaksikan penyiapan Hentian Rehat & Rawat Lebuh raya EDL yang menyediakan pelbagai kemudahan kepada para pengguna sepanjang 24 jam sehari.

## PENGIKTIRAFAN DAN ANUGERAH

MRCB telah sekali lagi mendapat penghormatan kerana menampilkan keunikan di pasaran melalui Anugerah Hartanah FIABCI Malaysia di bawah kategori Pembangunan Mampan yang diterima untuk Platinum Sentral, iaitu bangunan hijau bergaya pejabat-kampus yang terletak di Kuala Lumpur Sentral CBD. Saya juga ingin mengucapkan tahniah kepada Pengarah Urusan Kumpulan kita, Datuk Mohamad Salim bin Fateh Din yang telah menerima Anugerah Kecemerlangan Industri bagi kategori Pembangunan dan Pembinaan di majlis penyampaian Anugerah Perniagaan Malaysia Ke-5.

## PENYATA PENGURUSI

### TANGGUNGJAWAB SOSIAL KORPORAT

Program Tanggungjawab Sosial Korporat (CSR) MRCB dilaksana mengikut lima (5) teras asasnya: Komuniti, Alam Sekitar, Pendidikan, Kesenian dan Kedermawanan.

Pada tahun ini, Kumpulan telah mengukuhkan lagi komitmennya terhadap teknologi hijau dan kemampanan yang menjadi Petunjuk Prestasi Utama dalam penilaian prestasinya. MRCB berbeza daripada saingannya di pasaran dengan memfokus tumpuan kepada pembangunan yang mematuhi Indeks Bangunan Hijau Malaysia, piawaian *Leadership in Energy and Environmental Design*, Amerika Syarikat dan *Building and Construction Authority Green Mark*, Singapura.

Sebagai sebahagian daripada usahanya untuk menyumbang kepada masyarakat, MRCB meneruskan usaha menaja tujuh (7) buah sekolah dengan bilangan 3,500 pelajar di bawah program *Promoting Intelligence, Nurturing Talent and Advocating Responsibility* (PINTAR). Dalam bidang pendidikan pula, MRCB telah melaksanakan upacara pecah tanah untuk mendirikan tiga buah perpustakaan komuniti di bawah projek perpustakaan 1Malaysia MRCB.

Bagi mempertingkatkan lagi tahap kesedaran terhadap ancaman pemanasan global pula, Kumpulan telah mengambil bahagian dalam gerakan 'Earth Hour' global yang berlangsung pada bulan Mac.

MRCB menganjurkan Anugerah Pencapaian Cemerlang kali ke-11 untuk anak-anak kakitangan Syarikat yang memperoleh keputusan cemerlang dalam peperiksaan Sijil Tinggi Persekolahan Malaysia, Sijil Pelajaran Malaysia dan Penilaian Menengah Rendah. Ia turut menjadi tuan rumah bagi lawatan sambil belajar Trisakti Civil Engineering dari Indonesia.

Sebagai sebahagian daripada komitmen Kumpulan untuk memastikan keselamatan awam, MRCB sentiasa memantau dan menanda aras protokol dan prosedur operasi Pelan Tindak Balas Kecemasan Kumpulan yang bertujuan untuk menghadapi pelbagai situasi; daripada kebakaran hinggalah kepada ancaman letupan bom dan bencana alam di semua premisnya.

Sebagai tanda prihatin terhadap peristiwa pencerobohan di Lahad Datu, MRCB telah melancarkan kempen memungut derma bagi membantu wira-wira Malaysia yang gugur semasa mempertahankan negara. MRCB turut menghulurkan sumbangan sebanyak RM500,000 pada bulan November kepada mangsa-mangsa banjir di Pantai Timur melalui Tabung Bantuan Banjir NSTP-Media Prima.

Laporan lengkap CSR boleh didapati di laman sesawang kami di [www.mrcb.com](http://www.mrcb.com) dan dalam Laporan Kemampanan 2013.

## PROSPEK

Pada tahun 2014, ekonomi Malaysia dijangka akan mencapai pertumbuhan keluaran dalam negara kasar sebanyak 5.0% hingga 5.5%.

Berlatarkan suasana sedemikian, Kumpulan telah melancarkan sebuah pelan transformasi yang melibatkan 'monetisation' & merealisasi aset-aset bukan terasnya. Langkah pertamanya melibatkan cadangan penjualan 30% kepentingan ekuiti dalam Lebuhraya Duta-Ulu Kelang kepada Ekovest Bhd dengan bayaran tunai sebanyak RM228 juta dan cadangan penjualan Platinum Sentral kepada Quill Capita Trust sebanyak RM750 juta. Cadangan penjualan ini akan mengurangkan hutang Kumpulan dan pada masa yang sama, mengukuhkan kunci kira-kira serta kedudukan aliran tunai Kumpulan bagi membolehkan Kumpulan menyalur pelaburan untuk menambahkan tanah simpanannya di beberapa kawasan bertaraf premium. Sebagai sebahagian daripada langkah transformasinya, MRCB sedang memfokus daya saingnya iaitu pembangunan berorientasikan hab transit dan teknologi hijau.

Semua inisiatif ini secara keseluruhan akan mempertingkatkan lagi status MRCB sebagai sebuah syarikat pelaburan hartanah, pembangunan hartanah dan pembinaan terkemuka yang saya percaya akan melengkapkan strategi Kumpulan untuk terus mara ke hadapan.

## PENGHARGAAN

Saya bagi pihak Lembaga Pengarah, ingin mengucapkan terima kasih kepada pengurusan dan seluruh kakitangan dalam Kumpulan atas sumbangan yang mereka curahkan bagi membolehkan MRCB mencapai objektifnya pada tahun ini. Di samping itu, saya amat menghargai kebijaksanaan serta bimbingan yang diberikan oleh rakan-rakan saya dalam Lembaga Pengarah sepanjang tahun ini.

Tidak lupa juga saya ucapkan terima kasih dan penghargaan setinggi-tingginya kepada Dato' Ahmad Ibnihar dan Che King Tow atas sumbangan yang tidak ternilai, pengetahuan dan juga buah fikiran mereka yang telah memacu pembangunan strategik MRCB. Mereka telah meletakkan jawatan masing-masing sebagai ahli lembaga pengarah pada 2013.

Saya juga mengalu-alukan ahli lembaga pengarah baru MRCB iaitu Dato' Johari Razak, Puan Rohaya Mohammad Yusof, Dato' Ishak Haji Mohamed dan Tan Sri Ahmad Fuad Ismail. Kami juga sangat berterima kasih terhadap sokongan berterusan yang diberikan oleh pelbagai pihak berkuasa Kerajaan dan para pembiaya, rakan-rakan dalam perniagaan, para pembekal, pelanggan dan tidak ketinggalan para pemegang saham sekalian.

## TAN SRI AZLAN ZAINOL

Pengerusi



# GROUP FINANCIAL HIGHLIGHTS

	2009 RM'000	2010 RM'000	2011 RM'000 (restated)	2012 RM'000 (restated)	2013 RM'000
Revenue	921,616	1,067,579	1,226,705	1,243,511	940,910
Gross Profit Margin (%)	15	18	18	22	3
Profit/(Loss) Before Income Tax	46,492	97,575	123,313	124,922	(110,367)
Earnings/(Loss) *	34,624	67,268	93,524	60,122	(109,132)
Earnings/(Loss) Per Share (sen) **	4	5	7	4	(7)
Return On Average Shareholders' Funds (%)	5	7	7	4	(7)
Total Assets	3,118,752	4,388,340	5,408,484	5,954,817	6,602,724
Shareholders' Funds	671,919	1,286,225	1,371,780	1,413,796	1,675,416
Borrowings	1,633,419	1,996,888	2,728,404	3,309,452	3,503,299
Net Assets Backing Per Share (RM) ***	0.74	0.93	0.99	1.02	1.01

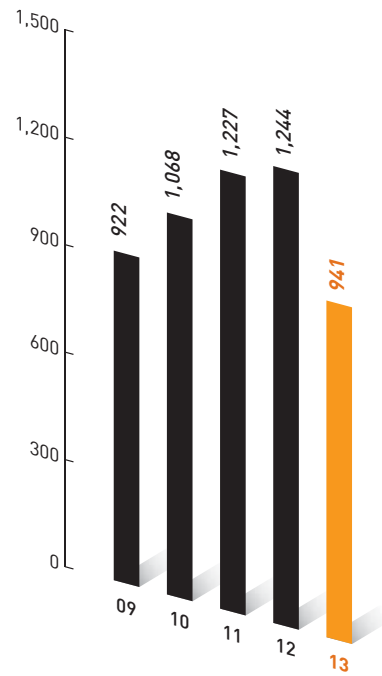
\* Earnings/(Loss) : Profit/(Loss) attributable to the equity holders of the Company.

\*\* Based on weighted average number of shares issued during the year.

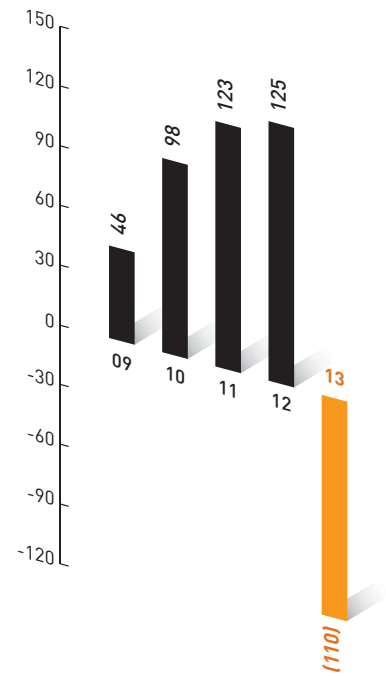
\*\*\* Based on number of shares issued as at year end.

# CHARTS

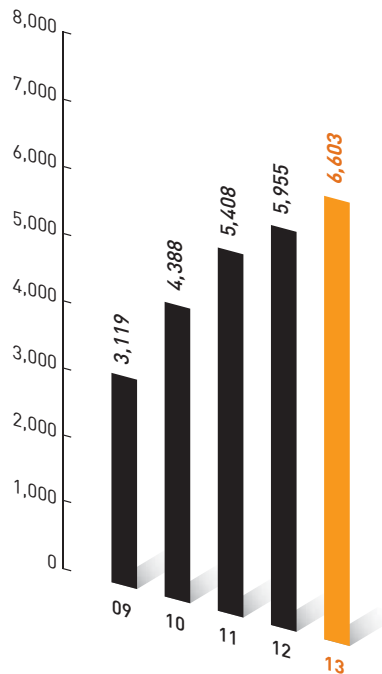
**Group Revenue**  
(RM million)



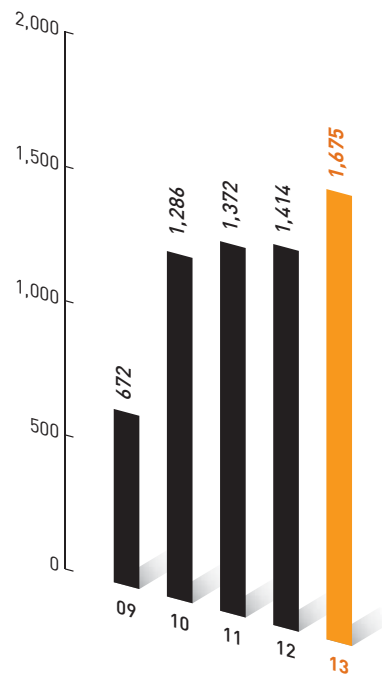
**Group Profit/(Loss)  
Before Income Tax**  
(RM million)



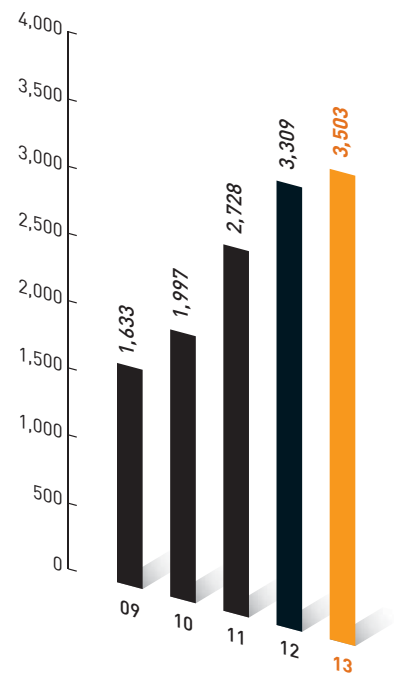
**Group Total Assets**  
(RM million)



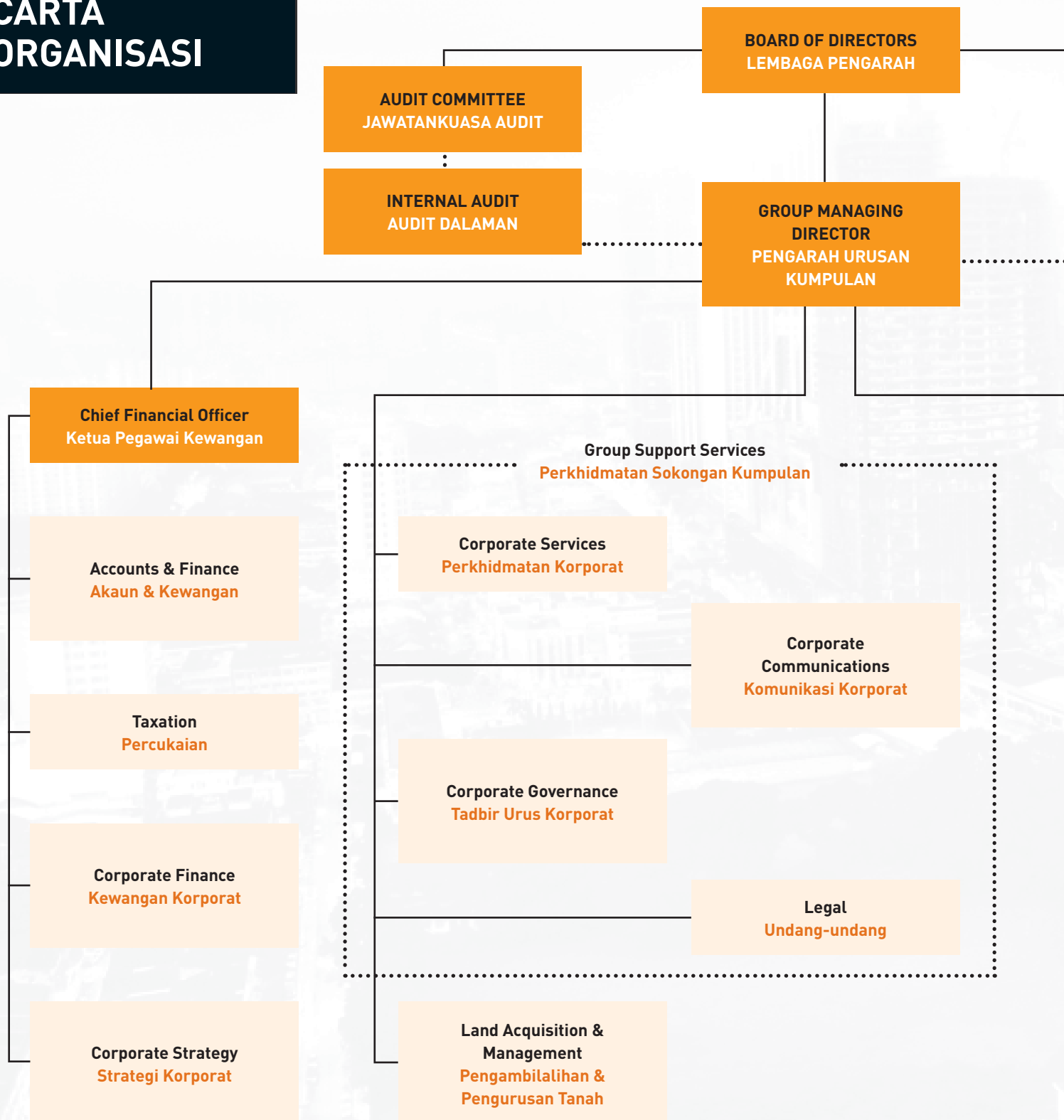
**Group Shareholders' Funds**  
(RM million)



**Group Borrowings**  
(RM million)



# ORGANISATION CHART CARTA ORGANISASI





**COMPANY SECRETARY**  
**SETIAUSAHA SYARIKAT**

**Group Chief Operating Officer**  
**Ketua Pegawai Operasi Kumpulan**

**Property**  
**Hartanah**

**Infrastructure & Concession**  
**Infrastruktur & Konsesi**

**Engineering & Construction**  
**Kejuruteraan & Pembinaan**

**Facilities Management**  
**Pengurusan Kemudahan**

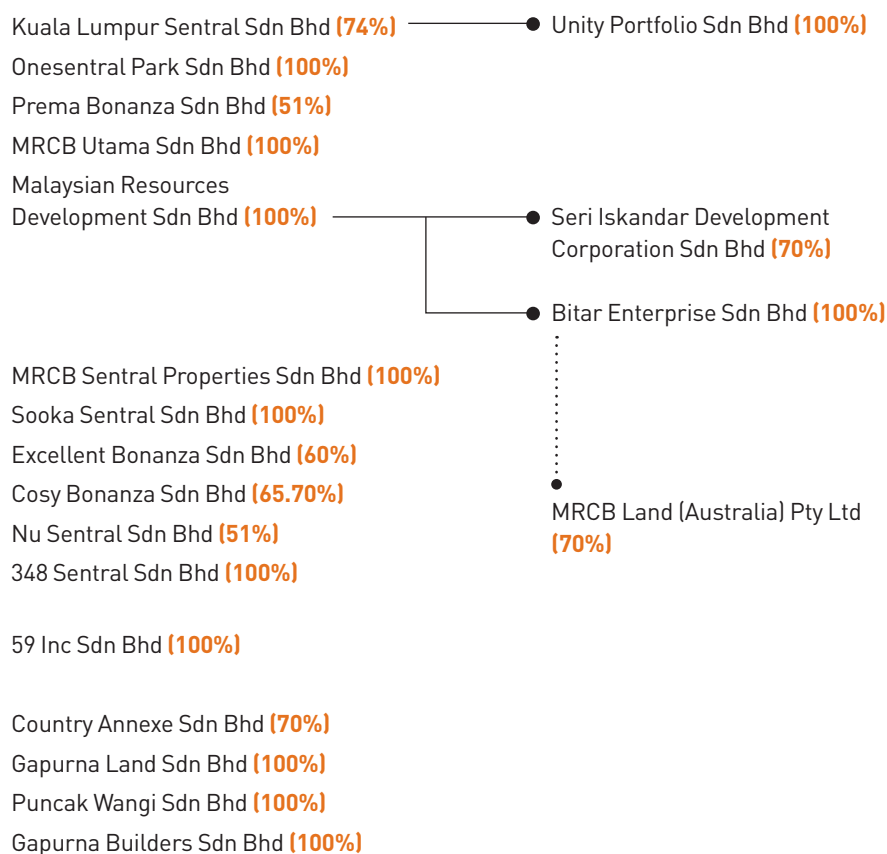
**Security, Health, Safety & Environment**  
**Senior Vice President**  
**Naib Presiden Kanan**  
**Keselamatan, Kesihatan,**  
**Kesejahteraan & Alam Sekitar**

**Security/Auxiliary Police**  
**Keselamatan/Polis Bantuan**

**Health, Safety & Environment**  
**Kesihatan, Kesejahteraan & Alam Sekitar**

# CORPORATE STRUCTURE STRUKTUR KORPORAT

## PROPERTY HARTANAH



## FACILITIES MANAGEMENT PENGURUSAN KEMUDAHAN

Semasa Sentral Sdn Bhd (100%)  
 Semasa Services Sdn Bhd (100%)  
 Semasa Parking Sdn Bhd (100%)  
 Semasa Sentral (Penang) Sdn Bhd (100%)

## ENGINEERING & CONSTRUCTION

### KEJURUTERAAN & PEMBINAAN

MRCB Engineering Sdn Bhd (100%)

Milmix Sdn Bhd (100%)

Transmission Technology Sdn Bhd (100%)

Region Resources Sdn Bhd (100%)

Gelanggang Harapan Construction Sdn Bhd (100%)

MRCB Environmental

Services Sdn Bhd (100%) —● MRCB Environment Sdn Bhd (55%)

## INFRASTRUCTURE & CONCESSION

### INFRASTRUKTUR & KONSESI

MRCB Prasarana Sdn Bhd (100%) —● MRCB Lingkaran Selatan Sdn Bhd (100%)

.....● MRCB Southern Link Berhad  
(100%)

## INFORMATION TECHNOLOGY

### TEKNOLOGI MAKLUMAT

MRCB Technologies Sdn Bhd (100%)



## OPERATIONS REVIEW

The year 2013 was another busy year for MRCB and its subsidiaries, especially in Kuala Lumpur Sentral CBD where completed projects and ongoing development kept the tempo up for MRCB's workforce, as they maintain their high standards in construction and property management. The frenetic pace at this CBD is reflected else where in Klang Valley, Perak and Pulau Pinang where other on-going projects were in various stages of completion.



## SENIOR MANAGEMENT

### MENARA SHELL





FROM LEFT TO RIGHT

**ANN WAN TEE**  
Chief Financial Officer

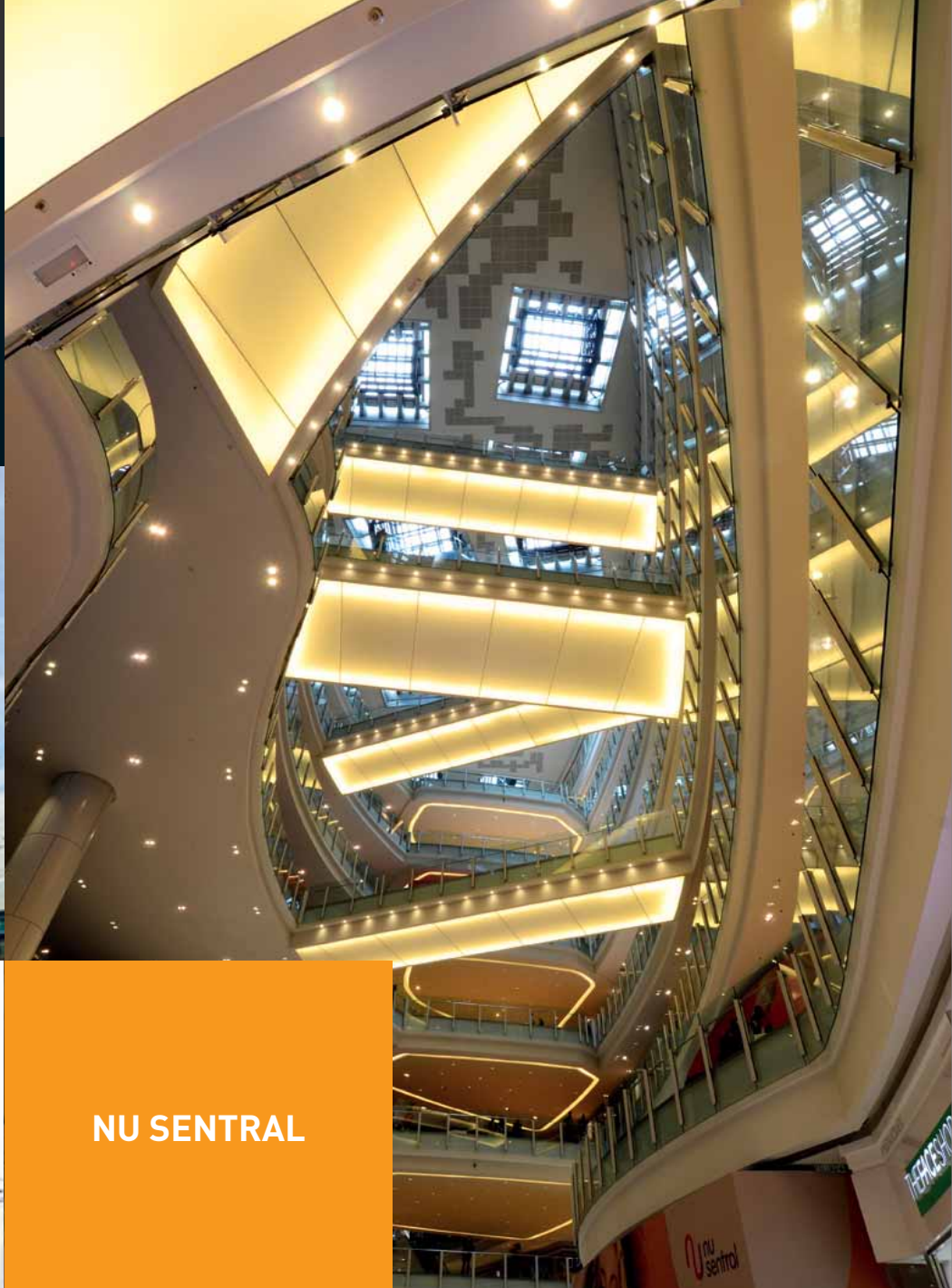
**IMRAN DATUK  
MOHAMAD SALIM**  
Group Chief  
Operating Officer

**KWAN JOON HOE**  
Senior Vice President,  
Property

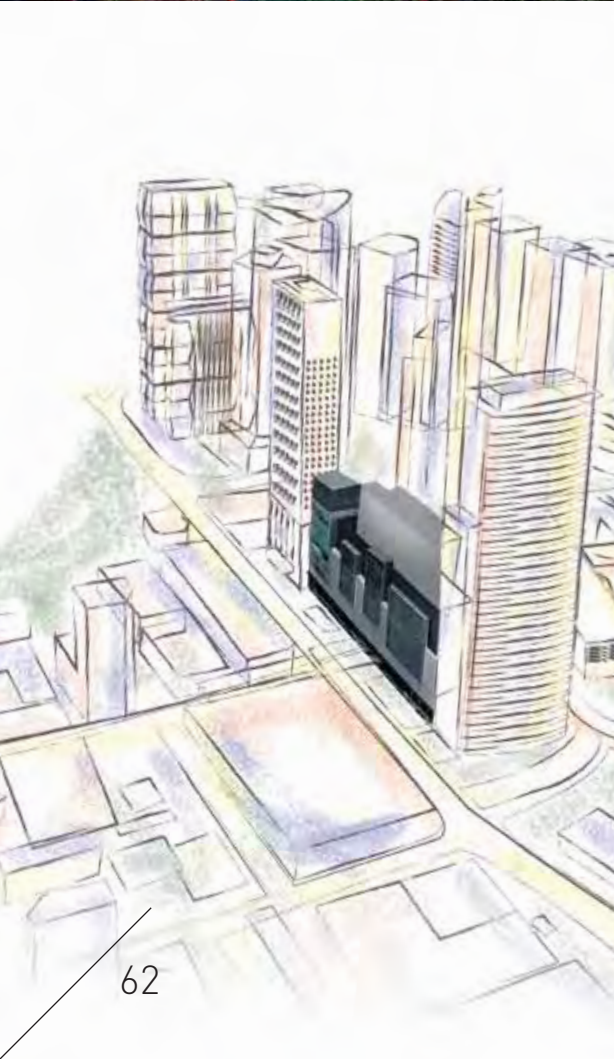




## PROPERTY DEVELOPMENT



## NU SENTRAL





In 2013, the completion of the 348 Sentral development, which comprises Menara Shell and Ascott Sentral, saw MRCB's continuous commitment to sustainable development being recognized with a Leadership in Energy and Environmental Design (LEED) Platinum certification from the US Green Building Council and a Malaysian Green Building Index (GBI) Gold certification. The green features are expected to record 46% energy savings and 5,000 tonnes in carbon emission reduction.

This commitment towards sustainability has become a key performance indicator for the Group's investment projects. MRCB's property arm via MRCB Land is presently developing several projects that also adopt the US-based LEED principles, Malaysia's GBI and Singapore's Building and Construction Authority (BCA) Green Mark standards for Sustainability.

Together with the completion of 348 Sentral, MRCB Land's business activities progressed smoothly within the iconic Kuala Lumpur Sentral CBD and were complemented with launches of commercial and residential products in Bandar Seri Iskandar Township in Perak and the 23-acre Senawang Sentral Business Park in Senawang Negeri Sembilan.

FROM LEFT TO RIGHT

**WONG HONG YEONG**

Vice President,  
Commercial & Office Leasing

**LOK NGAI HEY**

Vice President, Property





## PROPERTY DEVELOPMENT

### KUALA LUMPUR SENTRAL CENTRAL BUSINESS DISTRICT (CBD)

#### On-going Developments at Kuala Lumpur Sentral CBD

Lot A, a prime development within the Kuala Lumpur Sentral CBD that is built facing the exclusive Federal Hill, Bangsar and Damansara neighbourhoods, is now known as Menara CIMB, the new corporate headquarters of CIMB Investment Bank. Lot A Sentral Sdn Bhd (LASSB), a joint venture company between Maple Dextra Pte Ltd and CMREF1 Sdn Bhd, acquired Lot A in 2007.

Menara CIMB, completed in March 2013, incorporates Islamic motifs in its architectural design and offers full-fledged international fine dining experience with a state-of-the-art 200-seat auditorium, apart from a full-service banking hall. Menara CIMB has a GFA of 834,000 sq. ft. and a GDV of RM404 million. This new office tower will bring a major financial institution to Kuala Lumpur Sentral CBD and will act as the anchor for the development of a new financial hub for Kuala Lumpur.



#### Q SENTRAL

Q Sentral is destined to become an iconic landmark in the Kuala Lumpur skyline, as a stratified Grade A 45-storey office tower with a GBI Gold accreditation that carries one of the highest rating for Green Standards. The office tower will be one of the largest single floor plates at 40,000 sq. ft. compared to the average 15,000 sq. ft. for most offices. The project is expected to be completed in 2015 and will have a GDV of about RM1.2 billion. Since its launch in September 2011, sales of 96.8% have been achieved. Q Sentral is an important component in the realisation of the overall vision for Kuala Lumpur Sentral CBD. This energy efficient building is at more than 48.93% completion by the end of 2013.

Q Sentral is strategically located between the up-and-coming MRT Station and Kuala Lumpur's transportation hub, Stesen Sentral Kuala Lumpur (SSKL). With its unique and strategic location, it will act as a pathway for the public to move between the MRT station, SSKL and Kuala Lumpur Sentral CBD with a walkway connecting it to Platinum Sentral, another Green building developed by MRCB.

### ALOFT HOTEL AND NU TOWER 1 & 2

A joint development at Lot G by MRCB and partner, Aseana Properties Limited, UK, has produced two office towers known as Nu Tower 1 & 2 and the 482-room business class hotel known as Aloft Hotel. Both were completed at the end of 2012 and March 2013 respectively. The Aloft hotel complements Hilton Kuala Lumpur and Le Meridien Kuala Lumpur by offering a different level of service to discerning business and leisure travelers, besides enhancing the city's hospitality industry with its dynamic blend of modern design, technology and entertainment. The Aloft hotel in Kuala Lumpur is the largest in the world with a 700 capacity banquet hall.

The 26-storey Nu Tower 1 offers a total of 259,632 sq. ft. of nett lettable area while the Nu Tower 2 has 498,309 sq. ft. of nett lettable area. MRCB Land retains the management of both office towers. With a combined GFA of 757,941 sq. ft. and GDV of RM843 million, Nu Tower 1 & 2 and Aloft Hotel will support the Group's strategy to enhance recurring income from development and management services.



## 1 SENTRUM AND NU SENTRAL

The Nu Sentral retail mall has secured two major anchor tenants, Parkson and Golden Screen Cinema (GSC). GSC has plans to build 12 screening halls. These two tenants occupy more than 186,000 sq. ft. Other well-known retail brands that have secured a space include Harvey Norman, H&M, Monki, Victoria Secret, Swiss Watch Gallery and Tumi.

These new tenants will take up approximately 116,000 sq. ft. of floor space in this nine-storey building with a GFA of 1.3 million sq. ft. and GDV of over RM1 billion that offers 287 retail lots for lease. Food & beverage tenants include Tony Roma's, California Pizza Kitchen, TGI Friday's, McDonald's, Dubu Dubu, Nando's, Manhattan Fish Market, Sakae Sushi, Waroeng Penyet, Cream & Fudge, Sushi Tei, Starbucks, O'Briens and many more. Cotton On, Levi's, Dockers, Hush Puppies, La Senza, L'occitane, The Executive, Pedro, Charles & Keith, and Scholl are some of the confirmed brands under the fashion category.

A plus factor for Nu Sentral is its direct link to the Aloft hotel via an air-conditioned bridge from the first floor of the hotel, which is expected to reflect its promise to combine lifestyle shopping with convenience that appeals to discerning modern and urban consumers. Its retail mall is complemented by 1.8 acres of roof garden with huge event area and alfresco dining illuminated by lanterns in the evenings.

With a captive market of over 800,000 households and a total population of over 3.6 million, Nu Sentral offers a combination of connectivity, convenience and convergence to meet the ever-changing needs of retailers and consumers. Its ideal location is naturally



enhanced by direct connectivity to the Kuala Lumpur Sentral Monorail station and Stesen Sentral Kuala Lumpur. Positioned as the first integrated 'green' lifestyle retail mall in Malaysia, Nu Sentral is designed in compliance with Singapore's BCA Green Mark and Malaysia's GBI certifications. Nu Sentral adopts sustainable and green building practices. The retail mall is owned by Nu Sentral Sdn Bhd, a joint venture between MRCB and PHB and operated by MRCB Land.

The 1 Sentrum office tower with a GFA of over 540,000 sq. ft. adds an outstanding dimension to Jalan Tun Sambanthan, one of Kuala Lumpur's major public arterial transportation routes along the century-old Brickfields community. Pre-certified as a LEED Silver office building, awarded by the United States Green Building Council, it will reinforce MRCB leadership in sustainable development geared towards attracting international investors and businesses. More importantly, Lot G also provides an additional 2,000 car park bays to the existing car parking space in Kuala Lumpur Sentral CBD development.



## THE ST. REGIS HOTEL AND RESIDENCES KUALA LUMPUR

With a total investment worth about RM1.2 billion, CMY Capital Sdn Bhd, MRCB and Jitra Perkasa Sdn Bhd formed a joint venture (One IFC Sdn Bhd) to acquire and develop Lot C into the prestigious St. Regis Hotel and Residences. A tower comprising 208 rooms and 160 units of luxury residences with a GFA totalling over 1 million sq. ft., the 6-star St. Regis Hotel will occupy floors 1 to 22 of the tower while the luxury residences will be located above the hotel from floors 23 to 48.

This new high-end hospitality development will be managed by 6-star luxury hospitality brand St. Regis and will create a new benchmark in the hospitality industry and also a new landmark in the country's international tourism promotion. The hotel is expected to tap into a market of high-income tourists as the St. Regis brand caters to heads of states, diplomats, dignitaries and captains of industries. It will have 200,000 sq. ft. of convention facilities and will be one of the hotels with rooms that are among the largest in the world. The construction of the hotel and residences tower commenced in the fourth quarter of 2010 and completion is expected by 2014.



## PROPERTY DEVELOPMENT



The Sentral Residences

### THE SENTRAL RESIDENCES

Located next to the St. Regis Hotel and Residences, the development of Lot D undertaken by MRCB with the Quill Group of Companies, has recorded 85% sales secured for all 673 units of luxurious condominiums being offered under the brand The Sentral Residences. With a GFA of 1.4 million sq. ft. spread over two 55-storey towers and GDV of RM1.3 billion, The Sentral Residences will complement the existing Suasana Sentral and Suasana Sentral Loft Condominiums. In the topmost 8 levels, 80 of its most luxurious units are designed with extra volume ceiling heights to offer the best views of the fantastic Kuala Lumpur skyline panorama. Overlooking the Lake Gardens, National Museum and the city centre, The Sentral Residences will have spectacular views and luxury amenities for both its towers that are connected at the rooftop by a sky bridge. The generous facilities include a garden deck at level 2, Sky Lounge at level 45 and Sky Club at the rooftop of level 55. The garden deck offers a whole range of facilities that include a lush tropical garden landscape concept. The Sky Club has a more extensive offering of two rooftop saltwater infinity pools; a cafeteria surrounded by sun-shaded decks; verdant tropical trees landscaping and a gymnasium; a vantage point from where residents can enjoy views of Lake Gardens and KL City Centre while working out. More facilities are available at this rooftop level connected across both towers, creating an expansive relaxation area amongst the clouds.

The concept of exclusivity and luxury is incorporated into all units of The Sentral Residences, which are designed with individual private lift lobby, attached bathroom to all bedrooms and a powder room for guests. As with all new buildings under construction in Kuala Lumpur Sentral CBD, The Sentral Residences is designed for GBI Gold green rating and is expected to be completed in 2016.



### On-going Residential and Commercial Developments

#### BANDAR SERI ISKANDAR, MALAYSIA

Seri Iskandar Development Corporation Sdn Bhd (SIDEK), a 70:30 joint venture between Malaysian Resources Development Sdn Bhd (MRDSB) and the Perak State Development Corporation (PKNP) is progressing well with Puncak Iskandar, the Phase 2 development of Bandar Seri Iskandar (BSI) that is worth RM342 million and which is expected to be completed by 2017. Covering approximately 250 acres, Puncak Iskandar comprises 282 units of terrace houses, 298 units of semi-detached houses and 113 units of bungalows. Its commercial development comprises 382 units of single and double-storey shop offices, 35 units of kiosks, 10 commercial plots and 1 petrol station.

Conceptualised as a high-end, low density development amidst lush greenery, Puncak Iskandar or BSI Phase 2 will continue to significantly contribute to the economic transformation of





Central Perak. A unique selling point of this development is the inclusion of swimming pools for all bungalow units and the incorporation of Islamic architecture in building designs.

Phase 2A comprising 80 units of terrace houses, 96 units of semi-detached houses, 50 units of bungalows, 14 units of shops and four units of kiosks received overwhelming response, with all units offered being sold off. All these units were completed and delivered to purchaser, except for 50 units of bungalows (Rafflesia/Areca) which was expected to be completed and delivered by June 2014.

Work on Phase 2B of Puncak Iskandar had already commenced with the development of ASTER 2, comprising 80 units of single storey terrace; ALPINIA 2, comprising 72 units of semi-detached houses and ASTER 3, comprising 78 units of single storey terrace houses. These developments was expected to be delivered by June and December 2014. Construction for 28 units of bungalows named BEGONIA was also

ongoing towards completion by mid 2015. The final parcel within Phase 2B, CASPIA, comprising 42 units of single storey semi-d would be launched in June 2014.

Meanwhile, design planning and construction works for Phase 2C had already commenced in 2013. Construction work for 64 units of double storey terrace houses (FRISIA) was 25% completed and delivery by early 2015. Another 33 units of bungalow and 88 semi-detached houses were in final design stage and launching of these units is expected to be by middle of September 2014.

For greater efficiency, the layout planning for Phase 3 development (170 acres) and re-zoning of Phase 2D (70 acres) were carried out concurrently while still in their design stages. Approval from relevant authorities is to be obtained by October 2014. Commencement of these developments will provide SIDEK with sales and revenue from 2015 onwards.

As a balanced and integrated development with a perfect mix of residential, commercial and industrial elements, BSI is ideally positioned as a self-sustained township by MRCB, which is spearheading the socio-economic development of Central Perak by promoting community living and creating value for its stakeholders. Located in the heart of the Kinta-Pangkor Corridor, the BSI development is spread over 5,000 acres and constitutes commercial, residential, industrial and recreational components with full public amenities.

In line with it being an integrated township and to meet the needs of BSI residents, the Ministry of Education had constructed a primary school, which has been in operation since June 2010. In this regard, SIDEK had sought to secure the Ministry of Education's support in the planning of a secondary school, to further enhance convenience for BSI residents. SIDEK had also successfully completed the RM151 million Phase 1 of BSI development with the delivery of 1,955 residential units and 113 units of shop lots to customers.



Artist impression of living spaces

## PROPERTY DEVELOPMENT

### TAMAN KAJANG UTAMA

A wholly-owned subsidiary of the Group, MRCB Utama Sdn Bhd (MRCB Utama), is undertaking the last parcel of development for Taman Kajang Utama, a matured township of 300 acres consisting of freehold commercial, residential and industrial components, offering connectivity and accessibility to a population of over 20,000. The development is in close proximity to various public amenities and offers a perfect environment for family and community living within its vicinity. The final project for this development is the Kajang Utama Phase 7 serviced apartments, with floor areas ranging from 950 sq. ft. to 1,200 sq. ft. and expected to be launched in 2014.



Artist impression of 3 Residences in Kajang Utama

Penang Sentral



This development is strategically located in Kajang, Selangor. It is accessible from highways via the North-South Highway, Cheras Highway and SILK Highway. These highways provide an amazing network of connectivity and mobility for residents to travel to Kajang, Sungai Besi, Cheras, Bangi, Kuala Lumpur, Putrajaya, Cyberjaya and beyond. Public transportation such as bus service is available within the township and the KTM commuter station in nearby Kajang town provides a link to the huge multi-rail network in the Klang Valley.

### PENANG SENTRAL

Penang Sentral Sdn Bhd, is a Joint-Venture Company set up between Malaysian Resources Corporation Berhad (MRCB, 49%) and Pelaburan Hartanah Berhad (PHB, 51%) to develop Penang Sentral.

Penang Sentral is a transport-oriented integrated urban development, comprising commercial and residential components incorporated with a Transport Hub and "Park n Ride" facilities. It is located in Seberang Perai, Butterworth, occupying a land area of approximately 23 acres. This development forms part of the Northern Corridor Economic Region (NCER), which was launched by the Government in 2007 and is destined to be the catalyst of growth that will rejuvenate the economy in the Northern region. Upon completion, Penang Sentral would have a potential Gross Development Value (GDV) of approximately RM2.05 billion.

The Transport Hub provides the much needed connectivity for ferry, bus, taxi, train and potentially monorail services in the future. With the completion of KTMB's Electric Train Services (ETS) targeted by end 2014, train journey between Penang Sentral and Kuala Lumpur Sentral CBD would only take about three hours.

Land acquisition and securing of authority approvals are in progress. Construction works for Phase 1 and 1A, which includes the Transport Hub and Retail Mall components are targeted to commence by end 2014. Targeted completion dates for the Transport Hub and the Retail Mall is by end 2017 and end 2019 respectively.



## PROPERTY INVESTMENT

### KOMPLEKS SENTRAL

The Kompleks Sentral continued to be the preferred choice for warehousing and storage among a diverse range of clients, partly as a result of sustained and rigorous marketing efforts that has helped pushed occupancy rate up to 90%. Formerly known as Resource Complex, Kompleks Sentral is another of the Group's investment assets and comprises 562,493 sq. ft. of flatted factory for lease in Segambut, at the outskirts of Kuala Lumpur. The premise is managed and owned by Malaysian Resources Development Sdn Bhd, a wholly-owned subsidiary of MRCB.

The team is now focusing on further improving the property value by attracting more businesses to set up offices and factories at the complex.

### 348 SENTRAL – MENARA SHELL AND ASCOTT SENTRAL

Lot 348 is a 100% MRCB-owned project with a GDV worth almost RM1 billion comprising the Grade A office tower Menara Shell and a 157-unit serviced residences block above a five-storey retail podium known as Ascott Sentral. The state-of-the-art Menara Shell showcases the latest Green Building features that include a unique daylight harvesting system utilising internal light shelves with glare control to extend daylight penetration within the work spaces inside the office floor, which is alternatively illuminated by efficient T5 fluorescent lights with perimeter daylight sensor. Other Green features include preferred parking for low-emission and fuel efficient vehicles and a provision of 5% of parking space for electric car charging and a Thermal Energy Storage System, which uses rain water and the surrounding environment's temperature to regulate the internal temperature of the building.

With these features installed, Menara Shell has qualified for a Leadership in Energy and Environmental Design (LEED) Platinum standard certification from the US Green Building Council and a Malaysian Green Building Index (GBI) Gold certification in recognition of the tower's expected 46% energy savings and 5,000 tonnes in carbon emission reduction. Shell People Services, a regional company providing various services within the Shell Group, had signed an agreement in 2009 to be the anchor tenant occupying 17 floors of the office tower with the rest of the floors occupied by other major tenants. The company will consolidate all Shell businesses and corporate functions in the Klang Valley that include real estate, finance and management consultancies and recruitment, learning and human resources information technology support.

Complementing Menara Shell is the Ascott Sentral, a serviced residences component of the development to be managed by Ascott International, a global serviced residence operator with presence in more than 20 countries. Visitors to Kuala Lumpur Sentral CBD will be spoilt for choice with this world-class addition to Hilton Kuala Lumpur and Le Meridien Kuala Lumpur hotels currently in operation, and Aloft Hotel in 2013, followed by St. Regis Hotel and Residences.





## PROPERTY DEVELOPMENT



### PLATINUM SENTRAL

Originally known as “Kuala Lumpur Sentral Park”, the FIABCI Award winning Platinum Sentral is now a full-fledged unique green office offering seamless connectivity, a creative working environment and contemporary business lifestyle. Winning praise and accolades for all its impressive design attributes packaged in an environmentally sustainable structure, this office-campus style green building in the Kuala Lumpur Sentral CBD had deservedly won the FIABCI Malaysia Property Award 2013 under the Sustainable Development category.

With a central atrium connecting all five enclosed blocks of its built up area, Platinum Sentral is truly Kuala Lumpur Sentral CBD’s first Green Office Campus. Platinum Sentral’s GFA of approximately 980,000 sq. ft. includes contemporary office buildings, high-end retail, business centres, hospitality zones and green spaces worth an overall GDV of RM700 million.

Platinum Sentral is one of MRCB’s signature projects, with contemporary and best-in-class office solutions, designed in compliance with Singapore’s Building & Construction Authority BCA Green Mark Platinum rating. Platinum Sentral is Malaysia’s first commercial building that uses CISCO’s Smart+Connected Real Estate (S+CRE) to enhance the tenants’ experiences through better planning, construction and space configuration. It provides a truly unique state-of-the-art, distinctive smart green building that offers seamless connectivity and a creative working environment.

One unique solution is its digital guidance system that autonomously manages the ample car parks within the building. This is in line with MRCB’s agenda in promoting sustainable development, particularly in Energy Efficient and Green Design buildings. Platinum Sentral was also the winner of the Edge-PAM Green Excellence Awards 2012. It was also selected as a recipient for the Best Green Office Development and also Best Green Initiative at the Editor’s Choice Property Awards 2012.

Wholly owned by MRCB, Platinum Sentral has secured 100% tenancy with SME Corp Malaysia, SBM Corp, SPAD, ICLIF and PEMANDU listed among its major tenants.

## PLAZA ALAM SENTRAL

Despite intense competition from shopping malls in its vicinity, Plaza Alam Sentral remained Shah Alam's favourite shopping destination in 2013. Its appeal lies in its mix of tenants and its wide variety of specialised products ranging from telecommunications gadgets and computers to textiles, books, and televised entertainment – not to mention its array of food and beverages outlets. With a lettable area of more than 430,000 sq. ft. being taken up by tenants at 91% occupancy and ever growing visitors, Plaza Alam Sentral provides a wholesome retail experience for consumers in Shah Alam and the south of the Klang Valley, including Petaling Jaya, Subang, Puchong and Klang. Continued and vigorous marketing and promotion combined with frequent events and exhibitions in 2013, have made Plaza Alam Sentral a centre for family fun and a popular weekend destination – helping to push up visitor numbers every year. The management team is focused on further improving the retail mix by attracting more locally renowned brands and targeting shoppers with higher purchasing power and aiming to boost the mall's income stream by balancing store sizes and sales revenue.

## SOOKA SENTRAL

Sooka Sentral was opened in 2007 with a GFA of 140,000 sq. ft. The GDV of Sooka Sentral is RM80 million with a total of 36 tenants and offering a wide range of local, regional and western food & beverages that, among others include Malones, Kelantan Delights, Starbucks, The Teh Tarik Place, Chillis, Olive's, Star Anise, Meals Station, Hunan Cuisine and Noodle Shack. Sooka Sentral's Food Court on Level 2 offers a wider variety of local and Asian cuisine to customers, who range from business-suited senior managers to casually-dressed international backpackers.

Tanamera Tropical Spa, and The Shaker Cup are avenues for patrons to de-stress and relax their mind and body. Other tenants listed are Laika Realtors, Citra Melur Sdn Bhd, Ex-Print and Bakti Healthcare Sdn Bhd. Sooka Sentral promises an experience that will 'rejuvenate, refresh and relive' the discerning modern consumer, especially among the corporate workforce during and after work.

As an assurance for generating significant footfall, the iconic Stesen Sentral Kuala Lumpur is linked directly to Sooka Sentral via a bridge accessible by the general public. People are able to walk above the traffic and cross over to Sooka Sentral safely and conveniently.



Sooka Sentral

Bird's eye view of Kuala Lumpur Sentral CBD





## FACILITIES MANAGEMENT

### FACILITIES MANAGEMENT

MRCB's Facilities Management (FM) has successfully established its own brand as a major player in the country since 2005. With a strong performance and support from a capable workforce, FM offers total integrated facilities management services such as the operation, maintenance and management of facilities and car park logistics and management. These services are provided for integrated transportation hubs, commercial, government, industrial sectors and high-rise buildings that include Green Buildings.

Led and managed by a team with years of experience in various aspects of facility management, Semasa Services Sdn Bhd (SSSB), a wholly owned subsidiary of MRCB, offers a diverse range of services that suits clients' requirements. It specializes in Facilities Management and is an Energy Services provider that has more than 150 highly technically competent and resourceful employees nationwide who offer excellent quality and reliable performances to their clients. With its services being offered extensively in Klang Valley, Pulau Pinang, Perak, Johor, Pahang and Sabah, SSSB is well-positioned to expand business operations to other parts of the country. The company's team of professionals pride themselves on their high levels of responsiveness towards clients' needs, time management and the orderly manner in which all tasks are implemented.

In 2013, SSSB grew and expanded its services to include work to design, renovate and refurbish the office and commercial building of Employees' Provident Fund (EPF) in Kota Kinabalu, Sabah. Among others, the project involved interior design works, civil works and M&E works to develop commercial lots, cafe area and food court. The project also involved rectification of glass sky roof, refurbishment of floor tiles and entrance facade, waterproofing works and refurbishment of halls, surau, toilets etc.



Platinum Sentral green wall

### NEW GREEN TECHNOLOGY VENTURES

A new venture under SSSB is Energy Efficiency and Green Technology. This new service focuses on increasing the efficiency of resource utilization in energy, water and materials usage. A hallmark of this service is the concerted and dedicated effort to reduce a building's impact on human health and the environment during the structure's lifecycle through better design, construction, operation, maintenance and removal or demolition. SSSB facilitates the assessment process for buildings in order to ascertain the building's classification. To further expand its expertise in this field, SSSB aims to manage a wider scope of green rated buildings under various green certification bodies i.e. Malaysia's Green Building Index (GBI), Singapore's BCA Green Mark and USA's LEED. Amongst the prominent buildings under its supervision are Platinum Sentral, located in Kuala Lumpur Sentral CBD and the Energy Commission's Diamond Building in Putrajaya. Green buildings allow clients to benefit from the premium rental rate they command while attracting reputable tenants who are conscious of the need for sustainability. In addition, it also helps to incorporate energy and water efficient technologies. Best of all, it reduces building management costs and create value-added services.



Facilities Management staff at work



## PROJECTS

### Facilities Management Services

Since the inception of this service seven years ago, it has evolved into a business that has been growing steadily over the years. Facilities Management (FM) projects, managed by Semasa Services include services for Plaza Sentral Joint Management Body, YTR Harta Sdn Bhd and Employees Provident Fund (EPF), Companies Commission of Malaysia (CCM) and Malaysian Industrial Development Authority (MIDA) for their buildings in Kuala Lumpur Sentral CBD.

### Carpark Operations And Management

Semasa Parking is managing the Group's and external clients' car park operations and management involving different types of buildings such as clubhouses, open car parks, shopping complexes and office buildings. Currently, Semasa Parking manages several new car park operations and management contracts and this include clients such as Menara Bumiputra Commerce, 1 Sentral, Quill 7, Menara Prisma, The Icon, Menara SSM and MIDA Sentral.

SSSB offers energy efficiency and green technology consultancy services, building energy audits and also energy initiatives either through outright purchase or shared savings with clients. Many of its clients have benefited from the multiple initiatives of the energy efficiency programmes carried out at several buildings including Stesen Sentral Kuala Lumpur (SSKL), 1 Sentral and Plaza Sentral where promising results in the reduction of electricity cost, ranging from 11% to 15%, have been recorded. This programme will eventually record a reduction in carbon emission, which supports the government's aspiration towards more green initiatives. Energy efficiency initiatives at these buildings include energy assessments, building benchmarking, cost-effective energy efficiency improvements and green workforce training and education.

In 2013, SSSB signed an agreement with Phillips Malaysia for the supply of Light Emitting Diode (LED) tubes that can be five times more efficient than conventional lighting, environmentally safe, with extended life and durability, all of which will translate into energy savings. Among projects benefitting from LED tubes include Stesen Sentral Kuala Lumpur, Plaza Sentral, Sooka Sentral, 1 Sentral and Kompleks Sentral.



## AWARDS AND RECOGNITION

The FM's operation complies with well-established standard procedures aimed at delivering excellence. It is committed to its ISO certification and has ensured the ongoing validity of this certification for companies under the FM's umbrella, notably, Semasa Sentral Sdn Bhd (Semasa Sentral), Semasa Services and Semasa Parking Sdn Bhd (Semasa Parking).

In the quest for excellence, SSSB was among the first five companies in Malaysia to be certified with the ISO 50001 Energy Management System, which would further expand and improve its professional delivery for energy services. The company obtained its certification on 28 June 2013 from SIRIM.

## FACILITIES MANAGEMENT

### Station Management

Semasa Sentral's most prominent project is the management of Stesen Sentral Kuala Lumpur (SSKL), the nation's main rail transportation network hub. The station is the embodiment of everything a world-class transportation hub should be. The SSKL forms the integration point for Keretapi Tanah Melayu Berhad's (KTMB) Intercity and Komuter inter-State and inter-city rail systems, the Light Rail Transit (LRT) system operated by Rangkaian Aliran Perkhidmatan Pengangkutan Integrasi Deras (RAPID), Klang Valley's urban rail network system, as well as the Express Rail Link (ERL) high-speed train service to the Kuala Lumpur International Airport (KLIA).



The SSKL has also evolved into not only a rail transportation hub but has become one of the city's bus hubs. Bus operators in the SSKL include RapidKL's revamped bus network and buses to KLIA – both the Main and Low-Cost Carrier terminals. After 12 years of operation, SSKL continues to receive 160,000 passengers on a daily basis, thus proving its standing as a popular integrated transportation hub. In its quest for service excellence, several upgrading projects have been completed in 2013 to ensure customers' security, safety and sufficient comfort level. These include, among others, the installation of guiding blocks for the blind, refurbishment and renovation of its public toilets, grinding and polishing of the station's granite floor, installation of new escalators, upgrading of the public address system and overhaul of the air-conditioning chiller system.

Another major project that continues to be managed by Semasa Sentral is the Penang Sentral Temporary Terminal in Butterworth (PSTT). This temporary hub is built to make way for the development of the planned six million sq. ft. Penang Sentral development, comprising retail, commercial and residential components that will include multi-level basement car parks and an integrated transportation hub linking rail, ferry and bus services.

The PSTT provides facilities for its users such as toilets, surau, information kiosk and a linkway to the ferry terminal and operates on a 24-hour basis. Currently, the PSTT has a passenger capacity of about 32,000 daily.



## ACTIVITIES IN THE FACILITIES MANAGEMENT

The Facilities Management (FM) conducts various activities to boost work performance and improve quality of service and productivity such as training, quality enhancement programmes and Corporate Social Responsibility events for the staff yearly.

In 2013, an Emergency Response Plan Simulation Exercise was conducted on 14 June based on a scenario involving a fire at a fast food restaurant with an objective to ensure all safety and security procedures are maintained at all times. It is also organized to prepare staff at the station in any case of emergency and to control damage which may happen to staff and assets in the building. Among the agencies and uniformed units participating in the exercise were the National Security Council, the Royal Malaysian Police, the Fire and Rescue Department, the Emergency Department of University Malaya Medical Centre, SSKL rail operators and the Civil Defense Department.

FM also helped to spread the message of caring and giving via a donation drive at SSKL by putting up a donation box for the Lahad Datu Heroes. We managed to collect RM5,399.60 from the public as well as from the management and staffs. The amount was handed over to the Tabung Wira Negara – Lahad Datu.

During Ramadhan, FM invited orphans from Rumah Anak-anak Yatim Pertubuhan Kebajikan Al-Kausar, Bangi Selangor to break fast with the management team. The children were also given “duit raya” and gifts, while tenants, business partners and staffs pooled together a cash amount of RM11,165.00 as contribution to the orphanage.



Crew doing the routine maintenance



## SECURITY MANAGEMENT

NU TOWER 1 & 2

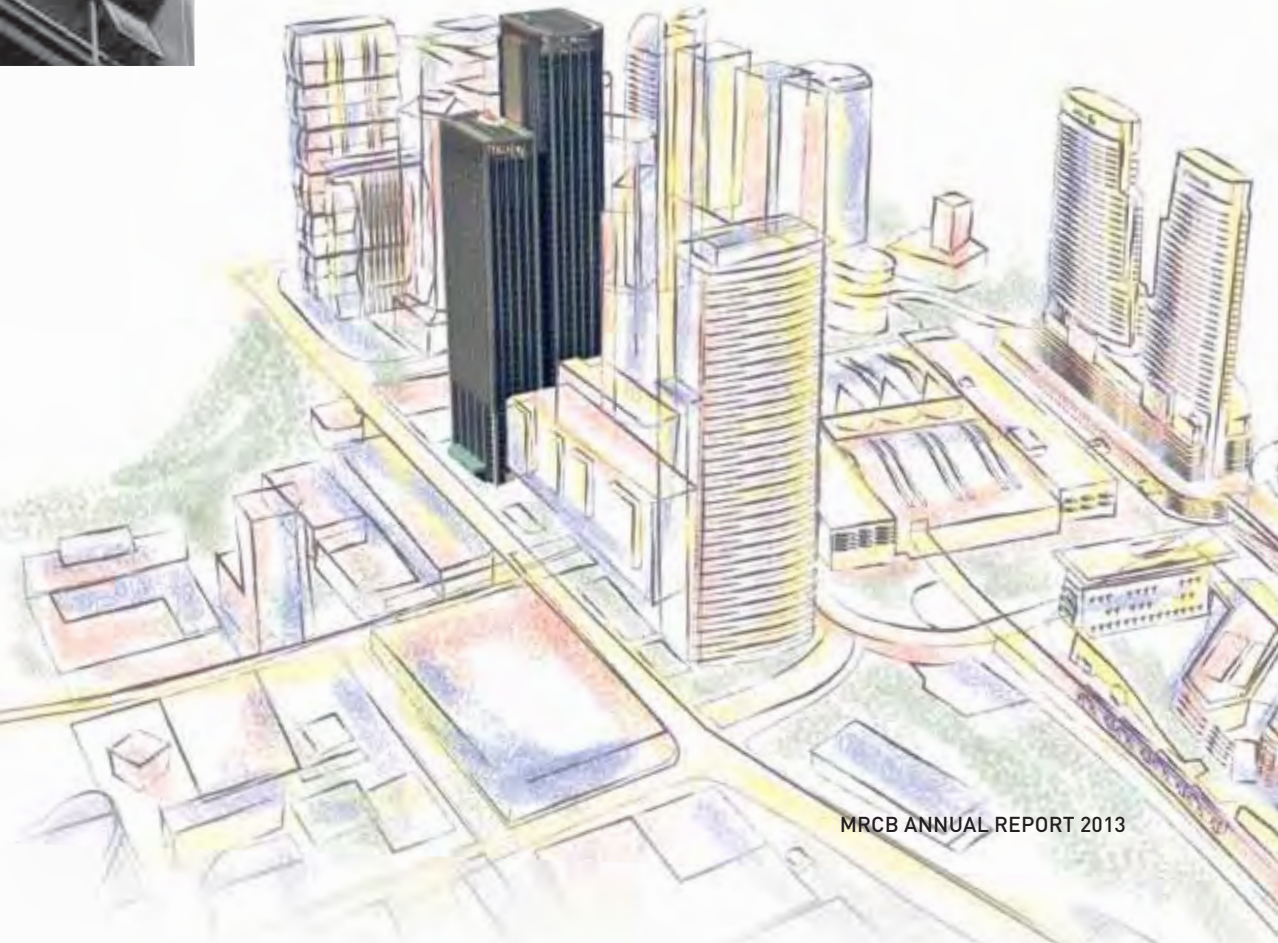






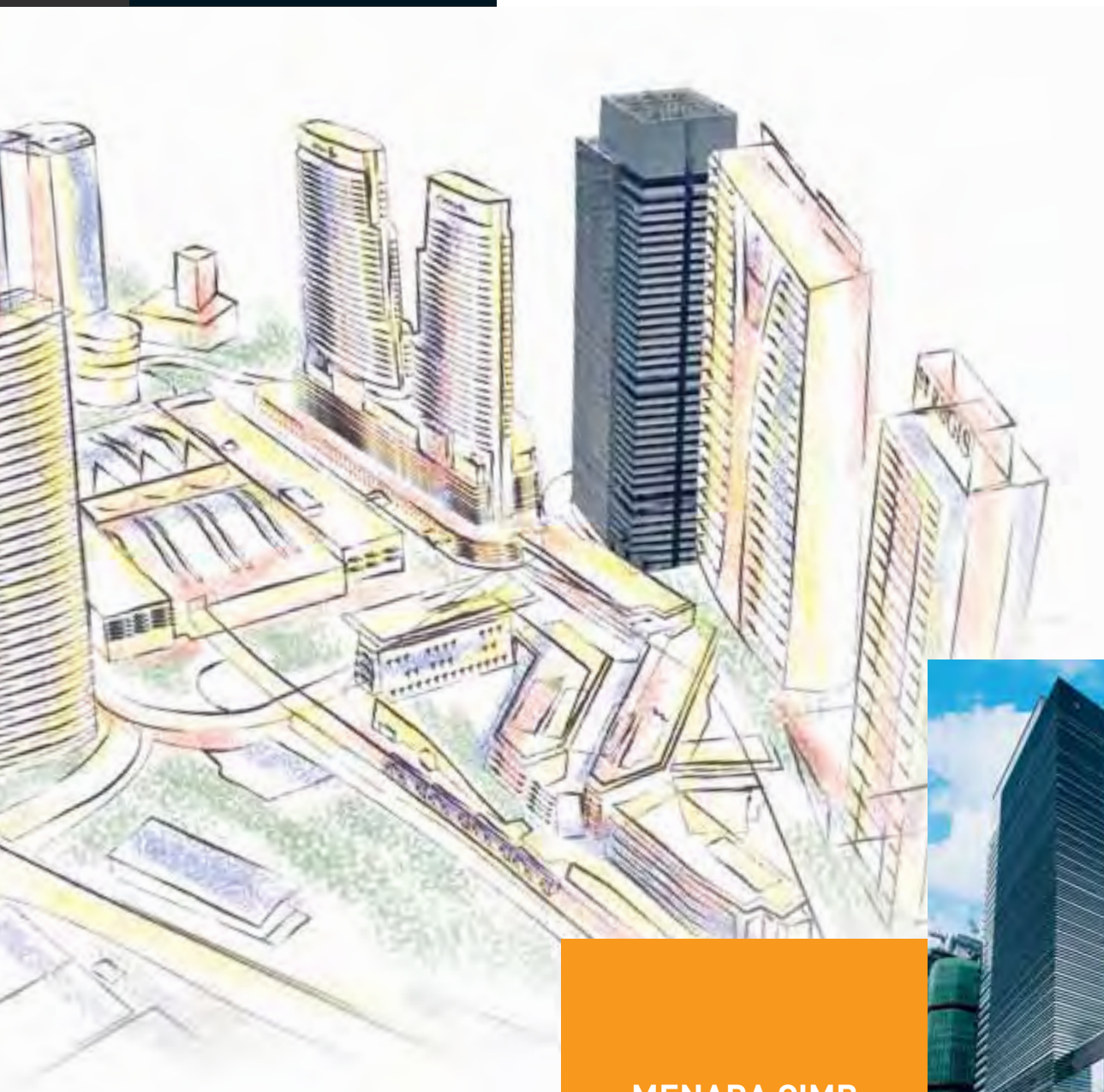
**DATUK DELL AKBAR KHAN**

Senior Vice President,  
Security, Health, Safety & Environment





## ENGINEERING & CONSTRUCTION



MENARA CIMB







**AHMAD SHARIFUDDIN ABDUL RAHMAN**

Vice President,  
Engineering & Construction

The year 2013 was another busy year for the Engineering and Construction (E&C) Division with reported revenue of RM614 million from construction projects delivered during the financial year under review.

As a MRCB Division entrusted with frontline construction work, E&C has implemented the ISO Quality Management Systems to be certified under ISO 9001 and ISO 14001, together with the OHSAS 18001 occupational health and safety management system in the coming financial year. Each of the ISO standard provides different benefits such as improved product quality and customer service (ISO 9001) and reduced environmental impact (ISO 14001), while the OHSAS 18001 will complement initiatives to reduce accident rates.

The E&C Division has unbilled order book worth RM510 million in Kuala Lumpur Sentral CBD and its vicinity, representing construction works encompassing Grade A office buildings, retail mall, residential buildings and infrastructure packages.

## ENGINEERING & CONSTRUCTION



### PROJECTS COMPLETED

The E&C Division had recorded good progress in the 2013 completion of the LEED Platinum certified office tower at Lot 348, the new headquarters of Shell Malaysia (Menara Shell) and Ascott Sentral, a 27-storey serviced residences to be managed by The Ascott International, the world's largest international serviced residences provider with properties spread across key cities in Asia-Pacific, Europe and the Gulf. While Menara Shell was completed in 2013, the Ascott Sentral was scheduled for final completion by second quarter 2014.

Another landmark project undertaken by the E&C Division was the construction of a 41-storey office tower, known as Menara CIMB in Kuala Lumpur Sentral CBD. Menara CIMB is home to the CIMB Investment Bank, one of the largest financial institutions in South East Asia. The Menara CIMB had been handed over to Lot A Sentral Sdn Bhd (LASSB) in January 2013, a joint venture company between Maple Dextra Pte Ltd and CMREF1 Sdn Bhd, which acquired the land in 2007. Menara CIMB was awarded a provisional Green Mark Gold rating by the Building and Construction Authority (BCA), Singapore. The BCA Green Mark is a Singapore green building rating system promoting sustainability in the construction of buildings.

The Division was also on schedule in the completion of Lot G shopping mall known as Nu Sentral, it was completed in December 2013 and targeted to secure Singapore's BCA Green Mark and Malaysia's GBI green certifications. This nine storey building has a GFA of 1.3 million sq. ft. and will deliver on its promise to combine lifestyle shopping with convenience that will appeal to discerning modern and urban consumers in the Klang Valley.

### CURRENT PROJECTS

#### High-Rise Buildings

Q Sentral, a 45-storey Grade A strata office building that has built-in green features. Part of the project includes an exclusive transit passengers' walkway, which links the upcoming Muzium Negara MRT Station and Stesen Sentral Kuala Lumpur. This project was aimed for completion by 2015 and was 48.93% completed by the end of 2013. Set to be awarded the MSC status, Q Sentral will fully accommodate the requirements of MSC Status companies.

Another ongoing project was the development of The Sentral Residences; an avant-garde premier residence, consisting of two blocks of 55-storey high-end condominium that offers panoramic views of the Lake Gardens, National Museum and KLCC. The exclusivity and luxury incorporated into all units of The Sentral Residences, are strikingly represented in its design features that include individual private lift lobbies, attached bathroom to all bedrooms and a powder room for guests. As with all new buildings under construction in Kuala Lumpur Sentral CBD, The Sentral Residences is designed for GBI Gold green rating. This project is expected to be completed in 2016 and is more than 10% completed as of December 2013.

## INFRASTRUCTURE PROJECTS

The E&C Division is involved in the ongoing works for Delivery of Package B (Construction of Facilities Works) for the LRT Ampang Line Extension that started in October 2011. The project alignment begins from the existing Sri Petaling LRT Station and terminating at Putra Heights Integrated Terminal, in a total length of extension of about 17.7 km. The Division was also appointed as the nominated subcontractor to fabricate and deliver segmental box girders under Package B of the Kelana Jaya LRT Line Extension.

Our joint venture (JV) company, i.e. UEMB-MRCB JV Sdn Bhd had also commenced construction of the fourth lane extension from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and Nilai Utara to Seremban for PLUS. The JV Company will deliver this RM1.4 billion project by January 2015.

## ENERGY SECTOR

The Division through its wholly-owned subsidiary, Transmission Technology Sdn Bhd (TTSB), is actively involved in the Engineering, Procurement and Construction (EPC) of high voltage transmission projects comprising substations, overhead transmission lines and underground cabling works. TTSB which had earlier successfully completed and handed over to Syarikat Prasarana Negara Berhad the relocation work of a TNB High Voltage Transmission Line at Kelana Jaya LRT Line Extension, The project is undergoing its 24-months

Defect Liability Period, which expired on 31 August 2013.

TTSB is actively involved in securing more new projects in 2013. During the year, TTSB had participated in several transmission tenders and proposals worth approximately RM640 million at various locations in Peninsular Malaysia, Sabah and Sarawak, of which RM220 million was for Overhead Line projects; RM317 million for Substation projects and RM103 million for Underground Cable projects.

TTSB was awarded three projects in 2013, amounting to RM46.3 million and Letters of Intent for four other projects amounting to RM85.85 million by Tenaga Nasional Berhad (TNB). The three awarded projects include works related to Overhead Lines and Underground Cable for the development of the KL North 132kV GIS substation; the building of New Towers to accommodate Line Swapping works at PMU Tg. Bin and the building of a 132kV Transmission Line from SSU Pantai Siring to Pulau Besar Melaka.

The Transmission Line from Pantai Siring to Pulau Besar, Melaka is the first ever project to install Overhead Lines in Malaysia crossing over a stretch of sea in the Straits of Melaka. A defining design of this power line is the use of Monopole Steel Structure to support and elevate the length of the line, which will be punctuated by the red light glow from Air Warning Spheres attached along its total 4.2km route. This is an initiative



to transform a routine infrastructural engineering works and blend it in with local elements in this iconic tourism region promoted by the State Government of Melaka.

On the other development mentioned earlier, TTSB received four Letters of Intent that include a proposed project for installation of a 132kV Double Circuit Underground Cable from Damansara Heights to the Brickfields Line-in Line-out (LILLO) facility into PMU Damansara City; a 275kV Overhead Line installation from Kg. Chempaka Point to PMU Ara Damansara; the construction of PMU 132/33kV at the International Islamic University in Pahang and the building of PMU 132/33kV in Batu Arang, Selangor.

## FUTURE PROSPECTS

The experience gained in constructing world-class Green and Energy Efficient Buildings in Kuala Lumpur Sentral CBD, as well as large-scale infrastructure projects has prepared E&C Division to take on more challenging projects in the future. Such impressive track records, together with its abilities to provide innovative solutions to its clients, will help to enrich its order book.

The current unbilled order book of Division, from both high-rise buildings and infrastructure projects, will continue to keep us busy for the next coming years.

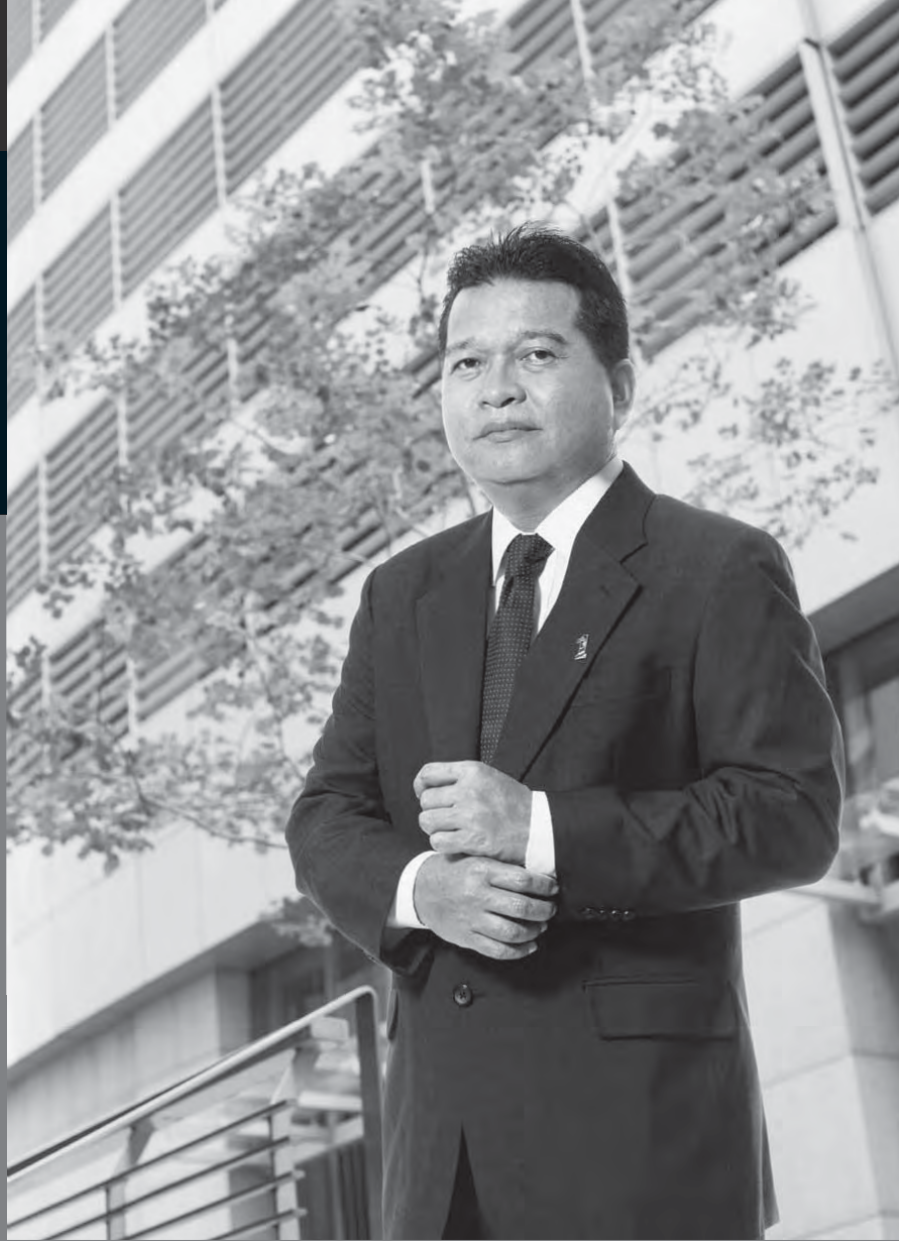




## INFRASTRUCTURE & CONCESSION

In the first quarter of 2013, the Division's two projects worth a combined value of RM86.8 million - "Phase 2 Project for Construction of Breakwater at Kuala Sungai Pahang" amounting to RM46.5 million and the "Comprehensive Rehabilitation Project for Sungai Perai Estuary, Pulau Pinang and its Associated Environment (Phase 3)" amounting to RM40.3 million that was secured from the Department of Irrigation and Drainage (DID) in 2011 were completed on schedule.

While constructing Phase 2 works of the Kuala Pahang project, MRCB was also negotiating with the Government to continue with the works under Phase 3. A Letter of Award for the Phase 3 works amounting to RM130 million was finally awarded to MRCB on 27 August 2013 with works commencing on 18 September 2013. The project is expected to be completed by September 2015.



**SHAHARUDDIN MOHAMED**

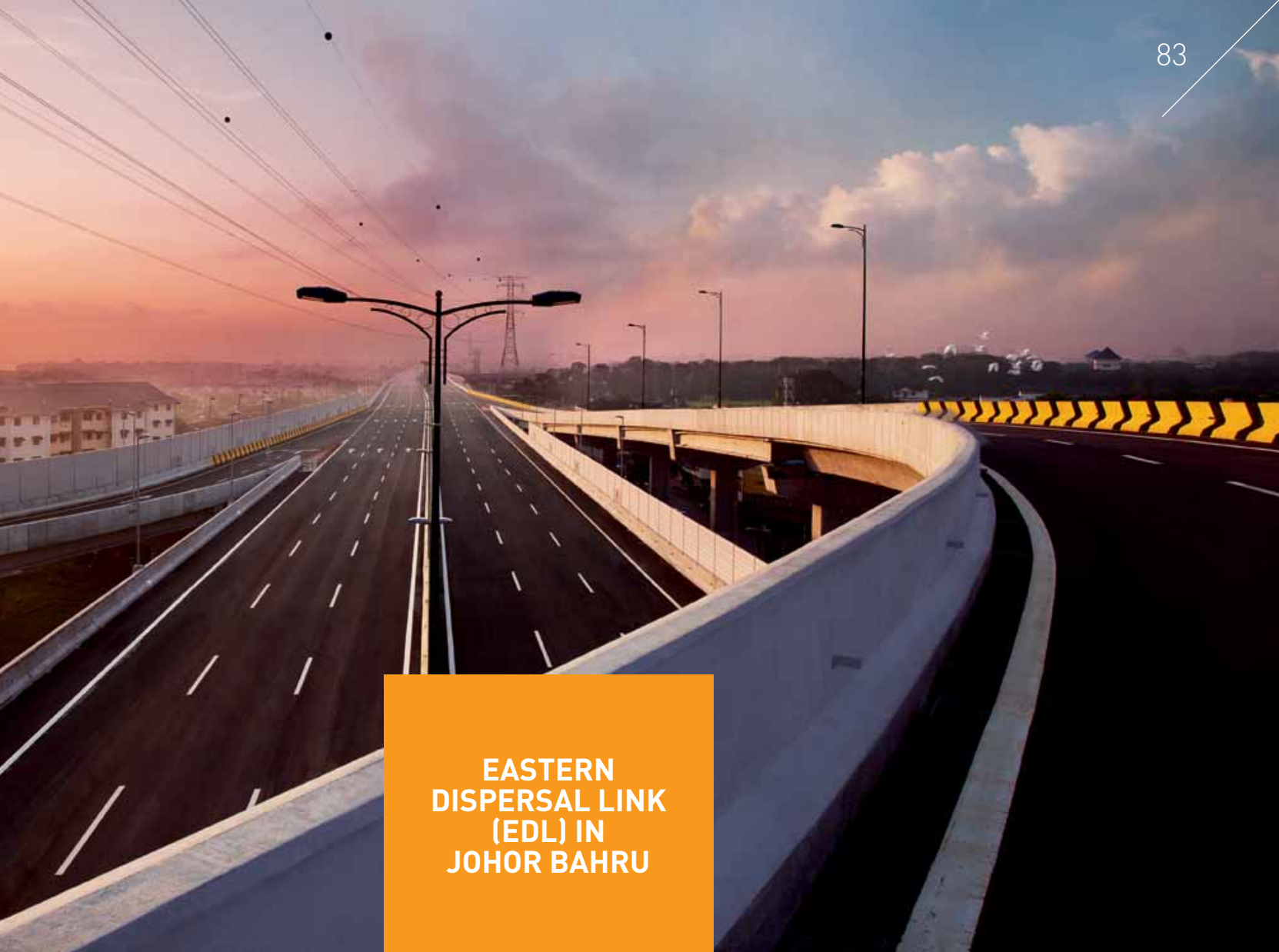
Vice President, Infrastructure & Concession

Apart from the secured works, MRCB is actively looking at securing other projects involving river, beach and coastline rehabilitation.

Year 2013 had witnessed another achievement for the division on completion of the Rest & Service (RSA) for the EDL Expressway. The RSA is currently provided with facilities like surau, children playground, washrooms, car parks and food stalls for EDL users. The facilities are open 24 hours. In future, there would be more facilities to be developed such as petrol station, and supermarket within the area.

After almost two years of being operational on 1 April 2012, the EDL Expressway had served and provided convenience on a daily basis to almost 170,000 vehicles travelling within the Central Business District of Johor Bahru. The dispersal scheme which was earlier promoted as the main functions of EDL had been successfully realized in 2013.

The division is keeping its pace in exploring and venturing into other infrastructure projects particularly in expressways.



**EASTERN  
DISPERSAL LINK  
(EDL) IN  
JOHOR BAHRU**





# COMMUNITY VALUES, COMMUNITY SPIRIT



A community is more than a collection of buildings, roads, homes and businesses. It is a microcosm of humanity, a collective of knowledge, ingenuity, a well-spring of passion, energy and hope. As Malaysia's premier green developer, we constantly strive to build not only sustainable developments, but to create nurturing and nourishing communities, based on holistic and organic principles for the benefit of all.







## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013

### JANUARY

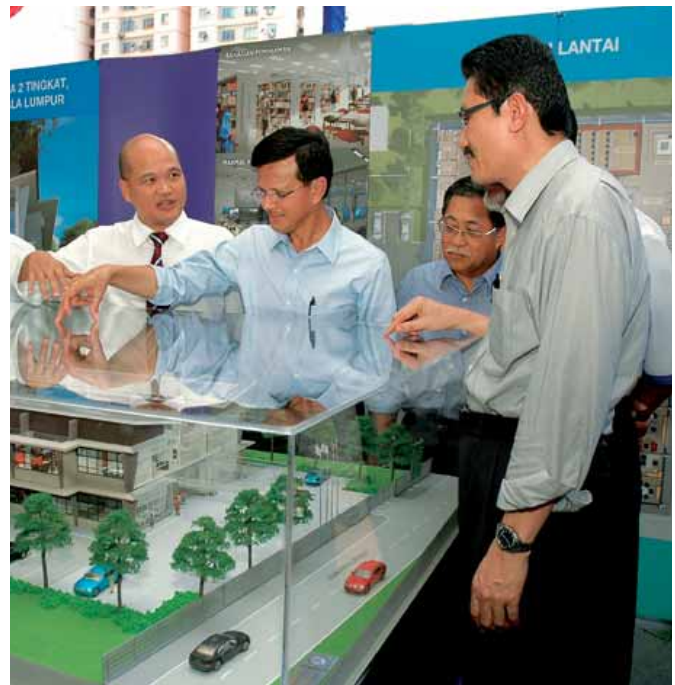
#### 5 JANUARY

##### **MRCB HANDS OVER COMPENSATION TO TRADERS AT BAGAN AJAM, BUTTERWORTH, PENANG**

YB Tan Sri Nor Mohamed Yakcop, Member of Parliament for Tasek Gelugor and Minister at the Prime Minister's Office handed over compensation to traders worth RM48,000 at Bagan Ajam in Seberang Perai, Pulau Pinang, on behalf of MRCB.

##### **MAJLIS PENYAMPAIAN SUMBANGAN WANG EHSAN KEPADA PENIAGA-PENIAGA DI BAGAN AJAM, PULAU PINANG**

YB Tan Sri Nor Mohamed Yakcop, Ahli Parlimen Tasek Gelugor merangkap Menteri di Jabatan Perdana Menteri telah menyerahkan sumbangan wang ehsan sebanyak RM48,000 kepada peniaga-peniaga di Bagan Ajam, Seberang Perai, Pulau Pinang, bagi pihak MRCB.



#### 29 JANUARY

##### **FIRST 1M MRCB LIBRARY GROUND BREAKING CEREMONY**

Federal Territories and Urban Well-Being Minister, YB Dato' Raja Nong Chik Raja Zainal Abidin, officiated the ground breaking ceremony of the first 1Malaysia (1M) MRCB Library held at the project site in Lembah Pantai. The 1M Library project is part of MRCB's Corporate Social Responsibility (CSR) programme.

##### **MAJLIS PECAH TANAH PERPUSTAKAAN 1M MRCB YANG PERTAMA**

Menteri Wilayah Persekutuan dan Kesejahteraan Bandar, YB Dato' Raja Nong Chik Raja Zainal Abidin telah menyempurnakan majlis pecah tanah Perpustakaan 1Malaysia (1M) MRCB yang pertama di tapak projek di Lembah Pantai. Projek ini juga merupakan salah satu aktiviti Tanggungjawab Sosial Korporat MRCB.



# FEBRUARY

## 2 FEBRUARY

### MRCB EMERGED SECOND TOP IN FEDERAL TERRITORY PARADE 2013

MRCB's contingent won the second top award in the GLC/Corporate category at the Federal Territory Parade 2013 held at Cheras Football Stadium after weeks of 'gruelling drill' supervised by Sergeant Major Suhaimi Che Umar from MRCB's Auxilliary Police. The 2013 celebration carried the theme, "Unity the Core of Federal Territories' Prosperity".

### MRCB MUNCUL KEDUA TERBAIK DALAM PERARAKAN HARI WILAYAH 2013

MRCB memenangi tempat kedua dalam kategori GLC/Korporat dalam Perarakan Hari Wilayah 2013 yang berlangsung di Stadium Bola Sepak Cheras selepas latihan intensif yang mengambil masa berminggu-minggu. "Perpaduan Teras Kesejahteraan Wilayah Persekutuan" menjadi tema sambutan pada 2013.



## 20 FEBRUARY

### MRCB USHERS THE COMING OF CHINESE NEW YEAR WITH LION DANCES AT 1 SENTRAL

MRCB sponsored two lion dance performances at Kuala Lumpur Sentral CBD to herald the coming of another prosperous year for the Chinese community at Kuala Lumpur Sentral CBD development.

The performances that were conducted at Sooka Sentral and 1 Sentral, signified the bringing of wealth and prosperity for businesses and communities alike. The senior management team from MRCB were on hand to witness and usher in the coming year with the throwing of 'Ang Pow' red money packets to the gathered crowds.

### MRCB MERAIKAN KEMERIAHAN SAMBUTAN TAHUN BARU CINA DENGAN PERSEMBAHAN TARIAN SINGA DI 1 SENTRAL

MRCB menaja dua persembahan tarian singa bagi meraikan kemeriahan Tahun Baru Cina khusus untuk masyarakat Cina di pembangunan Kuala Lumpur Sentral CBD.

Tahun ini, tarian singa yang membawa simbol kemakmuran dan kekayaan telah diadakan di 1 Sentral dan Sooka Sentral. Tarian singa ini turut dimeriahkan dengan pemberian 'Ang Pow' daripada pengurusan kanan MRCB kepada para pekerja yang hadir.



## 8 FEBRUARY

### SHARES SALE AGREEMENTS BETWEEN MRCB, NUSA GAPURNA DEVELOPMENT SDN BHD, GAPURNA BUILDERS SDN BHD, GAPURNA LAND SDN BHD, PUNCAK WANGI SDN BHD, GELANGGANG HARAPAN CONSTRUCTION SDN BHD AND GAPURNA GLOBAL SOLUTIONS SDN BHD

MRCB signed the shares sale agreements with the companies stated above at Hilton Hotel, Kuala Lumpur Sentral. Present during the signing were all representatives from the respective companies, including senior management from MRCB and Gapurna Group.

### PERJANJIAN JUALAN SAHAM DI ANTARA MRCB, NUSA GAPURNA DEVELOPMENT SDN BHD, GAPURNA BUILDERS SDN BHD, GAPURNA LAND SDN BHD, PUNCAK WANGI SDN BHD, GELANGGANG HARAPAN CONSTRUCTION SDN BHD DAN GAPURNA GLOBAL SOLUTIONS SDN BHD

MRCB telah menandatangani perjanjian jualan saham bersama dengan syarikat-syarikat tersebut di atas bertempat di Hotel Hilton, Kuala Lumpur Sentral. Hadir pada majlis tersebut adalah wakil dari syarikat-syarikat berkenaan, termasuk pihak pengurusan kanan MRCB dan Kumpulan Gapurna.



## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013



## MARCH

### 12 MARCH

#### **SECOND 1M MRCB LIBRARY PROJECT IS LAUNCHED**

YB Dato' Raja Nong Chik Raja Zainal Abidin, Federal Territories and Urban Well-Being Minister, launched the second 1Malaysia (1M) MRCB Library project in a ground breaking ceremony at the project's site in Taman Medan Idaman, Gombak.

#### **PERASMIAN PROJEK PERPUSTAKAAN 1M MRCB KEDUA**

YB Dato' Raja Nong Chik Raja Zainal Abidin, Menteri Wilayah Persekutuan dan Kesejahteraan Bandar, telah menyempurnakan perasmian projek Perpustakaan 1Malaysia (1M) MRCB kedua di sebuah majlis pecah tanah yang diadakan di tapak projek di Taman Medan Idaman, Gombak.



### 19 MARCH

#### **FEDERAL TERRITORIES AND URBAN WELL-BEING MINISTER LAUNCHES THIRD 1M MRCB LIBRARY IN JALAN WIRAWATI, KAMPUNG PANDAN, KUALA LUMPUR**

YB Dato' Raja Nong Chik Raja Zainal Abidin, Federal Territories and Urban Well-Being Minister, officiated a ground breaking ceremony for the third 1Malaysia (1M) MRCB Library at a project site in Jalan Wirawati, Kampung Pandan, Kuala Lumpur.

#### **MENTERI WILAYAH PERSEKUTUAN DAN KESEJAHTERAAN BANDAR MELANCARKAN PERPUSTAKAAN 1M MRCB YANG KETIGA DI JALAN WIRAWATI, KAMPUNG PANDAN, KUALA LUMPUR**

YB Dato' Raja Nong Chik Raja Zainal Abidin, Menteri Wilayah Persekutuan dan Kesejahteraan Bandar, merasmikan majlis pecah tanah Perpustakaan 1Malaysia (1M) MRCB yang ketiga diadakan di tapak projek ini di Jalan Wirawati, Kampung Pandan, Kuala Lumpur.

## 23 MARCH

### MRCB SWITCHES OFF LIGHTS IN ITS PROPERTY DEVELOPMENT FOR EARTH HOUR 2013

For the fifth consecutive year, MRCB switched off all non-essential lights for one hour in buildings and property under its management as a show of support for the Earth Hour initiative, to enhance awareness about the threat of global warming.

Several buildings in the Kuala Lumpur Sentral CBD development were involved, comprising the landmark office tower 1 Sentral (where MRCB's Headquarters is located) and Malaysia's largest and busiest transport hub, the iconic Stesen Sentral Kuala Lumpur, Sooka Sentral, Plaza Sentral, Platinum Sentral as well as MRCB's Shah Alam property - Plaza Alam Sentral.

### MRCB SERTA I EARTH HOUR 2013

Untuk tahun kelima berturut-turut, MRCB menyokong kempen Earth Hour dengan memadamkan cahaya elektrik yang tidak diperlukan selama satu jam di beberapa hartanah kendaliannya sebagai sokongan kepada inisiatif Earth Hour untuk meningkatkan kesedaran terhadap pemanasan global.

Hartanah tersebut termasuk di Menara 1 Sentral, Stesen Sentral Kuala Lumpur, Sooka Sentral, Plaza Sentral, Platinum Sentral, semuanya di Kuala Lumpur Sentral CBD dan Plaza Alam Sentral di Shah Alam.



## APRIL

### 1<sup>ST</sup> WEEK APRIL

#### PINTAR MOTIVATION PROGRAMME

This programme focuses on smart learning and improvement of students' motivation. The programme was conducted throughout the first week of April at all MRCB adopted schools under PINTAR programme.

#### PROGRAM MOTIVASI PINTAR

Program ini memberi penekanan kepada dua aspek iaitu pembelajaran pintar dan peningkatan motivasi pelajar. Program berjalan serentak sepanjang minggu pertama April di semua sekolah angkat MRCB di bawah program PINTAR.



## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013



### 17 APRIL

#### MRCB SPONSORS MPI-PETRONAS MALAYSIA JOURNALISM AWARD 2013

Senior management team from MRCB attended the MPI-Petronas Malaysia Journalism Award 2013. At the ceremony, many cash prizes were given to the best local journalists for best reporting in various categories. MRCB was one of the main sponsors of the award ceremony.

#### MRCB ANTARA PENAJA UTAMA HADIAH KEWARTAWANAN MPI-PETRONAS MALAYSIA 2013

Pengurusan kanan MRCB telah menghadiri Majlis Hadiah Kewartawanan MPI-Petronas Malaysia 2013. Di majlis tersebut, banyak hadiah berupa wang tunai disampaikan kepada para wartawan terbaik untuk laporan berita terbaik mengikut pelbagai kategori. MRCB adalah antara penaja utama majlis tersebut.



### 24 APRIL

#### MEDIA BRIEFING ON STESEN SENTRAL KUALA LUMPUR FOR UPGRADING WORKS

MRCB invited members of the Media to Stesen Sentral Kuala Lumpur (SSKL) for a special briefing on completed and future upgrading works. The briefing was followed by a walkabout at SSKL to highlight the completed and ongoing upgrading works.

#### TAKLIMAT MENGENAI STESEN SENTRAL KUALA LUMPUR KEPADA MEDIA

MRCB telah menjemput wakil-wakil media ke Stesen Sentral Kuala Lumpur (SSKL) untuk diberi taklimat mengenai kerja-kerja naik taraf yang sudah disiapkan dan bakal dijalankan. Sesi taklimat ini telah diakhiri dengan lawatan kemudahan awam yang telah dan sedang dinaik taraf di sekitar SSKL.

### 27 APRIL

#### PINTAR UPSR CLINIC

A PINTAR UPSR Clinic was carried out in Universiti Putra Malaysia (UPM) for two days involving students from SK La Salle 1, SK La Salle 2 & SK Taman Kajang Utama. This programme aimed to enlighten students on the study techniques for four core subjects (English, Bahasa Melayu, Mathematics and Science).

#### KLINIK UPSR PINTAR

Klinik UPSR PINTAR telah dijalankan di Universiti Putra Malaysia (UPM) selama 2 hari melibatkan pelajar-pelajar dari SK La Salle 1, SK La Salle 2 & SK Taman Kajang Utama. Program ini adalah bertujuan memberi pendedahan tentang teknik-teknik menjawab soalan untuk empat mata pelajaran teras (Bahasa Inggeris, Bahasa Melayu, Matematik & Sains).







## MAY

2 MAY

### SITE VISIT BY UKAS TO KTMB'S DEPOT AT KUALA LUMPUR SENTRAL CBD

MRCB hosted a visit by YBhg. Dato' Zohari Haji Akob, Deputy Director General (Policy) of the Public-Private Partnership Unit and his senior management team to the KTMB's Depot at Kuala Lumpur Sentral CBD.

### LAWATAN UKAS KE DEPOH KTMB DI KUALA LUMPUR SENTRAL CBD

MRCB telah menjadi tuan rumah lawatan YBhg. Dato' Zohari Hj. Akob, Timbalan Ketua Pengarah (Dasar) Unit Kerjasama Awam-Swasta (UKAS) dan pihak pengurusan kanan UKAS ke Depoh KTMB di Kuala Lumpur Sentral CBD.



## JUNE

5 JUNE

### HIGH ACHIEVERS' AWARDS FOR MRCB EMPLOYEES' CHILDREN (STPM, PMR & SPM) 2012-2013

MRCB held its 11th High Achievers' Awards to recognize staffs' children who had performed well academically in the Malaysian Higher School Certificate (STPM), Malaysian Certificate of Education (SPM) and Lower Secondary Assessment (PMR) examinations. A total of 49 high achievers received their monetary gifts in a specially organized event held at the Symphony Hall in Stesen Sentral Kuala Lumpur.

### HIGH ACHIEVERS' AWARDS UNTUK ANAK-ANAK KAKITANGAN MRCB (STPM, PMR & SPM) 2012-2013

MRCB telah menganjurkan majlis 'High Achievers Award' yang ke-11 bagi mengiktiraf anak-anak kakitangannya yang telah mendapat keputusan cemerlang bagi peperiksaan Sijil Tinggi Persekolahan Malaysia (STPM), Sijil Pelajaran Malaysia (SPM) dan Penilaian Menengah Rendah (PMR). Seramai 49 pelajar telah menerima hadiah wang tunai di majlis tersebut yang telah diadakan di Dewan Simfoni, Stesen Sentral Kuala Lumpur.



20 JUNE

### MRCB 42<sup>ND</sup> AGM/EGM

MRCB held its 42<sup>nd</sup> Annual General Meeting together with an Extraordinary General Meeting at the Sime Darby Convention Centre, Kuala Lumpur, with more than 2,000 shareholders in attendance.

### MESYUARAT AGUNG TAHUNAN MRCB YANG KE-42 DAN MESYUARAT AGUNG LUAR BIASA

MRCB telah mengadakan Mesyuarat Agung Tahunan yang ke-42 dan Mesyuarat Agung Luar Biasa di Pusat Konvensyen Sime Darby, Kuala Lumpur yang dihadiri lebih 2,000 orang pemegang saham.

## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013

### JULY

15 JULY

#### **SHELL MALAYSIA SENIOR MANAGEMENT TEAM VISITS 348 SENTRAL (MENARA SHELL)**

Shell Malaysia senior management team paid a working visit to 348 Sentral (Menara Shell) to inspect the work in progress at the building that would be the new Headquarters of Shell Malaysia, Menara Shell.

They were briefed by En. Imran Datuk Mohamad Salim, Group Chief Operating Officer of MRCB on the progress of the building.

#### **PIHAK PENGURUSAN KANAN SHELL MALAYSIA MELAWAT 348 SENTRAL (MENARA SHELL)**

Pihak pengurusan kanan Shell Malaysia mengadakan lawatan ke 348 Sentral (Menara Shell) untuk meninjau perkembangan kerja-kerja penyiapan bangunan ibu pejabat Shell Malaysia iaitu Menara Shell.

Mereka telah diberi taklimat oleh En. Imran Datuk Mohamad Salim, Ketua Pegawai Operasi Kumpulan MRCB mengenai kemajuan kerja-kerja penyiapan bangunan tersebut.



### SEPTEMBER

12 SEPTEMBER

#### **STUDY VISIT BY TRISAKTI UNIVERSITY TO KUALA LUMPUR SENTRAL CBD**

A total of 150 Civil Engineering students including lecturers from Trisakti University, Jakarta, Indonesia visited Kuala Lumpur Sentral CBD as part of their study excursion. They were briefed by the Property Division on the history of Kuala Lumpur Sentral CBD and the construction of Stesen Sentral Kuala Lumpur. Later, they were taken for a walkabout around Stesen Sentral Kuala Lumpur.

#### **LAWATAN SAMBIL BELAJAR OLEH UNIVERSITAS TRISAKTI, JAKARTA, INDONESIA KE KUALA LUMPUR SENTRAL CBD**

Seramai 150 orang pelajar dan juga pensyarah Kejuruteraan Awam, Universitas Trisakti, Jakarta, Indonesia telah mengadakan lawatan sambil belajar ke Kuala Lumpur Sentral CBD. Mereka telah diberi taklimat oleh Bahagian Hartanah mengenai sejarah Kuala Lumpur Sentral CBD dan kerja-kerja pembinaan Stesen Sentral Kuala Lumpur. Mereka kemudian telah dibawa untuk melawat sekitar Stesen Sentral Kuala Lumpur.





## 23 SEPTEMBER

### **MAYOR OF KUALA LUMPUR VISITS KUALA LUMPUR SENTRAL CBD**

YBhg. Datuk Seri Haji Ahmad Phasal Haji Talib, Mayor of Kuala Lumpur and senior officers from Kuala Lumpur City Hall (DBKL) visited Kuala Lumpur Sentral CBD including Menara Shell. They were also brought for a walkabout session at Stesen Sentral Kuala Lumpur and were later briefed on the upgrading works of Stesen Sentral Kuala Lumpur.

### **DATUK BANDAR KUALA LUMPUR MELAWAT KUALA LUMPUR SENTRAL CBD**

YBhg. Datuk Seri Haji Ahmad Phasal Haji Talib, Datuk Bandar Kuala Lumpur serta pegawai-pegawai kanan dari Dewan Bandaraya Kuala Lumpur (DBKL) melawat Kuala Lumpur Sentral CBD termasuk Menara Shell. Mereka juga telah dibawa melawat Stesen Sentral Kuala Lumpur dan kemudian telah diberi taklimat mengenai kerja-kerja menaik taraf Stesen Sentral Kuala Lumpur.



## 25 SEPTEMBER

### **MOU SIGNING BETWEEN MALAYSIAN LED CONSORTIUM, MRCB AND OTHERS**

MRCB together with other leading companies signed a memorandum of understanding with the Malaysian Light Emitting Diode (LED) Consortium, which comprises ten LED/SSL companies, to jointly develop and implement future collaborative programmes to encourage the use of LED lighting in the domestic market.

The ten LED companies were developed by SME Corporation Malaysia (SME Corp) under its Green LED/SSL programme, which is one of the Entry Point Projects under the National Key Economic Areas to spearhead growth and promotion of Malaysian LED products in global markets.

### **MEMORANDUM PERSEFAHAMAN DI ANTARA MRCB, DENGAN MALAYSIAN LED CONSORTIUM DAN LAIN-LAIN**

MRCB bersama-sama dengan beberapa syarikat lain telah menandatangani satu Memorandum Persefahaman dengan Malaysian Light Emitting Diode (LED) Konsortium bagi bersama-sama membangun serta melaksanakan program-program kerjasama di masa hadapan untuk menggalakkan penggunaan pencahayaan lampu LED di dalam pasaran tempatan.

Sepuluh syarikat dipilih oleh SME Corporation Malaysia (SME Corp) di bawah program LED/SSL Hijanya yang merupakan salah satu daripada Program Penggerak Ekonomi di bawah Bidang Ekonomi Utama Negara untuk menerajui pertumbuhan dan promosi produk-produk LED Malaysia di pasaran global.



## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013

### 27 SEPTEMBER

#### BARISAN NASIONAL YOUTH JOB FAIR 2013

MRCB together with other companies participated in this annual event that took place at PWTC, Kuala Lumpur. Human Resources Department representatives from MRCB joined this event and provided information to jobseekers regarding available positions at MRCB. Shortlisted candidates were later called for interview sessions.

#### KARNIVAL KERJAYA BELIA BARISAN NASIONAL 2013

MRCB, dan juga syarikat-syarikat lain telah menyertai acara tahunan ini yang bertempat di PWTC, Kuala Lumpur. Wakil MRCB dari Jabatan Sumber Manusia telah turun padang untuk memberi maklumat kepada mereka yang berminat dengan jawatan kosong yang terdapat di MRCB. Mereka yang telah disenarai pendek kemudiannya telah dipanggil untuk menghadiri beberapa sesi temuduga.



## OCTOBER

### 10 OCTOBER

#### SUSTAINABILITY COMMITTEE FROM PUBLIC WORKS DEPARTMENT MALAYSIA VISITS KUALA LUMPUR SENTRAL CBD

Representatives from the Sustainable Development Main Committee of the Public Works Department (PWD) Malaysia visited Kuala Lumpur Sentral CBD including Platinum Sentral. They were also brought on a walkabout session at Stesen Sentral Kuala Lumpur and were later briefed on the upgrading works for Stesen Sentral Kuala Lumpur. The visit was part of the PWD's fact-finding initiative on aspects of sustainable development.

#### JAWATANKUASA INDUK PEMBANGUNAN LESTARI JABATAN KERJA RAYA MALAYSIA MELAWAT KUALA LUMPUR SENTRAL CBD

Wakil-wakil dari Jawatankuasa Induk Pembangunan Lestari Jabatan Kerja Raya (JKR) Malaysia melawat Kuala Lumpur Sentral CBD termasuk Platinum Sentral. Mereka juga telah dibawa melawat Stesen Sentral Kuala Lumpur dan kemudian telah diberi taklimat mengenai kerja-kerja menaik taraf Stesen Sentral Kuala Lumpur. Lawatan tersebut adalah sebahagian daripada inisiatif pihak JKR bagi mengumpul maklumat tentang aspek-aspek pembangunan lestari.

## 22 OCTOBER

### **SHELL MALAYSIA CHAIRMAN VISITS MENARA SHELL AT KUALA LUMPUR SENTRAL CBD**

Shell Malaysia Chairman, Mr. Iain Lo and his senior management team visited Menara Shell, which was then nearing full completion of its final interior design works. The Shell Malaysia team was also briefed about Kuala Lumpur Sentral CBD development by En. Imran Datuk Mohamad Salim, MRCB's Group Chief Operating Officer.

### **PENGERUSI SHELL MALAYSIA MELAWAT MENARA SHELL DI KUALA LUMPUR SENTRAL CBD**

Pengerusi Shell Malaysia, En. Iain Lo dan pegawai-pegawai pengurusan kanan Shell telah melawat Menara Shell, yang pada masa itu hampir siap keseluruhan kerja-kerja reka bentuk dalamnya. Rombongan dari Shell Malaysia tersebut juga telah diberi taklimat tentang pembangunan Kuala Lumpur Sentral CBD oleh En. Imran Datuk Mohamad Salim, Ketua Pegawai Operasi Kumpulan, MRCB.



## NOVEMBER

### 4 NOVEMBER

### **OFFICIAL VISIT BY CHIEF SECRETARY TO THE GOVERNMENT OF MALAYSIA TO KUALA LUMPUR SENTRAL CBD**

The MRCB management invited YBhg. Tan Sri Dr. Ali Hamsa, Chief Secretary to the Government of Malaysia to visit Kuala Lumpur Sentral CBD including Menara Shell. He was also brought for a walkabout session at Stesen Sentral Kuala Lumpur and was later briefed on the upgrading works of Stesen Sentral Kuala Lumpur.



### **LAWATAN RASMI OLEH KETUA SETIAUSAHA NEGARA MALAYSIA KE KUALA LUMPUR SENTRAL CBD**

Pihak pengurusan MRCB telah mengundang YBhg. Tan Sri Dr. Ali Hamsa, Ketua Setiausaha Negara melawat Kuala Lumpur Sentral CBD termasuk Menara Shell. Beliau juga telah dibawa melawat Stesen Sentral Kuala Lumpur dan diberi taklimat mengenai kerja-kerja menaik taraf stesen tersebut.



## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013



### 8 NOVEMBER

#### **YBhg. DATUK MOHAMAD SALIM FATEH DIN, MRCB'S GMD WINS INDUSTRY EXCELLENCE AWARD**

YBhg. Datuk Mohamad Salim Fateh Din, MRCB's Group Managing Director (GMD), was announced as the winner of the Industry Excellence Award for Development and Construction at the 5th Malaysia Business Award gala dinner held in Kuala Lumpur recently.

The ASEAN-BAC Malaysia Business Awards promotes excellence, innovation and best practices in business entities and is widely regarded as a showcase of outstanding businesses and personalities in Malaysia.

#### **PENGARAH URUSAN KUMPULAN MRCB, YBHG. DATUK MOHAMAD SALIM FATEH DIN MENANG ANUGERAH KECEMERLANGAN INDUSTRI**

YBhg. Datuk Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB, telah diumumkan sebagai pemenang Anugerah Kecemerlangan Industri bagi Pembangunan dan Pembinaan di majlis makan malam Anugerah Perniagaan Malaysia ke-5 yang diadakan di Kuala Lumpur.

Anugerah Perniagaan Malaysia yang dianjurkan oleh ASEAN-BAC ini menggalakkan kecemerlangan, inovasi dan amalan terbaik dalam entiti perniagaan dan secara meluas dianggap sebagai pengiktirafan besar bagi perniagaan dan personaliti cemerlang di Malaysia.



### 9 NOVEMBER

#### **MRCB'S PLATINUM SENTRAL WINS SUSTAINABLE DEVELOPMENT CATEGORY AT THE FIABCI MALAYSIA PROPERTY AWARD 2013**

Platinum Sentral, a green building development located in the Kuala Lumpur Sentral CBD became the 2013 winner of the Sustainable Development Category at The FIABCI Malaysia Property Award 2013 ceremony, held at the One World Hotel, Selangor.

Developed by MRCB Sentral Properties Sdn Bhd, Platinum Sentral is the first Platinum-rated BCA Green Mark (Singapore) building in Malaysia. It has also received the Malaysia's Green Building Index (GBI) certification.

#### **PLATINUM SENTRAL MENANG ANUGERAH KATEGORI PEMBANGUNAN LESTARI DI ANUGERAH HARTANAH FIABCI MALAYSIA 2013**

Platinum Sentral, bangunan berasaskan teknologi hijau yang terletak di bawah pembangunan Kuala Lumpur Sentral CBD telah muncul sebagai pemenang Kategori Pembangunan Lestari di majlis Anugerah Hartanah FIABCI Malaysia 2013 di satu majlis yang diadakan di Hotel One World, Selangor.

Platinum Sentral merupakan bangunan pertama di Malaysia yang diberi pengiktirafan Platinum mengikut standard BCA Green Mark (Singapura), selain turut menerima pensijilan Indeks Bangunan Hijau (Malaysia).





## 12 NOVEMBER

### HIGH COMMISSIONER OF PAKISTAN VISITS SSKL

His Excellency Shahid Masroor Gul Kiani, the High Commissioner of Pakistan to Malaysia, visited Stesen Sentral Kuala Lumpur (SSKL) as part of his ongoing initiative to engage the Malaysian business community.

His Excellency Shahid Masroor Gul Kiani was joined by about 50 members of the Malaysia-Pakistan Business Council for a walking tour of Stesen Sentral Kuala Lumpur, accompanied by MRCB's Group Managing Director, YBhg. Datuk Mohamad Salim Fateh Din who showed them the Kuala Lumpur Sentral CBD masterplan and the various facilities, retail convenience stores and the wide variety of food outlets provided for about 160,000 daily users of SSKL.

### PESURUHJAYA TINGGI PAKISTAN LAWAT SSKL

Tuan Yang Terutama Shahid Masroor Gul Kiani, Pesuruhjaya Tinggi Pakistan ke Malaysia, melawat Stesen Sentral Kuala Lumpur (SSKL) sebagai sebahagian daripada inisiatif berterusan beliau untuk mengukuhkan hubungan dengan komuniti perniagaan Malaysia.

Beliau telah disertai oleh kira-kira 50 ahli-ahli Majlis Perniagaan Malaysia-Pakistan untuk lawatan ke Stesen Sentral Kuala Lumpur, diiringi oleh Pengarah Urusan Kumpulan MRCB, YBhg. Datuk Mohamad Salim Fateh Din. Taklimat mengenai pelan induk Kuala Lumpur Sentral telah diberi oleh YBhg Datuk Mohamad Salim termasuk menunjukkan kepada mereka pelbagai kemudahan, kedai-kedai pelbagai barangan dan gerai-gerai makanan yang disediakan untuk kira-kira 160,000 pengguna harian SSKL.



## 21 NOVEMBER

### MRCB HONOURED WITH CERTIFICATE OF MERIT AT THE NATIONAL ANNUAL CORPORATE REPORT AWARDS 2013

The National Annual Corporate Report Awards (NACRA) 2013 had recognised MRCB's submission of its annual Sustainability Report 2012 with a certificate of merit. Since 1990, this award has been the epitome of corporate reporting excellence and accountability, overseen by the award's organising bodies comprising Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA).

### MRCB DIKTIKRAF DENGAN SIJIL KEPUJIAN DI ANUGERAH LAPORAN KORPORAT TAHUNAN KEBANGSAAN 2013

Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA) 2013 telah mengiktiraf Laporan Kelestarian 2012 MRCB dengan sijil kepujian. Sejak tahun 1990, anugerah ini telah menjadi lambang kecemerlangan laporan korporat dan akauntabiliti, dengan diselia badan-badan penganjuran anugerah yang terdiri daripada Bursa Malaysia Berhad, Institut Akauntan Malaysia (MIA) dan Institut Akauntan Awam Bertauliah Malaysia (MICPA).

## **CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013**



**27 NOVEMBER 2013**

### **GTC SHARE SALE AGREEMENT SIGNING CEREMONY WITH TELEKOM**

MRCB's wholly-owned subsidiary, Gapurna Global Solutions Sdn Bhd entered into a Share Sale Agreement with Telekom Malaysia Berhad for the disposal of its entire equity interest in GTC Global Sdn Bhd.

### **MAJLIS MENANDATANGANI PERJANJIAN JUALAN SAHAM GTC DENGAN TELEKOM**

Anak syarikat milik penuh MRCB, Gapurna Global Solutions Sdn Bhd telah memeterai Perjanjian Jualan Saham dengan Telekom Malaysia Berhad untuk pelupusan kepentingan ekuitinya di dalam GTC Global Sdn Bhd.



**28 NOVEMBER**

### **SITE VISIT BY MINISTER OF WORKS TO KUALA LUMPUR SENTRAL CBD**

YB Datuk Haji Fadillah Haji Yusof, Minister of Works and senior officers from the Ministry of Works Malaysia visited Kuala Lumpur Sentral CBD including Menara Shell. They were also brought for a walkabout session at Stesen Sentral Kuala Lumpur and later on were briefed on the upgrading works of Stesen Sentral Kuala Lumpur.

### **MENTERI KERJA RAYA MALAYSIA MELAWAT KUALA LUMPUR SENTRAL CBD**

YB Datuk Haji Fadillah Haji Yusof Menteri Kerja Raya Malaysia melawat Kuala Lumpur Sentral CBD termasuk Menara Shell. Mereka juga telah dibawa melawat Stesen Sentral Kuala Lumpur dan kemudian telah diberi taklimat mengenai kerja-kerja menaik taraf Stesen Sentral Kuala Lumpur.





## DECEMBER

### 7 DECEMBER

#### **MRCB DONATES RM500,000.00 TO EAST COAST FLOOD VICTIMS**

MRCB donated RM500,000.00 to East Coast flood victims via the NSTP-Media Prima Flood Relief Fund. It was witnessed by the Prime Minister, YAB Dato' Sri Mohd Najib Tun Abdul Razak.

#### **MRCB MENYUMBANG RM500,000.00 KEPADA MANGSA BANJIR DI PANTAI TIMUR**

MRCB menyumbang RM500,000.00 kepada mangsa-mangsa banjir di Pantai Timur melalui Tabung Bencana NSTP-Media Prima. Majlis telah disaksikan oleh Perdana Menteri, YAB Dato' Sri Mohd Najib Tun Abdul Razak.



### 11 DECEMBER

#### **RHB BANK SENIOR MANAGEMENT TEAM VISITS KUALA LUMPUR SENTRAL CBD**

Members of the senior management team from RHB Bank were brought on a tour of Menara Shell, Nu Towers (1&2) and Stesen Sentral Kuala Lumpur on a fact-finding working visit. They were also briefed on the development of Kuala Lumpur Sentral CBD.

#### **PENGURUSAN KANAN RHB BANK MELAWAT KUALA LUMPUR SENTRAL CBD**

Pegawai-pegawai pengurusan kanan RHB Bank telah dibawa melihat Menara Shell, Nu Tower (1&2) dan Stesen Sentral Kuala Lumpur dalam satu rangka lawatan kerja. Mereka juga diberi taklimat berkenaan pembangunan Kuala Lumpur Sentral CBD.



## CORPORATE EVENTS 2013 PERISTIWA KORPORAT 2013



### 13 DECEMBER

#### **YB SENATOR DATO' SRI ABDUL WAHID OMAR WORKING VISIT TO KUALA LUMPUR SENTRAL CBD**

Minister in the Prime Minister's Department in charge of Economic Planning, YB Senator Dato' Sri Abdul Wahid Omar paid a working visit to Kuala Lumpur Sentral CBD as part of his duty to oversee the Public-Private Partnership Unit (UKAS) that is tasked with coordinating economic development from the perspectives of both public and private sectors. YB Dato' Sri Abdul Wahid was taken on a tour of MRCB's green building, Platinum Sentral and the walkabout of the Stesen Sentral Kuala Lumpur.



#### **LAWATAN KERJA YB SENATOR DATO' SRI ABDUL WAHID OMAR KE KUALA LUMPUR SENTRAL CBD**

Menteri di Jabatan Perdana Menteri bagi Perancangan Ekonomi, YB Senator Dato' Sri Abdul Wahid Omar mengadakan lawatan kerja ke Kuala Lumpur Sentral CBD sebagai sebahagian daripada tugas beliau memimpin Unit Kerjasama Awam-Swasta (UKAS) yang menyelaraskan pembangunan ekonomi menurut perspektif sektor awam dan swasta. YB Dato' Sri Abdul Wahid telah melawat bangunan hijau Platinum Sentral dan Stesen Sentral Kuala Lumpur.

## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of MRCB ("the Board") remains committed to achieving the highest standards of business integrity, ethics and professionalism across the activities of MRCB and its subsidiaries ("the Group"). The Board firmly believes that sound corporate governance practices are essential for ensuring sustainable business performance and value creation for the company's shareholders. In this regard, the Board and the Management team remain committed to ensuring that good Corporate Governance practices are implemented throughout the Group and that these practices are refined and improved to ensure their continued relevance and effectiveness in meeting the challenges of its dynamic business environment.

In this statement, the Board is pleased to set out its application of the principles set out in the Malaysian Code of Corporate Governance 2012 and also relevant requirements set out in the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR").

### 1. MRCB'S BOARD STRUCTURE

#### a. Composition of Members

As at 31 December 2013, the MRCB Board had 9 members, comprising the Chairman (Non-Independent Non-Executive), one (1) Executive Director and seven (7) Non-Executive Directors. Five (5) of the Non-Executive Directors are Independent Directors and two (2) are Non-Independent Non-Executive Directors.

The profiles of each member of the Board, their designations and memberships on the Board Committees are set out on pages 26 to 35 of this report.

The members of the Board bring with them a diversity and depth of experience in corporate strategy, finance, business management, property development and property management. Together with their strong networking in the public and private sectors, the members of the Board provide effective oversight and strategic leadership to the Management team.

From 1 January 2013 up to 1 September 2013, the Independent Directors constituted 71% of the Board. However, with the appointment of Datuk Mohamad Salim Fateh Din and Dato' Ishak Haji Mohamed to the Board on 2 September 2013 and 28 October 2013 respectively, as at 31 December 2013, the Independent Directors constituted 56% of the Board.

The Independent Directors provide objectivity during Board deliberations and ensure that decisions made are in the best interest of the company.

The Board believes that its composition and size enabled it to discharge its duties and responsibilities effectively and competently. From time to time, the Nomination Committee of the Board reviews the mix of skills, knowledge, experience and independence of its members. The Board is satisfied that there have been no compromises to the independence of the Independent Directors in 2013. As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a cumulative term of 12 years. The Board believes that this tenure provides a balance of effectiveness and independence that is appropriate for the Group. In this regard, on 10 January 2014, Dato' Ahmad Ibnihajar had resigned from the Board as he had served as an Independent Director for more than 12 years. The Board also recognises the importance of gender diversity and on 6 March 2014, the Board had appointed Puan Rohaya Mohammad Yusof to the Board.

#### b. Appointments to the Board and Re-election of Directors

The Nomination Committee is entrusted with the responsibility of assessing capable candidates to be appointed as members of the Board. Nominees to the Board are evaluated by the Nomination Committee prior to making a recommendation to the Board. In assessing the suitability of candidates for membership to the Board, the Nomination Committee takes into consideration the background, skills, experience, time commitment and the potential contribution of the candidates to the Board and to the current and future business requirements of the Group.

## STATEMENT ON CORPORATE GOVERNANCE

For 2013, there were two new appointments to the Board. On 2 September 2013, Datuk Mohamad Salim Fateh Din was appointed as Group Managing Director. Subsequently, Dato' Ishak Haji Mohamed was appointed as a Non-Independent Non-Executive Director on 28 October 2013.

All newly appointed Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election. This requirement is set out in Article 106 of the Company's Articles of Association. Additionally, Articles 101 and 102 of the Company's Articles of Association require that at least one-third of the Directors retire by rotation, and the Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election.

At the AGM held on 20 June 2013, Dato' Abdul Rahman Ahmad and Che King Tow, who retired pursuant to Articles 101 and 102 of the Articles of Association of the Company, had been duly re-elected.

### c. Roles and Responsibilities

The Board oversees the business and affairs of the Group and are principally responsible for strategic planning, risk management, succession planning, oversight of operations and reviewing the adequacy of the management information and internal control systems of the Group. The Board is guided by a Charter which was reviewed and adopted on 20 November 2012. Amongst others, the Board Charter sets out the principal role of the Board, the functions, roles, responsibilities and powers of the Board and its various committees. The contents of the Board Charter can be viewed at the company's website, [www.mrcb.com](http://www.mrcb.com)

The following matters have been reserved by the Board for its decision:

- Corporate plans and programmes;
- Annual budgets, including major capital commitments;
- New ventures;
- Material acquisitions and disposals of undertakings and properties; and
- Changes to the management and control structure of the Company and its subsidiaries, including key policies.

The Group Managing Director is responsible for the day-to-day business operations of the Group while the Non-Executive Directors are responsible for bringing independent judgement and scrutiny to the decisions made by the Board and to provide objective challenge to management. The Non-Executive Directors do not engage in any business dealings with the Group to ensure that they are capable of exercising independent judgement and act in the best interest of the Group and its shareholders.

The roles of the Chairman and Group Managing Director are held by separate individuals, with clear division of responsibilities and authorities. While the Chairman, who is a non-executive director, is responsible for leadership, ensuring effective functioning of the Board and providing oversight over the operations of the Group, the Group Managing Director is responsible for making and implementing operational decisions and the day-to-day management of the Group. The Group Managing Director charts the overall business direction of the Group, reports and communicates key strategic matters and proposals to the Board, and implements decisions made by the Board.

The Chairman is also responsible for chairing the meetings of the Board and ensuring that there is adequate deliberation and evaluation of proposals and information provided by management. In the absence of the Chairman, the most Senior Independent Director, Dato' Ahmad Ibnihaajar, chaired the Board meetings.



#### d. Board of Directors Meetings

The schedule of Board of Directors meetings for each year is established before the end of the preceding year along with a schedule of matters to be discussed in these meetings. Apart from the scheduled meetings, additional meetings may be requested by the Chairman to deliberate on urgent or important matters that require attention.

A total of nine (9) Board of Directors meetings were held between 1 January 2013 and 31 December 2013. All the Directors had attended more than 50% of the Board meetings during the period.

**Table 1: Details of attendance of the Directors at the Board Meetings held from 1 January 2013 to 31 December 2013**

DATE OF MEETING	Name of DIRECTOR								
	TAN SRI AZLAN ZAINOL (CHAIRMAN) Non-Independent Non-Executive Director	DATUK MOHAMAD SALIM FATEH DIN Group Managing Director	DATUK SHAHRIL RIDZA RIDZUAN Non-Independent Non-Executive Director	DATO' AHMAD IBNIHAJAR Independent Director	DATO' ABDUL RAHMAN AHMAD Independent Director	CHE KING TOW Independent Director	DATO' CHONG PAH AUNG Independent Director	JAMALUDIN ZAKARIA Independent Director	DATO' ISHAK HAJI MOHAMED Non-Independent Non-Executive Director
8 Jan 13	A	-	A	A	A	A	A	A	-
8 Feb 13	X	-	A	A	A	A	A	A	-
26 Feb 13*	A	-	A	A	A	A	A	A	-
15 Mar 13	A	-	A	A	A	A	A	X	-
22 Apr 13	A	-	A	A	A	X	A	A	-
23 May 13*	A	-	A	A	A	A	A	A	-
31 Jul 13	A		A	A	A	A	A	A	-
24 Aug 13*	A	Appointed on 2 Sep 2013	A	A	A	A	A	A	Appointed on 28 Oct 2013
19 Nov 13*	A	A	A	A	A	A	A	A	A
<b>Total (%)</b>	<b>8/9 (89%)</b>	<b>1/1 (100%)</b>	<b>9/9 (100%)</b>	<b>9/9 (100%)</b>	<b>9/9 (100%)</b>	<b>8/9 (89%)</b>	<b>9/9 (100%)</b>	<b>8/9 (89%)</b>	<b>1/1 (100%)</b>

\*Scheduled Quarterly Board Meeting

Amongst the matters deliberated by the Board in 2013 were:

- Quarterly unaudited financial results;
- Announcements to Bursa Malaysia Securities Berhad;
- Group audited financial statements;
- Major business proposals and transactions; and
- Proposed acquisition of Gapurna Builders Sdn Bhd, Gapurna Land Sdn Bhd, Puncak Wangi Sdn Bhd, Gelanggang Harapan Construction Sdn Bhd and Gapurna Global Solutions Sdn Bhd.

## STATEMENT ON CORPORATE GOVERNANCE

### 2. BOARD COMMITTEES

The Board has established five (5) Committees, each with specific authorities and responsibilities, to assist the Board discharge its duties and responsibilities effectively. The roles, functions and authorities of these Committees are clearly set out in their respective terms of reference.

At these Committees, detailed review and deliberation of strategic issues are carried out and the Chairman of the various Committees reports on their respective deliberations and recommendations to the Board at the next Board meeting. The Board retains the ultimate responsibility for decisions made by the Committees.

The composition, responsibilities and activities of the various Committees are set out below.

#### a. Audit Committee

A report of the Audit Committee, setting out its membership, roles and activities during the year is set out on pages 129 to 132.

#### b. Executive Committee of The Board

The Executive Committee of the Board ("EXCO") was established to enhance the Board's leadership and management of the Group. Comprised of three (3) Non-Executive Directors and the Group Managing Director, the main functions of the EXCO are:

- i) to guide Management in the implementation of the GLC Transformation Initiatives;
- ii) to review and recommend the annual business plan and budget of the Group to the Board for approval;
- iii) to consider and review significant and/or major issues relating to the business direction of the Group; and
- iv) to deliberate on all major business transactions and issues relating to the Group that require the EXCO's or Board's approval in line with the approved Limits of Authority.

Three (3) members form the quorum for a meeting. For 2013, a total of seven (7) EXCO meetings were held and these were fully attended by all the members of the EXCO.

**Table 2: Details of attendance of members at the EXCO meetings held from 1 January 2013 to 31 December 2013**

NAME OF EXCO MEMBER	ATTENDANCE
Datuk Shahril Ridza Ridzuan (Chairman)	7/7
Datuk Mohamad Salim Fateh Din (appointed on 2 Sept 2013)	2/2
Che King Tow	7/7
Dato' Chong Pah Aung	7/7

Among the activities carried out by the EXCO in 2013 were:

- Reviewed the progress of key projects; and
- Deliberated on major business proposals and transactions.

#### c. Nomination Committee

The Nomination Committee comprises of four (4) members, all of whom are Independent Non-Executive Directors. The principal duties and responsibilities of the Nomination Committee are:

- i) identifying and recommending new nominees to the Board and Committees of the Board of the MRCB Group of Companies. All decisions and appointments are made by the respective Boards after considering the recommendations of the Nomination Committee;
- ii) assisting the Board, Committees of the Board and Directors in assessing their overall effectiveness on an on-going basis; and
- iii) assisting the Board in periodically reviewing its required mix of skills and experience and other qualities that Non-Executive Directors should bring to the Board.

The Nomination Committee meets at least once a year and three (3) members form the quorum for a meeting. For 2013, seven (7) Nomination Committee meetings were held and these were fully attended by the members.

**Table 3: Details of attendance of members at the Nomination Committee meeting held from 1 January 2013 to 31 December 2013**

NAME OF NOMINATION COMMITTEE MEMBER	ATTENDANCE
Che King Tow (Chairman)	7/7
Dato' Abdul Rahman Ahmad	7/7
Dato' Ahmad Ibni Hajar	7/7
Dato' Chong Pah Aung	7/7

Among the activities carried out by the Nomination Committee in 2013 were:

- Reviewed the organisation structure of the Group;
- Deliberated on the appointment of the Group Managing Director, Group Chief Operating Officer, Chief Strategy Officer and Chief Financial Officer; and
- Deliberated on the appointment of additional directors of the Company.

#### d. Remuneration Committee

The Remuneration Committee comprises four (4) members, all of whom are Independent Non-Executive Directors. The principal roles and responsibilities of the Remuneration Committee are:

- i) to determine and recommend to the Board, the framework or broad policy for the remuneration packages of the Chairman of the Board, the Group Managing Director and other senior management personnel it is designated to consider;

- ii) to establish a formal and transparent procedure for developing a policy on the total individual remuneration package of the Group Managing Director and other designated senior management personnel including, where appropriate, bonuses, incentives and share options;
- iii) to design the remuneration package for the Group Managing Director and other designated senior management personnel with the aim of attracting and retaining high-calibre senior management personnel who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Company operates. Once formulated, the remuneration package is recommended to the Board for approval;
- iv) to review and recommend to the Board, improvements (if any) on the Group Managing Director and designated senior management personnel's remuneration policy and package, and any other issues relating to the benefits of those designated senior management personnel on an annual basis;
- v) to review any major changes in employee benefit structures throughout the Group, and where appropriate, recommend to the Board for adoption; and
- vi) to review and recommend to the Board for adoption, the framework for the Group's annual incentive scheme. The framework for the annual incentive scheme may include:
  - Merit increment
  - Merit bonus
  - Incentives.

The Remuneration Committee meets at least once a year and three (3) members form the quorum for a meeting. For 2013, five (5) Remuneration Committee meetings were held and these were fully attended by the members.



## STATEMENT ON CORPORATE GOVERNANCE

**Table 4: Details of attendance of members at the Remuneration Committee meetings held from 1 January 2013 to 31 December 2013**

NAME OF REMUNERATION COMMITTEE MEMBER	ATTENDANCE
Dato' Abdul Rahman Ahmad (Chairman)	5/5
Dato' Ahmad Ibniহার	5/5
Che King Tow	5/5
Dato' Chong Pah Aung	5/5

Among the activities carried out by the Remuneration Committee in 2013 were:

- Reviewed the achievement of Key Performance Indicators for the financial year ended 31 December 2012;
- Reviewed the Group Key Performance Indicators for the financial year ending 31 December 2013;
- Reviewed the performance bonus and remuneration package for management personnel;
- Deliberated on the remuneration package for the Group Managing Director, Group Chief Operating Officer, Chief Strategy Officer and Chief Financial Officer; and
- Deliberated on the revision to the directors' fees.

### e. Employees' Share Option Scheme Committee

The Employees' Share Option Scheme ("ESOS") Committee was set up to ensure that the implementation of the ESOS was administered fairly in accordance to the Company's by-laws of the ESOS approved by the Shareholders.

The ESOS Committee, which comprises three (3) members of the Board, meets as and when required and three (3) members form the quorum for a meeting. During the year under review, two (2) ESOS Committee meetings were held and these meetings were fully attended by the members.

**Table 5: Details of attendance of members at the ESOS Committee meetings held from 1 January 2013 to 31 December 2013**

NAME OF ESOS COMMITTEE MEMBER	ATTENDANCE
Dato' Ahmad Ibniহার	2/2
Datuk Shahril Ridza Ridzuan	2/2
Jamaludin Zakaria	2/2

Among the activities carried out by the ESOS Committee in 2013 were:

- Allotment of new ESOS Batch A 2012/2017 to eligible employees; and
- Application by employees to hold and to exercise their ESOS allotment until the expiry of the option period upon retirement.

## 3. BOARD REMUNERATION

### a. Remuneration Policy for Directors and Senior Management

The remuneration of the Group Managing Director and designated senior management personnel are based on the Remuneration Committee's review and assessment of the achievements and contribution of each individual measured against their respective Key Performance Indicators. Recommendations are then made by the Remuneration Committee for a decision by the Board on suitable remuneration for each personnel.

Non-executive Directors receive a fixed base fee as a consideration for their Board duties. The aggregate amount of Directors' fees paid to Non-Executive Directors is recommended by the Board for the approval of the shareholders at the Company's Annual General Meeting.

## b. Directors' Remuneration

Details of the Directors' remuneration for financial year ended 31 December 2013 are set out in Tables 6 and 7 below. In the 2012 Annual General Meeting, the shareholders of the company had approved the increase in Directors' Fees to RM750,000.

The total Directors' remuneration for the financial year ended 31 December 2013 is approximately RM1.47 million, with the highest paid director being the Group Managing Director.

**Table 6: Details of Aggregate Directors' Remuneration for 2013**

NAME OF DIRECTOR	FEES RM'000	SALARY AND BONUS RM'000	EPF RM'000	ALLOWANCE RM'000	LEAVE PASSAGE RM'000	CAR ALLOWANCE RM'000	BENEFITS- IN-KIND RM'000	TOTAL RM'000
Tan Sri Azlan Zainol	150			60				210
Datuk Shahril Ridza Ridzuan	100			120				220
Dato' Ahmad Ibnihajar	100							100
Dato' Abdul Rahman Ahmad	100							100
Che King Tow	100							100
Dato' Chong Pah Aung	100							100
Jamaludin Zakaria	100							100
Datuk Mohamad Salim Fateh Din^		397	87			40	2	526
Dato' Ishak Haji Mohamed~	18							18
<b>Total</b>	<b>768</b>	<b>397</b>	<b>87</b>	<b>180</b>	<b>-</b>	<b>40</b>	<b>2</b>	<b>1,474</b>

### Note

^: Datuk Mohamad Salim Fateh Din's remuneration is from 2 Sep 2013 to 31 Dec 2013

~: Dato' Ishak Haji Mohamed's remuneration is from 28 Oct 2013 to 31 Dec 2013

**Table 7: Analysis of Directors' Remuneration by Bands of RM50,000**

DIRECTORS' REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	TOTAL
RM0 – RM50,000	-	1	1
RM50,001 – RM100,000	-	5	5
RM100,001 – RM150,000	-	-	-
RM200,001 – RM250,000	-	2	2
RM500,001 – RM550,000	1	-	1
<b>Total</b>	<b>1</b>	<b>8</b>	<b>9</b>

## STATEMENT ON CORPORATE GOVERNANCE

### 4. BOARD CONDUCT

#### a. Code of Ethics and Conduct for Board Members

The Directors are expected to conduct themselves with the highest ethical standards. All Directors of the Group are given a copy of the Executive Handbook and the Code of Business Ethics upon their appointment. Compliance with the provisions in these documents is deemed to be part of the terms and conditions of their service. Amongst others, the Executive Handbook and Code of Business Ethics set out the expected standards of conduct and behaviour when dealing with external customers, suppliers and conflict of interest situations; and in preserving the confidentiality of company information.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

#### b. Directors' Training and Continuing Education Programme

The Board members are mindful of the need to continuously upgrade and improve their knowledge and enhance their skills for the benefit of the Group. All new Directors are required to attend the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. In addition to that, the Board assesses the training needs of its Directors from time to time and ensures that the Directors have access to continuing education programmes.

During the year, members of the Board had attended various courses on the changing laws, regulations, techniques and practices in leadership and management at the Board level. The details of the courses attended by the Directors are set out in Table 8 below.

**Table 8: Training Courses Attended by Directors in 2013**

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Tan Sri Azlan Zainol	<b>Training Session No 3 of ICAAP (1/2 Day)</b> Date : 11 January 2013 Organiser : RHB Bank
	<b>The Malaysian Code on Corporate Governance 2012 &amp; Statement on Risk Management</b> Date : 22 May 2013 Organiser : KPMG
	<b>Financial Services Act 2013 ("FSA") and Islamic Financial Services Act 2013 ("IFSA") and Directors and Officers Liability Insurance Policy ("D&amp;O" Policy) presentation for Directors</b> Date : 20 May 2013 Organiser : RHB Bank
	<b>Personal Data Protection Act 2010 ("PDPA") and Foreign Account Tax Compliance Act ("FATCA")</b> Date: 6 June 2013 Organiser : RHB Bank
	<b>Governance in Group Program</b> Date : 17 June 2013 Organiser : RHB Bank & The ICLIF Leadership & Governance Centre
	<b>9th World Islamic Economic Forum, Excel London, United Kingdom</b> Date : 29 -31 October 2013 Organiser : WIEF Foundation
	<b>Board Chairman Series : The Role of the Chairman</b> Date : 14 November 2014 Organiser : The ICLIF Leadership & Governance Centre



NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Dato' Ahmad Ibnihajar	<b>Special Dialogue and Presentation Session on ASEAN Corporate Governance Scorecard</b> Date : 19 June 2013 Organiser : Minority Shareholder Watchdog Group (MSWG)
Datuk Shahril Ridza Ridzuan	<b>Anti-Money Laundering &amp; Counter Financing of Terrorism (AML &amp; CFT) Awareness Training</b> Date : 4 April 2013 Organiser : MBSB and Bank Negara Malaysia
Dato' Abdul Rahman Ahmad	<b>Mastering Financial Negotiations</b> Date : 14 to 15 March 2013 Organiser : Euromoney Training  <b>Complexity to Execution Excellence</b> Date : 8 October 2013 Organiser : Malaysian Alliance of Corporate Directors
Dato' Chong Pah Aung	<b>Advocacy Session on Corporate Disclosure for Directors of Listed Companies</b> Date : 5 September 2013 Organiser : Bursa Malaysia Berhad
Jamaludin Zakaria	<b>Best of Corporate Malaysia Transformation</b> Date : 25 September 2013 Organiser : Malaysian Directors Academy
Che King Tow	<b>Nominating Committee Programme (A Joint Programme with Bursa Malaysia)</b> Date : 10 October 2013 Organiser : ICLIF Leadership & Governance Centre

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Datuk Mohamad Salim Fateh Din	<b>Directors' Continuous Education Programme</b> Date : 28 – 30 October 2013 Organiser : In- house training by Dutch Lady Milk Industries Berhad

Since the appointment of Dato' Ishak Haji Mohamed as a Director of the Company on 28 October 2013, he had not attended any training programs for the period from his appointment to 31 December 2013.

#### c. Performance Evaluation

The Board, through the Nomination Committee, reviews and evaluates its performance and the performance of individual Directors every two years. The last performance evaluation was conducted in 2012 by a professional consulting firm. The evaluation, which was conducted through written questionnaires and interviews with the Directors, covered the effectiveness of the Board including the Chairman, the Board Committees and individual Board members.

#### d. Relationship of the Board with Management

The relationship between the Board and Management remain strong and cohesive during the year under review and the Board continues to have direct and unrestricted access to the management team of the Group. The Board supports the Management by providing leadership, and the setting of business targets through Key Performance Indicators and Balanced Scorecards for senior management personnel. At the same time, the Board also serves a check-and-balance function by challenging and debating decisions made by the Management before they are endorsed and approved. To do this, an established and structured reporting system has been put in place where the Board is regularly briefed and updated on the performance of the Group. This system enables the Board to closely monitor the achievement of targets set. Rewards to the Management and employees, such as bonuses and ESOS allocation, are based on financial performance and achievement of key business targets.

## STATEMENT ON CORPORATE GOVERNANCE

### e. Full Access to Information

In the course of discharging their duties, the Directors have:

- i) full and unrestricted access to timely and accurate information. The agenda and a full set of Board papers are typically distributed at least 7 days before the Board or its Committee meetings. This process ensures that the Directors have sufficient time to review, consider and if necessary, obtain further information on the matters to be discussed, and thus be properly briefed and prepared during the meetings;
- ii) unrestricted access to the advice and services of the Company Secretary and other members of senior management; and
- iii) unrestricted advice and services of external and independent professionals, made available to Board members individually and collectively. These advice and services are made available independent of Management's intervention.

The Company Secretary is a member of Malaysian Institute of Chartered Secretaries and Administrators and has the requisite experience to provide unhindered advice to the Board to ensure their effective functioning and compliance with regulatory requirements.

In order to enhance the accountability of the Board and Senior Management, the Group has in place Limits of Authority approved by the Board which sets out the limits of transactions for each level of Management to approve, and transactions that need to be approved by the EXCO or the Board.

### f. Keeping Tabs with the Company's Activities on the Ground

The Board has adopted a hands-on approach in discharging its role. During the year, the Directors made visits to the Company's project sites in Kuala Lumpur Sentral. The Directors also attended a Management Retreat in Langkawi where the medium term strategies for the group was discussed.

### g. Accountability for Financial Information

The Board undertakes to ensure that:

- i) the Group's annual financial statements, quarterly announcement of results to shareholders, reports to regulators and other price-sensitive public reports are presented with a balanced and understandable assessment of the Group's position and prospects;
- ii) the Group's financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates and in adherence to all applicable accounting standards; and
- iii) accounting records are accurate, within margins of reasonableness and which discloses the financial position of the Group in a true and fair manner.

The statement by directors pursuant to Section 169(15) of the Companies Act, 1965 in relation to the preparation of the financial statements are set out on page 174 of this report under "Statement by Directors".

### h. Relationship with External Auditors

The Company maintains a transparent and professional relationship with its auditors through the Audit Committee. During the year, the Company engaged its external auditors for statutory audits, tax-related matters and as Reporting Accountants for a Corporate Exercise undertaken by the Company.

The Audit Committee meets regularly with the External Auditors to discuss and review the Audit Plan, and annual financial results, reports of examination and any audit findings that are highlighted by the External Auditors for the Audit Committee's attention.

In recommending the External Auditors for re-appointment, the Audit Committee reviews their performance, suitability and independence. For 2013, the Audit Committee has obtained a written assurance from PricewaterhouseCoopers, the External Auditors, that they have maintained their independence in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.

Further details on the activities of the Audit Committee in relation to the External Auditors is described on pages 131.

## 5. PROTECTION OF SHAREHOLDERS' VALUE

### a. Risk Management and Internal Control

The Board acknowledges that it is responsible for the effective management of risks and for ensuring that an effective system of internal control exists. Regular reviews on the risk management framework and the system of internal controls are conducted to ensure its continued relevance, adequacy and integrity.

The Board believes that a sound system of internal control, financial or otherwise, should provide reasonable assurance on:

- the effectiveness and efficiency of the Group's operations;
- effective management of risks
- the reliability of the Group's financial information; and
- compliance with laws and regulations.

However, due to the limitations inherent in any system of internal control, the system designed can only manage rather than eliminate the risk of failure to achieve the Group's objectives.

The Statement on Risk Management and Internal Control that is set out on pages 137 to 139 of this report provides an overview on the risk management processes and the main features of the system of internal controls within the Group.

### b. Prevention of Fraud

The Board has also put in place the Prevention of Fraud Manual which serves to guide the Management and employees on maintaining the highest standards of conduct and integrity in all dealings, as well as detailing out the Management's responsibility to set up the proper control processes to prevent and detect fraud. It defines what constitutes fraud and fraudulent activities, and puts together a framework for preventing fraud.

During the year, the Whistleblowing Policy was reviewed and updated. The Whistleblowing Policy outlines the avenues and procedures for whistleblowers to communicate their concerns to the Board (either through the Chairman of the Audit Committee or the Head of Corporate Governance) without Management's intervention and interference. As part of the review, more channels for communicating concerns were established, including through the Company's website. The Whistleblowing Policy also describes the procedures to be taken for investigating and dealing with reports on the misconduct of employees.

### c. Quality Assurance

To ensure the Group delivers products and services that are of high quality standards, the Total Quality Management function conducts regular independent reviews on the quality of the Group's products and services, and based on these reviews, provides feedback on improvement opportunities to Management. The Total Quality Management function also reviews and enhances the Group's standard operating procedures to ensure that they are updated for changes in the Group's structure as well as industry changes and developments towards developing an improved level of quality in the delivery of products and services.



## STATEMENT ON CORPORATE GOVERNANCE

### d. Assurance on Performance of Associated Companies

To safeguard the Company's investments in associated companies and to oversee their performance, the Company appoints its representatives to the Board of Directors of the associated companies. For active associated companies, key financial information and significant issues pertaining to these companies are sought and reviewed by the MRCB Board on a regular basis.

## 6. SHAREHOLDERS, INVESTORS AND STAKEHOLDERS

### a. Looking after Minority Interests

The Independent Directors do not represent any of the substantial shareholders and will therefore represent and act in the interests of the minority shareholders, investors and stakeholders. The Board also maintains communications with the Minority Shareholder Watchdog Group on the interests of the minority shareholders.

### b. Dividend Policy

The Company has established a Dividend Policy in 2007, whereby shareholders can expect a dividend payout amounting to at least 20% of the Consolidated Profit after Taxation and Non-controlling Interests. For the financial year ended 31 December 2013, the Company is proposing a dividend of 1.0% or 1.0 sen per ordinary share. This proposal is subject to the approval of the shareholders at the forthcoming 43rd Annual General Meeting.

### c. Communication and Transparency

In order to ensure that the stakeholders and investing public has up-to-date information on the Group's performance, operations and other significant developments, various corporate announcements required under the MMLR (including timely release of quarterly financial results) have been made during the period under review. In addition, detailed information on the Group's significant corporate events and developments were made through the media via press releases and/or press conferences.

Shareholders, investors and stakeholders can conveniently access up-to-date information on the Group's projects, quarterly financial position, investor relations and general corporate information at its regularly-updated corporate public website <http://www.mrcb.com>

There is also a "Contact Us" icon on the Company's website, which leads to a webpage where shareholders and investors can conveniently forward their questions and comments to the Company. Shareholders and members of the public may also contact the Senior Independent Director of the Company to convey their concerns or questions. With the resignation of Dato' Ahmad Ibnihajar on 10 January 2014, Dato' Abdul Rahman Ahmad has assumed the role of Senior Independent Director, and Dato' Abdul Rahman Ahmad may be contacted at: Email : [arahman.dir@mrcb.com](mailto:arahman.dir@mrcb.com)

### d. Annual General Meeting

The Annual General Meeting is another forum through which the Board communicates with shareholders on the Group's progress and performance and where the Board clarifies issues pertaining to the Group's business activities, performance and other related matters. Shareholders are encouraged to participate in the meeting and are given the opportunity to ask questions and state their views. Where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting.

Where there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions are provided in the notice of the Annual General Meeting and where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting and where appropriate, these matters are put to vote by poll.

## 7. ON-GOING GLC TRANSFORMATION INITIATIVES

The Group is also continuing its efforts to further improve its organization and processes towards becoming a stronger, efficient and more competitive business entity as well as a responsible corporate citizen as guided by the Putrajaya Committee on GLC Transformation Initiatives. The Group believes that this is an ongoing process and will monitor and fine-tune the initiatives as necessary.

## 8. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

### a. CSR Programmes

The Group's commitment towards its CSR obligation remained at a high level throughout the business in terms of generating positive reputation for the organization in supporting national aspirations and empowering the underprivileged. All CSR initiatives were guided by the framework outlined in the "Silver Book – Achieving Value through Social Responsibility", adopted since 2007 under the GLC Transformation Programme.

A unique initiative undertaken in 2013 was the collaboration with the Kechara Soup Kitchen for a programme called "Nourish the Poor" to feed the homeless every weekend around Kuala Lumpur city. About 100 homeless individuals receive food packs together with basic sanitary items during the rounds on Saturday nights. The programme also included sponsorship of a private ambulance service to provide medical care for the ill and unhealthy.

This programme, and the genuine care that shines through, has benefitted the homeless by empowering them to improve their life's situation and to find means of livelihood that can afford them life's basic necessities.

In 2013, we also continue to enthusiastically promote enhancement in the understanding of Mathematics, English and Science subjects in the PINTAR school programme for the sixth year running. Underprivileged and lower-performing students are gaining direct benefits from focused and specialized tutoring sessions from experienced former teachers and academicians. As of 2013, MRCB has adopted more than 15,000 students since becoming a member of PINTAR in 2007 and we believe these students will continue to touch other lives as they progress, mature and enter the job market in the future.

In 2013 too, MRCB's tradition of caring and giving continues with the giving of close to 1,000 school bags, shoes, socks and stationary sets to underprivileged students from its nine adopted PINTAR schools in Pulau Pinang, Perak, Kuala Lumpur, Johor and Pahang. Our caring and giving tradition was also extended to flood victims with a RM500,000 donation via the NSTP-Media Prima Disaster Fund at the end of last year when floods affected East Coast communities in Peninsular Malaysia.

Among other beneficiaries of MRCB's CSR initiatives which amounted to RM2,003,949 for 2013, were Yayasan Peneraju Pendidikan Bumiputera, the Malaysia Crime Prevention Foundation and the Government's My Beautiful Malaysia Day 2013.

## STATEMENT ON CORPORATE GOVERNANCE

Apart from these community CSR activities, MRCB continues to positively impact the lives of thousands more with its Green and sustainable projects through the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang worth RM130 million (MRCB successfully completed Phase 1 & 2) and the iconic and first ever project in Malaysia to install high voltage overhead transmission lines crossing over a stretch of the Straits of Melaka in a tourism designated area stretching from Pantai Siring to Pulau Besar in Melaka.

### b. Awards and Recognition

The Company continues to receive recognition and accolades in 2013. An Industry Excellence award was presented to MRCB by the ASEAN-BAC Malaysia Chapter during the 5th Malaysian Business Award, while its green development Platinum Sentral became the winner of the prestigious FIABCI Malaysia Award under Sustainable Development Category. The Company also received the NACRA 2013 Annual Corporate Report Awards.

MRCB continues to be represented as a committee member of the Malaysian chapter of the United Nations Global Compact ("UNGC") in keeping with the Group's aim of adopting international standards for its CSR programmes and vision. The goal is to incorporate all the 10 UNGC principles on human rights, labour rights, environmental sustainability and anti-corruption into the Group's operations and strategies and to report on their implementation.

Details of the Group's CSR programmes are available in a separate report on CSR, which is an integral part of this report.

### 9. RESPONSIBILITY STATEMENT IN RESPECT OF THE FINANCIAL YEAR UNDER REVIEW

*(Pursuant to paragraph 15.26 (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.)*

The Board ensures that the Audited Financial Statements are prepared in accordance with the Companies Act, 1965 and the applicable approved accounting standards set out by the Malaysian Accounting Standards Board so as to present a true and fair view of the state of affairs of the Group and of the profit or loss and cash flows as at the end of the accounting period.

In preparing the Audited Financial Statements, the Directors are satisfied that the applicable approved Accounting Standards in Malaysia have been complied with and reasonable and prudent judgements and estimates have been made. The Audited Financial Statements are also prepared on a going concern basis as the Board has reasonable expectation, after having made enquiries, that the Group has adequate resources to continue in operational existence for the foreseeable future.

### 10. STATEMENT ON COMPLIANCE WITH THE REQUIREMENTS OF BURSA MALAYSIA IN RELATION TO APPLICATION OF PRINCIPLES AND ADOPTION OF BEST PRACTICES LAID DOWN IN THE MALAYSIAN CODE OF CORPORATE GOVERNANCE 2012

*(Pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.)*

The above statements are clear reflections of the conscious efforts of the MRCB Board and Management to strengthen its governance process and maintain its position as one of the leaders in the application of corporate governance.

The Board is pleased to report to the shareholders that the Company has complied with the principles set out in the Malaysian Code on Corporate Governance 2012 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board believes this to be an ongoing process and will continue to strive for adoption of leading practices in corporate governance.

**This Statement on Corporate Governance is made by the Board of Directors in accordance to its resolution dated 30th April 2014**



# PENYATA TADBIR URUS KORPORAT

Lembaga Pengarah MRCB ("Lembaga") kekal komited untuk mencapai piawaian kewibawaan, etika dan profesionalisme tertinggi dalam segenap aktiviti MRCB dan syarikat-syarikat subsidiarinya ("Kumpulan"). Lembaga percaya sepenuhnya bahawa amalan tadbir urus korporat yang baik adalah penting dalam memastikan prestasi perniagaan dan penciptaan nilai yang mampan bagi para pemegang saham syarikat. Sehubungan itu, Lembaga dan pasukan Pengurusan sentiasa komited untuk memastikan supaya amalan Tadbir Urus Korporat yang baik terus dilaksanakan di seluruh Kumpulan dan supaya amalan tersebut terus diperhalusi dan ditambah baik bagi memastikan agar ia kekal relevan dan berkesan dalam menghadapi cabaran persekitaran perniagaannya yang dinamik.

Dalam penyata ini, Lembaga dengan sukacitanya membentangkan penggunaan prinsip-prinsip yang digariskan dalam Kod Tadbir Urus Korporat Malaysia 2012 dan pelbagai keperluan berkaitan seperti yang ditetapkan dalam Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad ("KPPU").

## 1. STRUKTUR LEMBAGA PENGARAH MRCB

### a. Komposisi Ahli

Pada 31 Disember 2013, Lembaga MRCB mempunyai sembilan (9) orang ahli, yang terdiri daripada Pengerusi [Bukan Eksekutif Bukan Bebas], seorang (1) Pengarah Eksekutif dan tujuh (7) orang Pengarah Bukan Eksekutif. Lima (5) orang daripada Pengarah Eksekutif merupakan Pengarah Bebas dan dua (2) orang Pengarah Bukan Eksekutif Bukan Bebas.

Profil setiap ahli Lembaga berserta jawatan dan keahlian mereka dalam Jawatankuasa-jawatankuasa Lembaga disediakan di muka surat 26 hingga 35 dalam laporan ini.

Ahli-ahli Lembaga membawa bersama mereka pengalaman yang berpelbagai dan luas dalam bidang strategi korporat, kewangan, pengurusan perniagaan, pembangunan dan pengurusan hartanah. Ditambah dengan jalinan rangkaian yang kukuh dalam sektor awam dan swasta, ahli-ahli Lembaga menyediakan fungsi pengawal seliaan dan kepimpinan strategik yang berkesan kepada pasukan Pengurusan.

Dari 1 Januari 2013 hingga 1 September 2013, para Pengarah Bebas merangkumi 71% daripada Lembaga. Walau bagaimanapun, dengan pelantikan Datuk Mohamad Salim Fateh Din pada 2 September 2013 dan Dato' Ishak Haji Mohamed pada 28 Oktober 2013 ke Lembaga, para Pengarah Bebas merangkumi 56% daripada komposisi Lembaga pada 31 Disember 2013.

Para Pengarah Bebas mendukung prinsip-prinsip berobjektif semasa perbincangan Lembaga dan memastikan keputusan yang dicapai adalah untuk kepentingan syarikat.

Lembaga percaya bahawa komposisi dan saiznya pada masa ini membolehkan ia menjalankan tugas dan tanggungjawabnya secara berkesan dan kompeten. Jawatankuasa Pencalonan Lembaga mengkaji dari semasa ke semasa, campuran kemahiran, pengetahuan, pengalaman dan kebebasan yang dimiliki oleh ahli-ahlinya. Lembaga berpuas hati bahawa tiada sebarang perkara yang telah menjejaskan kebebasan para Pengarah Bebasnya pada tahun 2013. Lembaga juga telah mewujudkan satu dasar yang menggariskan bahawa tempoh Pengarah Bebas memegang jawatan hendaklah tidak melebihi penggal kumulatif selama 12 tahun. Lembaga percaya bahawa tempoh memegang jawatan ini memberi keseimbangan keberkesanan dan kebebasan yang bersesuaian dengan Kumpulan. Sehubungan itu, Dato' Ahmad Ibnihajar telah meletak jawatan daripada Lembaga pada 10 Januari 2014 kerana beliau telah berkhidmat sebagai Pengarah Bebas selama lebih 12 tahun. Lembaga turut mengakui kepentingan kepelbagaian jantina dan telah melantik Puan Rohaya Mohammad Yusof untuk menganggotai Lembaga pada 6 Mac 2014.

### b. Pelantikan ke Lembaga dan Pemilihan Semula Pengarah

Jawatankuasa Pencalonan dipertanggungjawabkan menilai calon-calon yang berwibawa untuk dilantik sebagai ahli Lembaga. Dalam menilai kesesuaian calon untuk menganggotai Lembaga, Jawatankuasa Pencalonan mengambil kira latar belakang, kemahiran, pengalaman, komitmen masa dan sumbangan potensi calon-calon tersebut kepada Lembaga dan kepada keperluan semasa dan masa depan Kumpulan.

## PENYATA TADBIR URUS KORPORAT

Dua pelantikan baharu ke Lembaga telah dilakukan pada tahun 2013. Datuk Mohamad Salim Fateh Din telah dilantik sebagai Pengarah Urusan Kumpulan pada 2 September 2013. Kemudian, pada 28 Oktober 2013, Dato' Ishak Haji Mohamed pula telah dilantik sebagai Pengarah Bukan Eksekutif Bukan Bebas.

Semua Pengarah yang baru dilantik hendaklah memegang jawatan hingga Mesyuarat Agung Tahunan akan datang sahaja dan kemudian akan layak untuk pemilihan semula. Keperluan ini digariskan dalam Artikel 106 Tataurusan Pertubuhan Syarikat. Selain itu, Artikel 101 dan 102 Tataurusan Pertubuhan Syarikat turut menghendaki agar sekurang-kurangnya satu pertiga daripada para Pengarah hendaklah bersara mengikut giliran, manakala para Pengarah yang akan bersara pada setiap tahun adalah Pengarah yang telah memegang jawatan paling lama sejak pelantikan atau pemilihan semula mereka.

Pada AGM yang diadakan pada 20 Jun 2013, Dato' Abdul Rahman Ahmad dan Che King Tow yang bersara menurut Artikel 101 dan 102 Tataurusan Pertubuhan Syarikat, telah dipilih semula dengan sewajarnya.

### c. Peranan dan Tanggungjawab

Lembaga mengawasi perniagaan dan hal ehwal Kumpulan dan bertanggungjawab terutamanya terhadap perancangan strategik, pengurusan risiko, perancangan penggantian, pengawal seliaan operasi dan mengkaji kecukupan sistem maklumat pengurusan dan kawalan dalaman Kumpulan. Lembaga dipandu oleh sebuah Piagam yang telah disemak semula dan diterima pakai pada 20 November 2012. Piagam Lembaga antara lain menggariskan peranan utama Lembaga, fungsi, peranan, tanggungjawab dan kuasa Lembaga serta jawatankuasa-jawatankuasanya. Kandungan Piagam Lembaga boleh dirujuk di laman sesawang syarikat di [www.mrcb.com](http://www.mrcb.com)

Perkara-perkara berikut telah dikhususkan untuk diputuskan oleh Lembaga:

- Rancangan dan program korporat;
- Belanjawan tahunan, termasuk komitmen modal utama;
- Penerokaan perniagaan baharu;
- Pengambilalihan dan penjualan pelaksanaan dan hartanah penting; dan
- Perubahan struktur pengurusan dan kawalan Syarikat dan syarikat-syarikat subsidiarinya, termasuk dasar-dasar penting.

Pengarah Urusan Kumpulan bertanggungjawab ke atas operasi perniagaan harian Kumpulan, manakala Pengarah Bukan Eksekutif pula bertanggungjawab memberi penelitian dan pertimbangan bebas terhadap keputusan yang dilakukan oleh Lembaga serta membangkitkan perbincangan berobjektif kepada pihak pengurusan. Para Pengarah Bukan Eksekutif tidak terlibat dalam sebarang urusan perniagaan dengan Kumpulan bagi memastikan supaya mereka mampu melaksanakan pertimbangan bebas dan bertindak untuk kepentingan Kumpulan dan para pemegang sahamnya.

Peranan Pengerusi dan Pengarah Urusan Kumpulan disandang oleh individu yang berlainan dengan pembahagian tanggungjawab dan autoriti yang jelas. Pengerusi yang merupakan seorang pengarah bukan eksekutif, bertanggungjawab memimpin, memastikan keberkesanan fungsi Lembaga dan mengawal selia operasi Kumpulan, manakala Pengarah Urusan Kumpulan bertanggungjawab membuat dan melaksanakan keputusan operasi serta pengurusan harian Kumpulan. Pengarah Urusan Kumpulan merangka keseluruhan hala tuju perniagaan Kumpulan, melapor dan menyampaikan hal-hal serta cadangan strategik penting kepada Lembaga, dan melaksanakan keputusan yang dibuat oleh Lembaga.

Pengerusi juga bertanggungjawab mempengerusikan mesyuarat-mesyuarat Lembaga dan memastikan supaya perbincangan dan penilaian yang sewajarnya dilakukan terhadap cadangan dan maklumat yang dikemukakan oleh pihak pengurusan. Jika Pengerusi tidak hadir, Pengarah Bebas Paling Kanan, Dato' Ahmad Ibnihajar, akan mempengerusikan mesyuarat Lembaga.

#### d. Mesyuarat Lembaga Pengarah

Jadual mesyuarat Lembaga Pengarah bagi setiap tahun dirangka sebelum akhir tahun sebelumnya berserta satu jadual perkara-perkara yang akan dibincangkan di mesyuarat-mesyuarat tersebut. Di samping mesyuarat berjadual, mesyuarat tambahan boleh dipanggil oleh Pengerusi untuk membincangkan hal-hal mendesak dan penting yang perlu diberi perhatian.

Sebanyak sembilan (9) mesyuarat Lembaga Pengarah telah diadakan antara 1 Januari 2013 dan 31 Disember 2013. Semua Pengarah telah menghadiri lebih 50% daripada jumlah mesyuarat Lembaga yang telah diadakan sepanjang tempoh tersebut.

**Jadual 1: Butiran kehadiran Mesyuarat Lembaga Pengarah yang diadakan dari 1 Januari 2013 hingga 31 Disember 2013**

TARIKH MESYUARAT	NAMA PENGARAH								
	TAN SRI AZLAN ZAINOL (PENGKERUSI) Pengarah Bukan Eksekutif Bukan Bebas	DATUK MOHAMAD SALIM FATEH DIN Pengarah Pengarah Urusan Kumpulan	DATUK SHAHIRIL RIDZUAN Pengarah Bukan Eksekutif Bukan Bebas	DATO' AHMAD IBNIHAJAR Pengarah Bebas	DATO' ABDUL RAHMAN AHMAD Pengarah Bebas	CHE KING TOW Pengarah Bebas	DATO' CHONG PAH AUNG Pengarah Bebas	JAMALUDIN ZAKARIA Pengarah Bebas	DATO' ISHAK HAJI MOHAMED Pengarah Bukan Eksekutif Bukan Bebas
8 Jan 13	A	-	A	A	A	A	A	A	-
8 Feb 13	X	-	A	A	A	A	A	A	-
26 Feb 13*	A	-	A	A	A	A	A	A	-
15 Mac 13	A	-	A	A	A	A	A	X	-
22 Apr 13	A	-	A	A	A	X	A	A	-
23 Mei 13*	A	-	A	A	A	A	A	A	-
31 Jul 13	A		A	A	A	A	A	A	-
24 Ogos 13*	A	Dilantik pada 2 Sep 2013	A	A	A	A	A	A	Dilantik pada 28 Okt 2013
19 Nov 13*	A	A	A	A	A	A	A	A	A
<b>Jumlah (%)</b>	<b>8/9 (89%)</b>	<b>1/1 (100%)</b>	<b>9/9 (100%)</b>	<b>9/9 (100%)</b>	<b>9/9 (100%)</b>	<b>8/9 (89%)</b>	<b>9/9 (100%)</b>	<b>8/9 (89%)</b>	<b>1/1 (100%)</b>

\*Mesyuarat Lembaga Suku Tahun Berjadual

Antara perkara yang dibincangkan oleh Lembaga pada tahun 2013 adalah:

- Keputusan suku tahunan kewangan tidak beraudit;
- Pengumuman kepada Bursa Malaysia Securities Berhad;
- Penyata kewangan beraudit Kumpulan;
- Cadangan dan transaksi perniagaan utama; dan
- Cadangan pengambilalihan Gapurna Builders Sdn Bhd, Gapurna Land Sdn Bhd, Puncak Wangi Sdn Bhd, Gelanggang Harapan Construction Sdn Bhd dan Gapurna Global Solutions Sdn Bhd.



## PENYATA TADBIR URUS KORPORAT

### 2. JAWATANKUASA-JAWATANKUASA LEMBAGA

Lembaga telah membentuk lima (5) Jawatankuasa yang setiap satunya mempunyai autoriti dan tanggungjawab khusus untuk membantu Lembaga melaksanakan tugas dan tanggungjawabnya secara berkesan. Peranan, fungsi dan autoriti Jawatankuasa-jawatankuasa ini dinyatakan dengan jelas dalam terma rujukan masing-masing.

Jawatankuasa-jawatankuasa ini menjalankan kajian dan perbincangan terperinci berhubung isu-isu strategik dan Pengerusi setiap Jawatankuasa melaporkan setiap perbincangan dan saranan mereka kepada Lembaga pada mesyuarat Lembaga yang berikutnya. Lembaga mengekalkan tanggungjawab muktamadnya ke atas keputusan yang dibuat oleh Jawatankuasa.

Komposisi, tanggungjawab dan aktiviti setiap Jawatankuasa adalah seperti yang dibentangkan di bawah.

#### a. Jawatankuasa Audit

Laporan Jawatankuasa Audit yang menyatakan tentang keahlian, peranan dan aktiviti pada tahun ini dibentangkan di muka surat 133 hingga 136.

#### b. Jawatankuasa Eksekutif Lembaga

Jawatankuasa Eksekutif Lembaga ("EXCO") dibentuk untuk mempertingkatkan kepimpinan Lembaga dan pengurusan Kumpulan. Dengan keahlian yang terdiri daripada tiga (3) orang Pengarah Bukan Eksekutif dan Pengarah Urusan Kumpulan, fungsi utama EXCO adalah:

- i) memberi panduan kepada Pengurusan dalam pelaksanaan Inisiatif Transformasi GLC;
- ii) mengkaji dan menyarankan rancangan perniagaan dan belanjawan tahunan Kumpulan kepada Lembaga Pengarah untuk kelulusan;
- iii) mempertimbang dan mengkaji isu-isu penting dan/atau utama berkaitan hala tuju perniagaan Kumpulan; dan
- iv) membincangkan semua transaksi perniagaan dan isu-isu utama berkaitan Kumpulan yang memerlukan kelulusan EXCO atau Lembaga sejajar dengan Had-had Autoriti yang diluluskan.

Tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat EXCO. Pada tahun 2013, tujuh (7) mesyuarat EXCO telah diadakan dan dihadiri oleh semua ahli EXCO.

**Jadual 2: Butiran kehadiran ahli di mesyuarat EXCO yang diadakan dari 1 Januari 2013 hingga 31 Disember 2013**

NAMA AHLI EXCO	KEHADIRAN
Datuk Shahril Ridza Ridzuan (Pengerusi)	7/7
Datuk Mohamad Salim Fateh Din (appointed on 2 Sept 2013)	2/2
Che King Tow	7/7
Dato' Chong Pah Aung	7/7

Antara aktiviti yang dijalankan oleh EXCO pada tahun 2013 adalah:

- Mengkaji perkembangan projek-projek penting; dan
- Membincangkan cadangan dan urusan perniagaan utama.

#### c. Jawatankuasa Pencalonan

Jawatankuasa Pencalonan dianggotai oleh empat (4) orang ahli yang kesemuanya terdiri daripada para Pengarah Bukan Eksekutif Bebas. Tugas dan tanggungjawab utama Jawatankuasa Pencalonan adalah:

- i) mengenal pasti dan mengesyorkan calon-calon baharu untuk menganggotai Lembaga dan Jawatankuasa-jawatankuasa Lembaga Kumpulan Syarikat MRCB. Semua keputusan dan pelantikan dibuat oleh Lembaga masing-masing selepas mempertimbangkan syor-syor daripada Jawatankuasa Pencalonan;
- ii) membantu Lembaga, Jawatankuasa Lembaga dan para Pengarah menilai keberkesanan keseluruhan mereka secara berterusan; dan
- iii) membantu Lembaga dalam kajian berkala terhadap keperluan campuran kemahiran dan pengalaman serta ciri-ciri lain yang perlu dibawa oleh para Pengarah Bukan Eksekutif ke Lembaga.

Jawatankuasa Pencalonan bermesyuarat sekurang-kurangnya sekali setahun dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun 2013, tujuh (7) mesyuarat Jawatankuasa Pencalonan telah diadakan dan dihadiri sepenuhnya oleh semua ahli.

**Jadual 3: Butiran kehadiran ahli di mesyuarat Jawatankuasa Pencalonan yang diadakan dari 1 Januari 2013 hingga 31 Disember 2013**

<b>NAMA AHLI</b>	
<b>JAWATANKUASA PENCALONAN</b>	<b>KEHADIRAN</b>
Che King Tow (Pengerusi)	7/7
Dato' Abdul Rahman Ahmad	7/7
Dato' Ahmad Ibnihajar	7/7
Dato' Chong Pah Aung	7/7

Antara aktiviti yang dijalankan oleh Jawatankuasa Pencalonan pada tahun 2013 adalah:

- Mengkaji struktur organisasi Kumpulan;
- Membincangkan pelantikan Pengarah Urusan Kumpulan, Ketua Pegawai Operasi, Ketua Pegawai Strategi dan Ketua Pegawai Kewangan Kumpulan; dan
- Membincangkan pelantikan pengarah tambahan Syarikat.

#### **d. Jawatankuasa Imbuhan**

Jawatankuasa Imbuhan dianggotai oleh empat (4) orang ahli yang kesemuanya terdiri daripada para Pengarah Bukan Eksekutif Bebas. Tugas dan tanggungjawab utama Jawatankuasa Imbuhan adalah:

- untuk menentu dan mengesyorkan rangka kerja atau dasar umum kepada Lembaga bagi pakej-pakej imbuhan Pengerusi Lembaga, Pengarah Urusan Kumpulan dan para pegawai pengurusan kanan lain yang ditetapkan untuk dipertimbangkan olehnya;

- untuk menetapkan satu prosedur rasmi dan telus bagi mewujudkan dasar mengenai jumlah pakej imbuhan secara individu bagi Pengarah Urusan Kumpulan dan para pegawai pengurusan kanan lain yang telah ditentukan termasuk, bonus, insentif dan opsyen saham, mengikut kesesuaian;
- untuk merangka pakej imbuhan bagi Pengarah Urusan Kumpulan dan para pegawai pengurusan kanan lain yang ditentukan dengan tujuan untuk menarik dan mengekalkan pegawai pengurusan kanan berwibawa yang akan memberikan kejayaan untuk pemegang saham dan tahap perkhidmatan berkualiti tinggi kepada pelanggan, di samping mempertimbangkan dengan sewajarnya persekitaran perniagaan di mana Syarikat beroperasi. Setelah dirangka, pakej imbuhan tersebut disyorkan kepada Lembaga untuk kelulusan;
- untuk mengkaji semula dan mengesyorkan kepada Lembaga pada setiap tahun, penambahbaikan (jika ada) dasar dan pakej imbuhan Pengarah Urusan Kumpulan dan para pegawai pengurusan kanan tertentu, dan sebarang isu lain berkaitan manfaat para pegawai tersebut;
- untuk mengkaji sebarang perubahan besar dalam struktur manfaat pekerja di seluruh Kumpulan, dan sekiranya perlu, mengesyorkan kepada Lembaga untuk diterima pakai; dan
- untuk mengkaji dan mengesyorkan kepada Lembaga agar menerima pakai rangka kerja bagi skim insentif tahunan Kumpulan. Rangka kerja bagi skim insentif tahunan meliputi:
  - Kenaikan gaji mengikut merit
  - Bonus mengikut merit
  - Insentif

Jawatankuasa Imbuhan bermesyuarat sekurang-kurangnya sekali setahun dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun 2013, lima (5) mesyuarat Jawatankuasa Imbuhan telah diadakan dan dihadiri sepenuhnya oleh ahli-ahlinya.

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**Jadual 4: Butiran kehadiran ahli di mesyuarat Jawatankuasa Imbuhan yang diadakan dari 1 Januari 2013 hingga 31 Disember 2013**

NAMA AHLI JAWATANKUASA IMBUHAN	KEHADIRAN
Dato' Abdul Rahman Ahmad (Pengerusi)	5/5
Dato' Ahmad Ibniহার (Pengerusi)	5/5
Che King Tow	5/5
Dato' Chong Pah Aung	5/5

Antara aktiviti yang dijalankan oleh Jawatankuasa Imbuhan pada tahun 2013 adalah:

- Mengkaji pencapaian Petunjuk Prestasi Penting bagi tahun kewangan berakhir 31 Disember 2012;
- Mengkaji Petunjuk Prestasi Penting Kumpulan bagi tahun kewangan berakhir 31 Disember 2013;
- Mengkaji bonus berasaskan prestasi dan pakej imbuhan bagi pegawai pengurusan;
- Membincangkan pakej imbuhan bagi Pengarah Urusan Kumpulan, Ketua Pegawai Operasi, Ketua Pegawai Strategi dan Ketua Pegawai Kewangan Kumpulan; dan
- Membincangkan semakan semula yuran pengarah.

### e. Jawatankuasa Skim Opsyen Saham Kakitangan

Jawatankuasa Skim Opsyen Saham Kakitangan ("ESOS") ditubuhkan bagi memastikan supaya pelaksanaan ESOS ditadbir dengan saksama mengikut undang-undang kecil ESOS Syarikat yang diluluskan oleh Pemegang Saham.

Jawatankuasa ESOS yang terdiri daripada tiga (3) orang ahli Lembaga bermesyuarat apabila perlu dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun yang ditinjau, dua (2) mesyuarat Jawatankuasa ESOS telah diadakan dan dihadiri oleh semua ahlinya.

**Jadual 5: Butiran kehadiran ahli di mesyuarat Jawatankuasa ESOS yang diadakan dari 1 Januari 2013 hingga 31 Disember 2013**

NAMA AHLI JAWATANKUASA ESOS	KEHADIRAN
Dato' Ahmad Ibniহার (Pengerusi)	2/2
Datuk Shahril Ridza Ridzuan	2/2
Jamaludin Zakaria	2/2

Antara aktiviti yang telah dijalankan oleh Jawatankuasa ESOS pada tahun 2013 adalah:

- Perumpukan ESOS baharu Batch A 2012/2017 kepada kakitangan yang layak; dan
- Permohonan oleh kakitangan untuk menangguhkan dan melaksana perumpukan ESOS mereka hingga tamat tempoh opsyen semasa persaraan.

## 3. IMBUHAN LEMBAGA

### a. Dasar Imbuhan Pengarah dan Pegawai Pengurusan Kanan

Imbuhan Pengarah Urusan Kumpulan dan pegawai pengurusan kanan yang ditetapkan adalah berdasarkan kajian dan penilaian Jawatankuasa Imbuhan terhadap pencapaian dan sumbangan setiap ahli yang ditaksir berbanding Petunjuk Prestasi Penting masing-masing. Jawatankuasa Imbuhan kemudian akan mengemukakan syor-syor untuk diputuskan oleh Lembaga berhubung kesesuaian imbuhan bagi setiap pegawai.

Pengarah Bukan Eksekutif menerima yuran asas tetap sebagai pembayaran bagi tugas-tugas Lembaga mereka. Jumlah agregat yuran Pengarah yang dibayar kepada para Pengarah Bukan Eksekutif disyorkan oleh Lembaga untuk diluluskan oleh para pemegang saham di Mesyuarat Agung Tahunan Syarikat.



## b. Imbuhan Pengarah

Butiran imbuhan Pengarah bagi tahun kewangan berakhir 31 Disember 2013 dipaparkan dalam Jadual 6 dan 7 di bawah. Dalam Mesyuarat Agung Tahunan 2012, para pemegang saham syarikat telah meluluskan kenaikan Yuran Pengarah kepada RM750,000

Jumlah imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2013 adalah sebanyak kira-kira RM1.47 juta, di mana pengarah dengan bayaran tertinggi adalah Pengarah Urusan Kumpulan.

**Jadual 6: Butiran Agregat Imbuhan Pengarah bagi 2013**

NAMA PENGARAH	YURAN RM'000	GAJI DAN BONUS RM'000	KWSP RM'000	ELAUN RM'000	MANFAAT PERCUTIAN RM'000	ELAUN KERETA RM'000	MANFAAT SEUMPAMA- NYA RM'000	JUMLAH RM'000
Tan Sri Azlan Zainol	150			60				210
Datuk Shahril Ridza Ridzuan	100			120				220
Dato' Ahmad Ibnihajar	100							100
Dato' Abdul Rahman Ahmad	100							100
Che King Tow	100							100
Dato' Chong Pah Aung	100							100
Jamaludin Zakaria	100							100
Datuk Mohamad Salim Fateh Din^		397	87			40	2	526
Dato' Ishak Haji Mohamed~	18							18
<b>Jumlah</b>	<b>768</b>	<b>397</b>	<b>87</b>	<b>180</b>	<b>-</b>	<b>40</b>	<b>2</b>	<b>1,474</b>

### Nota

^: Imbuhan Datuk Mohamad Salim Fateh Din adalah dari 2 Sep 2013 hingga 31 Dis 2013

~: Imbuhan Dato' Ishak Haji Mohamed adalah dari 28 Okt 2013 hingga 31 Dis 2013

**Jadual 7: Analisis Imbuhan Pengarah Mengikut Kumpulan RM50,000**

IMBUHAN PENGARAH	PENGARAH EKSEKUTIF	PENGARAH BUKAN EKSEKUTIF	JUMLAH
RM0 – RM50,000	-	1	1
RM50,001 – RM100,000	-	5	5
RM100,001 – RM150,000	-	-	-
RM200,001 – RM250,000	-	2	2
RM500,001 – RM550,000	1	-	1
<b>Jumlah</b>	<b>1</b>	<b>8</b>	<b>9</b>

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### 4. TATACARA LEMBAGA

#### a. Kod Etika dan Tatalaku Ahli Lembaga

Para Pengarah dikehendaki mengamalkan piawaian tatacara beretika tertinggi. Setiap Pengarah Kumpulan diberi satu salinan Buku Panduan Eksekutif dan Kod Etika Perniagaan sebaik sahaja mereka dilantik. Pematuan dengan peruntukan dalam dokumen-dokumen ini dianggap sebahagian daripada terma dan syarat perkhidmatan mereka. Buku Panduan Eksekutif dan Kod Etika Perniagaan antara lain menggariskan piawaian tatacara dan tingkah laku yang dikehendaki apabila berurusan dengan pelanggan luar, pembekal dan situasi percanggahan kepentingan; dan dalam memelihara kerahsian maklumat syarikat.

Para Pengarah dikehendaki mendedahkan sebarang situasi percanggahan kepentingan atau sebarang kepentingan peribadi ketara yang mungkin mereka miliki dalam hal ehwal Kumpulan sebaik sahaja mereka menyedari tentang kepentingan tersebut, dan seterusnya menarik diri daripada sebarang perbincangan berhubung perkara berkenaan.

#### b. Program Latihan dan Pembelajaran Berterusan Pengarah

Ahli Lembaga menyedari tentang keperluan mereka untuk sentiasa memperbaharui dan menambah pengetahuan serta mempertingkatkan kemahiran mereka untuk manfaat Kumpulan. Semua Pengarah baharu dikehendaki menghadiri Program Akreditasi Mandatori seperti yang dikehendaki oleh Bursa Malaysia Securities Berhad. Disamping itu, Lembaga turut menilai keperluan latihan para Pengarahnya dari semasa ke semasa dan memastikan supaya mereka mempunyai akses kepada program pembelajaran berterusan.

Pada tahun ini, ahli Lembaga telah menghadiri pelbagai kursus tentang perubahan undang-undang, peraturan, teknik dan amalan dalam kepimpinan serta pengurusan di peringkat Lembaga. Butiran kursus-kursus yang dihadiri oleh para Pengarah disenaraikan dalam Jadual 8 di bawah.

**Jadual 8: Kursus Latihan yang Dihadiri oleh Pengarah pada tahun 2013**

NAMA PENGARAH	KURSUS LATIHAN DIHADIRI
Tan Sri Azlan Zainol	<p><b>Sesi Latihan No 3 ICAAP (1/2 Hari)</b> Tarikh : 11 Januari 2013 Penganjur : RHB Bank</p> <p><b>Kod Tadbir Urus Korporat Malaysia 2012 &amp; Penyata Pengurusan Risiko</b> Tarikh : 22 Mei 2013 Penganjur : KPMG</p> <p><b>Pembentangan Akta Perkhidmatan Kewangan 2013 ("FSA") dan Akta Perkhidmatan Kewangan Islam 2013 ("IFSA") dan Polisi Insurans Liabiliti Pengarah dan Pegawai (Polisi "D&amp;O") untuk Pengarah</b> Tarikh : 20 Mei 2013 Penganjur : RHB Bank</p> <p><b>AKTA Perlindungan Maklumat Peribadi 2010 (PDPA) dan Akta Pematuan Cukai Akaun Asing ("FATCA")</b> Date: 6 Jun 2013 Penganjur : RHB Bank</p> <p><b>Governance in Group Program</b> Tarikh : 17 Jun 2013 Penganjur : RHB Bank &amp; The ICLIF Leadership &amp; Governance Centre</p> <p><b>9th World Islamic Economic Forum, Excel London, United Kingdom</b> Tarikh : 29 -31 Oktober 2013 Penganjur : WIEF Foundation</p> <p><b>Board Chairman Series : The Role of the Chairman</b> Tarikh : 14 November 2014 Penganjur : The ICLIF Leadership &amp; Governance Centre</p>

NAMA PENGARAH	KURSUS LATIHAN DIHADIRI
Dato' Ahmad Ibnihajar	<b>Sesi Dialog dan Pembentangan Khas mengenai Kad Skor Tadbir Urus Korporat ASEAN</b> Tarikh : 19 Jun 2013 Penganjur : Kumpulan Pemerhati Pemegang Saham Minoriti (MSWG)
Datuk Shahril Ridza Ridzuan	<b>Anti-Money Laundering &amp; Counter Financing of Terrorism (AML &amp; CFT) Awareness Training</b> Tarikh : 4 April 2013 Penganjur : MBSB and Bank Negara Malaysia
Dato' Abdul Rahman Ahmad	<b>Mastering Financial Negotiations</b> Tarikh : 14 to 15 Mac 2013 Penganjur : Euromoney Training  <b>Complexity to Execution Excellence</b> Tarikh : 8 Oktober 2013 Penganjur : Malaysian Alliance of Corporate Directors
Dato' Chong Pah Aung	<b>Sesi Sokongan mengenai Pendedahan Korporat bagi Pengarah Syarikat Tersenarai</b> Tarikh : 5 September 2013 Penganjur : Bursa Malaysia Berhad
Jamaludin Zakaria	<b>Transformasi Korporat Malaysia Terbaik</b> Tarikh : 25 September 2013 Penganjur : Akademi Pengarah Malaysia
Che King Tow	<b>Nominating Committee Programme (Satu Program Bersama dengan Bursa Malaysia)</b> Tarikh : 10 Oktober 2013 Penganjur : ICLIF Leadership & Governance Centre

NAMA PENGARAH	KURSUS LATIHAN DIHADIRI
Datuk Mohamad Salim Fateh Din	<b>Program Pembelajaran Berterusan Pengarah</b> Tarikh : 28 – 30 Oktober 2013 Penganjur : program latihan dalam Syarikat oleh Dutch Lady Milk Industries Berhad

Sejak dilantik sebagai Pengarah Syarikat pada 28 Oktober 2013, Dato' Ishak Haji Mohamed masih belum mengikuti sebarang program latihan bagi tempoh daripada pelantikan beliau hingga 31 Disember 2013.

#### c. Penilaian Prestasi

Melalui Jawatankuasa Pencalonan, Lembaga mengkaji dan menilai prestasinya sendiri dan prestasi para Pengarah secara individu setiap dua tahun sekali. Penilaian prestasi sebelum ini telah dilaksanakan pada tahun 2012 dikendalikan oleh firma perunding profesional. Penilaian yang dikendalikan melalui soal selidik bertulis dan temuduga bersama Pengarah merangkumi keberkesanan Lembaga termasuk Pengerusi, Jawatankuasa Lembaga dan ahli Lembaga secara individu.

#### d. Hubungan Lembaga dengan Pihak Pengurusan

Pada tahun yang ditinjau, hubungan antara Lembaga dan pihak Pengurusan kekal kukuh dan padu, di mana Lembaga terus mendapat akses secara langsung dan tidak terhalang kepada pasukan pengurusan Kumpulan. Lembaga menyokong Pengurusan dengan menyediakan kepimpinan dan menetapkan sasaran perniagaan melalui Petunjuk Prestasi Penting dan Kad Skor Seimbang bagi para pegawai pengurusan kanan. Pada masa yang sama, Lembaga turut menyediakan fungsi keseimbangan dengan membangkit dan membahaskan keputusan yang dibuat oleh Pengurusan sebelum disah dan diluluskan. Untuk itu, satu sistem melapor yang mantap dan tersusun telah disediakan, di mana Lembaga akan diberi taklimat dan dimaklumkan dari semasa ke semasa berhubung prestasi Kumpulan. Sistem ini membolehkan Lembaga memantau secara dekat pencapaian sasaran yang telah ditetapkan. Ganjaran kepada Pengurusan dan kakitangan, seperti bonus dan pembahagian ESOS, adalah berdasarkan prestasi kewangan dan pencapaian sasaran-sasaran perniagaan penting.



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### e. Akses Penuh kepada Maklumat

Dalam proses melaksanakan tugas mereka, para Pengarah sentiasa mempunyai:

- i) akses penuh dan tidak terhalang kepada maklumat yang tepat dan terkini. Agenda dan satu set kertas Lembaga yang lengkap lazimnya diedarkan sekurang-kurangnya 7 hari sebelum mesyuarat Lembaga atau Jawatankuasa-jawatankuasanya. Proses ini memastikan supaya para Pengarah mempunyai masa yang mencukupi untuk mengkaji, mempertimbang dan jika perlu, mendapatkan maklumat lebih lanjut berhubung perkara-perkara yang akan dibincangkan, justeru, menjadikan mereka termaklum dan bersedia dengan sewajarnya semasa mesyuarat;
- ii) akses yang tidak terhalang kepada nasihat dan khidmat Setiausaha Syarikat serta ahli-ahli pengurusan kanan yang lain; dan
- iii) tiada halangan untuk mendapatkan nasihat dan khidmat para profesional luar dan bebas yang disediakan kepada ahli Lembaga secara individu dan berkumpulan. Nasihat dan khidmat ini disediakan tanpa campur tangan Pengurusan.

Setiausaha Syarikat adalah seorang ahli Institut Setiausaha dan Pentadbir Bertauliah Malaysia yang mempunyai pengalaman yang diperlukan bagi menyediakan nasihat yang telus kepada Lembaga untuk memastikan keberkesanan fungsi dan pematuhan kepada keperluan pengawalseliaan.

Bagi mempertingkatkan kebertanggungjawaban Lembaga dan Pengurusan Kanan, Kumpulan telah menetapkan Had-had Autoriti yang diluluskan oleh Lembaga bagi menggariskan had-had urusan yang dibenarkan untuk diluluskan oleh setiap peringkat Pengurusan, dan urusan yang perlu diluluskan oleh EXCO atau Lembaga.

### f. Mengikuti Aktiviti Syarikat Secara Langsung

Lembaga telah menerima pakai pendekatan secara langsung dalam melaksanakan peranannya. Pada tahun ini, para Pengarah telah berkunjung ke tapak-tapak projek Syarikat di Kuala Lumpur Sentral. Para Pengarah juga turut menghadiri satu sesi Mesyuarat di Tempat Percutian iaitu di Langkawi bagi membincangkan strategi jangka sederhana kumpulan.

### g. Kebertanggungjawaban terhadap Maklumat Kewangan

Lembaga berusaha untuk memastikan supaya:

- i) penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham, laporan kepada penguatkuasa peraturan dan laporan-laporan umum sensitif harga Kumpulan yang lain dibentangkan dengan penilaian yang seimbang dan boleh difahami mengenai kedudukan dan prospek Kumpulan;
- ii) penyata kewangan Kumpulan disediakan berasaskan dasar-dasar perakaunan yang telah digunakan secara konsisten dan sewajarnya, disokong oleh pertimbangan dan anggaran yang munasabah dan berhemat serta mematuhi semua piawaian perakaunan yang diguna pakai; dan
- iii) rekod-rekod perakaunan adalah tepat, dalam julat yang berpatutan dan mendedahkan kedudukan kewangan Kumpulan secara benar dan saksama.

Penyata oleh para pengarah menurut Seksyen 169(15) Akta Syarikat, 1965 berkaitan penyediaan penyata kewangan dibentangkan di muka surat 174 dalam laporan ini di bawah tajuk "Penyata oleh Pengarah".

### h. Hubungan dengan Juruaudit Luar

Syarikat memelihara hubungan yang telus dan profesional dengan juruauditnya menerusi Jawatankuasa Audit. Pada tahun ini, Syarikat mendapatkan khidmat juruaudit luarnya untuk audit berkanun, hal-hal berkaitan cukai dan sebagai Akauntan Melapor bagi satu Pelaksanaan Korporat yang dijalankan oleh Syarikat.

Jawatankuasa Audit bermesyuarat dengan Juruaudit Luar dari semasa ke semasa untuk membincang dan mengkaji Rancangan Audit, keputusan kewangan tahunan, laporan pemeriksaan dan sebarang penemuan audit yang diketengah oleh Juruaudit Luar untuk perhatian Jawatankuasa Audit.

Dalam mengesyorkan pelantikan semula Juruaudit Luar, Jawatankuasa Audit mengkaji prestasi, kesesuaian dan kebebasan mereka. Bagi tahun 2013, Jawatankuasa Audit telah mendapat jaminan bertulis daripada Juruaudit Luar iaitu PricewaterhouseCoopers, bahawa mereka telah memelihara kebebasan mereka selaras dengan peruntukan Undang-undang Kecil berhubung Kebebasan Profesional Institut Akauntan Malaysia.

Butiran lanjut mengenai aktiviti Jawatankuasa Audit berkaitan Juruaudit Luar dinyatakan di muka surat 135.

## 5. PERLINDUNGAN NILAI PEMEGANG SAHAM

### a. Pengurusan Risiko dan Kawalan Dalam

Lembaga mengakui bahawa ia bertanggungjawab terhadap keberkesanan pengurusan risiko dan untuk memastikan wujudnya satu sistem kawalan dalaman yang berkesan. Kajian terhadap rangka kerja pengurusan risiko dan sistem kawalan dalaman dijalankan dari semasa ke semasa bagi memastikan ia kekal relevan, mencukupi dan berwibawa.

Lembaga Pengarah yakin bahawa sistem kawalan dalaman yang mantap, sama ada berhubung aspek kewangan atau bukan kewangan, akan memberi jaminan yang munasabah terhadap:

- keberkesanan dan kecukupan operasi kumpulan;
- pengurusan risiko yang berkesan;
- kebolehpercayaan maklumat kewangan kumpulan; dan
- pematuhan dengan undang-undang dan peraturan.

Walau bagaimanapun, disebabkan oleh kelemahan yang telah sedia ada dalam mana-mana sistem kawalan dalaman, reka bentuk sistem tersebut hanya mampu mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan.

Penyata Pengurusan Risiko dan Kawalan Dalam yang dibentangkan di muka surat 140 hingga 142 dalam laporan ini menyediakan suatu tinjauan menyeluruh berhubung proses pengurusan risiko dan ciri-ciri utama sistem kawalan dalaman yang dimiliki oleh Kumpulan.

### b. Pencegahan Penipuan

Lembaga Pengarah juga telah menyediakan Manual Pencegahan Penipuan yang berperanan sebagai panduan kepada Pengurusan dan kakitangan dalam mengekalkan piawaian tatacara dan kewibawaan tertinggi dalam semua urusan. Manual tersebut turut memperincikan tanggungjawab Pengurusan untuk mewujudkan proses kawalan yang sewajarnya bagi mencegah dan mengesan penipuan. Ia juga mentakrif perkara-perkara yang terangkum dalam penipuan dan aktiviti penipuan, serta menggariskan satu rangka kerja untuk membasmi penipuan.

Pada tahun ini, dasar Pemberitahuan Maklumat telah dikaji semula dan dikemaskini. Dasar Pemberitahuan Maklumat menyediakan landasan dan prosedur bagi para pemberitahu maklumat menyampaikan kemusykilan mereka kepada Lembaga (sama ada melalui Pengerusi Jawatankuasa Audit atau Ketua Tadbir Urus Korporat) tanpa campur tangan atau penglibatan pihak Pengurusan. Sebagai sebahagian daripada kajian semula tersebut, lebih banyak saluran untuk menyampaikan kemusykilan telah diwujudkan, termasuk melalui laman web Syarikat. Dasar Pemberitahuan Maklumat turut menggariskan prosedur yang perlu diambil untuk menyiasat dan mengendalikan laporan-laporan berhubung salah laku kakitangan.

### c. Jaminan Kualiti

Bagi memastikan Kumpulan sentiasa menyediakan produk dan perkhidmatan dengan piawaian kualiti tinggi, fungsi Pengurusan Kualiti Menyeluruh menjalankan kajian bebas secara berterusan terhadap kualiti produk dan perkhidmatan Kumpulan, dan berasaskan kajian ini, fungsi Pengurusan Kualiti Menyeluruh memberi maklum balas berhubung peluang-peluang penambahbaikan kepada Pihak Pengurusan. Ia turut mengkaji dan mempertingkatkan prosedur operasi piawai Kumpulan bagi memastikan supaya ia dikemas kini dengan mengambil kira perubahan dalam struktur Kumpulan serta perubahan dan perkembangan industri bagi membina tahap kualiti yang lebih baik dalam penyediaan produk dan perkhidmatan.

## PENYATA TADBIR URUS KORPORAT

### d. Jaminan Prestasi Syarikat Bersekutu

Wakil-wakil daripada Syarikat dilantik untuk menganggotai Lembaga Pengarah syarikat-syarikat bersekutu bagi melindungi pelaburan Syarikat dan mengawasi prestasi syarikat-syarikat tersebut. Bagi syarikat-syarikat bersekutu yang aktif, maklumat kewangan utama dan isu-isu penting berkaitan syarikat-syarikat tersebut dikumpulkan dan dikaji oleh Lembaga MRCB dari semasa ke semasa.

## 6. PEMEGANG SAHAM, PELABUR DAN PEMEGANG KEPENTINGAN

### a. Menjaga Kepentingan Minoriti

Para Pengarah Bebas tidak mewakili mana-mana pemegang saham utama, justeru, mereka akan mewakili dan bertindak untuk kepentingan pemegang saham, pelabur dan pemegang kepentingan minoriti. Lembaga Pengarah turut mengekalkan komunikasi dengan Kumpulan Pemerhati Pemegang Saham Minoriti untuk kepentingan para pemegang saham minoriti.

### b. Dasar Dividen

Syarikat telah mewujudkan Dasar Dividen pada tahun 2007 di mana para pemegang saham boleh mendapat pembayaran dividen berjumlah sekurang-kurangnya 20% daripada Keuntungan Disatukan selepas Cukai dan Kepentingan Tidak Dikawal. Bagi tahun kewangan berakhir 31 Disember 2013, Syarikat mencadangkan dividen sebanyak 1.0% atau 1.0 sen bagi setiap saham biasa. Cadangan ini tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan ke-43 akan datang.

### c. Komunikasi dan Ketelusan

Bagi memastikan supaya pemegang berkepentingan dan pelabur awam mendapat maklumat terkini berhubung prestasi, operasi dan perkembangan penting Kumpulan, pelbagai pengumuman korporat yang diperlukan di bawah KPPU (termasuk siaran

keputusan kewangan suku tahunan yang menepati masa) telah dilakukan sepanjang tempoh yang ditinjau. Selain itu, maklumat terperinci mengenai acara dan perkembangan korporat Kumpulan yang penting turut diumumkan melalui media menerusi siaran akhbar dan/atau sidang akhbar.

Pemegang saham, pelabur dan pemegang berkepentingan boleh mengakses dengan mudah maklumat terkini mengenai projek-projek, kedudukan kewangan suku tahunan, hubungan pelabur dan maklumat korporat am mengenai Kumpulan di laman web awam korporatnya yang dikemaskini dari semasa ke semasa di <http://www.mrcb.com>

Terdapat juga ikon “Hubungi Kami” di laman web Syarikat yang memberi capaian ke laman web di mana para pemegang saham dan pelabur boleh mengemukakan soalan dan ulasan mereka dengan mudah kepada Syarikat. Para pemegang saham dan orang ramai juga boleh menghubungi Pengarah Bebas Kanan Syarikat untuk menyampaikan kemusykilan atau pertanyaan mereka. Berikutan persaraan Dato’ Ahmad Ibnihajar pada 10 Januari 2014, peranan Pengarah Bebas Kanan telah digalas oleh Dato’ Abdul Rahman Ahmad dan beliau boleh dihubungi di: Emel : [arahman.dir@mrcb.com](mailto:arahman.dir@mrcb.com)

### d. Mesyuarat Agung Tahunan

Mesyuarat Agung Tahunan adalah satu lagi forum di mana Lembaga berkomunikasi dengan para pemegang saham berhubung kemajuan dan prestasi Kumpulan, dan di mana Lembaga menjelaskan isu-isu berkaitan aktiviti perniagaan, prestasi dan perkara-perkara lain berkaitan Kumpulan. Pemegang saham digalakkan untuk mengambil bahagian didalam mesyuarat dan diberi peluang untuk mengajukan soalan serta menyatakan pandangan mereka. Jika perlu, Pengerusi Lembaga akan menyediakan respon bertulis kepada mana-mana soalan penting yang tidak berkesempatan dijawab ketika Mesyuarat Agung Tahunan dijalankan.



Sekiranya terdapat urusan khas atau resolusi khas yang dicadangkan, penjelasan mengenai kesan urusan khas dan resolusi khas tersebut akan disediakan dalam notis Mesyuarat Agung Tahunan. Jika perlu, pemilihan akan dibuat melalui undian.

## 7. INISIATIF TRANSFORMASI GLC BERTERUSAN

Syarikat turut meneruskan usahanya untuk mempertingkatkan lagi organisasi dan prosesnya ke arah menjadi sebuah entiti perniagaan yang lebih teguh, cekap dan berdaya saing serta sebuah warga korporat yang bertanggungjawab, seperti yang digariskan oleh Inisiatif Transformasi GLC Jawatankuasa Putrajaya. Kumpulan percaya bahawa ini merupakan satu proses berterusan dan akan memantau serta menambah baik inisiatif tersebut mengikut keperluan.

## 8. TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

### a. Program-program CSR

Kumpulan mengekalkan komitmen yang tinggi terhadap kewajipan CSR di segenap perniagaannya dari sudut pengukuhan reputasi organisasi yang positif dalam menyokong cita-cita negara dan memperkasakan golongan kurang bernasib baik. Semua inisiatif CSR dipandu oleh rangka kerja yang digariskan dalam "Buku Perak – Mencapai Nilai melalui Tanggungjawab Sosial", yang telah diterima pakai sejak tahun 2007 di bawah Program Transformasi GLC.

Satu inisiatif unik yang melibatkan kerjasama dengan Kechara Soup Kitchen telah dilaksanakan pada tahun 2013 iaitu program bergelar "Nourish the Poor" yang bermatlamat untuk menyumbangkan makanan kepada golongan gelandangan pada setiap hujung minggu di sekitar bandaraya Kuala Lumpur. Dalam rondaan yang dijalankan pada malam Sabtu, seramai kira-kira 100 orang gelandangan telah menerima pek makanan berserta barangan penjagaan kebersihan asas. Program ini turut meliputi penajaan perkhidmatan ambulans swasta bagi menyediakan rawatan perubatan kepada mereka yang sakit dan tidak sihat.

Program ini telah menyerlahkan keprihatinan tulus ikhlas dan memberi manfaat kepada golongan gelandangan dengan memperkasakan mereka untuk memperbaiki keadaan kehidupan dan berusaha mendapatkan mata pencarian yang membolehkan mereka menikmati keperluan asas dalam hidup.

Pada tahun 2013, kami terus berusaha secara gigih untuk menggalakkan peningkatan pemahaman dalam mata pelajaran Matematik, Bahasa Inggeris dan Sains melalui program sekolah PINTAR untuk tahun keenam berturut-turut. Para pelajar yang kurang bernasib baik dan lemah dalam mata pelajaran tersebut telah beroleh manfaat secara langsung daripada sesi-sesi bimbingan khusus yang dikendalikan oleh bekas-bekas guru dan ahli akademik berpengalaman. Sehingga tahun 2013, MRCB telah mengambil seramai lebih 15,000 orang pelajar angkat sejak menjadi ahli PINTAR pada tahun 2007. Kami percaya bahawa para pelajar tersebut akan terus membawa perubahan dalam kehidupan masyarakat di sekeliling mereka tatkala mereka melangkah ke hadapan, meningkat matang dan memasuki alam pekerjaan pada masa depan.

Tradisi keprihatinan dan kedermawanan MRCB juga diteruskan pada tahun 2013 dengan pemberian sebanyak hampir 1,000 beg, kasut, stoking dan alat tulis sekolah kepada para pelajar kurang bernasib baik dari sembilan buah sekolah angkat PINTAR di Pulau Pinang, Perak, Kuala Lumpur, Johor dan Pahang. Tradisi ini turut memberi manfaat kepada mangsa-mangsa banjir dengan sumbangan sebanyak RM500,000 melalui Tabung Bencana NSTP-Media Prima pada penghujung tahun lepas sewaktu bajir melanda penduduk di Pantai Timur Semenanjung Malaysia.

Antara benefisiari lain bagi inisiatif CSR MRCB yang melibatkan dana berjumlah RM2,003,949 pada tahun 2013 adalah Yayasan Peneraju Pendidikan Bumiputera, Yayasan Pencegahan Jenayah Malaysia dan Hari Malaysia Ku Indah 2013 anjuran Kerajaan.

## PENYATA TADBIR URUS KORPORAT

Di samping aktiviti CSR kemasyarakatan ini, MRCB juga terus mencetuskan impak positif kepada kehidupan beribu-ribu penduduk menerusi projek-projek Hijau dan mampannya iaitu melalui projek rehabilitasi muara Sungai Pahang Fasa 3 di Pekan, Pahang yang bernilai RM130 juta (MRCB berjaya menyiapkan Fasa 1 & 2) dan projek bertaraf ikon dan julung-julung kali dilaksanakan di Malaysia iaitu pemasangan talian transmisi overhead voltan tinggi merentasi kawasan pelancongan di Selat Melaka yang menganjur dari Pantai Siring ke Pulau Besar di Melaka.

### b. Anugerah dan Pengiktirafan

Syarikat terus meraih pelbagai pengiktirafan dan anugerah pada tahun 2013. MRCB menerima anugerah Kecemerlangan Industri daripada ASEAN-BAC Malaysia Chapter dalam 5th Malaysian Business Award, sementara pembangunan hijaunya, Platinum Sentral juga mengondol FIABCI Malaysia Award yang berprestij di bawah Kategori Pembangunan Mampan. Syarikat turut menerima Anugerah Laporan Tahunan Korporat 2013 NACRA.

MRCB terus diwakili sebagai ahli jawatankuasa Malaysian chapter bagi United Nations Global Compact ("UNGC") sejajar dengan matlamat Kumpulan untuk menerima pakai piawaian antarabangsa bagi program dan visi CSR Kumpulan. Ia bermatlamat untuk menyepadukan 10 prinsip UNGC berhubung hak asasi manusia, hak pekerja, kemampanan alam sekitar dan anti rasuah ke dalam operasi dan strategi Kumpulan dan untuk melaporkan pelaksanaannya.

Butiran terperinci mengenai program-program CSR Kumpulan boleh didapati dalam laporan berasingan berkaitan CSR yang merupakan bahagian penting laporan ini.

### 9. PENYATA TANGGUNGJAWAB BERKAITAN TAHUN KEWANGAN YANG DITINJAU

*(Menurut perenggan 15.26 [a] Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad).*

Lembaga memastikan bahawa Penyata Kewangan Beraudit disediakan selaras dengan Akta Syarikat, 1965 dan piawaian perakaunan yang diluluskan dan

diguna pakai seperti ditetapkan oleh Lembaga Piawaian Perakaunan Malaysia, untuk membentangkan gambaran yang benar dan saksama berhubung hal ehwal Kumpulan, dan berhubung keuntungan atau kerugian serta aliran tunai Kumpulan pada akhir tempoh perakaunan.

Dalam menyediakan Penyata Kewangan Beraudit, para Pengarah berpuas hati bahawa Piawaian Perakaunan yang diluluskan dan diguna pakai di Malaysia telah dipatuhi dan pertimbangan serta anggaran yang berpatutan dan berhemat telah dilaksanakan. Penyata Kewangan Beraudit juga disediakan pada asas usaha niaga berterusan kerana Lembaga mempunyai jangkaan yang munasabah bahawa, selepas membuat penelitian, Kumpulan mempunyai sumber yang mencukupi untuk terus beroperasi hingga ke masa depan yang dapat diramal.

### 10. PENYATA PEMATUHAN DENGAN KEPERLUAN BURSA MALAYSIA BERKAITAN PENGGUNAAN PRINSIP-PRINSIP DAN TERIMA PAKAI AMALAN TERBAIK SEPERTI YANG DIGARISKAN DALAM KOD TADBIR URUS KORPORAT MALAYSIA 2012

*(Menurut perenggan 15.25 Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad)*

Penyata di atas adalah gambaran yang jelas terhadap usaha bersungguh-sungguh Lembaga dan Pengurusan MRCB untuk mengukuhkan proses tadbir urusnya dan mengekalkan kedudukannya sebagai salah sebuah syarikat yang menerajui guna pakai tadbir urus korporat.

Lembaga Pengarah dengan sukacitanya melaporkan kepada para pemegang saham bahawa Syarikat telah mematuhi prinsip-prinsip yang terkandung dalam Kod Tadbir Urus Korporat Malaysia 2012 dan Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad. Lembaga percaya bahawa pematuhan tersebut merupakan suatu proses berterusan dan akan terus berusaha untuk menerima pakai amalan-amalan terbaik dalam tadbir urus korporat.

Penyata Tadbir Urus Korporat ini disediakan oleh Lembaga Pengarah menurut resolusinya bertarikh 30hb April 2014

# AUDIT COMMITTEE REPORT

## 1. COMPOSITION OF THE COMMITTEE

The Audit Committee ("AC") comprises four (4) members, all of whom are Independent Directors of the Company. The Chairman of the Audit Committee is Dato' Ahmad Ibnihaajar, who is also the Senior Independent Director of the Company, Dato' Abdul Rahman Ahmad, a member of the Audit Committee, is a member of the Malaysian Institute of Accountants ("MIA").

During the year under review, Dato' Ahmad Ibnihaajar retired from the AC on 10<sup>th</sup> January 2014 following his retirement from the Board. Dato' Abdul Rahman Ahmad was then appointed on 25<sup>th</sup> February 2014 as the Chairman of the Audit Committee with Tan Sri Ahmad Fuad bin Ismail being appointed as members of the AC on 25<sup>th</sup> February 2014 whilst Che King Tow resigned from the AC on 02<sup>nd</sup> April 2014.

A total of seven (7) Audit Committee meetings were held during the financial year ended 31 December 2013 which were attended by the members as tabulated below:

**Table 1: Details of attendance of members at the Audit Committee's meetings held from 1 January 2013 to 21 December 2013**

DATE OF AUDIT COMMITTEE MEETING	NAME OF AUDIT COMMITTEE MEMBERS			
	DATO' AHMAD IBNIHAJAR	DATO' ABDUL RAHMAN	CHE KING TOW	JAMALUDIN ZAKARIA
	(Chairman)	(Member)	(Member)	(Member)
11/01/2013	A	A	A	A
08/02/2013	A	A	A	A
25/02/2013	A	A	A	A
13/05/2013	A	A	A	A
22/05/2013	A	A	A	A
22/08/2013	A	A	A	A
19/11/2013	A	A	A	A
<b>TOTAL</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>

The Company Secretary, who acts as secretary to the Audit Committee attends all meetings. Also in attendance are the Head of Corporate Governance for the period from January 2013 to November 2013), Head of Internal Audit (in November 2013), the Group Chief Operating Officer and the Chief Financial Officer.

The AC met with the External Auditors twice during the year, without the presence of Management.

Upon the conclusion of each meeting, the Audit Committee Chairman will report to the Board of Directors the activities that it had undertaken and the key recommendations for the Board's consideration and decision.



## AUDIT COMMITTEE REPORT

A whole range of issues affecting the operations of the Group were thoroughly reviewed and deliberated at these meetings. Audit Committee members take their role seriously and professionally to assist the Board in providing oversight over Management. Audit reports and other matters brought to the Audit Committee's attention are deliberated and discussed and where necessary, the Head of Divisions/Departments and their Management team will be invited to the meetings to provide explanations or assist in deliberations. In doing so, the Audit Committee gathers inputs from the Corporate Governance function that is independent of Management and reports directly to the Audit Committee. Inputs are also gathered from the External Auditor, as necessary.

### 2. AUTHORITY OF THE AUDIT COMMITTEE

To carry out its responsibilities above, the Audit Committee is empowered by the Board of Directors to:

- i) investigate any matter within its terms of reference;
- ii) have the resources which are required to perform its duties;
- iii) have full, free and unrestricted access to any information, records, properties and personnel of MRCB and its subsidiaries ("the Group");
- iv) have direct communication channels with the external auditors and internal auditors;
- v) be able to obtain independent professional or other advice; and
- vi) be able to have meetings with the external auditors and internal auditors together with other independent members of the Board (i.e. excluding the non-independent and executive members) at least twice a year or whenever deemed necessary. The Audit Committee should also be able to meet exclusively among itself whenever deemed necessary.

### 3. DUTIES AND RESPONSIBILITIES

The Audit Committee assists the Board to fulfill its oversight responsibilities over the activities of the Group. The key duties and responsibilities of the Audit Committee as specified in its Terms of Reference are as follows:

- i) To consider the appointment of the external auditor, the audit fee and the reasons given for their resignation or dismissal;
- ii) To review the audit plan of the external auditor;
- iii) To discuss problems and reservations arising from interim and final audits, and any other matter the external auditor may wish to discuss (in the absence of Management, where necessary);
- iv) To review the audit report of the external auditor and their evaluation of the system of internal control;
- v) To review the quarterly and year-end financial statements of the Group and to make the appropriate recommendation to the Board for its approval;
- vi) To review the adequacy of scope, resources and authority of the Internal Audit function;
- vii) To review the Internal Audit plan and processes and the results of internal audit reviews and investigations conducted;
- viii) To review the appointment, determine the remuneration and assess the performance of the Head of Corporate Governance & Head of Internal Audit;
- ix) To review and authorise an investigation into serious allegations on fraud, misconduct and criminal breach of trust and to review the findings of such investigations;
- x) To review related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or conduct that raises questions on Management's integrity;
- xi) To oversee the risk management function of the Group;
- xii) To review arrangements established by the Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Group's operations; and
- xiii) To verify all Employees' Share Option Scheme allocations to ensure that they are done in compliance with the criteria disclosed by the Company to its employees.
- xiv) To consider other topics as defined by the Board.

## 4. ACTIVITIES

### i) Reviews

A summary of the reviews conducted by the Audit Committee for the year under review is as follows:

#### Financial results

Reviewed the quarterly and annual audited financial results of the Group and its accompanying announcements and made the relevant recommendation to the Board for approval; and

Reviewed the Group's achievement of its key performance indicators.

#### Internal Audit

Reviewed and approved the annual audit plan proposed by the Head of Internal Audit;

Reviewed both the structure of the Corporate Governance department and Internal Audit department, the adequacy of its resources and budget;

Reviewed the findings of internal audit reports presented by the Head of Corporate Governance and Head of Internal Audit on the Group;

Reviewed the effectiveness and adequacy of management's corrective actions in response to the internal audit reviews conducted;

Reviewed the findings of follow-up audits to determine the status of implementation of management's corrective actions; and

Deliberated on findings of investigations and other ad-hoc special reviews on specific areas of operations to ascertain the root causes to the issues and the effectiveness of corrective actions taken to address the identified weaknesses.

#### External Audit

Reviewed and approved the External Auditor's Audit Plan, approach and scope of review;

Deliberated on the External Auditor's reports on audit and accounting issues that arose from its audits;

Deliberated on updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board; and

Assessed the performance of the External Auditor, including their independence, and provided the recommendation on their re-appointment and remuneration to the Board.

#### Risk Management

Reviewed the enterprise risk management activities of the Group and the activities of the Risk Management Working Committee.

#### Related Party Transactions

Reviewed the fairness and transparency of related party transactions and that the appropriate disclosures have been made in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### Employee's Share Option Scheme (ESOS) Allocation

Reviewed and verified that the ESOS allocation during the year under review was done in accordance with the provisions of the scheme and the criteria for allocations to the employees.

#### Others

Reviewed and approved proposed establishments or revisions to the Limits of Authority of subsidiaries.

## AUDIT COMMITTEE REPORT

### 5. INTERNAL AUDIT

The Internal Audit function of the Group is carried out by MRCB's Corporate Governance Department for the period from January 2013 to October 2013 and thereafter from November 2013 onwards by MRCB's Internal Audit Department. The Internal Audit Department operates independently of management and reports directly to the Audit Committee.

The objectives, mission, scope, organisation, authority and responsibilities of the Internal Audit function is spelt out in the Internal Audit Charter. During the year under review, the Internal Audit function had operated and performed in accordance with the principles of its Charter.

The Internal Audit function's primary responsibility is to carry out reviews of operations to provide reasonable assurance that the system of internal control is operating effectively and efficiently. The areas to be reviewed are determined by a risk-based audit plan that is aligned with the strategies and activities of the Group.

During the year under review, the Internal Audit function had conducted reviews of key development and construction projects and selected business units of the Group. Follow-up reviews were also carried out to ascertain the status of management action plans that were provided in response to audit findings raised previously. The status of these management action plans were also reported to the Audit Committee for their information.

Staff of the Internal Audit Department also observe tender openings to ensure that appropriate control processes as set out in the Group's Policies and Procedures are complied with.

For 2013, the Corporate Governance Department had incurred a total of RM1,007,009 for its activities which included Internal Audit and facilitating the enterprise risk management process throughout the Group.

**This Audit Committee Report is made by the Board of Directors in accordance to the resolution dated 30th April 2014**



# LAPORAN JAWATANKUASA AUDIT

## 1. KOMPOSISI JAWATANKUASA

Jawatankuasa Audit ("JA") terdiri daripada empat (4) orang ahli yang kesemuanya merupakan Pengarah Bebas Syarikat. Pengerusi Jawatankuasa Audit adalah Dato' Ahmad Ibnihajar yang juga merupakan Pengarah Bebas Kanan Syarikat. Dato' Abdul Rahman Ahmad, ahli Jawatankuasa Audit dan ahli Institut Akauntan Malaysia ("MIA").

Pada tahun yang ditinjau, Dato' Ahmad Ibnihajar bersara daripada JA pada 10 Januari 2014 berikutan persaraan beliau daripada Lembaga. Kemudian, Dato' Abdul Rahman Ahmad dilantik pada 25 Februari 2014 sebagai Pengerusi Jawatankuasa Audit dengan Tan Sri Ahmad Fuad bin Ismail dilantik sebagai ahli JA pada 25 Februari 2014 manakala Che King Tow pula meletak jawatan daripada JA pada 2 April 2014.

Sebanyak tujuh (7) mesyuarat Jawatankuasa Audit telah diadakan pada tahun kewangan berakhir 31 Disember 2013 yang dihadiri ahli-ahli seperti yang ditunjukkan dalam jadual di bawah:

*Jadual 1: Butiran kehadiran ahli di mesyuarat Jawatankuasa Audit yang diadakan mulai 1 Januari 2013 hingga 21 Disember 2013*

TARIKH MESYUARAT JAWATANKUASA AUDIT	NAMA AHLI JAWATANKUASA AUDIT			
	DATO' AHMAD IBNIHAJAR	DATO' ABDUL RAHMAN	CHE KING TOW	JAMALUDIN ZAKARIA
	(Pengerusi)	(Ahli)	(Ahli)	(Ahli)
11/01/2013	A	A	A	A
08/02/2013	A	A	A	A
25/02/2013	A	A	A	A
13/05/2013	A	A	A	A
22/05/2013	A	A	A	A
22/08/2013	A	A	A	A
19/11/2013	A	A	A	A
<b>Jumlah</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>

Setiausaha Syarikat yang bertindak sebagai setiausaha Jawatankuasa Audit hadir di semua mesyuarat. Turut hadir adalah Ketua Tadbir Urus Korporat bagi tempoh dari Jan 2013 hingga Nov 2013, Ketua Audit Dalaman (pada bulan Nov 2013), Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan.

JA bermesyuarat dengan Juruaudit Luar sebanyak dua kali pada tahun ini, tanpa kehadiran Pengurusan.

Apabila mesyuarat selesai, Pengerusi Jawatankuasa Audit akan melapor kepada Lembaga Pengarah berhubung aktiviti yang telah dijalankan dan saranan-saranan penting untuk pertimbangan dan keputusan Lembaga.

## LAPORAN JAWATANKUASA AUDIT

Pelbagai isu yang mempengaruhi operasi Kumpulan telah dikaji dan dibincangkan secara mendalam semasa mesyuarat-mesyuarat tersebut. Ahli-ahli Jawatankuasa Audit melaksanakan peranan mereka secara serius dan profesional untuk membantu Lembaga mengawal selia Pengurusan. Laporan audit dan hal-hal lain yang dibawa kepada perhatian Jawatankuasa Audit dibincang dan dibahasakan, dan jika perlu, Ketua-ketua Bahagian/Jabatan serta pasukan Pengurusan mereka akan dijemput ke mesyuarat untuk memberi penjelasan atau membantu perbincangan. Untuk itu, Jawatankuasa Audit mengumpul maklumat daripada fungsi Tadbir Urus Korporat yang bebas daripada Pengurusan dan melapor secara langsung kepada Jawatankuasa Audit. Maklumat turut didapatkan daripada Juruaudit Luar jika perlu.

### 2. AUTORITI JAWATANKUASA AUDIT

Untuk membolehkan Jawatankuasa Audit menjalankan tanggungjawabnya seperti di atas, Jawatankuasa Audit diberi kuasa oleh Lembaga Pengarah untuk:

- i) menyasihat sebarang perkara dalam terma rujukannya;
- ii) mempunyai sumber-sumber yang diperlukan bagi melaksanakan tugas-tugasnya;
- iii) mempunyai akses sepenuhnya, bebas dan tanpa halangan kepada sebarang maklumat, rekod, hartanah dan kakitangan Kumpulan;
- iv) mempunyai saluran komunikasi langsung dengan juruaudit luar dan juruaudit dalaman;
- v) boleh mendapatkan nasihat profesional bebas atau nasihat lain; dan
- vi) boleh mengadakan mesyuarat dengan juruaudit luar dan juruaudit dalaman berserta ahli-ahli bebas Lembaga Pengarah yang lain (iaitu tanpa kehadiran ahli-ahli bukan bebas dan eksekutif) sekurang-kurangnya dua kali setahun atau apabila dianggap perlu. Jawatankuasa Audit juga hendaklah bermesyuarat secara eksklusif di kalangan ahlinya apabila perlu.

### 3. TUGAS DAN TANGUNGJAWAB

Jawatankuasa Audit membantu Lembaga melunaskan tanggungjawab pengawasannya terhadap aktiviti-aktiviti MRCB dan syarikat-syarikat subsidiarinya ("Kumpulan"). Tugas dan tanggungjawab utama Jawatankuasa Audit seperti yang dinyatakan dalam Terma Rujukannya adalah seperti berikut:

- i) Untuk mempertimbangkan pelantikan juruaudit luar, yuran audit dan sebab-sebab yang dikemukakan berhubung peletakan jawatan atau pemecatan mereka;
- ii) Untuk mengkaji rancangan audit oleh juruaudit luar;
- iii) Untuk membincangkan masalah dan persoalan yang timbul daripada audit interim dan audit akhir, dan sebarang perkara yang mungkin ingin dibincangkan oleh juruaudit luar (tanpa kehadiran Pengurusan, jika perlu);
- iv) Untuk mengkaji laporan audit oleh juruaudit luar dan penilaian mereka terhadap sistem kawalan dalaman;
- v) Untuk mengkaji penyata kewangan suku tahunan dan akhir tahun Kumpulan serta mengemukakan saranan-saranan yang sewajarnya kepada Lembaga untuk kelulusannya;
- vi) Untuk mengkaji kecukupan skop, sumber dan autoriti fungsi Audit Dalaman;
- vii) Untuk mengkaji rancangan dan proses Audit Dalaman serta keputusan kajian dan penyiasatan audit dalaman yang dijalankan;
- viii) Untuk mengkaji pelantikan, menentukan imbuhan dan menilai prestasi Ketua Tadbir Urus Korporat & Ketua Audit Dalaman;
- ix) Untuk mengkaji dan meluluskan penyiasatan terhadap tuduhan-tuduhan serius berhubung penipuan, salah laku dan pecah amanah serta mengkaji penemuan penyiasatan tersebut;
- x) Untuk mengkaji urusanniaga pihak berkaitan dan situasi percanggahan kepentingan yang mungkin timbul dalam Syarikat termasuk sebarang urusanniaga, prosedur atau tatacara yang boleh menimbulkan persoalan berhubung kewibawaan Pengurusan;
- xi) Untuk mengawasi fungsi pengurusan risiko Kumpulan;
- xii) Untuk mengkaji aturan yang diwujudkan oleh Pengurusan bagi pematuhan dengan sebarang peraturan atau keperluan luaran berhubung laporan, undang-undang kecil dan peraturan lain yang berkaitan dengan operasi Kumpulan; dan
- xiii) Untuk mengesahkan semua pembahagian Skim Opsyen Saham Kakitangan bagi memastikan supaya pelaksanaannya mematuhi kriteria yang didedahkan oleh Syarikat kepada kakitangannya.
- xiv) Untuk mempertimbangkan topik-topik lain seperti yang ditakrif oleh Lembaga.

#### 4. AKTIVITI

##### i) Kajian

Ringkasan kajian yang telah dijalankan oleh Jawatankuasa Audit pada tahun yang ditinjau adalah seperti berikut:

##### **Keputusan Kewangan**

Mengkaji keputusan kewangan suku tahunan dan tahunan beraudit Kumpulan serta pengumuman-pengumuman yang mengiringinya dan mengemukakan saranan yang berkaitan kepada Lembaga untuk diluluskan; dan

Mengkaji pencapaian petunjuk prestasi utama Kumpulan.

##### **Audit Dalam**

Mengkaji dan meluluskan rancangan audit tahunan yang dicadangkan oleh Ketua Audit Dalam;

Mengkaji struktur jabatan Tadbir Urus Korporat dan kecukupan sumber serta belanjawannya;

Mengkaji penemuan-penemuan laporan audit dalam yang dibentangkan oleh Ketua Tadbir Urus Korporat dan Ketua Audit dalam mengenai Syarikat dan syarikat-syarikat subsidiarinya;

Mengkaji keberkesanan dan kecukupan tindakan pembetulan pengurusan sebagai tindak balas terhadap kajian audit dalam yang telah dijalankan;

Mengkaji penemuan audit susulan untuk menentukan status pelaksanaan tindakan pembetulan pengurusan; dan

Membincangkan penemuan penyiasatan dan kajian-kajian khas tidak berjadual lain berhubung bidang-bidang operasi tertentu bagi menentukan punca yang menyebabkan isu-isu berkenaan dan keberkesanan tindakan pembetulan yang diambil untuk menangani kelemahan yang telah dikenal pasti.

##### **Audit Luar**

Mengkaji dan meluluskan Rancangan Audit, pendekatan dan skop kajian Juruaudit Luar;

Membincangkan laporan Juruaudit Luar berkaitan isu-isu audit dan perakaunan yang timbul daripada auditnya;

Membincangkan kemaskini berhubung perkembangan baharu mengenai piawaian perakaunan yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia; dan

Menilai prestasi Juruaudit Luar, termasuk kebebasan mereka, dan mengemukakan saranan berhubung pelantikan semula dan imbuhan mereka kepada Lembaga.

##### **Pengurusan Risiko**

Mengkaji aktiviti pengurusan risiko perniagaan Kumpulan dan aktiviti Jawatankuasa Kerja Pengurusan Risiko.

##### **Urusniaga Pihak Berkaitan**

Mengkaji kesaksamaan dan ketelusan urusanniaga pihak berkaitan dan bahawa pendedahan yang sewajarnya telah dilakukan selaras dengan Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.

##### **Peruntukan Skim Opsyen Saham Kakitangan (ESOS)**

Mengkaji dan mengesahkan bahawa peruntukan ESOS pada tahun yang ditinjau dilaksanakan selaras dengan peruntukan skim dan kriteria untuk diperuntukkan kepada kakitangan.

##### **Lain-lain**

Mengkaji dan meluluskan cadangan pembentukan atau semakan semula Had-had Autoriti bagi syarikat-syarikat subsidiari.



## LAPORAN JAWATANKUASA AUDIT

### 5. AUDIT DALAMAN

Fungsi Audit Dalaman Kumpulan dijalankan oleh Jabatan Tadbir Urus Korporat MRCB bagi tempoh dari Januari 2013 hingga Okt 2013 dan kemudian dari November 2013 hingga seterusnya oleh Jabatan Audit dalaman MRCB. Jabatan Audit Dalaman beroperasi secara bebas daripada pengurusan dan melapor secara langsung kepada Jawatankuasa Audit.

Objektif, misi, skop, organisasi, autoriti dan tanggungjawab fungsi Audit Dalaman dibentangkan dalam Piagam Audit Dalaman. Pada tahun yang ditinjau, fungsi Audit Dalaman telah beroperasi dan menampilkan prestasi selaras dengan prinsip-prinsip Piagamnya.

Tanggungjawab utama fungsi Audit Dalaman adalah untuk menjalankan kajian operasi bagi menyediakan jaminan yang berpatutan bahawa sistem kawalan dalaman sedang beroperasi secara berkesan dan cekap. Bidang-bidang yang akan dikaji ditentukan menerusi satu rancangan audit berasaskan risiko yang diselaraskan dengan strategi dan aktiviti Kumpulan.

Pada tahun yang ditinjau, fungsi Audit Dalaman telah menjalankan kajian terhadap projek-projek pembangunan dan pembinaan utama serta unit-unit perniagaan terpilih Kumpulan. Kajian susulan juga dijalankan untuk menentukan status rancangan tindakan pengurusan yang disediakan sebagai tindak balas terhadap penemuan-penemuan audit yang ditimbulkan sebelumnya. Status tindakan pengurusan berkenaan juga dilaporkan kepada Jawatankuasa Audit untuk maklumat mereka.

Kakitangan Jabatan Tadbir Urus Korporat juga mengawasi pembukaan tender bagi memastikan supaya proses kawalan yang sewajarnya seperti yang digariskan dalam Dasar dan Prosedur Kumpulan sentiasa dipatuhi.

Bagi tahun 2013, Jabatan Tadbir Urus Korporat telah membelanjakan sebanyak RM 1,007,009 untuk aktiviti-aktivitinya yang meliputi Audit Dalaman dan membantu proses pengurusan risiko perniagaan di seluruh Kumpulan.

**Laporan Jawatankuasa Audit ini disediakan oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 30hb April 2014.**

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors affirms its overall responsibility for establishing and maintaining adequate and effective risk management and internal control systems to safeguard shareholders' investments and the assets of MRCB and its subsidiaries ("the Group"). The Board also affirms its commitment to review the effectiveness, adequacy and integrity of these systems to ensure its continued relevance and effectiveness in the face of its changing business circumstances.

Management has been tasked to identify and assess the risks faced by the Group and to design effective control measures to mitigate the risks. These processes are regularly reviewed by the Board through the Audit Committee. Nevertheless, it must be acknowledged that due to the limitations inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

## 1. Risk Management

An ongoing process to identify, evaluate, manage and report significant risks that may affect the achievement of the Group's business objectives is in place. A Risk Management Framework and Manual, which serves as a documentary guide of the Group's risk management policy, risk management processes and reporting framework, has been communicated to the management team and is deposited in the Group's intranet for reference by all employees of the Group.

All employees of the Group are responsible for managing risks within their respective areas of responsibilities. The Group Managing Director is accountable for the implementation of the Enterprise Risk Management Framework and Policy, ensuring its continued application in the MRCB Group, and for ensuring that business and risk strategies are aligned. Key risk exposures are discussed at the Heads of Division meetings which are held weekly. At these meetings, members of the senior management team agree on the risk mitigating actions required. The progress of implementation of the risk mitigating actions is monitored through updates provided by the management team at subsequent meetings.

This approach provides for faster response and close tracking of key risk exposures. The effectiveness of the risk mitigating actions are closely monitored and where necessary, adjustments to the risk mitigating actions are made.

The Corporate Governance Department is responsible for developing, coordinating and facilitating the Enterprise Risk Management processes within the Group. During the year under review, the Corporate Governance Department continued to promote the awareness of risk and the risk management processes by conducting briefing sessions and engaging with the management team and employees of the Group to enhance their understanding of risks and internal controls.

## 2. Key Elements of the Group's Risk Management and Internal Control System

Key elements of the Group's risk management and internal control system, which have been in place throughout the financial year under review and up to the date of the Directors' Report are as follows:

### a. Control Environment

- i) Clearly defined lines of authority within a divisional organisation structure to facilitate the supervision and monitoring of the conduct and operations of individual business units and group support service departments.
- ii) Limits of Authority have been established for the Group and key subsidiaries. These Limits of Authority specify clear division and delegation of responsibilities from the Board to Board Committees and to members of management and the authorisation levels for various aspects of operations. All revisions to the Limits of Authority are approved by the Board with the recommendation of the Audit Committee.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- iii) Clearly documented internal policies and procedures have been set out in a series of standard operating procedure manuals which are periodically reviewed and updated to reflect changes in business structures, processes as well as changes in external environments. Any changes in policy require the approval of the Board.
- iv) Joint Project Management Committees, which include the participation of external business partners, where relevant, deliberate on and evaluate parties that are invited to quote and the subsequent award of contracts to ensure transparency and integrity of the award process.
- v) Annual budgets are prepared in advance of the coming year using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the senior management team and the EXCO before it is recommended to the Board for approval. Performance against the budget is tracked on a monthly basis and on a semi-annual basis, a comprehensive budget review exercise is undertaken.
- vi) The Group's assets and insurable operational risks are adequately covered by insurance policies to ensure that the Group is insured against financial losses in the event of untoward incidences.
- vii) A Safety, Health and Environment policy is in place and the Group Safety, Health and Environment Department continues to enhance the awareness of safety, health and environment practices throughout the Group and monitors the compliance with the relevant regulations and best practices.
- viii) All employees of the Group are governed by a Code of Conduct and are required to acknowledge having read and understood the Code upon commencement of employment.
- ix) A whistleblowing process has been established to provide an avenue for whistleblowers to communicate their concerns on matters of integrity in a confidential manner. Where the concerns pertain to senior members of management, a direct communication channel to the Audit Committee Chairman is also available.

### b. Information and Communication Processes

- i) Regular and comprehensive information are provided by the Management to the Board and its Committees, covering financial performance, achievement of key performance indicators, progress of key projects, utilisation of funds and cash flow position.
- ii) Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management make effective decisions.
- iii) Meetings are held with investment analysts on a quarterly basis where the Group's financial performance approved by the Board is presented and investment analysts are given the opportunity to pose questions and have a dialogue with the senior management team of the Group.

### c. Monitoring Processes

- i) Heads of Division meetings are held on a weekly basis where the performance of the respective divisions and departments and the status of key projects are monitored and reviewed by the senior management team. Operational issues and key risk exposures are also discussed and where appropriate, action plans are identified to mitigate and address the risks and issues identified.
- ii) The Internal Audit Department conducts regular reviews of operations to assess the effectiveness and efficiency of the system of internal control. Significant risk exposures and non-compliances to the policies and procedures of the Group are highlighted for management's attention and recommendations for improvement are given to management for consideration. The findings of these reviews along with management's responses are reported to the Audit Committee on a quarterly basis for deliberation.



The Board believes that the development of the system of internal control is an on-going process and has taken steps throughout the year under review to improve its internal control system and will continue to do so. The effectiveness of the Group's risk management system is also regularly reviewed by the Board.

During the year under review, some areas for improvement in the internal control system were detected by the Internal Audit Department. Management has been responsive to the issues raised and has taken appropriate measures to address the areas for improvement that have been highlighted. The issues raised were mainly operational in nature and have negligible impact on the operational results of the Group.

The monitoring, review and reporting arrangements in place provide reasonable assurance that the structure of control and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others or the occurrence of unforeseeable circumstances. The Board has received an assurance from the Chief Financial Officer of the Company that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board is thus of the view that the risk management and internal control system in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

#### **MATERIAL JOINT VENTURES AND ASSOCIATES**

The disclosures in this statement do not include the risk management and internal control practices of the Company's material Joint Ventures and Associates. The Company's interests in these entities are safeguarded through the appointment of members of the Group's Senior Management team to the Board of Directors and, in certain cases, the management committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed by the MRCB Board.

#### **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

**This Statement on Risk Management and Internal Control is made by the Board of Directors in accordance to its resolution dated 30th April 2014.**

# PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Lembaga Pengarah mengesahkan tanggungjawabnya yang menyeluruh dalam mewujudkan dan memelihara sistem pengurusan risiko dan kawalan dalaman yang mencukupi dan berkesan untuk melindungi pelaburan pemegang saham dan aset MRCB serta syarikat-syarikat subsidiarinya ("Kumpulan"). Lembaga turut menegaskan komitmennya dalam mengkaji keberkesanan, kecukupan dan kewibawaan sistem-sistem tersebut bagi memastikan supaya ia kekal relevan dan berkesan dalam menghadapi keadaan perniagaannya yang berubah-ubah.

Pihak Pengurusan telah ditugaskan untuk mengenal pasti dan menilai risiko-risiko yang dihadapi oleh Kumpulan dan mewujudkan langkah-langkah kawalan yang berkesan untuk mengurangkan risiko berkenaan. Proses-proses ini dikaji dari semasa ke semasa oleh Lembaga melalui Jawatankuasa Audit. Walau bagaimanapun, perlu diakui bahawa disebabkan oleh kelemahan yang telah sedia ada dalam mana-mana sistem kawalan dalaman, ia hanya direka untuk mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan. Justeru, ia hanya mampu menyediakan jaminan berpatutan, bukan muktamad terhadap salah nyata atau kerugian yang ketara.

## 1. Pengurusan Risiko

Satu proses berterusan telah disediakan untuk mengenal pasti, menilai, mengurus dan melaporkan risiko-risiko penting yang boleh menjejaskan pencapaian objektif perniagaan Kumpulan. Sebuah Rangka Kerja dan Manual Pengurusan Risiko berupa panduan dokumentari bagi dasar pengurusan risiko, proses pengurusan risiko dan rangka kerja laporan Kumpulan telah disampaikan kepada pasukan pengurusan dan dimasukkan ke dalam intranet Kumpulan untuk dirujuk oleh semua kakitangan Kumpulan.

Semua kakitangan Kumpulan bertanggungjawab mengurus risiko dalam lingkungan bidang tanggungjawab masing-masing. Pengarah Urusan Kumpulan bertanggungjawab melaksanakan Rangka Kerja dan Dasar Pengurusan Risiko Perniagaan serta terhadap penggunaannya secara berterusan dalam Kumpulan MRCB. Beliau turut bertanggungjawab memastikan supaya strategi perniagaan dan risiko diselaraskan. Pendedahan risiko utama dibincangkan dalam mesyuarat mingguan Ketua-Ketua Bahagian. Dalam mesyuarat tersebut, ahli pasukan pengurusan kanan akan bersetuju dengan tindakan pengurangan risiko yang diperlukan.

Perkembangan pelaksanaan tindakan pengurangan risiko tersebut dipantau melalui kemas kini yang disediakan oleh pasukan pengurusan dalam mesyuarat-mesyuarat seterusnya. Pendekatan sebegini menyediakan tindak balas yang lebih pantas dan pemantauan yang lebih terperinci terhadap pendedahan risiko utama. Keberkesanan tindakan pengurangan risiko dipantau dengan teliti dan jika perlu, penyesuaian kepada tindakan pengurangan risiko tersebut akan dilakukan.

Jabatan Tadbir Urus Korporat bertanggungjawab mewujudkan, menyelaras dan membantu proses Pengurusan Risiko Perniagaan dalam Kumpulan. Pada tahun yang ditinjau, Jabatan Tadbir Urus Korporat meneruskan usahanya menggalakkan kesedaran risiko dan proses pengurusan risiko dengan mengadakan sesi-sesi taklimat dan melibatkan pasukan pengurusan dan kakitangan Kumpulan untuk mempertingkatkan pemahaman mereka mengenai risiko dan kawalan dalaman.

## 2. Unsur-unsur Penting Sistem Pengurusan Risiko dan Kawalan Dalaman Kumpulan

Unsur-unsur penting sistem pengurusan risiko dan kawalan dalaman Kumpulan yang tersedia pada sepanjang tahun kewangan yang ditinjau dan sehingga tarikh Laporan Pengarah adalah seperti berikut:

### a. Persekitaran Kawalan

- i) Had-had autoriti yang ditakrif dengan jelas dalam struktur organisasi bahagian bagi membantu penyeliaan dan pemantauan tatacara dan operasi unit-unit perniagaan secara individu serta jabatan-jabatan perkhidmatan sokongan.
- ii) Had-had autoriti telah diwujudkan bagi Kumpulan dan syarikat-syarikat subsidiari penting. Had-had Autoriti ini menggariskan dengan jelas pembahagian dan pengagihan tanggungjawab daripada Lembaga kepada Jawatankuasa-jawatankuasa Lembaga dan kepada ahli-ahli pengurusan serta peringkat kelulusan bagi pelbagai aspek operasi. Semua semakan ke atas Had-had Autoriti diluluskan oleh Lembaga dengan saranan daripada Jawatankuasa Audit.

- iii) Dasar dan prosedur yang didokumen dengan jelas telah diperuntukkan dalam beberapa siri manual prosedur operasi piawai yang dikaji dan dikemas kini secara berkala agar selari dengan perubahan struktur dan proses perniagaan serta perubahan pada persekitaran luar. Sebarang perubahan dasar memerlukan kelulusan Lembaga.
- iv) Jawatankuasa Pengurusan Projek Bersama yang meliputi penyertaan rakan-rakan kongsi perniagaan luar, jika perlu, akan membincang dan menilai pihak-pihak yang dijemput untuk menghantar sebut harga dan kemudian pemberian kontrak bagi memastikan ketelusan dan kewibawaan proses pemberian tersebut
- v) Belanjawan tahunan disediakan terlebih dahulu sebelum tahun seterusnya bermula dengan menggunakan proses belanjawan terperinci. Belanjawan ini tertakluk kepada penilaian dan penelitian oleh pasukan pengurusan kanan dan EXCO, sebelum ia disyorkan kepada Lembaga untuk diluluskan. Prestasi berbanding belanjawan dipantau secara bulanan dan satu pelaksanaan belanjawan yang menyeluruh dijalankan pada setiap setengah tahun.
- vi) Risiko aset dan operasi Kumpulan yang boleh diinsurans dilindungi secukupnya dengan polisi-polisi insurans bagi memastikan Kumpulan diinsurans daripada kerugian kewangan jika berlaku sebarang peristiwa yang tidak diingini.
- vii) Satu dasar Keselamatan, Kesihatan dan Alam Sekitar telah disediakan dan Jabatan Keselamatan, Kesihatan dan Alam Sekitar Kumpulan terus berusaha mempertingkatkan kesedaran terhadap amalan keselamatan, kesihatan dan alam sekitar di segenap Kumpulan serta memantau pematuhan dengan peraturan dan amalan-amalan terbaik yang berkaitan.
- viii) Semua kakitangan Kumpulan ditadbir oleh Kod Tatacara dan dikehendaki mengesahkan bahawa mereka telah membaca dan memahami Kod tersebut sebaik sahaja mereka mula bekerja.
- ix) Satu proses pemberitahuan maklumat telah diwujudkan untuk menyediakan landasan bagi para pemberitahu maklumat menyampaikan kemusykilan mereka berhubung hal-hal kewibawaan secara rahsia. Jika kemusykilan tersebut membabitkan ahli pengurusan kanan, satu saluran komunikasi kepada Pengerusi Jawatankuasa Audit turut disediakan.

#### **b. Proses Maklumat dan Komunikasi**

- i) Maklumat dibekalkan kepada Lembaga dan Jawatankuasa-jawatankuasanya secara kerap dan lengkap oleh Pihak Pengurusan. Maklumat tersebut meliputi prestasi kewangan, pencapaian petunjuk prestasi penting, perkembangan projek-projek penting, penggunaan dana dan kedudukan aliran tunai.
- ii) Pelbagai sistem maklumat pengurusan beroperasi dengan baik untuk menyediakan maklumat yang kena pada masanya dan tepat kepada Pihak Pengurusan mengenai prestasi Kumpulan dan untuk membantu Pihak Pengurusan membuat keputusan yang berkesan.
- iii) Mesyuarat diadakan dengan para penganalisis pelaburan pada setiap suku tahun di mana laporan prestasi kewangan Kumpulan yang telah diluluskan oleh Lembaga dibentangkan. Para penganalisis pelaburan juga diberi peluang untuk mengemukakan soalan dan berdialog dengan pasukan pengurusan kanan Kumpulan.

#### **c. Proses Pemantauan**

- i) Mesyuarat Ketua-ketua Bahagian diadakan pada setiap minggu di mana prestasi setiap bahagian dan jabatan serta status projek-projek penting dipantau dan dikaji oleh pasukan pengurusan kanan. Isu-isu operasi dan pendedahan risiko penting turut dibincangkan dan jika perlu, rancangan tindakan dikenal pasti untuk mengurangkan dan menangani risiko dan isu-isu yang dikenal pasti.
- ii) Jabatan Audit Dalaman menjalankan kajian operasi dari semasa ke semasa untuk menilai keberkesanan dan kecukupan sistem kawalan dalaman. Pendedahan risiko penting dan ketidakpatuhan kepada dasar dan prosedur Kumpulan diketengahkan untuk perhatian Pihak Pengurusan dan saranan bagi penambahbaikan dikemukakan untuk pertimbangan Pihak Pengurusan. Penemuan risiko berkenaan berserta tindak balas Pihak Pengurusan dilaporkan kepada Jawatankuasa Audit untuk dibincangkan.



## PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Lembaga percaya bahawa pembangunan sistem kawalan dalaman adalah satu proses berterusan dan telah mengambil pelbagai langkah sepanjang tahun yang ditinjau untuk menambah baik sistem kawalan dalamannya dan akan terus melakukan yang sedemikian. Keberkesanan sistem pengurusan risiko Kumpulan juga dikaji dari semasa ke semasa oleh Lembaga.

Pada tahun yang ditinjau, beberapa aspek penambahbaikan dalam sistem kawalan dalaman telah dikesan oleh Jabatan Audit Dalaman. Pihak Pengurusan telah bertindak balas secara positif terhadap isu-isu yang dibangkitkan dan mengambil langkah yang sewajarnya untuk menangani aspek-aspek penambahbaikan yang telah diketengahkan. Kebanyakan isu yang dibangkitkan berbentuk operasi dan mempunyai impak yang boleh diabaikan ke atas keputusan operasi Kumpulan.

Penyusunan pemantauan, kajian dan laporan yang tersedia memberi jaminan bahawa struktur kawalan dan operasinya adalah bersesuaian dengan operasi Kumpulan dan bahawa risiko-risiko berada di tahap yang boleh diterima di segenap perniagaan Kumpulan. Walau bagaimanapun, penyusunan sedemikian tidak menghapuskan kemungkinan kesilapan manusia, pelanggaran prosedur kawalan secara sengaja oleh kakitangan dan pihak-pihak lain atau berlakunya peristiwa yang tidak dijangka. Lembaga diberi jaminan oleh Ketua Pegawai Kewangan Syarikat bahawa sistem pengurusan risiko dan kawalan dalaman Kumpulan sedang beroperasi secara mencukupi dan berkesan dalam semua aspek penting, berdasarkan kepada sistem pengurusan risiko dan kawalan dalaman Kumpulan. Oleh itu, Lembaga berpendapat bahawa sistem pengurusan risiko dan kawalan dalaman yang tersedia pada tahun yang ditinjau berada dalam keadaan baik dan memadai untuk melindungi pelaburan pemegang saham, kepentingan pemegang saham dan aset Kumpulan.

### PIHAK USAHA SAMA DAN BERSEKUTU PENTING

Pendedahan dalam penyata ini tidak meliputi amalan pengurusan risiko dan kawalan dalaman bagi Pihak-pihak Usaha Sama dan Bersekutu penting Syarikat. Kepentingan Syarikat dalam entiti-entiti ini dilindungi melalui pelantikan ahli-ahli pasukan Pengurusan Kanan Kumpulan, Lembaga Pengarah, dan dalam kes-kes tertentu, jawatankuasa-jawatankuasa pengurusan di entiti tersebut. Selain itu, maklumat kewangan dan maklumat penting lain berhubung prestasi entiti-entiti berkenaan diperoleh dan dikaji oleh Lembaga MRCB, jika perlu.

### KAJIAN PENYATA INI OLEH JURUAUDIT LUAR

Seperti yang dikehendaki oleh Perenggan 15.23 Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad, juruaudit luar telah mengkaji Penyata Pengurusan Risiko dan Kawalan Dalaman ini. Kajian mereka telah dilaksanakan selaras dengan Panduan Amalan Disyorkan ("RPG") 5 yang dikeluarkan oleh Institut Akauntan Malaysia. RPG 5 tidak memerlukan juruaudit luar menyediakan pendapat berhubung kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman Kumpulan.

**Penyata Pengurusan Risiko dan Kawalan Dalaman ini disediakan oleh Lembaga Pengarah menurut resolusinya bertarikh 30hb April 2014.**

## ADDITIONAL COMPLIANCE INFORMATION

### (II) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised by the company during the financial year ended 31 December 2013.

### (III) SHARE BUY-BACKS

The Company did not seek any authorisation from the shareholders on any proposal for share buy-back during the financial year 2013.

### (III) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any option, warrants and convertible securities during the financial year ended 2013 save for the following:

#### (A) WARRANT

On 20 September 2013, a total of 537,887,605 warrants were listed on Bursa Securities. The exercise price of the warrants have been fixed at RM2.30 for every new ordinary share. No warrants were exercised during the financial year ended 31 December 2013.

#### (B) EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS")

The ESOS of the Company expired on 30 October 2012 and was extended by another 5 years, expiring on 30 October 2017. In accordance with the ESOS By-Law, the aggregate maximum allocation applicable to Directors and Senior Management shall not exceed 50% of the options available under the scheme. The actual percentage of options granted to them in aggregate was 3.64%.

The details of options granted since the commencement of the scheme is disclosed in Note 31 to the Financial Statements (pages 287 to 289 of the Annual Report)

### (IV) AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year 2013.

### (V) SANCTIONS AND/OR PENALTIES IMPOSED

There was no material sanctions and/or penalties imposed by the relevant regulatory bodies on MRCB or its subsidiary, directors or management during the financial year 2013.

### (VI) NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group and Company for the financial year 2013 were RM1,517,000 and RM928,000 respectively.

### (VII) VARIATION IN RESULTS

There was no variation in the financial results of 10% or more from any profit estimate/forecast/projection/ unaudited results announced.

### (VIII) PROFIT GUARANTEE

There were no profit guarantees given by the Company during the financial year 2013.

### (IX) MATERIAL CONTRACTS

There has been no material contracts involving directors and major shareholders' interests entered into during the financial year 2013.

### (X) LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on pages 161 to 166 of this Annual Report. There was no revaluation of properties of the Company during the financial year 2013.

### (XI) RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions during the financial year 2013 except for those disclosed in the audited financial statement which are exempted under the Listing Requirements.

# MAKLUMAT PEMATUHAN TAMBAHAN

## (I) PENGGUNAAN KUTIPAN YANG DIKUMPUL DARIPADA CADANGAN KORPORAT

Tiada kutipan yang dikumpul oleh syarikat pada tahun kewangan berakhir 31 Disember 2013.

## (II) PEMBELIAN BALIK SAHAM

Syarikat tidak mendapatkan sebarang kuasa daripada para pemegang saham berhubung cadangan pembelian balik saham pada tahun kewangan 2013.

## (III) OPSYEN, WARAN DAN SEKURITI BOLEH DITUKAR

Syarikat tidak mengeluarkan sebarang opsyen, waran dan sekuriti boleh ditukar pada tahun kewangan berakhir 2013 kecuali yang berikut:

### (A) WARAN

Pada 20 September 2013, sebanyak 537,887,605 waran telah disenaraikan di Bursa Securities. Harga pelaksanaan waran tersebut telah ditetapkan pada RM2.30 bagi setiap saham baharu. Tiada waran telah dilaksanakan pada tahun kewangan berakhir 31 Disember 2013.

### (B) SKIM OPSYEN SAHAM KAKITANGAN ("ESOS")

ESOS Syarikat tamat tempoh pada 30 Oktober 2012 dan telah dilanjutkan selama 5 tahun lagi, iaitu tamat tempoh pada 30 Oktober 2017. Selaras dengan Undang-undang kecil ESOS, peruntukan maksimum agregat yang diguna pakai kepada para Pengarah dan Pengurusan Kanan hendaklah tidak melebihi 50% daripada opsyen yang tersedia di bawah skim tersebut. Peratusan sebenar opsyen yang diberikan kepada mereka dalam agregat adalah 3.64%.

Butir-butir opsyen yang diberikan sejak bermulanya skim ini terdapat dalam Nota 31 kepada Penyata Kewangan (muka-surat 287 hingga 289 dalam Laporan Tahunan ini).

## (IV) RESIT DEPOSITORI AMERIKA ("ADR") ATAU RESIT DEPOSITORI GLOBAL ("GDR")

Syarikat tidak menaja sebarang program ADR dan GDR pada tahun kewangan 2013.

## (V) SEKATAN DAN/ATAU DENDA YANG DIKENAKAN

Tiada sekatan dan/atau denda penting yang dikenakan oleh badan-badan penguatkuasaan berkaitan terhadap MRCB atau syarikat subsidiarinya, para pengarah atau pengurusan pada tahun kewangan 2013.

## (VI) YURAN BUKAN AUDIT

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar oleh Kumpulan dan Syarikat bagi tahun kewangan 2013, masing-masing adalah sebanyak RM1,517,000 and RM928,000.

## (VII) PERBEZAAN KEPUTUSAN

Tiada perbezaan sebanyak 10% atau lebih dalam keputusan kewangan berbanding anggaran/ramalan/unjuran keuntungan dan keputusan tidak beraudit yang diumumkan.

## (VIII) JAMINAN KEUNTUNGAN

Tiada jaminan keuntungan yang diberikan oleh Syarikat pada tahun kewangan 2013.

## (IX) KONTRAK-KONTRAK PENTING

Tiada kontrak penting yang melibatkan kepentingan pengarah dan para pemegang saham utama telah dimeterai sepanjang tahun kewangan 2013.

## (X) SENARAI HARTANAH DAN DASAR PENILAIAN SEMULA

Senarai hartanah disediakan di muka surat 161 hingga 166 dalam Laporan Tahunan ini. Tiada penilaian semula hartanah Syarikat telah dilaksanakan pada tahun kewangan 2013.

## (XI) URUSNIAGA PIHAK BERKAITAN YANG BERULANG BERBENTUK HASIL ATAU PERDAGANGAN

Tiada urusanniaga pihak berkaitan yang berulang pada tahun kewangan 2013 melainkan yang dibentangkan dalam penyata kewangan beraudit yang dikecualikan di bawah Keperluan Penyenaraian.



## MATERIAL CONTRACTS

### MRCB (JANUARY 2013 – DECEMBER 2013)

#### 1. Share Sale Agreement between Malaysian Resources Corporation Berhad and Hanif Ahmad bin Nisar Ahmad and Mohd Imran bin Mohamad Salim

Malaysian Resources Corporation Berhad ("MRCB") has on 8th February 2013 entered into a Share Sale Agreement ("SSA") with Hanif Ahmad bin Nisar Ahmad and Mohd Imran bin Mohamad Salim (collectively referred to as "Vendors") for the acquisition of the Vendor's entire 147,100 shares in Gapurna Global Solutions Sdn Bhd comprising of Ordinary Shares and Redeemable Preference Shares (collectively referred to as "Sale Shares") for Cash Consideration of RM3,000,000.00 and issuance of 10,967,742 Consideration Shares and 3,133,641 Consideration Warrants. The transaction has since completed on 27th August 2013.

#### 2. Share Sale Agreement between Malaysian Resources Corporation Berhad and Datin Yasmin binti Mohamed Ashraff, Datuk Mohamad Salim bin Fateh Din and Mohd Imran bin Mohamad Salim

Malaysian Resources Corporation Berhad ("MRCB") has on 8th February 2013 entered into a Share Sale Agreement ("SSA") with Datin Yasmin binti Mohamed Ashraff, Datuk Mohamad Salim bin Fateh Din and Mohd Imran bin Mohamad Salim (collectively referred to as "Vendors") for the acquisition of the Vendors entire 1,500,000 Ordinary Shares ("Sale Shares") in Gelanggang Harapan Construction Sdn Bhd for RM38,000,000.00 Cash Consideration and issuance of 136,774,194 Consideration Shares and 39,078,341 Consideration Warrants. The transaction has since completed on 27th August 2013.

#### 3. Share Sale Agreement between Malaysian Resources Corporation Berhad and Nusa Gapurna Development Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 8th February 2013 entered into a Share Sale Agreement ("SSA") with Nusa Gapurna Development Sdn Bhd ("Vendor") to acquire the Vendor issued share capital in Gapurna Builders Sdn Bhd, Gapurna Land Sdn Bhd, P.J. Sentral Development Sdn Bhd and Puncak Wangi Sdn Bhd (collectively referred to as "Vendor's Subsidiaries") for RM70,000,000.00 in Cash Consideration, and issuance of 250,967,742 Consideration Shares and 71,705,070 Consideration Warrants. The transaction has since completed on 27th August 2013 save for the acquisition of Vendors issued share capital in P.J. Sentral Development Sdn Bhd which is still pending completion.

#### 4. Joint Venture and Shareholders' Agreement between Ekovest Berhad, Malaysian Resources Corporation Berhad and Ekovest – MRCB Construction Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 21st February 2013 entered into a Joint Venture and Shareholders' Agreement with Ekovest Berhad and Ekovest – MRCB Construction Sdn Bhd to participate in the Beautification Work under the River of Life Project and to regulate MRCB and Ekovest Berhad respective responsibilities and rights as shareholders of Ekovest – MRCB Construction Sdn Bhd.

## MATERIAL CONTRACTS

### 5. Lease Agreement dated 1st November 2013 between 348 Sentral Sdn Bhd and Shell People Services Asia Sdn Bhd

348 Sentral Sdn Bhd a wholly owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB") has on 1st November 2013 entered into a Lease Agreement with Shell People Services Asia Sdn Bhd for the lease of Level 20 to Level 36, Menara Shell having 304,673 lettable floor area ("Lettable Floor Area") for the lease period of 15 years commencing from 1st November 2013 with a monthly rent calculated at RM6.30 per sq foot of the Lettable Floor Area.

### 6. Share Sale Agreement between Gapurna Global Solutions Sdn Bhd and Telekom Malaysia Berhad

Gapurna Global Solutions Sdn Bhd ("GGS") a wholly owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB") has on 27th November 2013 entered into a Share Sale Agreement with Telekom Malaysia Berhad for the sale and purchase of GGS entire issued and paid-up share capital of 1,000,000 Ordinary Shares and 125,000 Redeemable Preference Shares ("Sale Shares") in GTC Global Sdn Bhd for the total consideration price of RM45,000,000.00 only. The transaction has since completed on 10th January 2014.

### 7. Agreement between Mass Rapid Transit Corporation Sdn Bhd and Malaysian Resources Corporation Berhad

Malaysian Resources Corporation Berhad ("MRCB") has on 16th December 2013 entered into an Agreement with Mass Rapid Transit Corporation Sdn Bhd ("MRT Corp") for the construction of part of the Pedestrian Linkway with Tunnel Corridor for the Sungai Buloh-Kajang Line through Lot B Kuala Lumpur Sentral at a fixed lump sum of RM65,400,794.80. The construction of Pedestrian Linkway with Tunnel Corridor has since completed.

### 8. Share Sale and Subscription Agreement between Arch Angel Capital Sdn Bhd, Malaysian Resources Corporation Berhad and Arch Angel DMC Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 23rd December 2013 entered into a Share Sale and Subscription Agreement ("SSSA") with Arch Angel Capital Sdn Bhd ("AACSB") and Arch Angel DMC Sdn Bhd ("AADMC") to purchase 2,000,000 Ordinary Shares from AADMC ("Sale Shares") at the total sale price of RM2,500,000.00 and to subscribe for 1,500,000 Ordinary Shares (1st Subscription shares) and 300,000 Redeemable Cumulative Preference Shares (2nd Subscription Shares) in AACSB at the price of RM1,500,000.00 for the 1st Subscription Shares and RM30,000,000.00 for the 2nd Subscription Shares. The transaction has since completed on 30th December 2013.

## KONTRAK- KONTRAK PENTING

### MRCB (JANUARI 2013 – DISEMBER 2013)

#### 1. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Hanif Ahmad bin Nisar Ahmad dan Mohd Imran bin Mohamad Salim

Malaysian Resources Corporation Berhad ("MRCB") telah pada 8hb Februari 2013 memasuki Perjanjian Penjualan Saham ("Perjanjian") dengan Hanif Ahmad bin Nisar Ahmad dan Mohd Imran bin Mohamad Salim (secara kolektif dirujuk sebagai "Penjual") bagi pemerolehan keseluruhan 147,100 saham Penjual di dalam Gapurna Global Solutions Sdn Bhd terdiri daripada Saham Biasa dan Saham Keutamaan Boleh Tebus (secara kolektif dirujuk sebagai "Penjualan Saham") bagi Balasan dalam bentuk Tunai berjumlah RM3,000,000.00 dan pengeluaran 10,967,742 Saham Balasan serta 3,133,641 Waran Balasan. Transaksi telah disempurnakan pada 27hb Ogos 2013.

#### 2. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Datin Yasmin binti Mohamed Ashraff, Datuk Mohamad Salim bin Fateh Din dan Mohd Imran bin Mohamad Salim

Malaysian Resources Corporation Berhad ("MRCB") telah pada 8hb Februari 2013 memasuki Perjanjian Penjualan Saham ("Perjanjian") dengan Datin Yasmin binti Mohamed Ashraff, Datuk Mohamad Salim bin Fateh Din dan Mohd Imran bin Mohamad Salim (secara kolektif dirujuk sebagai "Penjual") bagi pemerolehan keseluruhan 1,500,000 Saham Biasa ("Penjualan Saham") di dalam Gelanggang Harapan Construction Sdn Bhd bagi Balasan dalam bentuk Tunai berjumlah RM38,000,000.00 dan pengeluaran 136,774,194 Saham Balasan serta 39,078,341 Waran Balasan. Transaksi telah disempurnakan pada 27hb Ogos 2013.

#### 3. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Nusa Gapurna Development Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 8hb Februari 2013 memasuki Perjanjian Penjualan Saham ("Perjanjian") dengan Nusa Gapurna Development Sdn Bhd ("Penjual") untuk pemerolehan modal saham terbitan Penjual di dalam Gapurna Builders Sdn Bhd, Gapurna Land Sdn Bhd, P.J. Sentral Development Sdn Bhd dan Puncak Wangi Sdn Bhd (secara kolektif dirujuk sebagai "Anak-anak Syarikat Penjual") bagi Balasan dalam bentuk Tunai berjumlah RM70,000,000.00 dan pengeluaran 250,967,742 Saham Balasan serta 71,705,070 Waran Balasan. Transaksi tersebut telah disempurnakan pada 27hb Ogos 2013 kecuali bagi pemerolehan modal saham terbitan Penjual di dalam P.J. Sentral Development Sdn Bhd masih dalam peringkat penyempurnaan.

#### 4. Perjanjian Usahasama dan Pemegang Saham di antara Ekovest Berhad, Malaysian Resources Corporation Berhad dan Ekovest – MRCB Construction Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 21hb Februari 2013 memasuki Perjanjian Usahasama dan Pemegang Saham dengan Ekovest Berhad dan Ekovest – MRCB Construction Sdn Bhd bagi menyertai Kerja-kerja Pengindahan di bawah Projek River of Life dan untuk mengawal tanggungjawab serta hak MRCB dan Ekovest Berhad sebagai pemegang saham kepada Ekovest – MRCB Construction Sdn Bhd.



## KONTRAK-KONTRAK PENTING

### 5. Perjanjian Pajak bertariikh 1hb November 2013 di antara 348 Sentral Sdn Bhd dan Shell People Services Asia Sdn Bhd

348 Sentral Sdn Bhd anak syarikat milik penuh Malaysian Resources Corporation Berhad ("MRCB") telah pada 1hb November 2013 memasuki Perjanjian Pajak dengan Shell People Services Asia Sdn Bhd untuk pajakan bagi Aras 20 sehingga Aras 36, Menara Shell yang mempunyai keluasan 304,673 kaki persegi ("Lettable Floor Area") untuk tempoh pajakan 15 tahun bermula 1hb November 2013 dengan sewa bulanan dikira pada RM6.30 setiap kaki persegi.

### 6. Perjanjian Penjualan Saham di antara Gapurna Global Solutions Sdn Bhd dan Telekom Malaysia Berhad

Gapurna Global Solutions Sdn Bhd ("GGS") anak syarikat milik penuh Malaysian Resources Corporation Berhad ("MRCB") telah pada 27hb November 2013 memasuki satu Perjanjian Penjualan Saham dengan Telekom Malaysia Berhad bagi penjualan dan pembelian terhadap keseluruhan saham terbitan dan modal saham berbayar GGS sebanyak 1,000,000 Saham Biasa dan 125,000 Saham Keutamaan Boleh Tebus ("Penjualan Saham") di dalam GTC Global Sdn Bhd dengan harga jualan berjumlah RM45,000,000.00 sahaja. Transaksi telah disempurnakan pada 10hb Januari 2014.

### 7. Perjanjian di antara Mass Rapid Transit Corporation Sdn Bhd dan Malaysian Resources Corporation Berhad

Malaysian Resources Corporation Berhad ("MRCB") telah pada 16hb Disember 2013 memasuki Perjanjian dengan Mass Rapid Transit Corporation Sdn Bhd ("MRT Corp") bagi pembinaan sebahagian daripada Laluan Hubungan Pejalan Kaki dengan Terowong Koridor bagi Aliran Sungai Buloh-Kajang melalui Lot B Kuala Lumpur Sentral pada nilai kontrak berjumlah RM65,400,794.80. Pembinaan Laluan Hubungan Pejalan Kaki dan Terowong Koridor telah disempurnakan.

### 8. Perjanjian Penjualan Saham dan Langganan di antara Arch Angel Capital Sdn Bhd, Malaysian Resources Corporation Berhad dan Arch Angel DMC Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 23hb Disember 2013 memasuki Perjanjian Penjualan Saham dan Langganan ("Perjanjian") dengan Arch Angel Capital Sdn Bhd ("AACSB") dan Arch Angel DMC Sdn Bhd ("AADMC") untuk membeli 2,000,000 Saham Biasa daripada AADMC ("Penjualan Saham") pada jumlah harga jualan RM2,500,000.00 dan untuk melanggan 1,500,000 Saham Biasa (Langganan Saham Pertama) dan 300,000 Saham Keutamaan Boleh Tebus (Langganan Saham Kedua) di dalam AACSB pada harga RM1,500,000.00 untuk Langganan Saham Pertama dan RM30,000,000.00 untuk Langganan Saham Kedua. Transaksi telah disempurnakan pada 30hb Disember 2013.

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2014

Authorised Share Capital	: 5,000,000,000
Paid-up Share Capital	: 1,651,310,934
Type of Shares	: Ordinary Share of RM1.00 each
No. of Shareholders	: 35,450
Voting Rights	: One vote for every share

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS (%)	NO. OF SHARES	PERCENTAGE OF SHARE CAPITAL (%)
less than 100	4,158	11.73	162,161	0.01
100 to 1,000	8,915	25.15	5,459,423	0.33
1,001 to 10,000	17,037	48.06	71,511,508	4.33
10,001 to 100,000	4,735	13.35	138,975,678	8.42
100,001 to less than 5% of issued shares	602	1.70	440,561,136	26.68
5% and above of issued shares	3	0.01	994,641,028	60.23
<b>TOTAL</b>	<b>35,450</b>	<b>100.00</b>	<b>1,651,310,934</b>	<b>100.00</b>

## DIRECTORS' SHAREHOLDING

NO.	NAME OF DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
		NO. OF SHARES	%	NO. OF SHARES	%
1.	Tan Sri Azlan Zainol	—	—	—	—
2.	Datuk Mohamad Salim Fateh Din	—	—	206,653,604*	12.51
3.	Datuk Shahril Ridza Ridzuan	500,000	0.03	—	—
4.	Dato' Abdul Rahman Ahmad	—	—	—	—
5.	Dato' Chong Pah Aung	—	—	—	—
6.	Jamaludin Zakaria	—	—	—	—
7.	Dato' Ishak Haji Mohamed	—	—	—	—
8.	Tan Sri Ahmad Fuad Ismail	—	—	—	—
9.	Dato' Johari Razak	—	—	—	—
10.	Rohaya Mohammad Yusof	—	—	—	—

\* held through Gapurna Sdn Bhd

## SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

NAME	SHAREHOLDINGS	%
1. Employees Provident Fund Board	641,934,951	38.87
2. Gapurna Sdn Bhd	206,635,604	12.51
3. Lembaga Tabung Haji	146,070,473	8.85

# ANALISIS PEGANGAN SAHAM

PADA 30 APRIL 2014

Modal Saham Dibenarkan	: 5,000,000,000
Modal Saham Terbitan dan Berbayar	: 1,651,310,934
Jenis Saham	: Saham Biasa bernilai RM1.00 setiap satu
Bil. Pemegang Saham	: 35,450
Hak Mengundi	: Satu undi untuk setiap saham

## PECAHAN PEGANGAN SAHAM

SAIZ PEGANGAN SAHAM	BILANGAN PEMEGANG SAHAM	(%)	BILANGAN SAHAM	(%)
Kurang dari 100	4,158	11.73	162,161	0.01
100 hingga 1,000	8,915	25.15	5,459,423	0.33
1,001 hingga 10,000	17,037	48.06	71,511,508	4.33
10,001 hingga 100,000	4,735	13.35	138,975,678	8.42
100,001 hingga kurang dari 5% saham diterbitkan	602	1.70	440,561,136	26.68
5% dan lebih saham diterbitkan	3	0.01	994,641,028	60.23
<b>JUMLAH</b>	<b>35,450</b>	<b>100.00</b>	<b>1,651,310,934</b>	<b>100.00</b>

## PEGANGAN SAHAM PENGARAH

NO.	NAMA PENGARAH	KEPENTINGAN LANGSUNG		KEPENTINGAN TIDAK LANGSUNG	
		BILANGAN SAHAM	%	BILANGAN SAHAM	%
1.	Tan Sri Azlan Zainol	-	-	-	-
2.	Datuk Mohamad Salim Fateh Din	-	-	206,653,604*	12.51
3.	Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-
4.	Dato' Abdul Rahman Ahmad	-	-	-	-
5.	Dato' Chong Pah Aung	-	-	-	-
6.	Jamaludin Zakaria	-	-	-	-
7.	Dato' Ishak Haji Mohamed	-	-	-	-
8.	Tan Sri Ahmad Fuad Ismail	-	-	-	-
9.	Dato' Johari Razak	-	-	-	-
10.	Rohaya Mohammad Yusof	-	-	-	-

\* dipegang melalui Gapurna Sdn Bhd

## PEMEGANG SAHAM UTAMA (5% DAN KE ATAS)

NAMA	BILANGAN SAHAM	%
1. Employees Provident Fund Board	641,934,951	38.87
2. Gapurna Sdn Bhd	206,635,604	12.51
3. Lembaga Tabung Haji	146,070,473	8.85



# TOP 30 LARGEST SHAREHOLDERS

AS AT 30 APRIL 2014

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF SHARES	%
1. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	641,934,951	38.87
2. Gapurna Sdn Bhd	206,635,604	12.51
3. Lembaga Tabung Haji	145,337,673	8.80
4. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (Norges BK)</i>	31,104,100	1.88
5. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Emerging Markets Value Fund</i>	18,569,700	1.12
6. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt AN For EastSpring Investments Berhad</i>	17,310,900	1.05
7. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>	13,800,000	0.84
8. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For AMB Value Trust Fund (4249)</i>	12,980,000	0.79
9. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	9,516,350	0.58
10. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC</i>	9,041,400	0.55
11. TOKIO Marine Life Insurance Malaysia Bhd <i>As Beneficial Owner PF</i>	8,837,800	0.54
12. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Credit SUISSE (SG BR-TST-Asing)</i>	8,630,500	0.52
13. Amanahraya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	8,021,600	0.49
14. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	7,942,734	0.48
15. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt AN For State Street Bank &amp; Trust Company (West CLT 0D67)</i>	6,206,400	0.38
16. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund</i>	5,700,643	0.35

## TOP 30 LARGEST SHAREHOLDERS

AS AT 30 APRIL 2014

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF SHARES	%
17. Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	5,606,800	0.34
18. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank NA, Singapore (Julius Baer)</i>	5,600,665	0.34
19. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	4,800,800	0.29
20. Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (RHB INV)</i>	4,500,200	0.27
21. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Caceis Bank Luxembourg (CLT ACCT-DTT)</i>	4,341,200	0.26
22. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, LTD</i>	3,888,000	0.24
23. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (AIM 6939-405)</i>	3,700,000	0.22
24. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund TRJR For Teacher Retirement System Of Texas</i>	3,206,850	0.19
25. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt AN Account For Standard Chartered Bank HK Pte Ltd (SCBMB WTH MGMT)</i>	3,178,100	0.19
26. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund NYLY For City Of New York Group Trust</i>	2,972,000	0.18
27. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (Norges BK Lend)</i>	2,937,900	0.18
28. Citigroup Nominees (Tempatan) Sdn Bhd <i>Universal Trustee (Malaysia) Berhad For CIMB-Principal Equity Fund 2</i>	2,873,600	0.17
29. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For The Bank Of New York Mellon (Mellon ACCT)</i>	2,830,700	0.17
30. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (UOB AMM6939-406)</i>	2,688,000	0.16

## 30 PEMEGANG SAHAM TERBESAR

PADA 30 APRIL 2014

### SENARAI TIGA PULUH (30) PEMEGANG SAHAM TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN SAHAM	%
1. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	641,934,951	38.87
2. Gapurna Sdn Bhd	206,635,604	12.51
3. Lembaga Tabung Haji	145,337,673	8.80
4. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (Norges BK)</i>	31,104,100	1.88
5. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Emerging Markets Value Fund</i>	18,569,700	1.12
6. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt AN For EastSpring Investments Berhad</i>	17,310,900	1.05
7. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>	13,800,000	0.84
8. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For AMB Value Trust Fund (4249)</i>	12,980,000	0.79
9. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	9,516,350	0.58
10. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC</i>	9,041,400	0.55
11. TOKIO Marine Life Insurance Malaysia Bhd <i>As Beneficial Owner PF</i>	8,837,800	0.54
12. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Credit SUISSE (SG BR-TST-Asing)</i>	8,630,500	0.52
13. Amanahraya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	8,021,600	0.49
14. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	7,942,734	0.48
15. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt AN For State Street Bank &amp; Trust Company (West CLT 0D67)</i>	6,206,400	0.38
16. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund</i>	5,700,643	0.35

## 30 PEMEGANG SAHAM TERBESAR

PADA 30 APRIL 2014

### SENARAI TIGA PULUH (30) PEMEGANG SAHAM TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN SAHAM	%
17. Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	5,606,800	0.34
18. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank NA, Singapore (Julius Baer)</i>	5,600,665	0.34
19. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	4,800,800	0.29
20. Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (RHB INV)</i>	4,500,200	0.27
21. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Caceis Bank Luxembourg (CLT ACCT-DTT)</i>	4,341,200	0.26
22. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, LTD</i>	3,888,000	0.24
23. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (AIM 6939-405)</i>	3,700,000	0.22
24. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund TRJR For Teacher Retirement System Of Texas</i>	3,206,850	0.19
25. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt AN Account For Standard Chartered Bank HK Pte Ltd (SCBMB WTH MGMT)</i>	3,178,100	0.19
26. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund NYLY For City Of New York Group Trust</i>	2,972,000	0.18
27. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (Norges BK Lend)</i>	2,937,900	0.18
28. Citigroup Nominees (Tempatan) Sdn Bhd <i>Universal Trustee (Malaysia) Berhad For CIMB-Principal Equity Fund 2</i>	2,873,600	0.17
29. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For The Bank Of New York Mellon (Mellon ACCT)</i>	2,830,700	0.17
30. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (UOB AMM6939-406)</i>	2,688,000	0.16



# ANALYSIS OF WARRANT-HOLDINGS

AS AT 30 APRIL 2014

Number of Outstanding Warrants	: 537,887,605
Exercise Price of Warrants	: RM2.30
Exercise Period of Warrants	: 17 September 2013 to 16 September 2018
Voting Rights at Meetings of Warrant Holders	: One (1) vote per Warrant

## DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	PERCENTAGE OF WARRANT HOLDERS (%)	NO. OF WARRANTS	PERCENTAGE OF ISSUED WARRANTS CAPITAL (%)
less than 100	6,311	18.57	193,432	0.04
100 to 1,000	14,570	42.87	6,956,399	1.29
1,001 to 10,000	10,048	29.57	33,447,033	6.22
10,001 to 100,000	2,503	7.36	89,783,564	16.69
100,001 to less than 5% of issued Warrants	549	1.62	237,643,833	44.18
5% and above of issued Warrants	2	0.01	169,863,344	31.58
<b>TOTAL</b>	<b>33,983</b>	<b>100.00</b>	<b>537,887,605</b>	<b>100.00</b>

## DIRECTORS' WARRANT HOLDINGS

NO.	NAME OF DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
		NO. OF WARRANTS	%	NO. OF WARRANTS	%
1.	Tan Sri Azlan Zainol	-	-	-	-
2.	Datuk Mohamad Salim Fateh Din	-	-	59,038,744*	10.98
3.	Datuk Shahril Ridza Ridzuan	166,667	0.03	-	-
4.	Dato' Abdul Rahman Ahmad	-	-	-	-
5.	Dato' Chong Pah Aung	-	-	-	-
6.	Jamaludin Zakaria	-	-	-	-
7.	Dato' Ishak Haji Mohamed	-	-	-	-
8.	Tan Sri Ahmad Fuad Ismail	-	-	-	-
9.	Dato' Johari Razak	-	-	-	-
10.	Rohaya Mohammad Yusof	-	-	-	-

\* held through Gapurna Sdn Bhd

## LIST OF SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE)

NAME	SHAREHOLDINGS	%
1. Employees Provident Fund Board	110,824,600	20.60
2. Gapurna Sdn Bhd	59,038,744	10.98

# ANALISIS PEGANGAN WARAN

PADA 30 APRIL 2014

Bilangan Waran Tertunggak : 537,887,605  
 Harga Pelaksanaan Waran : RM2.30  
 Tempoh Pelaksanaan Waran : 17 September 2013 hingga 16 September 2018  
 Hak Mengundi di Mesyuarat bagi Pemegang Waran : Satu (1) undi setiap Waran

## PECAHAN PEGANGAN WARAN

SAIZ PEGANGAN WARAN	BILANGAN PEMEGANG WARAN	(%)	BILANGAN WARAN	(%)
Kurang dari 100	6,311	18.57	193,432	0.04
100 hingga 1,000	14,570	42.87	6,956,399	1.29
1,001 hingga 10,000	10,048	29.57	33,447,033	6.22
10,001 hingga 100,000	2,503	7.36	89,783,564	16.69
100,001 hingga kurang dari 5% waran diterbitkan	549	1.62	237,643,833	44.18
5% dan lebih waran diterbitkan	2	0.01	169,863,344	31.58
<b>JUMLAH</b>	<b>33,983</b>	<b>100.00</b>	<b>537,887,605</b>	<b>100.00</b>

## PEGANGAN WARAN PENGARAH

NO.	NAMA PENGARAH	KEPENTINGAN LANGSUNG		KEPENTINGAN TIDAK LANGSUNG	
		BILANGAN WARAN	%	BILANGAN WARAN	%
1.	Tan Sri Azlan Zainol	-	-	-	-
2.	Datuk Mohamad Salim Fateh Din	-	-	59,038,744*	10.98
3.	Datuk Shahril Ridza Ridzuan	166,667	0.03	-	-
4.	Dato' Abdul Rahman Ahmad	-	-	-	-
5.	Dato' Chong Pah Aung	-	-	-	-
6.	Jamaludin Zakaria	-	-	-	-
7.	Dato' Ishak Haji Mohamed	-	-	-	-
8.	Tan Sri Ahmad Fuad Ismail	-	-	-	-
9.	Dato' Johari Razak	-	-	-	-
10.	Rohaya Mohammad Yusof	-	-	-	-

\* dipegang melalui Gapurna Sdn Bhd

## PEMEGANG WARAN UTAMA (5% DAN KE ATAS)

NAMA		BILANGAN SAHAM	%
1.	Employees Provident Fund Board	110,824,600	20.60
2.	Gapurna Sdn Bhd	59,038,744	10.98

## TOP 30 LARGEST WARRANT-HOLDERS

AS AT 30 APRIL 2014

### LIST OF THIRTY (30) LARGEST WARRANTHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF WARRANT	%
1. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	110,824,600	20.60
2. Gapurna Sdn Bhd	59,038,744	10.98
3. Lim Ah Sin @ Lim Sing	10,300,000	1.91
4. Lim Bee San	9,600,000	1.78
5. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kek Lian Lye</i>	7,013,400	1.30
6. Chin Swee Chew	4,500,000	0.84
7. Mohd Fauzi Bin Mohd Anuar	3,995,200	0.74
8. Low Chee Meng	3,200,000	0.59
9. Ng Leong Huat	3,000,000	0.56
10. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	2,530,629	0.47
11. Fong Tuck Seng	2,450,000	0.46
12. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>	2,266,667	0.42
13. CIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chan Foong Cheng (Tmn Cheras-CL)</i>	2,220,000	0.41
14. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Tiam Ming (008)</i>	2,200,000	0.41
15. Lim Teck Hee	2,170,000	0.40

## TOP 30 LARGEST WARRANT- HOLDERS

AS AT 30 APRIL 2014

### LIST OF THIRTY (30) LARGEST WARRANTHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF WARRANT	%
16. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Koh Boon Poh (008)</i>	2,081,700	0.39
17. Goh Yok Tek	2,000,000	0.37
18. TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Mohamed Abu Bakar Bin SM Abdul Karim</i>	2,000,000	0.37
19. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chin Shih Shyong (REM 157-MARGIN)</i>	1,998,000	0.37
20. Cheng Kong Ming	1,900,000	0.35
21. Khoo Kooi Chiew	1,780,000	0.33
22. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank NA, Singapore (Julius Baer)</i>	1,773,553	0.33
23. Chok Moi Chin	1,634,900	0.30
24. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	1,600,267	0.30
25. Teo Ah Seng	1,600,000	0.30
26. Poon Law Sang	1,570,000	0.29
27. Lim Chong Boon	1,550,000	0.29
28. Lee Kay Huat	1,500,000	0.28
29. Teh Chak Seong	1,500,000	0.28
30. Ong Teng Soon	1,366,700	0.25



## 30 PEMEGANG WARAN TERBESAR

PADA 30 APRIL 2014

### SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN WARAN	%
1. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	110,824,600	20.60
2. Gapurna Sdn Bhd	59,038,744	10.98
3. Lim Ah Sin @ Lim Sing	10,300,000	1.91
4. Lim Bee San	9,600,000	1.78
5. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kek Lian Lye</i>	7,013,400	1.30
6. Chin Swee Chew	4,500,000	0.84
7. Mohd Fauzi Bin Mohd Anuar	3,995,200	0.74
8. Low Chee Meng	3,200,000	0.59
9. Ng Leong Huat	3,000,000	0.56
10. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	2,530,629	0.47
11. Fong Tuck Seng	2,450,000	0.46
12. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>	2,266,667	0.42
13. CIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chan Foong Cheng (Tmn Cheras-CL)</i>	2,220,000	0.41
14. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Tiam Ming (008)</i>	2,200,000	0.41
15. Lim Teck Hee	2,170,000	0.40

## 30 PEMEGANG WARAN TERBESAR

PADA 30 APRIL 2014

### SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN WARAN	%
16. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Koh Boon Poh (008)</i>	2,081,700	0.39
17. Goh Yok Tek	2,000,000	0.37
18. TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Mohamed Abu Bakar Bin SM Abdul Karim</i>	2,000,000	0.37
19. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chin Shih Shyong (REM 157-MARGIN)</i>	1,998,000	0.37
20. Cheng Kong Ming	1,900,000	0.35
21. Khoo Kooi Chiew	1,780,000	0.33
22. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank NA, Singapore (Julius Baer)</i>	1,773,553	0.33
23. Chok Moi Chin	1,634,900	0.30
24. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	1,600,267	0.30
25. Teo Ah Seng	1,600,000	0.30
26. Poon Law Sang	1,570,000	0.29
27. Lim Chong Boon	1,550,000	0.29
28. Lee Kay Huat	1,500,000	0.28
29. Teh Chak Seong	1,500,000	0.28
30. Ong Teng Soon	1,366,700	0.25

# PROPERTIES OF THE GROUP

31 DECEMBER 2013

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2013 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Kompleks Sentral - 6 storey industrial buildings/ flatted factories and warehouse	33, Jalan Segambut Atas, Segambut, 51200 Kuala Lumpur, Wilayah Persekutuan.	72,098	31,139	1982	Leasehold 66 years expiring on 2.2.2044	28	Yes
Land for proposed mixed housing development	P.T. No. 35730, 35759, 33632, 33653, 33654, 33468 and 6748 (part), Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	17,180	3,820	1987	Freehold	-	Nil
Land for proposed condominium development	Country lease No. 015146120, Minicipality and District of Kota Kinabalu, Sabah.	11,000	0	1989	Leasehold 999 years expiring on 4.7.2918	-	Nil
Land for proposed mixed commercial development	H.S. (D) 79956 P.T. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	12,100	13,191	1992	Leasehold 99 years expiring on 15.9.2092	-	Nil
Plaza Alam Sentral - 7 storey shopping complex	H.S. (D) 79956 P.T. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	68,233	76,199	1992	Leasehold 99 years expiring on 15.9.2092	14	Yes

## PROPERTIES OF THE GROUP

31 DECEMBER 2013

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2013 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Land for proposed high- end residential development at Batu Ferringhi, Penang	Lot 365, 366, 461 (PT 100), 465 and 467 (PT 102) Seksyen 1, Bandar Batu Ferringhi, Daerah Timur Laut, Pulau Pinang.	13,520	28,619	2009	Freehold	–	Nil
Platinum Sentral – 5 blocks of offices and retail lots	Lot 73 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	49,260	396,891	10.3.1999	Freehold	–	Yes
Development land and infrastructure surrounding Kuala Lumpur Sentral station	Lot 74 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	23,080	498,445	10.3.1999	Freehold	–	Nil
Industrial land	Plot No. 143 & 145, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,692	6,269	2.12.1997	Freehold	–	Nil
4 storey shop office	Sub Lot 4, 5 & 6 H.S. (D) 49729, Lot PT 33487, Taman Kajang Utama Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	1,485	1,043	28.12.1999	Freehold	14	Nil



Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2013 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
2 storey shop office	Lot 55, HS (D) No. 6101, PT No. 7709 within Phase 1A of Dataran Iskandar, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	156	184	27.5.2005	Leasehold 99 years expiring on 18.3.2102	11	Nil
Several parcels of land for proposed mixed development	Lot 1210-1241, Lot 1271-1308, Lot 1310-1393, Lot 1399-1494, PT 721-763, PT 1647-1719, PT 1771-1734, PT 1989-1993, PT1997, PT 1999-2003, PT 2005-2012, PT 2014-2023, PT 2025-2026, PT 2028-2030, PT 3030-3049, PT 3080 KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	220,073	31,018	2001, 2002, 2009 & 2010	Leasehold 99 years expiring between 13.3.2100 to 18.10.2109	-	Nil

## PROPERTIES OF THE GROUP

31 DECEMBER 2013

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2013 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Sooka Sentral - 6 storey clubhouse	Geran 46225, Lot 77 Sek 70, Bandar Kuala Lumpur, District of Kuala Lumpur, Kuala Lumpur, Wilayah Persekutuan.	5,661	50,824	9.3.2007	Freehold	6	Yes
Plaza Sentral corporate office suite	Suite 1B-G-1, Suite 1B-3-1, Suite 1B-3-2 Block 1B, Plaza Sentral Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Wilayah Persekutuan.	759	2,399	17.1.2008	Freehold	7	Nil
Menara Shell - 33 storey office block on 5 storey podium with 4 storey car park	Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	8,475	446,886	2007	Freehold	1	Yes
Ascott Sentral - 21 storey block of service residence apartments	Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.		100,781	2007	Freehold	-	Yes

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2013 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Land for proposed mixed development	PT 9311, 9312, 9313 Along Jalan Semarak/ Jalan Batu/ Jalan Ayer Keroh, Mukim of Setapak District of Kuala Lumpur.	110,977	162,413	2011	Leasehold 99 years expiring on 4.7.2110	–	Nil
Land for proposed condominium development	PN No: 27016, Lot 82, Seksyen 63, Bandar and Mukim of Kuala Lumpur, Wilayah Persekutuan.	4,072	43,068	2011	Leasehold 99 years expiring on 9.8.2021	–	Nil
Commercial land for 32 storey office building and 3 storey basement car park	HSD 277413, Lot PT11, Section 52, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	8,326	98,295	2013	Leasehold 99 years expiring on 10.11.2110	–	Nil
Land for proposed commercial building	Geran 803, Lot 19 Precint 2, Bandar Putrajaya, District of Putrajaya, Federal Territory of Putrajaya.	7,450	36,837	2013	Freehold	–	Nil
Land for proposed development	GRN 163848, Lot 50700, Town of Subang Jaya, District of Petaling, Selangor Darul Ehsan.	12,947	60,038	2013	Freehold	–	Nil

## PROPERTIES OF THE GROUP

31 DECEMBER 2013

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2013 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Land for proposed mixed development	PT 68-69 & PT 8617 (partial), Section 98 off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	39,138	78,701	2013	Leasehold 99 years expiring on 11.5.2109	–	Nil
Land for proposed development of two blocks four storey residential buildings.	391, 393-399 Burwood Highway, 59 & 61 Middleborough Road, Burwood 3125, Melbourne, Australia.	5,025	23,558	2009	Freehold	–	Nil



# FINANCIAL REPORT 2013

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# DIRECTORS' REPORT

The Directors hereby submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

## PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## FINANCIAL RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
(Loss)/profit for the financial year attributable to:		
Equity holders of the Company	(109,132)	19,980
Non controlling interests	(8,819)	–
	<u>(117,951)</u>	<u>19,980</u>

## DIVIDENDS

The Company paid a first and final dividend in respect of the financial year ended 31 December 2012 comprising franked dividend of 0.4% or 0.4 sen per ordinary share less income tax of 25% of RM4,163,434 and single tier dividend of 1.6% or 1.6 sen per ordinary share of RM22,204,963 on 3 July 2013.

The Directors recommend the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2013 of 1.0% or 1.0 sen per ordinary share, total amounting to approximately RM16,513,110 which is subject to the approval of the members at the forthcoming Annual General Meeting.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Azlan Mohd Zainol (Chairman)	
Datuk Mohamad Salim Fateh Din (Group Managing Director)	(Appointed on 2 September 2013)
Datuk Shahril Ridza Ridzuan	
Dato' Abdul Rahman Ahmad	
Che King Tow	
Dato' Chong Pah Aung	
Jamaludin Zakaria	
Dato' Ishak Haji Mohamed	(Appointed on 28 October 2013)
Tan Sri Ahmad Fuad Ismail	(Appointed on 5 February 2014)
Datuk Ahmad Johari Tun Abdul Razak	(Appointed on 5 February 2014)
Rohaya Mohammad Yusof	(Appointed on 6 March 2014)
Dato' Ahmad Ibnihajar	(Resigned on 10 January 2014)

In accordance with Articles 101 and 102 of the Company's Articles of Association, Tan Sri Azlan Mohd Zainol and Datuk Shahril Ridza Ridzuan retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 106 of the Company's Article of Association, Datuk Mohamad Salim Fateh Din, Dato' Ishak Haji Mohamed, Tan Sri Ahmad Fuad Ismail, Datuk Ahmad Johari Tun Abdul Razak and Rohaya Mohammad Yusof who were appointed to the Board during the period subsequent to the last Annual General Meeting of the Company, retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for options over shares granted by the Company to Executive Directors of the Group pursuant to the Employees' Share Option Scheme (ESOS).

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than Directors' remuneration and benefits disclosed in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS (CONT'D)

According to the Register of Directors' Shareholdings, particulars of the interests of the Directors who held office at the end of the financial year in shares and warrants over shares in the Company and its related corporations were as follows:

#### Company

← No. of ordinary shares of RM1.00 each →			
	At 1.1.2013/ date of appointment	Acquired	Sold
			At 31.12.2013
<b>Direct</b>			
Datuk Shahril Ridza Ridzuan	500,000	–	–
			500,000
<b>Indirect</b>			
Datuk Mohamad Salim Fateh Din*	–	206,635,604	–
			206,635,604

\* Deemed interest by virtue of his shareholding in Gapurna Sdn. Bhd. which in turn holds 12.51% in the Company.

← No. of warrants over ordinary shares of RM1.00 each →			
	At 1.1.2013	Granted	Sold
			At 31.12.2013
Datuk Shahril Ridza Ridzuan	–	166,667	–
			166,667

The other Directors in office at the end of the financial year did not hold any interest in shares and warrants over shares or debentures of the Company and its related corporations during the financial year.

### ISSUE OF SHARES

During the financial year, 263,499,755 new ordinary shares of RM1.00 each were issued by the Company pursuant to the completion of the Corporate Proposal as stated in Note 5 to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

### ISSUE OF WARRANTS

Pursuant to the Corporate Proposals as stated in Note 5 to the financial statements, 75,285,644 warrants of the Company were offered as part of the purchase consideration to acquire Gapurna Land Sdn. Bhd., Gapurna Builders Sdn. Bhd., Puncak Wangi Sdn. Bhd., Gelanggang Harapan Construction Sdn. Bhd. and Gapurna Global Solutions Sdn. Bhd. as disclosed in Note 5 to the financial statements ("Consideration Warrants").

The Company had also issued 462,601,961 free warrants to the existing shareholders of the Company on the basis of one (1) free warrant for every three (3) existing shares of the Company. The salient terms of the free warrants are disclosed in Note 31 to the financial statements.



## EMPLOYEES' SHARE OPTION SCHEME

The Malaysian Resources Corporation Berhad's Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) was approved by shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, The Board of Directors had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are set out in Note 31 to the financial statements.

On 23 January 2014, the Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose in this report the names of the persons with number of outstanding options less than 128,975 units.

The names and the number of options granted and accepted but not exercised during the financial year in respect of the 2007/2017 ESOS, for 128,975 options and in excess are as follows:

<b>Name</b>	<b>Number of options over ordinary shares of RM1.00 each</b>
Zuraimi Mustapha	258,975
Hussin Mohd Ali	161,100
Nooraini Mohamad Rashidi	156,250
Lau Teong Huat	145,088
Shaharuddin Mohamed	145,088
Wong Tze Meng	137,725
Lok Ngai Hey	136,338
Ezani Mohamad	128,975
Mohd Najib Ibrahim	128,975

Details of options granted to the Directors are disclosed in the section on Directors' Benefits in this report.

## DIRECTORS' REPORT

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the significant events during the financial year as disclosed in Note 48 to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, except for the significant events subsequent to the financial year as disclosed in Note 49 to the financial statements.

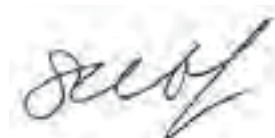
## AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 31 March 2014.



**DATUK MOHAMAD SALIM FATEH DIN**  
*Group Managing Director*



**DATUK SHAHRIL RIDZA RIDZUAN**  
*Director*

# STATEMENTS BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Datuk Mohamad Salim Fateh Din and Datuk Shahril Ridza Ridzuan, two of the Directors of Malaysian Resources Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 177 to 332 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

The information set out in Note 53 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to the Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

In accordance with a resolution of the Board of Directors dated 31 March 2014.



**DATUK MOHAMAD SALIM FATEH DIN**  
*Group Managing Director*



**DATUK SHAHRIL RIDZA RIDZUAN**  
*Director*

# STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Ann Wan Tee, the Officer primarily responsible for the financial management of Malaysian Resources Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 177 to 333 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



**ANN WAN TEE**

Subscribed and solemnly declared by the above named Ann Wan Tee at Kuala Lumpur, Malaysia on 31 March 2014.

Before me,

**COMMISSIONER FOR OATHS**





# INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD**

**(Incorporated In Malaysia)**

**(Company No. 7994D)**

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Malaysian Resources Corporation Berhad on pages 177 to 332, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 52.

### Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards in Malaysia and the requirements of Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards in Malaysia and the requirements of Companies Act, 1965 in Malaysia.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD  
(Incorporated In Malaysia)  
(Company No. 7994D)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of subsidiaries of which we have not acted as auditors which are indicated in Note 46 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 53 on page 333 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants

Kuala Lumpur  
31 March 2014



**SHIRLEY GOH**  
(No. 1778/08/14(J))  
Chartered Accountant

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	NOTE	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Continuing operations</b>					
Revenue	6	940,910	1,243,511	240,797	231,995
Cost of sales	7	(915,758)	(971,490)	(111,750)	(125,114)
Gross profit		25,152	272,021	129,047	106,881
Other income	8	128,282	82,793	4,655	2,034
Selling and distribution costs		(14,168)	(16,892)	(270)	(627)
Administrative expenses		(78,412)	(63,636)	(33,332)	(23,552)
Other operating expenses:					
- (allowance for)/write back of impairment losses		(761)	(10,814)	(50,917)	48
- write back of/(allowance for) impairment of receivables					
• subsidiaries		-	-	15,935	21,045
• others		(1,188)	(1,676)	11	(12)
- others		(49,892)	(64,581)	(12,864)	(17,965)
Finance income	8	23,494	28,126	13,255	12,009
Finance costs	12	(147,905)	(102,288)	(19,075)	(21,862)
Share of results of associates	20	6,010	2,627	-	-
Share of results of joint venture	21	(979)	(758)	-	-
(Loss)/profit before income tax	9	(110,367)	124,922	46,445	77,999
Income tax expense	13	(12,481)	(35,300)	(26,465)	(18,602)
(Loss)/profit from continuing operations		(122,848)	89,622	19,980	59,397
<b>Discontinuing operations</b>					
Profit from discontinuing operations (net of tax)	52	4,897	1,545	-	-
(Loss)/profit for the financial year		(117,951)	91,167	19,980	59,397

# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	NOTE	Group 2013 RM'000	2012 RM'000	Company 2013 RM'000	2012 RM'000
(Loss)/profit for the financial year		<b>(117,951)</b>	91,167	<b>19,980</b>	59,397
Other comprehensive loss for the financial year, net of tax:					
Item that may be reclassified subsequently to comprehensive income					
- Currency translation differences		<b>(939)</b>	(237)	-	-
Item that will not be reclassified subsequently to comprehensive income					
- Re-measurement of post-employment benefit obligations	36	<b>(275)</b>	-	<b>(84)</b>	-
Total comprehensive (loss)/income for the financial year, net of tax		<b>(119,165)</b>	90,930	<b>19,896</b>	59,397
(Loss)/profit for the financial year attributable to:					
Equity holders of the Company					
- from continuing operations		<b>(114,029)</b>	58,577	<b>19,980</b>	59,397
- from discontinuing operations	52	<b>4,897</b>	1,545	-	-
		<b>(109,132)</b>	60,122	<b>19,980</b>	59,397
Non controlling interests	19	<b>(8,819)</b>	31,045	-	-
		<b>(117,951)</b>	91,167	<b>19,980</b>	59,397



	NOTE	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total comprehensive (loss)/income for the financial year attributable to:					
Equity holders of the Company					
- from continuing operations		<b>(114,957)</b>	58,411	<b>19,896</b>	59,397
- from discontinuing operations	52	<b>4,897</b>	1,545	-	-
		<b>(110,060)</b>	59,956	<b>19,896</b>	59,397
Non controlling interests	19	<b>(9,105)</b>	30,974	-	-
		<b>(119,165)</b>	90,930	<b>19,896</b>	59,397
(Loss)/earnings per share attributable to the ordinary equity holders of the Company during the financial year (sen)					
Basic and diluted (loss)/earnings	14				
- from continuing operations		<b>(7.71)</b>	4.22		
- from discontinuing operations		<b>0.33</b>	0.12		

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	31.12.2013 RM'000	Group 31.12.2012 RM'000 (restated)	01.01.2012 RM'000 (restated)
<b>ASSETS</b>				
<b>Non current assets</b>				
Property, plant and equipment	15	37,879	38,750	43,189
Investment properties	16	857,481	1,040,695	848,783
Land held for property development	17(a)	818,996	620,904	734,135
Service concession asset	18	–	–	1,265,658
Associates	20	90,957	61,382	58,755
Joint venture	21	94,988	93,367	96,725
Long term loan and receivables	22	531,909	81,963	74,910
Available for sale financial assets	23	577	577	577
Intangible assets	24	291,100	74,888	76,886
Deferred tax assets	25	33,513	39,108	29,452
		<b>2,757,400</b>	<b>2,051,634</b>	<b>3,229,070</b>
<b>Current Assets</b>				
Inventories	26	8,399	9,749	16,753
Property development costs	17(b)	716,443	481,761	408,497
Trade and other receivables	27	649,160	1,428,661	1,120,572
Amounts due from joint venture	27	537	749	2,841
Tax recoverable		10,480	12,406	10,018
Financial assets at fair value through profit or loss	29	4,533	3,984	4,545
Deposits, cash and bank balances	30	603,435	644,201	616,188
		<b>1,992,987</b>	<b>2,581,511</b>	<b>2,179,414</b>
Assets held for sale	18	1,852,337	1,321,672	–
Total assets		<b>6,602,724</b>	<b>5,954,817</b>	<b>5,408,484</b>

	Note	31.12.2013 RM'000	Group 31.12.2012 RM'000 (restated)	01.01.2012 RM'000 (restated)
<b>EQUITY</b>				
Equity attributable to equity holders of the Company				
Share capital	31	1,651,311	1,387,811	1,386,155
Share premium	32	247,780	134,475	132,226
Accumulated losses		(275,056)	(140,759)	(191,193)
Other reserves		51,381	32,269	44,592
		1,675,416	1,413,796	1,371,780
Non controlling interests	19	61,318	69,134	38,121
Total equity		1,736,734	1,482,930	1,409,901
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loan stocks	33	7,000	14,845	14,354
Provisions for other liabilities and charges	34	10,609	–	–
Senior and Junior Sukuk	35	–	–	1,058,485
Post-employment benefit obligations	36	16,396	17,081	16,893
Long term borrowings	37	908,986	890,040	1,317,688
Long term liabilities	38	123	153	1,473
Deferred tax liabilities	25	95,068	51,221	46,869
		1,038,182	973,340	2,455,762
<b>Current liabilities</b>				
Provisions for other liabilities and charges	34	81,363	60,498	31,050
Trade and other payables	39	1,020,749	893,722	1,046,732
Current tax liabilities		9,639	9,915	2,665
Senior and Junior Sukuk	35	1,058,462	1,058,471	–
Short term borrowings	41	1,535,851	1,360,941	352,231
Guaranteed return to a non controlling interest	42	115,000	115,000	110,143
		3,821,064	3,498,547	1,542,821
Liabilities associated with assets held for sale	18	6,744	–	–
Total liabilities		4,865,990	4,471,887	3,998,583
Total equity and liabilities		6,602,724	5,954,817	5,408,484

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	31.12.2013 RM'000	Company 31.12.2012 RM'000 (restated)	01.01.2012 RM'000 (restated)
<b>ASSETS</b>				
<b>Non current assets</b>				
Property, plant and equipment	15	2,729	1,650	1,128
Investment properties	16	55,985	56,876	57,766
Land held for property development	17(a)	–	–	34,347
Subsidiaries	19	1,117,272	573,107	575,045
Associates	20	98,345	76,990	76,990
Joint venture	21	102,000	102,000	102,000
Long term loan and receivables	22	15,000	96,963	74,910
Available for sale financial assets	23	577	577	577
		<b>1,391,908</b>	908,163	922,763
<b>Current assets</b>				
Inventories	26	7,220	7,220	7,220
Trade and other receivables	27	82,651	57,923	134,232
Amounts due from subsidiaries	27	831,768	769,586	745,330
Amounts due from joint venture	27	14,799	26,606	99,703
Tax recoverable		2,241	1,282	2,400
Financial assets at fair value through profit or loss	29	4,533	3,791	4,217
Deposits, cash and bank balances	30	137,553	263,670	192,432
		<b>1,080,765</b>	1,130,078	1,185,534
Assets held for sale	18	128,848	–	–
Total assets		<b>2,601,521</b>	2,038,241	2,108,297



			Company	
	Note	31.12.2013	31.12.2012	01.01.2012
		RM'000	RM'000	RM'000
			(restated)	(restated)
<b>EQUITY</b>				
Equity attributable to equity holders of the Company				
Share capital	31	1,651,311	1,387,811	1,386,155
Share premium	32	247,780	134,475	132,226
Accumulated losses		(189,170)	(183,985)	(233,694)
Other reserves		21,367	1,411	13,613
		<b>1,731,288</b>	<b>1,339,712</b>	<b>1,298,300</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
Post-employment benefit obligations	36	5,102	5,325	5,953
Long term borrowings	37	399,000	399,000	449,000
		<b>404,102</b>	<b>404,325</b>	<b>454,953</b>
<b>Current liabilities</b>				
Provisions for other liabilities and charges	34	28,200	15,750	7,000
Trade and other payables	39	78,825	50,033	176,294
Amounts due to subsidiaries	39	124,106	223,421	156,750
Short term borrowings	41	120,000	5,000	15,000
Guaranteed return to a non controlling interest	42	115,000	–	–
		<b>466,131</b>	<b>294,204</b>	<b>355,044</b>
Total liabilities		<b>870,233</b>	<b>698,529</b>	<b>809,997</b>
Total equity and liabilities		<b>2,601,521</b>	<b>2,038,241</b>	<b>2,108,297</b>

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable to equity holders of the Company							
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Other reserve (Note(a)) RM'000	Accumulated losses RM'000	Total RM'000	Non controlling interests RM'000	Total equity RM'000
At 1 January 2013 (as previously stated)	1,387,811	134,475	28,090	4,179	(136,354)	1,418,201	69,144	1,487,345
Prior year adjustments on adoption of FRS 119 (Note 50)	-	-	-	-	(4,405)	(4,405)	(10)	(4,415)
At 1 January 2013 (restated)	1,387,811	134,475	28,090	4,179	(140,759)	1,413,796	69,134	1,482,930
<b>Comprehensive loss</b>	-	-	-	-	(109,132)	(109,132)	(8,819)	(117,951)
- Loss for the financial year	-	-	-	-	-	-	-	-
<b>Other comprehensive losses</b>	-	-	-	(657)	-	(657)	(282)	(939)
- Currency translation differences	-	-	-	(657)	-	(657)	(282)	(939)
- Actuarial loss on post employment benefit obligations	-	-	-	(271)	-	(271)	(4)	(275)
Total comprehensive losses	-	-	-	(928)	(109,132)	(110,060)	(9,105)	(119,165)

# **CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY** **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

← Attributable to equity holders of the Company →

	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Other reserve (Note(a)) RM'000	Accumulated losses RM'000	Total RM'000	Non controlling interests RM'000	Total equity RM'000
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## **Transactions with owners**

Issued upon acquisition of subsidiaries (Note5)  
- ordinary shares  
- warrants

Acquisition of a subsidiary

Employees' share option scheme (Note 31)  
- options granted  
- options lapsed

Dividends (Note51)  
- financial year ended 31 December 2012  
- financial year ended 31 December 2013

Total transactions with owners

At 31 December 2013

	263,500	113,305	-	-	-	376,805	-	376,805
	-	-	-	19,574	-	19,574	-	19,574
	-	-	-	-	-	-	1,491	1,491
	-	-	-	1,669	-	1,669	-	1,669
	-	-	-	(1,203)	1,203	-	-	-
	-	-	-	-	(26,368)	(26,368)	-	(26,368)
	-	-	-	-	-	-	(202)	(202)
	263,500	113,305	-	20,040	(25,165)	371,680	1,289	372,969
	1,651,311	247,780	28,090	23,291	(275,056)	1,675,416	61,318	1,736,734

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	Attributable to equity holders of the Company							
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Other reserve (Note(a)) RM'000	Accumulated losses RM'000	Total RM'000	Non controlling interests RM'000	Total equity RM'000
At 1 January 2012 (as previously stated)	1,386,155	132,226	28,090	16,502	(186,788)	1,376,185	38,131	1,414,316
Prior year adjustments on adoption of FRS 119 (Note 50)	-	-	-	-	(4,405)	(4,405)	(10)	(4,415)
At 1 January 2012 (restated)	1,386,155	132,226	28,090	16,502	(191,193)	1,371,780	38,121	1,409,901
<b>Comprehensive income</b>								
- Profit for the financial year	-	-	-	-	60,122	60,122	31,045	91,167
<b>Other comprehensive losses</b>								
- Currency translation differences	-	-	-	(166)	-	(166)	(71)	(237)
Total comprehensive losses/income	-	-	-	(166)	60,122	59,956	30,974	90,930



**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable to equity holders of the Company					
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Other reserve (Note(a)) RM'000	Accumulated losses RM'000	Total RM'000
					controlling interests RM'000	Total equity RM'000
<b>Transactions with owners</b>						
Issue of shares						
- exercise of ESOS options	1,656	251	-	-	-	1,907
Employees' share option scheme (Note 31)						
- options exercised	-	1,998	-	(1,998)	-	-
- options lapsed	-	-	-	(3,597)	-	-
- options rescinded	-	-	-	(7,511)	-	-
- options extended	-	-	-	904	-	904
Acquisition of additional interest in subsidiaries	-	-	-	45	-	45
Dividends (Note 51)						
- financial year ended 31 December 2011	-	-	-	-	(20,796)	(20,796)
Profit distribution						
- financial year ended 31 December 2012	-	-	-	-	(60)	(60)
Total transactions with owners	1,656	2,249	-	(12,157)	(9,688)	(17,940)
At 31 December 2012	1,387,811	134,475	28,090	4,179	(140,759)	1,413,796
					69,134	1,482,930

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Note (a)

**Other reserves**

	Other reserves RM'000	Currency translation differences RM'000	Share option reserve RM'000	Warrant reserve RM'000	Retirement benefit reserve RM'000	Total RM'000
At 1 January 2013	1,666	1,102	1,411	-	-	4,179
<b>Other comprehensive loss</b>						
- Currency translation differences	-	(657)	-	-	-	(657)
- Actuarial loss on post employment benefit obligations	-	-	-	-	(271)	(271)
Total other comprehensive loss	-	(657)	-	-	(271)	(928)
<b>Transaction with owners</b>						
Issue upon acquisition of subsidiaries (Note 5)	-	-	-	19,574	-	19,574
Employees' share option scheme (Note 31)						
- options granted	-	-	1,669	-	-	1,669
- options lapsed	-	-	(1,203)	-	-	(1,203)
Total transactions with owners	-	-	466	19,574	-	20,040
At 31 December 2013	1,666	445	1,877	19,574	(271)	23,291

**Note (a)****Other reserves**

	<b>Other reserves RM'000</b>	<b>Currency translation differences RM'000</b>	<b>Share option reserve RM'000</b>	<b>Warrant reserve RM'000</b>	<b>Retirement benefit reserve RM'000</b>	<b>Total RM'000</b>
At 1 January 2012	1,621	1,268	13,613	–	–	16,502
<b>Other comprehensive loss</b>						
- Currency translation differences	–	(166)	–	–	–	(166)
Total other comprehensive loss	–	(166)	–	–	–	(166)
<b>Transaction with owners</b>						
Acquisition of additional interest in subsidiaries	45	–	–	–	–	45
Employees' share option scheme (Note 31)						
- options exercised	–	–	(1,998)	–	–	(1,998)
- options lapsed	–	–	(3,597)	–	–	(3,597)
- options rescinded	–	–	(7,511)	–	–	(7,511)
- options extended	–	–	904	–	–	904
Total transactions with owners	45	–	(12,202)	–	–	(12,157)
At 31 December 2012	1,666	1,102	1,411	–	–	4,179

# COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Non-distributable			Accumulated	Total
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Other reserve (Note(b)) RM'000	losses RM'000	RM'000
At 1 January 2013 (as previously stated)	1,387,811	134,475	1,411	(181,940)	1,341,757
Prior year adjustments on adoption of FRS 119 (Note 50)	-	-	-	(2,045)	(2,045)
At 1 January 2013 (restated)	1,387,811	134,475	1,411	(183,985)	1,339,712
<b>Comprehensive income</b>					
- Profit for the financial year	-	-	-	19,980	19,980
<b>Other comprehensive loss</b>					
- Actuarial loss on post-employment benefit obligations	-	-	(84)	-	(84)
Total other comprehensive (loss)/income	-	-	(84)	19,980	19,896
<b>Transactions with owners</b>					
Issued upon acquisition of subsidiaries (Note 5)					
- ordinary shares	263,500	113,305	-	-	376,805
- warrants	-	-	19,574	-	19,574
Employees' share option scheme (Note 31)					
- options granted	-	-	1,669	-	1,669
- options lapsed	-	-	(1,203)	1,203	-
Dividend (Note 51)					
- financial year ended 31 December 2012	-	-	-	(26,368)	(26,368)
Total transactions with owners	263,500	113,305	20,040	(25,165)	371,680
At 31 December 2013	1,651,311	247,780	21,367	(189,170)	1,731,288



	Non-distributable			Accumulated losses	Total
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Other reserve (Note(b)) RM'000	RM'000	RM'000
At 1 January 2012	1,386,155	132,226	13,613	(231,649)	1,300,345
Prior year adjustments on adoption of FRS 119 (Note 50)	-	-	-	(2,045)	(2,045)
At 1 January 2012 (restated)	1,386,155	132,226	13,613	(233,694)	1,298,300
<b>Comprehensive income</b>					
- Profit for the financial year	-	-	-	59,397	59,397
Total comprehensive income	-	-	-	59,397	59,397
<b>Transactions with owners</b>					
Issue of shares					
- exercise of ESOS options	1,656	251	-	-	1,907
Employees' share option scheme (Note 31)					
- options exercised	-	1,998	(1,998)	-	-
- options lapsed	-	-	(3,597)	3,597	-
- options rescinded	-	-	(7,511)	7,511	-
- options extended	-	-	904	-	904
Dividend (Note 51)					
- financial year ended 31 December 2011	-	-	-	(20,796)	(20,796)
Total transactions with owners	1,656	2,249	(12,202)	(9,688)	(17,985)
At 31 December 2012	1,387,811	134,475	1,411	(183,985)	1,339,712

# COMPANY STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

### Note (b)

#### Other reserves

	Share option reserve RM'000	Warrant reserve RM'000	Retirement benefit reserves RM'000	Total RM'000
At 1 January 2013	1,411	–	–	1,411
<b>Other comprehensive loss</b>				
- Actuarial loss on post-employment benefit obligations	–	–	(84)	(84)
Total other comprehensive loss	–	–	(84)	(84)
<b>Transactions with owners</b>				
Issued upon acquisition of subsidiaries (Note 5)	–	19,574	–	19,574
Employees' share option scheme (Note 31)				
- options granted	1,669	–	–	1,669
- options lapsed	(1,203)	–	–	(1,203)
Total transactions with owners	466	19,574	–	20,040
At 31 December 2013	1,877	19,574	(84)	21,367

At 1 January 2012	13,613	–	–	13,613
<b>Transactions with owners</b>				
Employees' share option scheme (Note 31)				
- options exercised	(1,998)	–	–	(1,998)
- options lapsed	(3,597)	–	–	(3,597)
- options rescinded	(7,511)	–	–	(7,511)
- options extended	904	–	–	904
Total transactions with owners	(12,202)	–	–	(12,202)
At 31 December 2012	1,411	–	–	1,411

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
		(restated)			
OPERATING ACTIVITIES					
(Loss)/profit from continuing operations		(114,029)	58,577	19,980	59,397
Adjustments for:					
Tax		12,481	35,300	26,465	18,602
Non controlling interests		(8,819)	31,045	-	-
Share of results of					
- associates		(6,010)	(2,627)	-	-
- joint venture		979	758	-	-
Dividend income	6	(225)	(299)	(109,906)	(66,289)
Finance costs	12	147,905	102,288	19,075	21,862
Fair value adjustment to financial assets at inception		58,046	(1,775)	-	-
Impairment/(write back) on investments in					
- subsidiaries	19	-	-	51,391	(474)
- property development costs	17(b)	326	8,255	-	-
- goodwill	24	1,321	1,998	-	-
Fair value loss of financial assets at fair value through profit or loss		(560)	561	(474)	426
Bad debt (recovered)/written off		(56)	78	(56)	-
Inventory written off		-	2,764	-	-
Provision for/(write back) of receivables and amount due from subsidiaries		1,188	1,675	(15,946)	(21,033)
Property, plant and equipment					
- depreciation		8,739	8,013	1,240	547
- written off		-	3	-	3
- net loss/(gain) on disposal		7	(1,526)	0	0
Depreciation of investment properties		8,735	3,744	891	890
Amortisation of intangible assets					
- order book	24	3,685	-	-	-
Provision for					
- liabilities and charges	34	38,740	29,649	12,450	8,750
- post-employment benefits	36	1,845	2,449	621	838
Gain on disposal of financial assets at fair value through profit or loss		11	-	-	-
Finance income	8	(23,494)	(28,126)	(13,255)	(12,009)
Employees' share option scheme					
- value of service provided	10	1,669	904	350	385

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Note	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
Unrealised losses on currency translation differences	518	114	518	112
Construction losses from service concession asset	-	9,450	-	-
Write back of long outstanding payables	(4,096)	-	(2,453)	-
Realised gain on transactions with an associate	(2,209)	-	-	-
Operating (loss)/profit from continuing operations before changes in working capital	126,697	263,272	(9,109)	12,007
Changes in working capital:				
Property development costs	(207,767)	31,712	-	-
Inventories	1,350	4,240	-	-
Receivables	258,549	(307,672)	(24,689)	76,620
Amounts due from subsidiaries (net)	-	-	(39,321)	26,417
Amounts due from joint venture (net)	212	2,092	11,806	73,096
Amounts due to related parties (net)	-	-	(7)	109
Payables	86,746	(86,597)	31,282	(118,920)
Net cash flow from operations	265,787	(92,953)	(30,038)	69,329
Finance income received	14,292	21,072	5,371	4,955
Dividends received from				
- subsidiaries	-	-	82,272	49,500
- financial assets at fair value through profit or loss	245	251	245	238
Tax refunded	8,842	483	-	-
Tax paid	(30,389)	(43,760)	-	(985)
Interest expenses paid	(172,677)	(162,533)	(18,874)	(21,381)
Credit facilities arrangement fees paid	(1,758)	(587)	(238)	(587)
Retirement benefits paid	(2,805)	(2,261)	(929)	(1,466)
Liability and charges paid	(7,266)	(201)	-	-
(Pledged)/released of bank balances and fixed deposits as security for borrowings	(48,138)	(1,274)	24,993	(32,664)
Net cash flow from continuing operations	26,133	(281,763)	62,802	66,939
Net cash flow from discontinuing operations	16,431	25,649	-	-
Net cash flow generated from/(used in) operating activities	42,564	(256,114)	62,802	66,939

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Note	Group		Company	
	2013 RM'000	2012 RM'000 (restated)	2013 RM'000	2012 RM'000
<b>INVESTING ACTIVITIES</b>				
Redemption of preference shares in a subsidiary	-	-	9,175	-
Redemption of Junior Bonds in an associate	15,000	-	15,000	-
Proceeds from capital reduction of an associate	1,245	-	1,245	-
Proceeds from disposal of property, plant and equipment	45	5,482	0	1
Purchase of property, plant and equipment	(7,005)	(7,534)	(2,319)	(1,072)
Purchase of investment properties	(155,991)	(203,868)	-	-
Payment for investment in the equity interest of a subsidiary	(73,741)	(4,644)	-	(4,644)
Additions in service concession asset	-	(65,465)	-	-
Subscription of shares in				
- subsidiaries	-	-	(93,351)	(178)
- associate	(22,600)	0	(22,600)	0
- long term loan and receivables	(54,000)	-	(84,000)	(15,000)
Acquisition of available for sale financial assets	-	-	(268)	-
Repayment of advances by subsidiaries	-	-	33,135	101,237
Advances to subsidiaries	-	-	(108,575)	(29,820)
Net cash flow (used in)/generated from investing activities	(297,047)	(276,029)	(252,558)	50,524

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group		Company	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
			(restated)		
FINANCING ACTIVITIES					
Proceeds from term loans		808,383	799,011	115,000	70,000
Repayment of term loans		(616,625)	(221,279)	-	(130,000)
Proceeds from share options exercised		-	1,907	-	1,907
Issue of share capital of a subsidiary		-	99	-	-
Dividend paid		(26,570)	(20,796)	(26,368)	(20,796)
Profit distribution by a joint venture		-	(60)	-	-
Net cash flow generated from/(used in) financing activities		165,188	558,882	88,632	(78,889)
CHANGES IN CASH AND CASH EQUIVALENTS		(89,295)	26,739	(101,124)	38,574
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		397,815	371,076	206,455	167,881
CASH AND CASHEQUIVALENT AT END OF THE FINANCIAL YEAR	30	308,520	397,815	105,331	206,455

## Note

"0" denotes as amount less than RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 1 GENERAL INFORMATION

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

The principal activities of the subsidiaries, jointly controlled entities and associates are described in Note 46 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

Level 21, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 31 March 2014.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards (FRS) in Malaysia.

The Group includes transitioning entities and has elected to continue to apply FRS during the financial year. In the next financial year, the Group and the Company will continue to apply FRS. The Group and the Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (MFRS) for the financial year ending 31 December 2015. In adopting the new framework, the Group and the Company will be applying MFRS 1 "First-time Adoption of MFRS".

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.1 BASIS OF PREPARATION (CONT'D)

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

(a) The new/revised accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2013 are as follows:

- FRS 10 "Consolidated Financial Statements" changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in FRS 127 "Consolidated and Separate Financial Statements" and IC Interpretation 112 "Consolidation – Special Purpose Entities". There is no financial impact on the results of the Group and of the Company as a result of this standard.
- FRS 11 "Joint Arrangements" requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. There is no financial impact on the results of the Group and of the Company as a result of this standard.
- FRS 12 "Disclosures of Interests in Other Entities" sets out the required disclosures for entities reporting under the two new standards, FRS 10 and FRS 11, and replaces the disclosure requirements currently found in FRS 128 "Investments in Associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Refer to Notes 19, 20 and 21 for disclosures made.
- FRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in FRS 7 "Financial Instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones. Refer to Note 4 and the respective notes to the financial statements for disclosures made. There is no financial impact on the results of the Group and of the Company as these changes only affect disclosures.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.1 BASIS OF PREPARATION (CONT'D)

(a) The new/revised accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2013 are as follows (cont'd):

- The revised FRS 127 "Separate Financial Statements" includes the provisions on separate financial statements that are left after the control provisions of FRS 127 have been included in the new FRS 10. There is no financial impact on the results of the Group and of the Company as a result of this standard.
- The revised FRS 128 "Investments in Associates and Joint ventures" includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of FRS 11. There is no financial impact on the results of the Group and of the Company as a result of this standard.
- Amendment to FRS 7 "Financial Instruments: Disclosures" requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset. There is no financial impact on the results of the Group and of the Company as these changes only affect disclosures. There is no financial impact on the results of the Group and of the Company as a result of this standard.
- Amendment to FRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in 'Other Comprehensive Income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI. There is no financial impact on the results of the Group and of the Company as these changes only affect disclosures.
- Amendment to FRS 119 "Employee Benefits" which results in the following changes on the Group's and the Company's accounting policies:
  - to immediately recognise all past service cost in profit and loss
  - to recognise actuarial gains and losses in other comprehensive income in the period in which they arise
  - to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability

Please refer to Note 2.14(b) for the new accounting policy and Note 36 for the impact of the change in accounting policy on adoption of the above amendment on the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.1 BASIS OF PREPARATION (CONT'D)

- (b) Standards early adopted by the Group and the Company

There are no standards early adopted by the Group and the Company.

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the following new standards, amendments to published standards and interpretations:

#### Financial year beginning on/after 1 January 2014

- Amendment to FRS 132 "Financial Instruments: Presentation" does not change the current offsetting model in FRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria. There is no financial impact on the results of the Group and of the Company as these changes only affect disclosures.
- Amendments to FRS 136 "Impairment of Assets" removed certain disclosures of the recoverable amount of CGUs which had been included in FRS 136 by the issuance of FRS 13. There is no financial impact on the results of the Group and of the Company as these changes only affect disclosures.

#### Financial year beginning on/after 1 January 2017

- FRS 9 "Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities" (replaces parts of FRS 139 that relate to the classification and measurement of financial instruments. FRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the FRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The Group and Company is in the process of making an assessment on the potential impact of this standard on the financial statements.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 ECONOMIC ENTITIES IN THE GROUP

#### (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries are consolidated using the acquisition method of accounting.

Subsidiaries that were consolidated prior to 1 January 2002 are in accordance with Malaysian Accounting Standard 2 'Accounting for Acquisitions and Mergers', the generally accepted accounting principles prevailing at that time.

The Group has taken advantage of the transitional provision provided by FRS 3 (revised) to apply these standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these standards.

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Acquisition related costs are recognised as expenses when incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note 2.7 on intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling interest's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interest's share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributable to the parent and the non-controlling interest, even if the attributable losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit and loss attributable to non-controlling interests for prior year is not restated.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONT'D)

##### (a) Subsidiaries (cont'd)

The Group has changed its accounting policy on business combinations and accounting for non-controlling interest when it adopted the revised FRS 3 "Business Combinations" and FRS 127 "Consolidated and separate financial statements".

Previously, contingent consideration in a business combination was recognised when it is probable that payments will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

The Group has applied the new policies prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

Previously, the Group had stopped attributing losses to the non-controlling interest because the losses exceeded the carrying amount of the non-controlling interest. The Group has applied this policy prospectively. On the date of adoption of the new policy, the non-controlling interest reflects its previous carrying amount.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group adopted FRS 10 "Consolidated Financial Statements" in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is expected, or has rights, to variable from its involvement with the entity and has the ability to the effect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such right are substantive. In the previous financial years, potential voting rights are considered with assessing control when such rights are presently exercisable.
- The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 has no significant impact to the financial statements of the Group.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONT'D)

#### (b) Transactions with non controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate and joint venture of financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### (c) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Refer accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with the Group.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONT'D)

##### (d) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, establishment by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group adopted FRS 11, Joint Arrangements in the current financial year. As a result, joint arrangement are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to assets and obligations for the liabilities relating to the arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangement. The Group accounts for its interest in the joint venture using the equity method.

Investments in joint ventures are stated at cost in the separate financial statements. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Results and interests in joint venture are equity accounted in the venturer's financial statements of the Group.

Equity accounting involves recognising the venturer's share of the post acquisition results of joint ventures in the profit or loss and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 FOREIGN CURRENCIES

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

All foreign exchange gains and losses are presented in the statements of comprehensive income within other expenses.

The principal closing rates used in translation of foreign currency amounts were as follows:

Foreign currency	31.12.2013 RM	31.12.2012 RM
100 Thai Baht	9.92	9.91
1 Australian Dollar	2.92	3.19
1 UK Pound	5.42	4.95
1 Singapore Dollar	2.59	2.50

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statement of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 INVESTMENTS

Investments in subsidiaries, jointly controlled entities and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the profit or loss.

#### 2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Freehold land is not depreciated as it has an infinite life. Construction in progress are also not depreciated as these assets are not available for use. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts to their residual values over their estimated useful lives summarised as follows:

Buildings	50 years
Plant and machinery	5 to 10 years
Furniture, fittings, office equipment and computers	3 to 20 years
Motor vehicles	3 to 5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are credited or charged to other expenses in the profit or loss.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 INVESTMENT PROPERTIES

Investment properties, comprising land and buildings, are held for long term rental yields or for capital appreciation.

Investment properties are stated at cost less any accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives of 50 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognised from the statement of financial position. The difference between the net disposal proceeds and the carrying amount is credited or charged to the profit or loss in the financial year of the retirement or disposal.

Investment properties also include properties that are under construction for future use as investment properties. These investments are also carried at cost.

The Directors have applied the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of FRS 117 "Leases" which allows the prepaid lease payments (leasehold land) to be stated at its previous year's valuation less amortisation. Accordingly, the valuation has not been updated.

Leasehold land are amortised over the period of the respective leases ranging from 66 years to 99 years. Amortisation is computed on the straight line method to write off the cost of each asset over its estimated useful life. The principal annual depreciation rate for related building is 2% per annum.

### 2.7 INTANGIBLE ASSETS

#### (a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note 2.21 to the financial statements on impairment of non-financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.7 INTANGIBLE ASSETS (CONT'D)

##### (b) Development rights – finite life

The Group capitalises purchased development rights. The development rights, which has finite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The intangible assets is amortised over its estimated useful life. The amortisation period and method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an impairment indication exists, the carrying amount of the development rights is assessed and written down immediately to its recoverable amount.

##### (c) Order book – finite life

The order book with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated over the estimated construction period related to the relative order book values. Where an impairment indication exists, the carrying amount of the order book is assessed and written down immediately to its recoverable amount.

#### 2.8 LEASES

##### Finance Lease

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charges is charged to the profit or loss over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the assets and the lease term.

##### Operating Lease

Leases of assets where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the profit or loss on the straight-line basis over the lease period.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 PROPERTY DEVELOPMENT ACTIVITIES

#### (a) Land held for property development

Land held for property development consists of land or such portion thereof on which no significant development work has been undertaken or where development activities is not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group and the Company had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 2012004 "Property Development Activities". Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Land held for property development is transferred to property development costs (under current assets) (Note 2.9(b)) when development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Borrowing costs are capitalised in accordance with Note 2.22 to the financial statements.

#### (b) Property development costs

Property development costs comprise costs associated with the acquisition of land or such portion thereof and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are transferred from land held for property development (Note 2.9(a)) when physical development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Property development costs are recognised when incurred.

When the outcome of the development activity can be estimated reliably, property development revenue and costs are recognised as revenue and expenses respectively by reference to stage of completion of development activity at reporting date. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.9 PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

##### (b) Property development costs (cont'd)

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Borrowing costs are capitalised in accordance with Note 2.22 to the financial statements.

Where revenue recognised in the profit or loss exceed billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

#### 2.10 SERVICE CONCESSION ASSET

Where the Group provides construction services in exchange for the concession assets, the contract revenue is recognised at its fair value using the percentage of completion method in accordance with the accounting policy stipulated in Note 2.13 Construction Contracts, with the corresponding entry recorded as Service Concession Asset (SCA) in the statement of financial position. The SCA represents the Group's rights (licence) to collect toll from users of the highway.

The SCA is amortised upon the commencement of the concession period. The amortisation formula applied in arriving at the annual amortisation charge is as follows:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{SCA}$$

Where an indication of impairment exists, the carrying amount of the SCA is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

#### 2.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and related allocation costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.12 RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due. Receivables are classified as current assets if at the time the amount is due in one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current assets.

### 2.13 CONSTRUCTION CONTRACTS

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Construction contracts are recognised when incurred. Contract revenue is recognised based on percentage of completion method. The stage of completion of a construction contract is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as recoverables, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the attributable profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as 'Amounts due from customers on contracts' under trade and other receivables. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as 'Amounts due to customers on contracts' under trade and other payables.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.14 EMPLOYEE BENEFITS

##### (a) Short term employee benefits

The Group and the Company recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group and the Company.

##### (b) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices. These benefits plans are either defined contribution or defined benefit plans.

##### Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years. A defined contribution plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors, such as age, years of service or compensation.

The Group's and the Company's contributions to defined contribution plan are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### Defined benefit plan

The Group and the Company provide for unfunded retirement benefits to eligible employees that have been in the service of the Group and the Company for a continuous period of at least ten (10) years.

This scheme is closed to new employees since 1 August 2002.

The Group determines the present value of the defined benefit obligation with sufficient regularity such that the liability recognised in the financial statements does not differ materially from the amount that would have been determined as at that date. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified independent actuary after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 26 December 2013.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.14 EMPLOYEE BENEFITS (CONT'D)

#### (b) Post-employment benefits (cont'd)

##### Defined benefit plan (cont'd)

The current service cost recognised in the profit or loss is calculated based on the present value of the benefits accruing over the financial year following the valuation date with reference to the number of eligible employees and projected final salaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in profit or loss, unless the changes to the plan are conditional on the related employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

#### (c) Share-based compensation

The Group and the Company operate an equity-settled, share-based compensation plan for the employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group and the Company revise its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### 2.15 PROVISIONS

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group provides for estimated liability on projects still under progress at the reporting date. This provision is calculated based on contract agreements/past histories.

## NOTES TO THE FINANCIAL STATEMENTS

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.16 PAYABLES

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.17 SENIOR AND JUNIOR SUKUK

The Senior and Junior Sukuk (Sukuk) are Islamic securities issued in accordance with the Syariah principle of Istisna'. Sukuk issued by the Group are stated at net proceeds received on issue. The Sukuk issuance expenses which represent the difference between the net proceeds and the total amount of the payment of the Sukuk are allocated to the periods over the term of the Sukuk at a constant rate on the carrying amounts. Both the finance charges and issuance expenses are capitalised in the construction costs of the Eastern Dispersal Link Highway (EDL) project.

Upon completion of the EDL project, the finance charges of the Senior and Junior Sukuk are expensed in profit or loss.

#### 2.18 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, short term, highly liquid investments with original maturities of three months or less and bank overdrafts and exclude the designated bank balances of which have been charged as security for borrowings.

Bank overdrafts are presented within borrowings in current liabilities on the statement of financial position.

#### 2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONT'D)

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

### 2.20 INCOME TAX

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits. Tax is recognised in the profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

### 2.21 IMPAIRMENT OF NON – FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverse an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.



## NOTES TO THE FINANCIAL STATEMENTS

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.22 BORROWING COSTS

Interest incurred on general and specific borrowings to finance the construction of property, plant and equipment and investment properties is capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the assets for its intended use. Interests relating to property development activities, construction contracts are accounted for in a similar manner. All other borrowings costs are expensed on an effective interest rate method.

#### 2.23 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company's activities. Revenue is shown net of service tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue relating to long term engineering contracts and property development activities are accounted for using the percentage of completion method.

Other revenues earned by the Group and the Company are recognised on the following bases:

Rental income	-	on the effective rental basis
Interest income	-	on the effective interest rate method
Dividend income	-	when the shareholder's right to receive payment is established
Building services	-	on the accrual basis
Management fees	-	on the accrual basis

#### 2.24 INTERIM PAYMENT FROM GOVERNMENT

Interim payment from the government are recognised at their fair value where there is a reasonable assurance that the amount will be received and the Group will comply with all attached conditions.

Interim payment from Government as reimbursements of costs are recognised in profit or loss over the periods to match the related costs for which the payments are intended.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.25 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

#### Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition:

- **Financial assets at fair value through profit or loss:** Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or incurred principally for the purpose of selling or re-purchasing it in the short-term. Assets in this category are classified as current assets;
- **Loans and receivables:** These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are classified as current assets or non-current assets for maturities greater than 12 months after the end of the reporting period; and
- **Available-for-sale financial assets:** Available-for-sale financial assets are non-derivative financial assets that cannot be classified as financial assets at fair value through profit or loss, loans and receivables or cash and cash equivalents. These assets are included in non-current assets unless the financial assets mature or management intends to dispose of it within 12 months of the end of the reporting period.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset).

Financial assets other than financial assets carried at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.25 FINANCIAL INSTRUMENTS (CONT'D)

##### **Subsequent measurement – gain and losses**

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and cash and cash equivalents are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the profit or loss in the period in which they arise.

Changes in the fair value of the “financial assets available-for-sale” category are recognised in other comprehensive income. When assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss.

Fair values for quoted investments are based on observable market prices.

##### **Offsetting financial assets**

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

##### **De-recognition**

Financial assets are de-recognised when the right to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivable that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available for sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.25 FINANCIAL INSTRUMENTS (CONT'D)

#### Subsequent measurement - impairment of financial assets

##### Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial re-organisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial statement original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectable, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.25 FINANCIAL INSTRUMENTS (CONT'D)

##### **Assets classified as available-for-sale**

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

##### **Financial liabilities**

The Group classifies its financial liabilities as other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

##### **Other financial liabilities**

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

#### 2.26 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the board of directors that makes strategic decisions.



## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.26 SEGMENT REPORTING (CONT'D)**

Segment reporting is presented for enhanced assessment of the Group's and of the Company's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

### **2.27 NON CURRENT ASSETS HELD-FOR-SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/DISCONTINUED OPERATIONS**

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

### **2.28 SHARE CAPITAL**

#### **(a) Classification**

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. See accounting policy Note 2.29 on borrowings.

#### **(b) Share issue costs**

Incremental costs directly attributable to the issue of new shares or options are deducted against share premium account.

#### **(c) Dividend distribution**

Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.29 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

#### 2.30 FAIR VALUE MEASUREMENTS

From 1 January 2013, the Group adopted FRS 13 "Fair Value Measurement" which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into accounts a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the group's assets or liabilities other than the additional disclosure.

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not necessarily equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (a) Impairment of land held for development and development cost

The Group carries out the impairment test based on a variety of estimation including value-in-use of the cash generating unit (CGU) to which the land held for development and development costs are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### (b) Revenue recognition - Property Development and Construction Contracts

The Group and the Company recognise property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development cost incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development costs, as well as the recoverability of the projects.

The Group and the Company recognise construction contract revenue based on percentage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the revenue on the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and work of specialists.

#### (c) Provision for Liquidated Ascertained Damages (LAD)

LAD is a possible obligation that arise from the late delivery of property development or construction activities. In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the Extension of Time application based on circumstances of the projects, specific past experiences with the employers and expert advice.

#### (d) Impairment of goodwill and other intangible assets with indefinite useful lives - Development Right and Order Book

The Group tests at least annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Note 2.21. The recoverable amounts of cash generated units have been determined based on value-in-used and/or fair value less cost to sell calculations as appropriate. These calculations require the use of estimates. Refer to Note 2.21 for details of impairment testing of goodwill and other intangible assets with definite or indefinite useful lives.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 4 FINANCIAL RISK MANAGEMENT

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, liquidity and cash flow risks, credit risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Group does not trade in financial instruments.

(i) Interest rate risk

Interest rate risks arise mainly from the Group's short-term deposits and borrowings. The Group's short-term deposits are placed at prevailing interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk through the use of fixed and floating rate debt.

The Group's outstanding borrowings as at year end at variable rates on which hedges have not been entered into, are denominated in RM. If the borrowings at variable rates on which hedges have not been entered, its annual interest rates increase/decrease by 1% respectively (2012:1%) with all other variables including tax rate being held constant, the result after tax will be lower/higher by 8.5% (2012:5%) as a result of higher/lower interest expense on these borrowings.

(ii) Foreign currency risk

The Group and the Company are not exposed to significant foreign currency risk.

(iii) Liquidity and cash flow risk

The Group manages its liquidity risk by maintaining sufficient levels of cash or cash convertible investments and available credit facilities to meet its working capital requirements.

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

##### (iii) Liquidity and cash flow risk (cont'd)

	Within 1 Year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>The Group</b>				
<b>At 31 December 2013</b>				
Trade and other payables	1,012,237	133	–	1,012,370
Provision for other liabilities and charges	24,914	–	–	24,914
Borrowings	1,644,379	995,747	–	2,640,126
Sukuk	1,084,922	–	–	1,084,922
Loan stocks	–	16,800	–	16,800
Guaranteed return to a non controlling interest	115,000	–	–	115,000
	<b>3,881,452</b>	<b>1,012,680</b>	<b>–</b>	<b>4,894,132</b>
<b>At 31 December 2012</b>				
Trade and other payables	831,902	180	–	832,082
Borrowings	1,415,866	914,152	129,325	2,459,343
Sukuk	1,084,922	–	–	1,084,922
Loan stocks	–	16,800	–	16,800
Guaranteed return to a non controlling interest	115,000	–	–	115,000
	<b>3,447,690</b>	<b>931,132</b>	<b>129,325</b>	<b>4,508,147</b>
<b>The Company</b>				
<b>At 31 December 2013</b>				
Trade and other payables	78,825	–	–	78,825
Provision for other liabilities and charges	10,000	–	–	10,000
Amounts due to subsidiaries	124,106	–	–	124,106
Borrowings	139,923	459,022	–	598,945
Guaranteed return to a non controlling interest	115,000	–	–	115,000
	<b>467,854</b>	<b>459,022</b>	<b>–</b>	<b>926,876</b>
<b>At 31 December 2012</b>				
Trade and other payables	38,642	–	–	38,642
Amounts due to subsidiaries	223,421	–	–	223,421
Borrowings	24,226	338,992	129,325	492,543
	<b>286,289</b>	<b>338,992</b>	<b>129,325</b>	<b>754,606</b>



## NOTES TO THE FINANCIAL STATEMENTS

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### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

#### (iv) Credit risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. The Group seeks to invest cash assets safely and profitably. Credit risks are minimised given the Group's policy of selecting only counterparties with high creditworthiness.

The Group closely monitors collections from these customers. In addition, the Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

The Group has significant concentrations of credit risk as disclosed in Note 22 to the financial statements.

In respect of the credit risk of receivables, the Group has significant credit risk on the sales derived from property development customers, Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd. totalling RM531,909,092 (2012: RM581,730,720), of which the Group considers the risk of default is low.

The Group has no other significant concentrations of credit risk, notwithstanding that all of its deposits are placed with financial institutions in Malaysia. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings.

#### (v) Capital risk

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

As part of its capital management plan, the Group and the Company may adjust the amount of dividends paid to the shareholder, return capital to shareholder or sell assets to reduce debt.

Management monitors capital based on the Company's gearing ratio. The gearing ratio is calculated as total debt divided by total capital. Total debts is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statements of financial position).

#### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

##### (v) Capital risk (cont'd)

The gearing ratios at 31 December 2013 and 31 December 2012 were as follows;

	Group 2013 RM'000	2012 RM'000 (restated)
Total debt	3,510,299	3,324,297
Total equity	1,675,416	1,413,796
Total capital	5,185,715	4,738,093
Gearing ratio	2.10	2.35

##### (b) Fair values

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables (including non-trade amounts due to/from related companies) and short term borrowings.

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that cause the transfer.

##### Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## NOTES TO THE FINANCIAL STATEMENTS

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### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

#### (b) Fair values (cont'd)

##### Fair value estimation (cont'd)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 December 2013.

##### Assets

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Level 1</b>				
Available for sale financial assets	577	577	577	577
Financial assets at fair value through profit or loss	4,533	3,984	4,533	3,791
<b>Level 2</b>				
Long term loan and receivables	531,909	81,963	15,000	96,963

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the Group's and the Company's assets and liabilities that are not measured at fair value as at 31 December 2013 are disclosed in the respective notes to the financial statements.

## 5 ACQUISITION OF SUBSIDIARIES

### Financial year ended 31 December 2013

- (i) During the financial year ended 31 December 2013, the Company acquired 100% of the share capital of Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd. and Puncak Wangi Sdn. Bhd. (collectively the "NGD Subsidiaries"), Gelanggang Harapan Construction Sdn. Bhd. ("GHC") and Gapurna Global Services Sdn. Bhd. ("GGS") (collectively known as Gapurna Companies).

On 27 August 2013, the Company paid the cash consideration of RM60,651,416 and allotted 263,499,755 ordinary shares to the parties nominated by the vendors of the Gapurna Companies. As a result of the acquisition, the Group is expected to increase its presence in the property development market.

The following table summarises the consideration paid for the Gapurna Companies, the provisional fair value of assets acquired and all liabilities assumed at the acquisition date.

#### Consideration at 27 August 2013

	RM'000
Cash	60,651
Ordinary shares issued (263,499,755 @ RM1.43/share)	376,805
Free detachable warrants issued (75,285,644 @ RM0.26/warrant)	19,574
	<b>457,030</b>

#### Provisional fair value of identifiable assets acquired and liabilities assumed

Property, plant and equipment (Note 15)	917
Investment property (Note 16)	74,172
Intangible assets - order book (Note 24)	140,589
Land held for property development (Note 17(b))	188,497
Trade and other receivables	24,032
Tax recoverable	1,568
Cash and bank balances	16,386
Trade and other payables	(60,519)
Deferred tax liabilities (Note 25)	(55,164)
Long term liabilities	(417)
Assets held for sale*	153,411
Liabilities held for sale*	(108,411)
	<b>375,061</b>
Goodwill on acquisition (Note 24)	81,969
	<b>457,030</b>
Cash and cash equivalent of subsidiaries acquired:	
- Cash and bank balances	(16,386)
	<b>440,644</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### 5 ACQUISITION OF SUBSIDIARIES (CONT'D)

- \* Assets held for sale of RM153,411,000 and liabilities associated with assets held for sale of RM108,411,000 represents the fair value of net assets of RM45,000,000 held by the Company in GTC Global Sdn. Bhd. ("GTC"), a wholly owned subsidiary of GGS. On 27 November 2013, GGS entered into a sale and purchase agreement with Telekom Malaysia Berhad to dispose GGS's 100% equity interest in GTC for a total cash consideration of RM45,000,000. The disposal was completed on 24 December 2013 with no gain/(loss) being recognised (Note 43).

Acquisition-related costs of RM6,690,500 have been charged to administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2013.

The fair value of the 263,499,755 ordinary shares issued as part of the consideration paid for the Gapurna Companies was based on the published share price of RM1.43/share on 27 August 2013. The fair value of the 75,285,644 free detachable warrants issued as part of the purchase consideration paid for the Gapurna Companies was RM0.26/warrant using the Black-Scholes valuation model.

Simultaneous with the acquisition, the Company had also entered into a profit guarantee agreement with the vendors wherein the vendors unconditionally, irrevocably, jointly and severally guarantee to the Company that the actual aggregate audited net profits after tax of GHC for the financial year ending 2014 to 2016 shall be collectively not less than RM50,000,000.

The fair value of the intangible assets - order book of RM140,589,000 is determined using the discounted projected cash flow of future construction contract.

The Company entered into a right of first refusal and call option agreement with the vendors to purchase the entire issued and paid up share capital of Nilaitera Sdn. Bhd. and Projectmaju Sdn. Bhd., companies incorporated for the purpose of holding any land(s)/real property(ies) or carrying out property development activities, for a period of three (3) years from 27 August 2013. The fair value of the call option held by the Company is RM Nil as at 31 December 2013, as the acquisition price will be at the market value prevailing at the acquisition date.

The Company may unwind and terminate the acquisition of the Gapurna Companies in the event the legal proceeding in respect of the writ of summon filed by PKNS Holdings Sdn. Bhd. against the vendors and the Company to refrain the parties from completing the acquisition of NGD subsidiaries is not achieved. The fair value of the option to terminate held by the Company is RM Nil as at 31 December 2013.

Had the Gapurna Companies been consolidated from 1 January 2013, the consolidated statements of income would show pro-forma revenue of RM1,029,989,047 and loss after taxation of RM118,797,066.



## 5 ACQUISITION OF SUBSIDIARIES (CONT'D)

The effects of the above acquisitions to the financial results of the Group from the date of the acquisitions are as follows:

	2013 RM'000
Revenue	32,965
Cost of sales	(33,653)
Gross loss	(688)
Other operating income	384
Operating costs	(5,474)
Loss on operations	(5,778)
Finance costs	(62)
Loss before taxation	(5,840)
Taxation	337
Net loss attributable to shareholders	(5,503)

The effects of the above acquisitions to the financial position of the Group as at 31 December 2013 are as follows:

	As at 31.12.2013 RM'000
Property, plant and equipment	901
Investment property	100,616
Intangible assets - order book	135,564
Land held for property development	189,509
Trade and other receivables	66,803
Tax recoverable	1,020
Cash and bank balances	33,565
Trade and other payables	(62,030)
Short term loan	(48,871)
Deferred tax liabilities	(54,281)
Long term liabilities	(91)
	362,705
Goodwill on acquisition	81,969
	444,674

## NOTES TO THE FINANCIAL STATEMENTS

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### 5 ACQUISITION OF SUBSIDIARIES (CONT'D)

(ii) The Company had on 23 December 2013 entered into the followings agreements:

(a) Share Sale and Subscription Agreements with Arch Angel Capital Sdn. Bhd. ("AAC") and Arch Angel DMC Sdn. Bhd. ("AADMC") to:

- acquire 2.0 million ordinary shares of RM1.00 each in AAC from AADMC for cash consideration of RM2.5 million;
- subscribe 1.5 million new ordinary shares of RM1.00 each in AAC; and
- subscribe up to 300,000 redeemable cumulative preference shares of RM1.00 each at a subscription price of RM100.00 per share in AAC.

The above effectively resulted in the Company having a 70% equity interest in AAC.

(b) A Shareholders' Agreements with AAC and AADMC for the purpose of determining the terms and conditions of the joint venture and regulating the relationship of AAC's shareholders.

AAC is principally involved in investment, general trading and financial consulting and had acquired a piece of freehold land known as Plot 2C4, Precinct 2, Putrajaya.

The acquisition and subscription of shares were completed on 30 December 2013. The effect of the acquisition to the financial position of the Group as at 31 December 2013 are as follows:

	As at date of acquisition RM'000
Land held for property development	36,837
Bank balance	4,524
Trade and other payables	(5,870)
Non controlling interest	(1,491)
Purchase consideration	34,000
Cash and cash equivalent of subsidiaries acquired:	
- Cash and bank balances	(4,524)
	29,476

#### Financial year ended 31 December 2012

There were no acquisition of subsidiaries in the previous financial year ended 31 December 2012.

## 6 REVENUE-CONTINUING OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Property development	335,618	592,320	–	34,348
Construction contracts	483,093	523,135	91,354	87,130
Building services	66,799	69,851	–	–
Rental income	47,190	47,941	14,084	16,299
Rendering of other services	7,145	9,125	–	–
Dividend income (gross)	225	299	109,906	66,289
Management fees	–	–	24,240	26,713
Other income	840	840	1,213	1,216
	940,910	1,243,511	240,797	231,995

The property development revenue includes the reduction in the fair value of sales proceeds for Lot G office towers by RM55,432,257 as a result of the extended credit period of three (3) years from 18 December 2012 to 18 December 2015.

## 7 COST OF SALES-CONTINUING OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Property development	297,414	375,332	–	34,347
Construction contract	522,014	507,338	101,137	80,521
Building services	44,855	44,888	–	–
Rental income	43,678	32,336	10,613	10,246
Cost of inventories sold	1,890	4,240	–	–
Rendering of other services	5,907	7,356	–	–
	915,758	971,490	111,750	125,114

## NOTES TO THE FINANCIAL STATEMENTS

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## 8 OTHER INCOME-CONTINUING OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Rental income from land and buildings	2,013	1,573	2,146	1,696
Interim payment from Government (Note 18)	100,287	68,277	-	-
Reversal of provision no longer required	8,450	-	-	-
Building maintenance services	13,801	9,272	-	-
Others	3,731	3,671	2,509	338
	128,282	82,793	4,655	2,034
Finance income from				
- Unwinding of discount for financial assets	13,151	7,053	7,885	7,053
- fixed deposits	5,815	7,557	3,772	3,221
- others	4,528	13,516	1,598	1,735
	23,494	28,126	13,255	12,009

## 9 (LOSS)/PROFIT BEFORE INCOME TAX-CONTINUING OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before income tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit	677	623	107	140
- other services				
- audit related	640	106	640	106
- non audit related	1,415	632	928	211
Other auditors				
- statutory audit	74	2	-	-
- other services				
- non audit related	102	-	-	-
Staff costs (including remuneration of executive director) (Note 10)	85,621	82,797	20,590	20,429

**9 (LOSS)/PROFIT BEFORE INCOME TAX-CONTINUING OPERATIONS (CONT'D)**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment				
- depreciation	<b>8,739</b>	8,013	<b>1,240</b>	547
- written off	-	3	-	3
- net loss/(gain) on disposal	<b>7</b>	(1,526)	<b>(0)</b>	(0)
Depreciation of investment properties	<b>8,735</b>	3,744	<b>891</b>	890
Impairment losses/(write back) on				
- subsidiaries	-	-	<b>51,391</b>	(474)
- property development costs	<b>326</b>	8,255	-	-
- goodwill	<b>1,321</b>	1,998	-	-
Provision for/(write back) of receivables and amount due from subsidiaries	<b>1,188</b>	1,675	<b>(15,946)</b>	(21,033)
Amortisation of order book	<b>3,685</b>	-	-	-
Inventories written off	-	2,764	-	-
Bad debts (recovered)/written off	<b>(56)</b>	78	<b>(56)</b>	-
Fair value loss of financial assets at fair value through profit or loss	<b>(560)</b>	561	<b>(474)</b>	426
Rental of				
- premises	<b>12,092</b>	10,956	<b>12,480</b>	11,436
- office equipment	<b>594</b>	424	<b>123</b>	121
Provision for liabilities and charges	<b>38,740</b>	29,649	<b>12,450</b>	8,750
Unrealised gain on foreign exchange	<b>518</b>	114	<b>518</b>	112

Included in cost of sales were direct operating expenses from investment properties that generated rental income of the Group and of the Company during the financial year amounted to RM12,436,936 (2012: RM11,940,265) and RM1,156,022 (2012: RM1,156,011) respectively.



## NOTES TO THE FINANCIAL STATEMENTS

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### 10 STAFF COSTS-CONTINUING OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	66,223	63,597	15,164	14,885
Defined contribution plan	8,248	7,885	2,035	1,841
Defined benefit plan (Note 36)	1,845	2,449	621	838
Share options (Note 31)	1,669	904	350	385
Other employee benefits	7,636	7,962	2,420	2,480
	85,621	82,797	20,590	20,429

The number of persons employed by the Group and the Company at the end of the financial year was 1,249 (2012: 1,221) and 186 (2012: 174) respectively.

### 11 DIRECTORS' REMUNERATION-CONTINUING OPERATIONS

The Directors of the Company in office during the financial year were as follows:

#### Non-executive Directors

Tan Sri Azlan Mohd Zainol (Chairman)

Datuk Shahril Ridza Ridzuan

Dato' Abdul Rahman Ahmad

Che King Tow

Dato' Chong Pah Aung

Jamaludin Zakaria

Dato' Ishak Haji Mohamed

Tan Sri Ahmad Fuad Ismail

Datuk Ahmad Johari Tun Abdul Razak

Rohaya Mohammad Yusof

Dato' Ahmad Ibnihajar

[Appointed on 28 October 2013]

[Appointed on 5 February 2014]

[Appointed on 5 February 2014]

[Appointed on 6 March 2014]

[Resigned on 10 January 2014]

#### Executive Director

Datuk Mohamad Salim Fateh Din (Group Managing Director)

[Appointed on 2 September 2013]

# 11 DIRECTORS' REMUNERATION-CONTINUING OPERATIONS (CONT'D)

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year were as follows:

	<b>Group and Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-executive Directors</b>		
- fees	1,068	450
- emoluments	180	180
	<b>1,248</b>	630
<b>Executive Director</b>		
- salaries and bonus	397	739
- defined contribution plan	87	125
- other employee benefits	40	76
	<b>524</b>	940
	<b>1,772</b>	1,570
<b>Benefits-in-kind</b>		
Executive director	2	10
Non-executive director	-	4
	<b>2</b>	14

## NOTES TO THE FINANCIAL STATEMENTS

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## 12 FINANCE COSTS-CONTINUING OPERATIONS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Arrangement fees for borrowings	1,758	587	238	587
Interest expense on				
- Senior and Junior Sukuk	81,844	61,382	-	-
- term loans	60,682	30,352	18,837	21,275
- hire purchase	53	48	-	-
- loan stock	490	536	-	-
- others	-	1,820	-	-
Amortisation of loan issuance cost	3,078	2,706	-	-
Accretion of liability	-	4,857	-	-
	147,905	102,288	19,075	21,862

## 13 INCOME TAX EXPENSE-CONTINUING OPERATIONS

## (a) Tax charged/(credited) for the financial year

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
In Malaysia				
Current tax	27,164	45,559	26,189	16,000
(Over)/under provision in prior years	(2,400)	2,580	276	2,602
	24,764	48,139	26,465	18,602
Deferred tax (Note 25)	(12,283)	(12,839)	-	-
Income tax expense	12,481	35,300	26,465	18,602
Current tax:				
Current year	27,164	45,559	26,189	16,000
(Over)/under provision in prior years	(2,400)	2,580	276	2,602
	24,764	48,139	26,465	18,602
Deferred tax:				
Origination net of reversal of temporary differences	(12,283)	(12,839)	-	-
	12,481	35,300	26,465	18,602

### 13 INCOME TAX EXPENSE-CONTINUING OPERATIONS (CONT'D)

#### (b) Numerical reconciliation of income tax expense

The explanation of the relationship between income tax expense and (loss)/profit before income tax is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
(Loss)/profit before income tax	<b>(110,367)</b>	124,922	<b>46,445</b>	77,999
Tax calculated at the Malaysian tax rate of 25% (2012: 25%)	<b>(27,592)</b>	31,231	<b>11,611</b>	19,500
Tax effects of:				
Income not subject to tax	<b>(13,153)</b>	(15,007)	<b>(7,290)</b>	(7,680)
Expenses not deductible for tax purposes	<b>22,635</b>	22,048	<b>19,220</b>	5,493
Net utilisation of tax losses not recognised in previous years	<b>(209)</b>	(21,373)	–	–
Movement of unrecognised deductible temporary differences	<b>13,337</b>	9,091	<b>2,648</b>	(1,225)
(Over)/under provision of tax in prior years	<b>(2,400)</b>	2,580	<b>276</b>	2,602
Current year tax losses not recognised	<b>19,863</b>	6,730	–	–
Group relief	–	–	–	(88)
Income tax expense	<b>12,481</b>	35,300	<b>26,465</b>	18,602

## NOTES TO THE FINANCIAL STATEMENTS

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## 14 (LOSS)/EARNINGS PER SHARE

## (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2013	2012
(Loss)/profit attributable to the equity holders of the Company (RM'000)		
- from continuing operations	(114,029)	58,577
- from discontinuing operations	4,897	1,545
	(109,132)	60,122
Weighted average number of ordinary shares in issue ('000)	1,479,495	1,386,725
Basic (loss)/earnings per share (sen)		
- from continuing operations	(7.71)	4.22
- from discontinuing operations	0.33	0.12
	(7.38)	4.34

## (b) Diluted (loss)/earnings per share

(Loss)/profit attributable to the equity holders of the Company (RM'000)		
- from continuing operations	(114,029)	58,577
- from discontinuing operations	4,897	1,545
	(109,132)	60,122
Weighted average number of ordinary shares in issue ('000)	1,479,495	1,386,725
Adjustment for share options ('000)	16	29
Adjusted weighted average number of ordinary shares in issue ('000)	1,479,511	1,386,754



#### 14 (LOSS)/EARNINGS PER SHARE (CONT'D)

##### (b) Diluted (loss)/earnings per share (cont'd)

	Group	
	2013	2012
Diluted(loss)/earnings per share (sen)		
- from continuing operations	(7.71)	4.22
- from discontinuing operations	0.33	0.12
	(7.38)	4.34

For the purpose of calculating diluted (loss)/earnings per share, the weighted average number of ordinary shares issued during the financial year were adjusted for the dilutive effects of all potential ordinary shares i.e. share options granted to employees issued during the previous financial years.

Certain tranches of share options and warrants issued were not included in the calculation because the fair value of the issued ordinary shares as at 31 December 2013 was lower than the said option's and warrant's exercise prices.

## NOTES TO THE FINANCIAL STATEMENTS

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## 15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Con- struction in progress RM'000	Total RM'000
<b>Group</b>						
<b>2013</b>						
<b>Cost/valuation</b>						
At 1.1.2013	11,511	20,592	62,449	7,447	3,259	105,258
Additions	-	-	6,075	-	930	7,005
Acquisition of subsidiaries (Note 5)	-	-	737	180	-	917
Disposals	-	-	(487)	(153)	-	(640)
Reclassification	4,173	-	16	-	(4,189)	-
At 31.12.2013	15,684	20,592	68,790	7,474	-	112,540
<b>Accumulated depreciation</b>						
At 1.1.2013	1,141	6,221	50,923	5,792	-	64,077
Charge for the financial year	1,763	2,031	4,171	776	-	8,741
Released on disposals	-	-	(442)	(146)	-	(588)
At 31.12.2013	2,904	8,252	54,652	6,422	-	72,230
<b>Accumulated impairment losses</b>						
At 1.1.2013/31.12.2013	-	-	2,431	-	-	2,431

## 15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Con- struction in progress RM'000	Total RM'000
<b>Group</b>						
<b>2012</b>						
<b>Cost/valuation</b>						
At 1.1.2012	11,022	20,678	63,633	10,103	3,818	109,254
Additions	489	4	3,200	775	3,066	7,534
Disposals	-	(90)	(6,101)	(3,431)	(825)	(10,447)
Written off	-	-	(1,083)	-	-	(1,083)
Reclassification	-	-	2,800	-	(2,800)	-
At 31.12.2012	11,511	20,592	62,449	7,447	3,259	105,258
<b>Accumulated depreciation</b>						
At 1.1.2012	834	4,184	50,585	8,031	-	63,634
Charge for the financial year	307	2,037	4,554	1,116	-	8,014
Released on disposals	-	-	(3,136)	(3,355)	-	(6,491)
Written off	-	-	(1,080)	-	-	(1,080)
At 31.12.2012	1,141	6,221	50,923	5,792	-	64,077
<b>Accumulated impairment losses</b>						
At 1.1.2012/31.12.2012	-	-	2,431	-	-	2,431
<b>Net book value</b>						
At 31.12.2013	12,780	12,340	11,707	1,052	-	37,879
At 31.12.2012	10,370	14,371	9,095	1,655	3,259	38,750

## NOTES TO THE FINANCIAL STATEMENTS

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## 15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of the freehold land and buildings of the Group are as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Group</b>			
<b>2013</b>			
<b>Cost</b>			
At 1.1.2013	6,269	5,242	11,511
Reclassification	–	4,173	4,173
At 31.12.2013	6,269	9,415	15,684
<b>Accumulated depreciation</b>			
At 1.1.2013	–	1,141	1,141
Charge for the financial year	–	1,763	1,763
At 31.12.2013	–	2,904	2,904
<b>2012</b>			
<b>Cost</b>			
At 1.1.2012	6,269	4,753	11,022
Additions	–	489	489
At 31.12.2012	6,269	5,242	11,511
<b>Accumulated depreciation</b>			
At 1.1.2012	–	834	834
Charge for the financial year	–	307	307
At 31.12.2012	–	1,141	1,141
<b>Net book value</b>			
At 31.12.2013	6,269	6,511	12,780
At 31.12.2012	6,269	4,101	10,370

**15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
<b>Company</b>			
<b>2013</b>			
<b>Cost</b>			
At 1.1.2013	9,383	172	9,555
Additions	2,319	-	2,319
Disposals	(1)	-	(1)
At 31.12.2013	11,701	172	11,873
<b>Accumulated depreciation</b>			
At 1.1.2013	7,746	159	7,905
Charge for the financial year	1,227	13	1,240
Released on disposals	(1)	-	(1)
At 31.12.2013	8,972	172	9,144



## NOTES TO THE FINANCIAL STATEMENTS

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## 15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
<b>Company</b>			
<b>2012</b>			
<b>Cost</b>			
At 1.1.2012	8,404	172	8,576
Additions	1,072	–	1,072
Disposals	(88)	–	(88)
Written off	(5)	–	(5)
At 31.12.2012	9,383	172	9,555
<b>Accumulated depreciation</b>			
At 1.1.2012	7,324	124	7,448
Charge for the financial year	512	35	547
Released on disposals	(88)	–	(88)
Written off	(2)	–	(2)
At 31.12.2012	7,746	159	7,905
<b>Net book value</b>			
At 31.12.2013	<b>2,729</b>	<b>–</b>	<b>2,729</b>
At 31.12.2012	1,637	13	1,650

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under hire purchase terms:

	Net book value	
	2013 RM'000	2012 RM'000
<b>Group</b>		
Motor vehicles	323	549

## 16 INVESTMENT PROPERTIES

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Con- struction in progress RM'000	Total RM'000
<b>Group</b>					
<b>2013</b>					
<b>Cost/valuation</b>					
At 1.1.2013	146,555	62,682	613,707	330,113	1,153,057
Additions	-	-	21,835	135,496	157,331
Acquisition of subsidiary (Note 5)	-	55,000	-	19,172	74,172
Reclassification	-	-	355,509	(355,509)	-
Transfer to assets held for sale (Note 18)	(20,299)	-	(393,478)	-	(413,777)
At 31.12.2013	126,256	117,682	597,573	129,272	970,783
<b>Accumulated depreciation</b>					
At 1.1.2013	-	6,940	61,583	-	68,523
Charge for the financial year	-	486	17,340	-	17,826
Transfer to assets held for sale (Note 18)	-	-	(16,886)	-	(16,886)
At 31.12.2013	-	7,426	62,037	-	69,463
<b>Accumulated impairment loss</b>					
At 1.1.2013/31.12.2013	-	6,825	37,014	-	43,839

## NOTES TO THE FINANCIAL STATEMENTS

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## 16 INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Con- struction in progress RM'000	Total RM'000
<b>Group</b>					
<b>2012</b>					
<b>Cost/valuation</b>					
At 1.1.2012	146,555	62,682	272,892	467,060	949,189
Additions	–	–	–	203,868	203,868
Reclassification	–	–	340,815	(340,815)	–
At 31.12.2012	146,555	62,682	613,707	330,113	1,153,057
<b>Accumulated depreciation</b>					
At 1.1.2012	–	6,605	49,962	–	56,567
Charge for the financial year	–	335	11,621	–	11,956
At 31.12.2012	–	6,940	61,583	–	68,523
<b>Accumulated impairment loss</b>					
At 1.1.2012/31.12.2012	–	6,825	37,014	–	43,839
<b>Net book value</b>					
At 31.12.2013	<b>126,256</b>	<b>103,431</b>	<b>498,522</b>	<b>129,272</b>	<b>857,481</b>
At 31.12.2012	146,555	48,917	515,110	330,113	1,040,695

## 16 INVESTMENT PROPERTIES (CONT'D)

Details of the leasehold land of the Group are as follows:

	Leasehold land		
	At 1982 valuation RM'000	At cost RM'000	Total RM'000
<b>Group</b>			
<b>2013</b>			
<b>Cost/valuation</b>			
At 1.1.2013	10,823	51,859	62,682
Acquisition of subsidiary	–	55,755	55,755
At 31.12.2013	10,823	107,614	118,437
<b>Accumulated amortisation</b>			
At 1.1.2013	4,888	2,052	6,940
Charge for the financial year	210	276	486
Acquisition of subsidiary	–	755	755
At 31.12.2013	5,098	3,083	8,181
<b>Accumulated impairment losses</b>			
At 1.1.2013/31.12.2013	515	6,310	6,825
<b>2012</b>			
<b>Cost/valuation</b>			
At 1.1.2012/31.12.2012	10,823	51,859	62,682
<b>Accumulated amortisation</b>			
At 1.1.2012	4,678	1,927	6,605
Charge for the financial year	210	125	335
At 31.12.2012	4,888	2,052	6,940
<b>Accumulated impairment losses</b>			
At 1.1.2012/31.12.2012	515	6,310	6,825
<b>Net book value</b>			
At 31.12.2013	5,210	98,221	103,431
At 31.12.2012	5,420	43,497	48,917

## NOTES TO THE FINANCIAL STATEMENTS

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## 16 INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Company – 2013</b>			
<b>Cost</b>			
At 1.1.2013/31.12.2013	16,000	44,510	60,510
<b>Accumulated depreciation</b>			
At 1.1.2013	–	3,634	3,634
Charge for the financial year	–	891	891
At 31.12.2013	–	4,525	4,525
<b>Company – 2012</b>			
<b>Cost</b>			
At 1.1.2012/31.12.2012	16,000	44,510	60,510
<b>Accumulated depreciation</b>			
At 1.1.2012	–	2,744	2,744
Charge for the financial year	–	890	890
At 31.12.2012	–	3,634	3,634
<b>Net book value</b>			
At 31.12.2013	16,000	39,985	55,985
At 31.12.2012	16,000	40,876	56,876

The investment properties of the Group and the Company with net book value of RM825,685,038 and RM55,985,284 respectively (2012: RM1,008,429,800 and RM56,875,494) have been charged as security for term loan facilities of the Group and of the Company (Notes 37 and 41).

Borrowings costs of RM8,437,554 (2012: RM11,874,706) for the Group has been capitalised in the construction in progress for the investment properties during the financial year.

At 31 December 2013, there were no contractual obligations for future repairs and maintenance (2012: Nil).



## 16 INVESTMENT PROPERTIES (CONT'D)

The net book value of the revalued leasehold land, had this asset been carried at cost less accumulated amortisation and impairment losses, is as follows:

	2013 RM'000	2012 RM'000
<b>Group</b>		
Leasehold land	2,815	2,928

The leasehold land of a subsidiary is stated at Directors' valuation based on a valuation by independent valuer in 1982 using the fair market value basis. In accordance with the transitional provision allowed by MASB upon first adoption of FRS 116 "Property, Plant and Equipment", the valuation of the leasehold land has not been updated, and they continue to be stated at its existing carrying amount less accumulated amortisation and impairment losses.

The leasehold land have unexpired periods of leases ranging from 31 years to 79 years.

### Fair value information

The fair value of the investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
Land and Building	–	75,000	934,674	1,009,674
	–	75,000	934,674	1,009,674
<b>Company</b>				
Land and Building	–	75,000	–	75,000
	–	75,000	–	75,000

### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that cause the transfer.

## NOTES TO THE FINANCIAL STATEMENTS

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### 16 INVESTMENT PROPERTIES (CONT'D)

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within level 1 that are observable for investment property, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this approach is price per square foot of comparable properties.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The following table shows a reconciliation of Level 3 fair value:

	2013 RM'000
<b>Group</b>	
At 1 January	1,315,519
Additions	444,155
Transfer to assets held for sale	(750,000)
At 31 December	1,009,674

The following table shows the valuation techniques used in determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models:

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement
Discounted cash flow	<ul style="list-style-type: none"> <li>- Expected market rental growth : 3%</li> <li>- Yield: 7.5%</li> <li>- Discount rate: 5%</li> </ul>	<ul style="list-style-type: none"> <li>The estimated fair value would increase/(decrease) if</li> <li>- Expected market rental growth were higher/(lower)</li> <li>- Yield rate were higher/(lower)</li> <li>- Discount rates were lower/(higher)</li> </ul>

#### Valuation process applied by the Group for Level 3 fair value

The fair value of the properties as at the statement of financial position date was determined by the Directors, having recent experience in location and category of property being valued.

## 17 PROPERTY DEVELOPMENT ACTIVITIES

### 17(a) Land held for property development

	Group	
	2013	2012
	RM'000	RM'000
Freehold land, at cost	214,652	185,270
Freehold land, at valuation	3,058	6,687
Leasehold land, at cost	206,409	43,076
Leasehold land, at valuation	42,356	42,356
Development expenditure	383,647	374,641
	850,122	652,030
Less: Accumulated impairment losses	(31,126)	(31,126)
	818,996	620,904
At start of financial year	620,904	734,135
Development expenditure incurred	3,896	14,820
Transfer to property development costs (Note 17(b))	(5,974)	(128,051)
Transfer from customer on contracts	163,333	–
Upon acquisition of a subsidiary		
- freehold land, at cost	29,382	–
- development costs	7,455	–
At end of financial year	818,996	620,904
	Company	
	2013	2012
	RM'000	RM'000
Leasehold land, at cost	–	–
	–	–
At start of financial year	–	34,347
Disposal of leasehold land	–	(34,347)
At end of financial year	–	–

## NOTES TO THE FINANCIAL STATEMENTS

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### 17 PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

#### 17(a) Land held for property development (cont'd)

Land held for property development comprises land costs, deemed land cost in respect of the KL Sentral development project and infrastructure costs incurred to date in respect of future development projects.

Included in the carrying value of land held for property development is an amount of RM498,445,336 (2012: RM496,894,819) relating to the KL Sentral development project undertaken by Kuala Lumpur Sentral Sdn. Bhd., a subsidiary of the Company. This development comprises commercial and residential properties, retail malls and a transportation hub. The expected completion date of the entire development is 2020. The subsidiary's directors have reviewed and approved a five (5) year period cash flow projection in deriving the value in use calculation. The cash flow projections were based on financial budgets approved by the subsidiary's directors. Key assumptions used in the cash flows/value in use calculations are as follows:

- (i) Discount rate at 7.85%.
- (ii) The projects will be launched on the assumed due dates and the project cash flows will occur as projected.
- (iii) Proceeds from sales will be received as projected.
- (iv) The subsidiary will be engaged in property development.

Based on the value in use calculation, no impairment loss is required.

The Group reviews annually whether the land held for property development has suffered any impairment in accordance with the accounting policy stated in Note 2.21 to the financial statements.

## 17 PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

### 17(b) Property development costs

	Group	
	2013	2012
	RM'000	RM'000
At start of financial year		
- land, at cost	383,307	262,025
- development costs	885,638	558,430
- accumulated costs charged to statement of comprehensive income	(778,929)	(411,958)
- impairment charged to profit or loss	(8,255)	-
	481,761	408,497
Costs incurred during the financial year		
- transfer from land held for property development (Note 17(a))		
- land, at cost	5,346	126,154
- development costs	628	1,897
	5,974	128,051
- development costs	334,648	345,081
	340,622	473,132
Foreign currency translation		
- land, at cost	(1,477)	(273)
- development costs	(798)	(68)
- impairment	710	-
	(1,565)	(341)
Upon acquisition of subsidiaries (Note 5)		
- land, at cost	152,904	-
- development costs	35,593	-
	188,497	-
Costs charged to profit or loss	(292,546)	(391,272)
Impairment charged to statement of comprehensive income*	(326)	(8,255)
Reversal upon completion of projects		
- land, at cost	(102,341)	(4,599)
- development costs	(504,471)	(19,702)
- accumulated costs charged to statement of comprehensive income	606,812	24,301
At end of financial year	716,443	481,761



## NOTES TO THE FINANCIAL STATEMENTS

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### 17 PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

#### 17(b) Property development costs (cont'd)

Analysed as follows

- land, at cost
- development costs
- accumulated costs charged to statement of comprehensive income
- impairment charged to comprehensive income

Group	
2013	2012
RM'000	RM'000
437,739	383,307
751,238	885,638
(464,663)	(778,929)
(7,871)	(8,255)
716,443	481,761

\* Development costs incurred to date in respect of a project for which no significant work has been undertaken was fully impaired by a subsidiary.

Included in development expenditure are the following charges made during the financial year:

Group	
2013	2012
RM'000	RM'000
21,895	33,638

Interest capitalised

The interest capitalised by certain subsidiaries was in relation to loan specifically obtained for property development activities.

The freehold lands of certain subsidiaries are pledged as security for term loan facilities (Notes 37 and 41).

## 18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Non-current assets held for sale</b>				
Service Concession Asset	1,321,672	1,321,672	-	-
Investment property	396,891	-	-	-
Deferred tax asset in relation to investment property	4,926	-	-	-
Long term loan and receivables	128,848	-	128,848	-
	1,852,337	1,321,672	128,848	-
<b>Liabilities associated with asset held for sale</b>				
Other payables	(6,744)	-	-	-
Net assets held for sale	1,845,593	1,321,672	128,848	-

The movement during the financial year relating to net assets held for sale are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 January	1,321,672	-	-	-
Transfer from Service Concession asset (Note A)	-	1,321,672	-	-
Transfer from investment property (Note B)	396,891	-	-	-
Transfer from deferred tax asset (Note B)	4,926	-	-	-
Transfer from long term loan and receivables (Note C)	128,848	-	128,848	-
Transfer from other payables (Note B)	(6,744)	-	-	-
At 31 December	1,845,593	1,321,672	128,848	-

### Note A

The Service Concession Asset (SCA) was in relation to the Concession Agreement between MRCB Lingkaran Selatan Sdn. Bhd., a wholly owned subsidiary of the Group, and the Government of Malaysia (GoM) in connection with the construction, operation, maintenance and toll collection of the Eastern Dispersal Link Expressway (EDL) for a concession period of 34 years, ending in 2042. The construction of EDL was completed on 31 March 2012 and was opened to traffic on 1 April 2012.

Borrowing costs of RM277,552,058 has been capitalised in the construction cost in relation to the SCA as at 31 December 2013 (2012: RM277,552,058).

## NOTES TO THE FINANCIAL STATEMENTS

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### 18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONT'D)

#### Note A (cont'd)

The project has been charged as security for the Sukuk Istisna' as disclosed in Note 35.

The SCA has been presented as asset held for sale following the GoM's decision to take over EDL on 10 September 2012. The completion date of the transaction is expected to be within the next twelve (12) months.

Pending conclusion of the settlement terms of the take-over, the GoM has approved interim payments commencing 1 May 2012 to reimburse the operating and maintenance expenses inclusive finance cost in relation to the expressway incurred by MRCB Lingkaran Selatan Sdn. Bhd.. The reimbursement has been reflected in Note 8 to the financial statements.

#### Note B

The investment property represents Platinum Sentral owned by a wholly owned subsidiary of the Company, MRCB Sentral Properties Sdn. Bhd. ("MSPSB"). The investment property and its related tenants' deposits have been presented as assets held for sale and liabilities associated with assets held for sale following the Group's decision to dispose the investment property. On 29 January 2014, MSPSB entered into a Heads of Agreement with Maybank Trustees Berhad, acting as trustee for Quill Capita Trust ("Quill REIT") to dispose Platinum Sentral for a cash consideration of RM750 million. The completion date of the transaction is expected to be within the next twelve (12) months (Note 49 (b)).

#### Note C

The long term loan and receivables relates to the Company's investment in the Series A Redeemable Preference Shares of RM1.00 each of RM74,847,991 and Redeemable Secured Junior Bonds of RM54,000,000 issued by Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd. ("Kesturi"), a wholly owned subsidiary of our associate, Nuzen Corporation Sdn. Bhd. (collectively known as "Investment in DUKE"). The investment in DUKE has been presented as asset held for sale following the Company's decision to dispose of the investment. On 29 January 2014, the Company entered into a Sale Agreement with Ekovest Berhad ("Ekovest") and its subsidiaries to dispose of its Investment in DUKE for a total cash consideration of RM228 million. Ekovest is the holding company of Nuzen Corporation Sdn. Bhd. The completion date of the transactions is expected to be within the next twelve (12) months (Note 49(a)).

## 19 SUBSIDIARIES

	Company	
	2013	2012
	RM'000	RM'000
Unquoted shares at cost in Malaysia*	1,360,566	765,010
Less: Accumulated impairment losses		
- At start of financial year	(191,903)	(196,595)
- (Charge)/write back for the financial year	(51,391)	474
- Write off upon member's voluntary liquidation	-	4,218
	(243,294)	(191,903)
	1,117,272	573,107
Loan stocks	17,333	17,333
Less: Accumulated impairment losses		
- At 31 December	(17,333)	(17,333)
	-	-
	1,117,272	573,107

\* Includes the guaranteed return to a non controlling interest in a subsidiary of RM115 million which is recoverable from the non controlling interest's portion of future profits distribution by the subsidiary (Note 42).

The loan stocks issued by a subsidiary pursuant to a Joint Venture Agreement dated 18 April 1996 was due for redemption on 1 January 2002 at 100% of its nominal value for all loan stocks not previously redeemed or purchased together with all accrued interest thereon. The joint venture parties have consented to extend the redemption to 31 December 2016, or within 6 months from the completion of joint venture project, whichever shall be earlier under the Supplemental Joint Venture Agreement dated 19 February 2003.

## NOTES TO THE FINANCIAL STATEMENTS

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## 19 SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<b>Group - 2013</b>						
NCI percentage of ownership interest and voting interest	40.0%	34.3%	49.0%	30.0%		
Accumulated NCI as at 31 December	7,378	28,566	11,487	82	13,805	61,318
(Loss)/profit allocated to NCI during the financial year	(31,891)	13,618	10,288	276	(1,110)	(8,819)
Other comprehensive income	-	-	-	-	(286)	(286)
	(31,891)	13,618	10,288	276	(1,396)	(9,105)
<b>Summarised financial information before intra-group elimination</b>						
As at 31 December						
Non current assets	484,903	-	2,956	165,000	69,503	722,362
Current assets	17,177	416,430	312,731	15,797	94,906	857,041
Non current liabilities	(10,609)	-	-	(134,152)	(733)	(145,494)
Current liabilities	(473,028)	(333,147)	(294,805)	(46,383)	(146,045)	(1,293,408)
Net assets	18,443	83,283	20,882	262	17,631	140,501



## 19 SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<b>Group - 2013</b>						
Year ended 31 December						
Revenue	(43,117)	237,263	136,780	31,663	33,613	396,202
(Loss)/profit for the financial year	(79,728)	39,702	20,995	919	(1,093)	(19,205)
Total comprehensive (loss)/income	(79,728)	39,702	20,995	919	(2,045)	(20,157)
Net cash generated from/(used in) operating activities	156,405	(98,954)	(11,677)	(34,130)	3,175	14,819
Net cash used in investing activities	-	-	(939)	-	(13)	(952)
Net cash (used in)/generated from financing activities	(156,654)	101,081	2,154	34,126	(169)	(19,462)
Net cash generated from acquisition of a subsidiary	-	-	-	-	4,524	4,524
Net (decrease)/increase in cash and cash equivalents	(249)	2,127	(10,462)	(4)	7,517	(1,071)
Cash and cash equivalents						
- at beginning of the year	336	11,586	35,693	6	23,588	71,209
- at end of the year	87	13,713	25,231	2	31,105	70,138

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## 19 SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<b>Group - 2012</b>						
NCI percentage of ownership interest and voting interest	40.0%	34.3%	49.0%	30.0%		
Accumulated NCI as at 31 December	39,269	14,948	1,199	(194)	13,912	69,134
Profit/(loss) allocated to NCI during the financial year	21,037	5,484	3,073	(266)	1,717	31,045
Other comprehensive income	–	–	–	–	(71)	(71)
	21,037	5,484	3,073	(266)	1,646	30,974
<b>Summarised financial information before intra-group elimination</b>						
As at 31 December						
Non current assets	2,785	–	3,263	–	33,287	39,335
Current assets	746,876	281,412	268,575	146,800	103,807	1,547,470
Non current liabilities	–	–	(98,725)	(107,620)	(702)	(207,047)
Current liabilities	(651,490)	(237,831)	(173,226)	(39,837)	(121,041)	(1,223,425)
Net assets	98,171	43,581	(113)	(657)	15,351	156,333

## 19 SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<b>Group - 2012</b>						
Year ended 31 December						
Revenue	339,348	107,142	74,536	68,604	99,333	688,963
Profit/(loss) for the financial year	52,593	15,990	6,272	(888)	838	74,805
Total comprehensive income/(loss)	52,593	15,990	6,272	(888)	601	74,568
Net cash (used in)/generated from operating activities	(284,785)	52,434	(8,438)	(53,182)	(8,976)	(302,947)
Net cash (used in)/ generated from investing activities	–	–	(2,709)	(15,000)	136	(17,573)
Net cash generated from/(used in) financing activities	284,463	(52,161)	46,417	67,898	1,676	348,293
Net (decrease)/increase in cash and cash equivalents	(322)	273	35,270	(284)	(7,164)	27,773
Cash and cash equivalents						
- at beginning of the year	658	11,313	423	290	30,752	43,436
- at end of the year	336	11,586	35,693	6	23,588	71,209

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## 20 ASSOCIATES

**In Malaysia**

Unquoted investments at cost  
 Share of post-acquisition accumulated profit/(loss)  
 Unrealised gains

	Group 2013 RM'000	2012 RM'000
	<b>98,345</b>	91,990
	<b>6,801</b>	(14,210)
	<b>(14,189)</b>	(16,398)
	<b>90,957</b>	61,382
Analysis of associates are as follows:		
Group's share of tangible assets	<b>90,956</b>	61,381
Goodwill of acquisition	<b>1</b>	1
	<b>90,957</b>	61,382

**In Malaysia**

Unquoted investments at cost  
 Less: Accumulated impairment losses\*

	Company 2013 RM'000	2012 RM'000
	<b>98,345</b>	91,990
	<b>-</b>	(15,000)
	<b>98,345</b>	76,990

\* An impairment loss had been recognised as an associate has incurred losses. The investment in the associate had been fully impaired.

## 20 ASSOCIATES (CONT'D)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates.

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM,000
<b>Group - 2013</b>					
<b>Summarised financial information</b>					
Percentage of ownership interest and voting interest	30%	49%	49%		
<b>As at 31 December</b>					
Non current assets	111,538	8,165	19,248	240	139,191
Current assets	188,776	288,554	28,058	4,727	510,115
Non current liabilities	(5)	(3,877)	–	–	(3,882)
Current liabilities	(42,915)	(279,640)	(6,069)	(1,603)	(330,227)
Net assets	257,394	13,202	41,237	3,364	315,197
<b>Year ended 31 December</b>					
Profit/(loss) from continuing operations	7,189	11,251	360	(5,077)	13,723
Other comprehensive income	–	–	–	–	–
Total comprehensive income/(loss)	7,189	11,251	360	(5,077)	13,723
Included in total compressive income is:					
Revenue	89,441	262,276	995	6,649	359,361
<b>Reconciliation of net assets to carrying amount</b>					
<b>As at 31 December</b>					
Group's share of net assets	77,218	6,469	20,206	1,252	105,145
Goodwill	–	1	–	–	1
Elimination of unrealised profit	(14,189)	–	–	–	(14,189)
Carrying amount in the statement of financial position	63,029	6,470	20,206	1,252	90,957



## NOTES TO THE FINANCIAL STATEMENTS

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## 20 ASSOCIATES (CONT'D)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (cont'd)

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM,000
<b>Group - 2013 (cont'd)</b>					
<b>Group's share of results</b>					
<b>Year ended 31 December</b>					
Group's share of profit or loss from continuing operations					
- current year	2,157	5,513	176	(810)	7,036
- under recognition in prior year	-	324	(127)	(1,223)	(1,026)
Group's share of total comprehensive income/(loss)	2,157	5,837	49	(2,033)	6,010
<b>Group - 2012</b>					
<b>Summarised financial information</b>					
<b>As at 31 December</b>					
Non current assets	84,811	4,133	12,598	69	101,611
Current assets	181,727	213,333	6,442	5,376	406,878
Non current liabilities	-	(2,114)	-	-	(2,114)
Current liabilities	(16,333)	(214,061)	(17,904)	(347)	(248,645)
Net assets	250,205	1,291	1,136	5,098	257,730
<b>Year ended 31 December</b>					
Profit from continuing operations	6,264	1,292	252	12	7,820
Other comprehensive income	-	-	-	-	-
Total comprehensive income	6,264	1,292	252	12	7,820
Included in total comprehensive income is:					
Revenue	60,220	20,811	732	-	81,763

## 20 ASSOCIATES (CONT'D)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (cont'd)

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM,000
<b>Group - 2012 (cont'd)</b>					
<b>Reconciliation of net assets to carrying amount</b>					
<b>As at 31 December</b>					
Group's share of net assets	75,062	632	556	1,529	77,779
Goodwill	–	1	–	–	1
Elimination of unrealised profit	(16,398)	–	–	–	(16,398)
Carrying amount in the statement of financial position	58,664	633	556	1,529	61,382
<b>Group's share of results</b>					
<b>Year ended 31 December</b>					
Group's share of profit or loss from continuing operations					
- current year	1,879	633	123	4	2,639
- under recognition in prior year	–	–	(11)	(1)	(12)
Group's share of total comprehensive income	1,879	633	112	3	2,627

## NOTES TO THE FINANCIAL STATEMENTS

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### 20 ASSOCIATES (CONT'D)

One IFC Sdn. Bhd. is involved in the development of St. Regis Hotel and Residences in Kuala Lumpur Sentral. One IFC Sdn. Bhd. is a strategic partnership for the Group, enhancing the Group's involvement in the property development and property investment business.

Penang Sentral Sdn. Bhd. is involved in the development of an integrated transportation hub in Malaysia's northern region which is part of the Northern Corridor Economic Region ("NCER") launched by the Government, enhancing the Group's involvement in the development of transportation hub, similar to Kuala Lumpur Sentral development.

UEMB-MRCB JV Sdn. Bhd. is a strategic partnership for the Group to undertake the RM1.4 billion PLUS contract awarded to construct a fourth lane from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and from Nilai Utara to Seremban, enhancing the Group's involvement in the construction of highway.

The results of associates are accounted for by using equity method.

No dividend were received from associates during the financial year (2012: Nil).

The Group does not have any capital commitments or contingent liabilities in relation to its interest in the associates as at 31 December 2013 (2012: Nil).

### 21 JOINT VENTURE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>In Malaysia</b>				
Unquoted investments at cost	102,000	102,000	102,000	102,000
Share of post-acquisition reserves	(7,012)	(6,033)	-	-
Share of unrealised profit	-	(2,600)	-	-
	<b>94,988</b>	93,367	<b>102,000</b>	102,000

## 21 JOINT VENTURE (CONT'D)

The following table summarises the information of the Group's joint venture and reconcile the information to the carrying amount of the Group's interest in the joint venture.

	<b>Nu Sentral Sdn. Bhd.</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Summarised financial information</b>		
Percentage of ownership interest and voting interest	51%	51%
<b>As at 31 December</b>		
Non current assets	729,100	457,989
Current assets	56,506	114,873
Non current liabilities	(526,063)	(373,624)
Current liabilities	(73,291)	(11,066)
<b>Year ended 31 December</b>		
Losses from continuing operations	(1,831)	(1,487)
Other comprehensive income	-	-
Total comprehensive income	(1,831)	(1,487)
Included in total comprehensive income are		
Revenue	-	-
Depreciation	(6)	(3)
Interest income	1,991	1,850
Interest expenses	(730)	(527)
Income tax expenses	(18)	10
<b>Reconciliation of net assets to carrying amount</b>		
As at 31 December		
Group's share of net assets	94,988	95,967
Elimination of unrealised gains	-	(2,600)
Carrying amount in statement of financial position	94,988	93,367

## NOTES TO THE FINANCIAL STATEMENTS

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### 21 JOINT VENTURE (CONT'D)

The following table summarises the information of the Group's joint venture and reconcile the information to the carrying amount of the Group's interest in the joint venture. (cont'd)

	Nu Sentral Sdn. Bhd.	
	2013	2012
	RM'000	RM'000
<b>Group's share of results</b>		
<b>Year ended 31 December</b>		
Group's share of loss from continuing operations		
- current year	(934)	(758)
- under recognition in prior year	(45)	-
Group's share of other comprehensive income	-	-
Group's share of total comprehensive loss	(979)	(758)

Nu Sentral Sdn. Bhd. owns Nu Sentral retail mall, the first integrated green lifestyle retail mall in Malaysia, enhancing the Group's involvement in the property investment business.

The results of joint venture are accounted for by using equity method.

No dividend were received from joint venture during the financial year (2012: Nil).

The Group does not have any capital commitments or contingent liabilities in relation to its interest in the joint venture as at 31 December 2013 (2012: Nil).



## 22 LONG TERM LOAN AND RECEIVABLES

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>In Malaysia</b>		
Trade receivables	531,909	–
Series A Redeemable Preference Shares	58,500	58,500
Secured Junior Bonds	54,000	15,000
	112,500	73,500
Add: Cumulative unwinding discounts for financial assets	23,468	15,583
Less: Accumulated impairment losses	(7,120)	(7,120)
	128,848	81,963
Transferred to assets held for sale (Note 18)	(128,848)	–
	–	81,963
	<b>Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>In Malaysia</b>		
Series A Redeemable Preference Shares	58,500	58,500
Secured Junior Bonds	54,000	15,000
Non Convertible Redeemable Preference Shares	15,000	15,000
	127,500	88,500
Add: Cumulative unwinding discounts for financial assets	16,348	8,463
	143,848	96,963
Transferred to assets held for sale (Note 18)	(128,848)	–
	15,000	96,963

The carrying amounts of the Group's long term loan and receivables approximate their fair values, which are based on cash flows discounted using the current market interest rates. The fair values are within Level 2 of the fair value hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 22 LONG TERM LOAN AND RECEIVABLES (CONT'D)

The Group does not has any significant exposure to any individual customer or counterparty nor does the Group has any major concentration of credit risk, other than the concentration of credit risk from property development customers in respect of amounts due from Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd. of RM531,909,092 which represents more than 50% of the trade receivable balances as at 31 December 2013. The Group has carried out an assessment on the recoverability of these balances and the Directors have concluded that no impairment is required.

The Series A Redeemable Preference Shares and Secured Junior Bonds are held in an associate, Kesturi, and have been transferred to assets held for sale as at 31 December 2013 (Note 18).

The Non Convertible Redeemable Preference Shares of RM15,000,000 are held in Country Annexe Sdn. Bhd., a 70% equity owned subsidiary.

### 23 AVAILABLE FOR SALE FINANCIAL ASSETS

	Group and Company	
	2013	2012
	RM'000	RM'000
At 1 January/ 31 December	577	577
Available for sale financial assets include the following:		
Shares in a corporation, quoted outside Malaysia	910	910
Less: Accumulated impairment losses	(642)	(642)
	268	268
Unquoted investments	7,717	7,717
Less: Accumulated impairment losses	(7,408)	(7,408)
	309	309
Total	577	577

## 23 AVAILABLE FOR SALE FINANCIAL ASSETS (CONT'D)

Available for sale financial assets are denominated in the following currencies:

	<b>Group and Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	309	309
UK Pound	268	268
Total	577	577

The fair values of the quoted investments are determined based on the quoted market bid prices available on the relevant stock exchange. The fair values of unquoted investments are measured at cost less impairment losses at each reporting date because fair values cannot be obtained directly from quoted market prices.

## 24 INTANGIBLE ASSETS

The carrying amount of goodwill, development rights and order book on consolidation are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Goodwill</b>		
At 1 January	69,210	69,210
Arising on consolidation (Note 5)	81,969	-
At 31 December	151,179	69,210
<b>Accumulated impairment loss</b>		
At 1 January	(12,339)	(10,341)
Addition (Note 8)	(1,321)	(1,998)
At 31 December	(13,660)	(12,339)
	137,519	56,871

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 24 INTANGIBLE ASSETS (CONT'D)

The carrying amount of goodwill, development rights and order book on consolidation are as follows: (cont'd)

	Group	
	2013 RM'000	2012 RM'000
<b>Development rights</b>		
At 1 January/31 December	18,017	18,017
<b>Order book</b>		
At 1 January	-	-
Arising on consolidation (Note 5)	140,589	-
Amortisation charge	(3,685)	-
Capitalised in investment properties	(1,340)	-
At 31 December	135,564	-
Total	291,100	74,888

#### Goodwill

The goodwill arising from the acquisition of 348 Sentral Sdn. Bhd., an investment holding company in 2010, of RM53,118,877 was tested for impairment using fair value less cost to sell method (2012: the value in use (VIU) method).

Based on the impairment assessment performed by the Group, no impairment is required for the goodwill attributable to 348 Sentral Sdn. Bhd..

#### 2013

Key assumptions used in the fair value less cost to sell calculation is as follows:

Average selling price per square feet	RM1,200
Incidental cost to sell	2% of selling price

There will be no impact to the Group's results if the average selling price per square feet is reduced by 2% with all other variables being held constant.

## 24 INTANGIBLE ASSETS (CONT'D)

### Goodwill (cont'd)

#### 2012

Key assumptions used in the VIU calculations for goodwill are as follows:

Discount rate	10.32%
Terminal growth rate	2%

There will be no impact to the Group's results if the terminal growth rate is reduced to 1% or the discount rate is 1% higher with all other variables including tax rate being held constant.

Goodwill arising from the acquisition of Gapurna Companies (Note 5) during the financial year of RM81,969,755 is arrived based on a provisional purchase price allocation.

### Development rights

Development rights of RM18,016,809 allocated to 59 INC Sdn. Bhd., a property development company was tested for impairment using the VIU method.

The recoverable amount of CGU in development rights was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period.

Key assumptions used in the VIU calculations for development rights are as follows:

	2013	2012
Discount rate	12.9%	13.2%

Based on the impairment test, no impairment is required for the development rights attributable to 59 INC Sdn. Bhd..

There will be no impact to the Group's results if the discount rate is 1% higher with all other variables including tax rate being held constant.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 25 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	33,513	39,108	-	-
Deferred tax liabilities	(95,068)	(51,221)	-	-
	(61,555)	(12,113)	-	-
The movements during the financial year relating to deferred tax are as follows:				
At start of financial year	(12,113)	(17,417)	-	-
(Credited)/charged to statement of comprehensive income (Note 13)				
Property, plant and equipment	(1,929)	(1,052)	(557)	-
Investment property	(2,659)	-	(2,659)	-
Property development cost	(2,311)	(1,564)	-	-
Provisions	13,937	13,337	3,216	-
Order book	884	-	-	-
Tax losses	3,564	2,915	-	-
Others	797	(797)	-	-
	12,283	12,839	-	-
Acquisition of subsidiaries (Note 5)	(55,164)	-	-	-
Transferred to assets held for sale (Note 18)	(4,926)	-	-	-
<b>Discontinuing operations</b>				
Investment property (Note 52)	(1,635)	(7,535)	-	-
At end of financial year	(61,555)	(12,113)	-	-

## 25 DEFERRED TAX (CONT'D)

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Subject to income tax</b>				
<b>Deferred tax assets (before offsetting)</b>				
Property, plant and equipment	108	90	-	-
Property development cost	19,545	26,782	-	-
Provisions	28,479	14,542	3,216	-
Tax losses	13,425	9,861	-	-
	61,557	51,275	3,216	-
Offsetting	(28,044)	(12,167)	(3,216)	-
	33,513	39,108	-	-
<b>Deferred tax liabilities (before offsetting)</b>				
Property, plant and equipment	(5,195)	(3,248)	(557)	-
Investment property	(11,829)	(7,535)	(2,659)	-
Property development cost	(73,231)	(51,808)	-	-
Order book	(32,857)	-	-	-
Others	-	(797)	-	-
	(123,112)	(63,388)	(3,216)	-
Offsetting	28,044	12,167	3,216	-
	(95,068)	(51,221)	-	-

The amounts of deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax assets are recognised in the statement of financial position are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deductible temporary differences	284,266	211,153	16,353	5,762
Tax losses	195,144	120,458	-	-

## NOTES TO THE FINANCIAL STATEMENTS

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## 26 INVENTORIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Completed properties for sale, at cost	7,740	9,090	7,220	7,220
Raw materials	161	161	-	-
Land held for sale	498	498	-	-
	<b>8,399</b>	<b>9,749</b>	<b>7,220</b>	<b>7,220</b>

The carrying value of inventories included RM626,397 (2012: RM2,253,185) stated at net realisable values.

Inventories where the net realisable values are expected to be below the carrying value have been written down. The amount written down during the financial year was Nil (2012: Nil).

There were no inventories of the Group and of the Company pledged as security for bank borrowings (2012: Nil).

## 27 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables	226,263	754,132	2,340	11,864
Less: Provision for impairment of trade receivables	(18,656)	(18,306)	(2,340)	(2,364)
	<b>207,607</b>	<b>735,826</b>	<b>-</b>	<b>9,500</b>
Amounts due from customers on contracts (Note 28)	191,296	346,785	34,159	6,594
Accrued billings in respect of property development	165,324	267,458	-	-
Amounts due from related parties	4,152	3,025	242	235
Deposits	9,711	7,950	2,680	1,808
Prepayments	2,302	38	-	-
Other receivables	116,180	115,489	73,485	67,687
Less: Provision for impairment of other receivables	(47,412)	(47,910)	(27,915)	(27,901)
	<b>80,781</b>	<b>75,567</b>	<b>48,250</b>	<b>41,594</b>
	<b>649,160</b>	<b>1,428,661</b>	<b>82,651</b>	<b>57,923</b>

**27 TRADE AND OTHER RECEIVABLES (CONT'D)**

	<b>Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Amounts due from subsidiaries*	<b>1,029,758</b>	1,001,258
Less: Provision for impairment of amounts due from subsidiaries	<b>(197,990)</b>	(231,672)
	<b>831,768</b>	769,586

\* Amounts due from subsidiaries include Redeemable Cumulative Preference Shares of RM30,000,000 held by the Company in Arch Angel Capital Sdn. Bhd., a newly acquired 70% equity owned subsidiary.

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amounts due from joint venture	<b>537</b>	749	<b>14,799</b>	26,606

There were no loans and guarantee given to related parties, directors and key management (and their families) of the Group and of the Company.

The above trade and other receivables balances are denominated in Ringgit Malaysia.

**Trade and other receivables that are neither past due nor impaired**

Credit terms of trade receivables range from 30 to 60 days (2012: range from 30 to 60 days).

Other than receivables that are impaired, trade and other receivables comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development activities arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 27 TRADE AND OTHER RECEIVABLES (CONT'D)

#### Trade and other receivables that are past due but not impaired

As at 31 December 2013, the Group's and the Company's trade receivables of RM87,892,022 (2012: RM54,839,250) and RM Nil (2012: RM2,555,778) were past due their contractual payment date but not impaired as it relates to a number of external parties where there is no expectation of default. The age analysis of these trade receivables is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Trade receivables</b>				
Less than three months	49,940	19,978	-	2,406
Between three to six months	8,625	25,012	-	-
Between six months and one year	5,933	4,620	-	-
More than one year	23,394	5,229	-	150
	<b>87,892</b>	<b>54,839</b>	<b>-</b>	<b>2,556</b>

As at 31 December 2013, the Group's and the Company's other receivables of RM4,339,271 (2012: RM9,028,016) and RM1,068,767 (2012: RM259,361) were past due their contractual payment date but not impaired as it relates to a number of external parties where there is no expectation of default. The age analysis of these other receivables is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Other receivables</b>				
Less than three months	1,708	1,430	-	3
Between three to six months	5	559	-	-
Between six months and one year	129	1,459	117	1
More than one year	2,498	5,580	952	255
	<b>4,340</b>	<b>9,028</b>	<b>1,069</b>	<b>259</b>



## 27 TRADE AND OTHER RECEIVABLES (CONT'D)

### Trade and other receivables that are impaired

As at 31 December 2013, the Group's and the Company's trade and other receivables were individually impaired either because of significant delay in collection period or the debtors are in financial difficulty. The aging of these receivables are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Trade receivables</b>				
Within 6 months	-	-	-	-
More than 6 months	18,656	18,306	2,340	2,364
	<b>18,656</b>	<b>18,306</b>	<b>2,340</b>	<b>2,364</b>
<b>Other receivables</b>				
Within 6 months	-	-	-	-
More than 6 months	47,412	47,910	27,915	27,901
	<b>47,412</b>	<b>47,910</b>	<b>27,915</b>	<b>27,901</b>

Movements of the provision for impairment of trade and other receivables during the year are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Trade receivables</b>				
At start of financial year	18,306	18,178	2,364	2,364
Provision for impairment of receivables	1,177	1,858	-	-
Reversal of impairment	(162)	(247)	(24)	-
Written off	(13)	(1,483)	-	-
Reclassified to other receivables	(652)	-	-	-
At end of financial year	<b>18,656</b>	<b>18,306</b>	<b>2,340</b>	<b>2,364</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 27 TRADE AND OTHER RECEIVABLES (CONT'D)

#### Trade and other receivables that are impaired (cont'd)

Movements of the provision for impairment of trade and other receivables during the year are as follows: (cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Other receivables</b>				
At start of financial year	<b>47,910</b>	48,845	<b>27,901</b>	27,889
Provision for impairment of receivables	<b>377</b>	180	<b>14</b>	12
Reversal of impairment	<b>(204)</b>	(116)	-	-
Written off	<b>(1,323)</b>	(999)	-	-
Reclassified from trade receivables	<b>652</b>	-	-	-
At end of financial year	<b>47,412</b>	47,910	<b>27,915</b>	27,901

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the statement of comprehensive income. Amount charged to the allowance account are generally written off, when there is no expectation of further recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at 31 December 2013 is the carrying value of each class of receivables mentioned above.

Amounts due from subsidiaries, joint venture and related parties are unsecured, interest free and repayable on demand. There is no material difference between the carrying value of the trade and other receivables and their fair values, due to the short term duration of these receivables.

## 27 TRADE AND OTHER RECEIVABLES (CONT'D)

### Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and liabilities that have been set off for presentation purposes:

			Net carrying amount in the statement of financial position RM'000
	Note	Gross amount RM'000	Balance that are set off RM'000
<b>Company</b>			
<b>2013</b>			
Amounts due from subsidiaries		1,107,584	(77,826)
Amounts due to subsidiaries	39	127,755	(3,649)
			1,029,758
			124,106
<b>2012</b>			
Amounts due from subsidiaries		1,037,783	(36,525)
Amounts due to subsidiaries	39	236,049	(12,628)
			1,001,258
			223,421

Certain trade receivables and trade payables, amounts due from subsidiaries and amounts due to subsidiaries were set off for presentation purposes because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying value of the amounts due from/(to) subsidiaries which have no fixed repayment terms approximate their fair value based on the discounted cash flow using market interest rate.

## NOTES TO THE FINANCIAL STATEMENTS

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### 28 CONSTRUCTION CONTRACTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Aggregate costs incurred to date	5,448,067	5,288,552	502,337	1,171,006
Attributable profits on contract works performed to date	262,875	309,384	6,348	22,098
Less: Provision for foreseeable losses	(24,382)	(14,778)	-	-
	5,686,560	5,583,158	508,685	1,193,104
Less: Progress billings	(5,502,236)	(5,256,880)	(474,526)	(1,197,901)
	184,324	326,278	34,159	(4,797)
Amounts due from customers on contracts (Note 27)	191,296	346,785	34,159	6,594
Amounts due to customers on contracts (Note 39)	(6,972)	(20,507)	-	(11,391)
	184,324	326,278	34,159	(4,797)
Retention sum on contracts, included under trade receivables	43,661	39,653	-	-

No borrowing costs has been capitalised in construction contracts during the financial year (2012: RM Nil).

### 29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Shares in corporations, quoted in Malaysia	4,533	3,984	4,533	3,791

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statements of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other gain/(losses) – net' in the profit or loss.

The fair value of all equity securities is based on their current bid prices in an active market.

### 30 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	195,338	233,370	84,449	84,993
Deposits with licensed financial institutions	35,846	153,183	35,846	153,183
Cash held under Housing Development Accounts	49,328	50,232	-	-
Cash and bank balances	322,923	207,416	17,258	25,494
	603,435	644,201	137,553	263,670

Included in the Group's and the Company's cash and bank balances and deposits with licensed banks and licensed financial institutions are restricted monies amounting to RM294,524,812 (2012: RM246,386,673) and RM32,222,293 (2012: RM57,215,031) respectively, representing:

- collateral pledged with licensed banks and/or licensed financial institutions by the Group and the Company for credit facilities granted and bank guarantee facilities issued to third parties;
- proceeds from the issue of Senior and Junior Sukuk and long term loan by a subsidiary net of permitted withdrawal at date of issue of Sukuk have been channelled to Designated Accounts for the Eastern Dispersal Link Expressway project as provided under the terms and conditions of the Project Account Agreement (Note 35).

Cash held under Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under the Housing Developers (Control and Licensing) Act, 1966.

Cash and cash equivalent of the Group and of the Company comprise:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits, cash and bank balances	603,435	644,201	137,553	263,670
Less:				
Cash and bank balances and fixed deposits held as security value	(294,524)	(246,386)	(32,222)	(57,215)
Bank overdraft	(391)	-	-	-
	308,520	397,815	105,331	206,455



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### 30 DEPOSITS, CASH AND BANK BALANCES (CONT'D)

The currency denomination of the deposits, cash and bank balances of the Group and of the Company are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	602,614	643,209	137,522	263,639
Australian Dollar	77	249	31	31
Thai Baht	744	743	-	-
	603,435	644,201	137,553	263,670

The weighted average period effective interest rates per annum of deposits with licensed banks and financial institutions that were effective at the end of the financial year were as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Deposits with licensed banks	2.84	2.96	2.63	2.73
Deposits with licensed financial institutions	2.96	3.21	2.96	3.21

The maturity periods of deposits with licensed banks and licensed financial institutions as at the financial year end were as follows:

	Group		Company	
	2013	2012	2013	2012
	days	days	days	days
Deposits with licensed banks	2 - 365	3 - 365	7 - 365	3 - 365
Deposits with licensed financial institutions	2 - 7	4 - 94	2 - 7	4 - 94

Bank balances are held at call except for the restricted monies.

## 31 SHARE CAPITAL

	<b>Group and Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Authorised:</b>		
Ordinary shares of RM1.00 each		
At 1 January	2,000,000	2,000,000
Increase during the year	3,000,000	–
At 31 December	5,000,000	2,000,000
<b>Issued and fully paid:</b>		
Ordinary shares of RM1.00 each		
At 1 January	1,387,811	1,386,155
Allotment of shares pursuant to the acquisition of Gapurna Companies (Note 5)	263,500	–
Exercise of option under 2007/2017 ESOS	–	1,656
At 31 December	1,651,311	1,387,811

### Employees' Share Option Scheme

The Company proposed a Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) following the expiry of the 2002/2007 ESOS on 5 September 2007. The 2007/2012 ESOS was approved by the shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, the Board of Director had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are as follows:

- (a) The Scheme is set up for the participation in the ordinary share capital of the Company only.

The total number of shares to be offered under the 2007/2017 ESOS shall not exceed 15% of the total number of issued and fully paid ordinary shares of the Company at any time during the tenure of the Scheme, which shall be in force for a period of ten (10) years commencing 31 October 2007.

- (b) Eligible employees (including Executive Directors) are those who must have been confirmed in his/her position as an employee with a minimum of six (6) months continuous service on or prior to the date of offer of the 2007/2017 ESOS.
- (c) The Scheme is administered by an ESOS Committee which consists of such persons duly appointed by the Board from time to time.
- (d) An option granted under the 2007/2017 ESOS is capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer and expiring on 30 October 2017.

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### 31 SHARE CAPITAL (CONT'D)

#### Employees' Share Option Scheme (cont'd)

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are as follows: (cont'd)

- (e) Options granted for each year may be exercised in full or in such lesser number of shares.
- (f) The option price of each share shall be either at premium or at a discount of not more than 10% from the weighted average market price of the shares of the Company as stated in the Daily Official Listing issued by the Malaysia Securities Exchange Berhad for the five (5) market days immediately preceding the date of offer and shall not be less than the par value of the share.
- (g) An eligible employee can only participate in one ESOS implemented by any company in the Group at any one time.
- (h) All the new ordinary shares issued arising from the 2007/2017 ESOS shall rank pari passu in all respects with the existing ordinary shares of the Company.

#### Options expiring on 30 October 2017

Set out below are details of options over the ordinary shares of the Company granted under the 2007/2017 ESOS:

Tranche	Date	Price*	No. of ordinary shares of RM1.00 each covered under options				At 31.12.2013
			At 1.1.2013	Granted	Exercised	Lapsed	
1	21 Dec 2007	RM2.79	1,487,490	-	-	(988,080)	499,410
2	28 Apr 2009	RM1.14	80,586	-	-	(4,528)	76,058
3	24 Aug 2010	RM2.00	4,181,500	-	-	(3,444,000)	737,500
4	27 June 2011	RM2.48	1,171,000	-	-	(1,158,000)	13,000
5	28 Feb 2013	RM1.61	-	26,531,953	-	(1,202,468)	25,329,485
			6,920,576	26,531,953	-	(6,797,076)	26,655,453

\* The options prices for tranches 1 & 2 have been adjusted for the effect of the rights issue of seventy four (74) new options for every one thousand ("1,000") existing options, granted by the Company on 11 March 2010.

At financial year end, the outstanding options included 26,655,453 units which are exercisable.

No option were exercised during the financial year and the options outstanding at financial year end have remaining contractual life of 46 months.

All options granted during the option period will expire on 30 October 2017.

### 31 SHARE CAPITAL (CONT'D)

#### Warrants

Pursuant to the acquisition of Gapurna Companies during the financial year ended 31 December 2013, 75,285,644 warrants of the Company were offered as part of the purchase consideration to acquire the Gapurna Companies as disclosed in Note 5 to the financial statements ("Consideration Warrants").

In addition, the Company issued 462,601,961 free warrants to the existing shareholders of the Company on the basis of one (1) free warrant for every three (3) existing shares of the Company.

On 20 September 2013, the Company listed and quoted 537,887,605 warrants comprising 75,285,644 consideration warrants and 462,601,961 free warrants. The warrants of the Company are constituted by a deed poll dated 22 August 2013.

The salient terms of the warrants are as follows:

- (a) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM1.00 each of the Company at any time during the five (5) years period commencing on and including 17 September 2013 ("First Issue Date"), to 16 September 2018 ("Exercise Period") at RM2.30 per new share of the Company ("Exercise Price") subject to adjustments in accordance with the provisions of the deed poll dated 22 August 2013 constituting the warrants;
- (b) Any warrants not exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose; and
- (c) The new shares of the Company allotted and issued upon exercise of the warrants shall rank pari passu in all aspects with the existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movement of the warrants are as follows:

	No. of ordinary shares of RM1.00 each covered under warrants			At 31.12.2013
	At 20.9.2013	Exercised	Lapsed	
Number of unexercised warrants	537,887,605	–	–	537,887,605

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 32 SHARE PREMIUM

	Group and Company	
	2013	2012
	RM'000	RM'000
At 1 January	134,475	132,226
Allotment of shares pursuant to the acquisition of Gapurna Companies (Note 5)	113,305	-
Exercise of options under 2007/2017 ESOS	-	251
Transferred from share options reserve	-	1,998
At 31 December	247,780	134,475

### 33 LOAN STOCKS

The loan stocks issued by a subsidiary pursuant to a Joint Venture Agreement dated 18 April 1996 were due for redemption on 1 January 2002. The joint venture parties have consented to extend the redemption to 31 December 2016 or within 6 months from the completion of joint venture project, whichever shall be earlier at 100% of its nominal value for all loan stocks not previously redeemed or purchased together with all accrued interest thereon under the Supplemental Joint Venture Agreement dated 19 February 2003.

The carrying values of the loan stocks approximate their fair values.

### 34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

#### Group

	Guaranteed rental scheme RM'000	Liquidated ascertained damages RM'000	Others RM'000	Total RM'000
At 1 January 2013	8,045	31,703	20,750	60,498
Charged to statement of comprehensive income	14,914	38,230	1,250	54,394
Utilised during the financial year	-	(266)	(7,000)	(7,266)
Unutilised amounts reversed	(8,045)	(2,609)	(5,000)	(15,654)
At 31 December 2013	14,914	67,058	10,000	91,972
Current	4,305	67,058	10,000	81,363
Non current	10,609	-	-	10,609
At 31 December 2013	14,914	67,058	10,000	91,972

**34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONT'D)****Group**

	<b>Guaranteed rental scheme RM'000</b>	<b>Liquidated ascertained damages RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
At 1 January 2012	–	19,050	12,000	31,050
Charged to statement of comprehensive income	8,045	12,854	8,750	29,649
Utilised during the financial year	–	(201)	–	(201)
At 31 December 2012	8,045	31,703	20,750	60,498

**Company**

	<b>Liquidated ascertained damages RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
At 1 January 2013	7,000	8,750	15,750
Charged to statement of comprehensive income	11,200	1,250	12,450
At 31 December 2013	18,200	10,000	28,200
At 1 January 2012	7,000	–	7,000
Charged to statement of comprehensive income	–	8,750	8,750
At 31 December 2012	7,000	8,750	15,750

**(a) Guaranteed rental scheme**

The provision for guaranteed rental scheme relates to an onerous lease entered by a subsidiary for a period of three (3) years. The provision represents an estimate of the amount likely to be incurred by the Group over the tenure of the lease.



## NOTES TO THE FINANCIAL STATEMENTS

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### 34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONT'D)

#### (b) Liquidated ascertained damages

Provision for liquidated ascertained damages (LAD) is recognised for expected LAD claims based on the contract agreement, circumstances of projects and management's past experience.

#### (c) Others

Others relate to provisions made by the Company for potential litigation claims based on the estimate made by external consultants.

### 35 SENIOR AND JUNIOR SUKUK

#### Group

#### Senior Sukuk

	2013 RM'000	2012 RM'000
Nominal value	845,000	845,000
Less: Unamortised cost of issue	(12,992)	(14,198)
	832,008	830,802
Senior Sukuk	845,000	845,000
Less: Issuance expenses	(20,805)	(20,805)
Net proceeds	824,195	824,195
Accumulated amortisation of issuance expenses	7,813	6,607
	832,008	830,802

### 35 SENIOR AND JUNIOR SUKUK (CONT'D)

#### Group

#### Junior Sukuk

	2013 RM'000	2012 RM'000
Nominal value	230,000	230,000
Less: Issuance expenses	(300)	(300)
Net proceeds	229,700	229,700
Accumulated amortisation of issuance expenses	219	115
Less: accumulated unwinding of premium	(3,465)	(2,146)
	226,454	227,669
Total Senior and Junior Sukuk	1,058,462	1,058,471

- (i) In 2008, a subsidiary issued RM845 million Senior Sukuk and RM199 million Junior Sukuk which proceeds were used to finance the EDL project. Tenure of the Senior Sukuk ranges from 10.0 to 17.5 years and Junior Sukuk ranges from 18.0 to 19.5 years from the date of issue and carry profit rates, which have been fixed in accordance with the Syariah principles, at profit ratios ranging from 6.33% to 8.35% per annum for Senior Sukuk and 10.05% to 10.40% per annum for Junior Sukuk respectively. Both Sukuk are payable semi annually from its respective issue dates and traded on the Scriptless Securities Trading System operated and managed by Bank Negara Malaysia.
- (ii) Proceeds from the issue of both Sukuk were channelled to Designated Accounts. Permitted withdrawals relating to the EDL project from these Designated Accounts are subject to terms and conditions of the Project Account Agreement (Note 30).
- (iii) In 2012, the Service Concession Asset (SCA) has been classified as asset held for sale following the GoM's decision to take over the SCA. The completion date for the transaction is expected to be within the next twelve (12) months. Correspondingly, the Senior and Junior Sukuk which are secured by the EDL project (Note 18) have been reclassified as current liabilities.
- (iv) The Junior Sukuk was fully subscribed by the Company in 2008. On 30 September 2011, the Company disposed the Junior Sukuk to The National Agricultural Cooperative Federation ("Purchaser") for a cash consideration of RM230 million. The Purchaser was the trustee for HanaDoal Landchip Malaysia JB Private Real Estate Fund Investment Trust No. 34 (REF Trust) of Korea.
- (v) Both Sukuk are denominated in Ringgit Malaysia.
- (vi) The carrying amounts of the Senior and Junior Sukuk approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS

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### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group and the Company provide for unfunded retirement benefits to eligible employees, those permanent employees who joined before 1 August 2002, that have been in the service of the Group and of the Company for a continuous period of at least ten (10) years.

The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the statement of financial position. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified actuary on the basis of a triennial valuation and after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 26 December 2013.

The defined benefit plan exposed the Group and the Company to actuarial risk such as interest rate risk and salary inflation risk.

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Defined benefit plan</b>		
At 1 January (as previously stated)	<b>12,666</b>	12,478
Prior year adjustments (Note 50)	<b>4,415</b>	4,415
At 1 January (restated)	<b>17,081</b>	16,893
Charged to statement of comprehensive income	<b>1,845</b>	2,449
Utilised during the financial year	<b>(2,805)</b>	(2,261)
Re-measurement of post employment benefit obligations recognised in other comprehensive income	<b>275</b>	–
At 31 December	<b>16,396</b>	17,081

### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D)

The defined benefit plan exposed the Group and the Company to actuarial risk such as interest rate risk and salary inflation risk. (cont'd)

	<b>Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Defined benefit plan</b>		
At 1 January (as previously stated)	<b>3,280</b>	3,908
Prior year adjustments (Note 50)	<b>2,045</b>	2,045
At 1 January (restated)	<b>5,325</b>	5,953
Charged to statement of comprehensive income	<b>621</b>	838
Utilised during the financial year	<b>(929)</b>	(1,466)
Re-measurement of post employment benefit obligations recognised in other comprehensive income	<b>85</b>	–
At 31 December	<b>5,102</b>	5,325

The amounts recognised in the Group's and the Company's statement of financial positions are analysed as follows based on valuation carried out on 26 December 2013:

	<b>Group</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
Present value of unfunded obligations – Non current		
At 31 December 2013	<b>16,396</b>	<b>5,102</b>
At 31 December 2012 (restated)	17,081	5,325
At 31 December 2011 (restated)	16,893	5,953
At 31 December 2010 (restated)	15,922	5,542
At 31 December 2009 (restated)	15,469	5,410

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D)

The expenses recognised in the Group's and the Company's statement of comprehensive income are analysed as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Current service cost	1,171	1,238
Interest cost	908	882
Past service credit	(234)	–
Actuarial loss recognised	–	329
At 31 December	1,845	2,449

	<b>Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Current service cost	394	414
Interest cost	314	308
Past service credit	(87)	–
Actuarial loss recognised	–	116
At 31 December	621	838

The above charge to the statement of comprehensive income was included in administrative expenses of the year.

The change in the retirement age from 55 years to 60 years resulted in a credit of RM234,389 recognised in the statement of comprehensive income.

At 31 December 2013, the weighted-average duration of the defined benefit obligation was 10 years (2012: 9.2 years).

### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D)

The principal actuarial assumptions used by the valuers in the valuation carried out on 26 December 2013 in respect of the Group's and the Company's defined benefit plan is as follows:

	Group and Company %
Discount rate	5.2
Expected rate of salary increases	5.0

There is no material effect to the defined benefit obligations should there be a 1% movement in the above assumed discounted rate.

### 37 LONG TERM BORROWINGS – SECURED

(a)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Term loans	2,281,753	2,253,824	399,000	399,000
Less: Unamortised cost of issue	(5,787)	(7,843)	–	–
	2,275,966	2,245,981	399,000	399,000
Less: Due within 12 months (Note 41)	(1,366,980)	(1,355,941)	–	–
	908,986	890,040	399,000	399,000
Term loans	2,281,753	2,253,824	399,000	399,000
Less: Issuance expenses	(12,237)	(12,325)	–	–
Net proceeds	2,269,516	2,241,499	399,000	399,000
Accumulated amortisation of issuance expenses	6,450	4,482	–	–
	2,275,966	2,245,981	399,000	399,000
Less: Due within 12 months (Note 41)	(1,366,980)	(1,355,941)	–	–
	908,986	890,040	399,000	399,000



## NOTES TO THE FINANCIAL STATEMENTS

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## 37 LONG TERM BORROWINGS – SECURED (CONT'D)

(b) The repayment period of the term loans (before issuance cost) are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Analysis of term loans:				
Payable within one year	1,369,037	1,358,664	–	–
Payable between one and two years	224,766	123,725	75,000	–
Payable between two and five years	687,950	647,435	324,000	275,000
Payable after five years	–	124,000	–	124,000
	<b>2,281,753</b>	<b>2,253,824</b>	<b>399,000</b>	<b>399,000</b>
Representing term loans:				
Due within 12 months	1,369,037	1,358,664	–	–
Due after 12 months	912,716	895,160	399,000	399,000
	<b>2,281,753</b>	<b>2,253,824</b>	<b>399,000</b>	<b>399,000</b>

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
(c) Weighted average year end effective interest rates per annum	<b>4.65</b>	4.78	<b>4.45</b>	4.70

(d) All borrowings are denominated in Ringgit Malaysia.

(e) The fair value of the borrowings have been estimated from the perspective of market participants that hold similar borrowings at the reporting date and are within Level 2 of the fair value hierarchy.

### 37 LONG TERM BORROWINGS – SECURED (CONT'D)

#### A. Effective interest rate and maturity profile of borrowings

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows:

The Group	Effective Interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
<b>2013</b>						
<b>Unsecured</b>						
			<b>Floating interest rate</b>			
Revolving credit 1	4.23	120,000	120,000	–	–	–
Revolving credit 2	4.50	41,503	41,503	–	–	–
Revolving credit 3	5.00	7,368	7,368	–	–	–
		168,871	168,871	–	–	–
<b>Secured</b>						
			<b>Fixed interest rate</b>			
Term loan 1	4.81	380,000	380,000	–	–	–
			<b>Floating interest rate</b>			
Term loan 2	4.92	218,504	218,504	–	–	–
Term loan 3	4.96	195,473	195,473	–	–	–
Term loan 4	4.34	380,000	380,000	–	–	–
Term loan 5	4.63	193,003	193,003	–	–	–
Term loan 6	4.45	399,000	–	75,000	324,000	–
Term loan 7	4.73	134,152	–	134,152	–	–
Term loan 8	4.83	375,834	–	15,000	360,834	–
		2,275,966	1,366,980	224,152	684,834	–
		2,444,837	1,535,851	224,152	684,834	–

## NOTES TO THE FINANCIAL STATEMENTS

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## 37 LONG TERM BORROWINGS – SECURED (CONT'D)

## A. Effective interest rate and maturity profile of borrowings (cont'd)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows: (cont'd)

The Group	Effective Interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
<b>2012</b>						
<b>Unsecured</b>						
<b>Floating interest rate</b>						
Revolving credit 1	4.40	5,000	5,000	–	–	–
		5,000	5,000	–	–	–
<b>Secured</b>						
<b>Fixed interest rate</b>						
Term loan 1	4.51	400,000	400,000	–	–	–
<b>Floating interest rate</b>						
Term loan 2	5.14	220,000	220,000	–	–	–
Term loan 3	5.00	194,157	95,432	98,725	–	–
Term loan 4	4.71	534,254	534,254	–	–	–
Term loan 5	4.61	91,255	91,255	–	–	–
Term loan 6	4.70	399,000	–	–	275,000	124,000
Term loan 7	4.73	107,620	–	–	107,620	–
Term loan 8	4.83	299,695	15,000	25,000	259,695	–
		2,245,981	1,355,941	123,725	642,315	124,000
		2,250,981	1,360,941	123,725	642,315	124,000

### 37 LONG TERM BORROWINGS – SECURED (CONT'D)

#### A. Effective interest rate and maturity profile of borrowings (cont'd)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows: (cont'd)

The Company	Effective Interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
<b>2013</b>						
<b>Unsecured</b>						
			Floating interest rate			
Revolving credit 1	4.23	120,000	120,000	–	–	–
		120,000	120,000	–	–	–
Secured						
Term loan 6	4.45	399,000	–	75,000	324,000	–
		399,000	–	75,000	324,000	–
		519,000	120,000	75,000	324,000	–
<b>2012</b>						
<b>Unsecured</b>						
Revolving credit 1	4.40	5,000	5,000	–	–	–
		5,000	5,000	–	–	–
Secured						
Term loan 6	4.70	399,000	–	–	275,000	124,000
		399,000	–	–	275,000	124,000
		404,000	5,000	–	275,000	124,000

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### 37 LONG TERM BORROWINGS – SECURED (CONT'D)

#### B. Principal features borrowings

##### Term Loan 1

Term loan 1 of RM380,000,000 (2012: RM400,000,000) is secured by way of:

- (i) Freehold land with a carrying values of RM20,299,588 (2012: RM20,299,588) (Note 16);
- (ii) Fixed and floating charge over the investment property amounting to RM396,891,365 (2012: RM405,134,970) held for sale (Note 18); and
- (iii) A corporate guarantee by the Company.

##### Term Loan 2

Term loan 2 of RM218,504,000 (2012: RM220,000,000) is secured by way of:

- (i) Fixed charge over the Group's Service Concession Asset amounting to RM1,321,672,431 (2012: RM1,321,672,431) held for sale (Note 18); and
- (ii) First charge over Debt Service Reserve Account and second charge over the Redemption Account.

##### Term Loan 3

Term loan 3 of RM195,473,699 (2012: RM194,156,647) is secured by way of a freehold land of the Group held for development with a carrying value amounts of RM140,000,000 (Note 17(b)).

##### Term Loan 4

Term loan 4 of RM380,000,000 (2012: RM534,254,130) is secured over trade receivables in respect of the sale of two (2) office towers by the Group (Note 22).

##### Term Loan 5

Term loan 5 of RM193,003,038 (2012: RM91,255,321) is secured by way of:

- (i) Freehold land of the Group held for development with a carrying value of RM133,000,000 (Note 17(b)); and
- (ii) A corporate guarantee by the Company and a non controlling interest of a subsidiary of the Company.

##### Term Loan 6

Term loan 6 of RM399,000,000 (2012: RM399,000,000) is secured by way of:

- (i) First legal charge over the Group's investment properties with a carrying value of RM158,161,903 (2012: RM161,906,112) (Note 16);
- (ii) Assignment of rental income from the investment properties above;
- (iii) Assignment of the Company's beneficial rights arising from certain investments;
- (iv) Power of Attorney to initiate disposal of the pledged properties/investments upon occurrence of Trigger Events or Event of Fault; and
- (v) Assignment over proceeds from receivables of the Group with a carrying amount of RM531,909,092 (Note 22).

### 37 LONG TERM BORROWINGS – SECURED (CONT'D)

#### B. Principal features borrowings (cont'd)

##### Term Loan 7

Term loan 7 of RM134,151,873 (2012: RM107,619,936) is secured by way of:

- (i) First fixed and floating charges over the past, present and future assets of the Company's subsidiary;
- (ii) First party first legal charge over a leasehold land upon transfer of ownership from Pesuruhjaya Tanah Persekutuan to the Company's subsidiary;
- (iii) An irrecoverable and unconditional letter of undertaking from the Company to service loan interest and to pay the loan;
- (iv) A corporate guarantee of RM135 million by the Company;
- (v) Letter of subordination from the Company and a non controlling interest of a subsidiary of the Company; and
- (vi) Irrecoverable and unconditional letter of undertaking from the Company's subsidiary to surrender its rights over the entitlement in a Privatisation Agreement.

##### Term Loan 8

Term loan 8 of RM375,833,730 (2012: RM299,694,974) is secured by way of:

- (i) Fixed charge over a freehold land with a carrying amount of RM111,276,075 (2012: RM111,276,076) (Note 16);
- (ii) Finance Service Reserve Account with carrying amount of RM10,094,536 (2012: RM10,113,323); and
- (iii) A corporate guarantee by the Company.

### 38 LONG TERM LIABILITIES

	Group	
	2013	2012
	RM'000	RM'000
Hire purchase creditors due after 12 months (Note 40)	123	153



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## 39 TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade payables	607,054	583,316	66,233	27,450
Amounts due to customers on contracts(Note 28)	6,972	20,507	-	11,391
Progress billings in respect of property development	1,564	41,361	-	-
Amounts due to related parties	64	-	-	-
Hire purchase creditors due within 12 months (Note 40)	169	325	-	-
Other payables	271,892	202,425	3,169	2,742
Accruals	133,034	45,788	9,423	8,450
	1,020,749	893,722	78,825	50,033

	Company	
	2013	2012
	RM'000	RM'000
Amounts due to subsidiaries	124,106	223,421

The amounts due to related parties are unsecured, interest free and have no fixed terms of repayment.

Credit terms of trade payables for the Group range from 14 days to 90 days (2012: 14 days to 90 days).

Credit terms of other payables for the Group range from 30 days to 90 days (2012: 30 days to 90 days).

The above trade and other payables balances are denominated in Ringgit Malaysia.

#### 40 HIRE PURCHASE CREDITORS

	Group	
	2013	2012
	RM'000	RM'000
Analysis of hire purchase creditors:		
Payable within one year	193	373
Payable between one and two years	133	150
Payable between two and five years	–	30
	326	553
Less: Finance charges	(34)	(75)
	292	478
Present value of hire purchase creditors:		
Payable within one year	169	325
Payable between one and two years	123	128
Payable between two and five years	–	25
	292	478
Representing hire purchase creditors:		
Due within 12 months (Note 39)	169	325
Due after 12 months (Note 38)	123	153
	292	478

- (a) The weighted average year end effective interest rates of hire purchase creditors range from 2.48% to 6.01% (2012: 5.58% to 5.83%) per annum.
- (b) The hire purchase creditors are denominated in Ringgit Malaysia.
- (c) Hire purchase liabilities are effectively secured as the rights to the assets under hire purchase revert to the hire purchase creditors in the event of default.
- (d) The carrying amounts of the hire purchase creditors approximate its fair values as at reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

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## 41 SHORT TERM BORROWINGS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Secured term loans due within 12 months (Note 37)	1,366,980	1,355,941	–	–
Unsecured short term borrowings (Note 37)	168,871	5,000	120,000	5,000
Total	1,535,851	1,360,941	120,000	5,000

The principal features for the short term borrowings of the Group and the Company have been disclosed in Note 37 to the financial statements.

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
<b>Weighted average year end effective interest rates</b>				
Secured term loans	4.61	4.73	–	–
Unsecured short term borrowings	4.23 - 7.06	4.40	4.23	4.40

All short term borrowings were denominated in Ringgit Malaysia.

Included in the term loans due within twelve (12) months is a secured term loan of RM380,000,000 at 31 December 2013. According to the terms of agreement, this term loan is repayable in the next two (2) years. However, the term loan contains an interest coverage ratio covenant stating that at all times, the Company's subsidiary shall maintain an interest coverage ratio (in the covenant defined as the subsidiary's earnings before interest and tax plus cash balance in the escrow account over interest expenses) of not less than 1.25 times. At 31 December 2013, the subsidiary's interest coverage ratio was lower than 1.25 times. Consequently, the entire loan has been classified as current liability and the Group is currently negotiating with the bank to waive the covenant.

## 42 GUARANTEED RETURN TO A NON CONTROLLING INTEREST

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Guaranteed return to a non controlling interest	115,000	115,000	115,000	-

On 19 February 2003, the Company entered into a Supplementary Joint Venture Agreement ("SJVA") with a non controlling interest in a subsidiary. In accordance with SJVA the Company agreed to procure a minimum return to the non controlling interest on their investment in the KL Sentral development project. The minimum return was payable by 31 December 2012 or upon the completion of KL Sentral development project, whichever was earlier.

As at financial year ended 31 December 2012, the Group had fully recognised the guaranteed return obligation of RM115,000,000.

During the financial year ended 31 December 2013, the non controlling interest had claimed for the guaranteed return from the Company. Accordingly, the Company recognized a current liability of RM115,000,000 as at 31 December 2013.

The guaranteed minimum return which is recoverable from the non controlling interest's portion of future profits distributable by the subsidiary in accordance with Clause 15.4 of the SJVA is accounted for as an additional investment in the subsidiary [Note 19].

## 43 RELATED PARTY DISCLOSURES

The related parties with whom the Group and the Company transacted with during the financial year include the following:

Related parties	Nature of relationship
Sistem Televisyen Malaysia Berhad (STMB)	A subsidiary of Media Prima Berhad (MPB) and related by virtue of Datuk Shahril Ridza Ridzuan being common Director of both MPB and the Company.
The New Straits Times Press (Malaysia) Berhad (NSTP)	Related by virtue of Datuk Shahril Ridza Ridzuan being common Director of MPB, NSTP and the Company.
Kumpulan Wang Simpanan Berhad (KWSP)	Significant shareholder of the Company and related by virtue of Tan Sri Azlan Mohd Zainol and Datuk Shahril Ridza Ridzuan being common Board members of both KWSP and the Company.  KWSP is also a Government Linked Investment Corporation of Government of Malaysia.

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### 43 RELATED PARTY DISCLOSURES (CONT'D)

The related party transactions were carried out based on terms and conditions negotiated and agreed upon between the parties. The significant related party transactions and balances other than mentioned elsewhere in the financial statements are as follows:

(a) Transactions with related parties

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Rental income from STMB	1,423	1,356	1,423	1,356
Purchase of advertisement from NSTP and STMB	19	56	14	3
Sale of development land to a subsidiary	–	–	–	34,348
Management fees from subsidiaries	–	–	24,240	26,716
Provision of building maintenance services to KWSP	11,649	12,966	–	–
Rental income from KWSP	–	203	–	–
Progress billings charged to the directors and key management of the Group and of the Company	3,738	1,804	–	–

As at 31 December 2013, the outstanding amount arising from the progress billings to the directors and key management was RM217,500 (2012: RM22,525).

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
(b) Key management compensation (including Executive Director)				
Salaries and other short term employee benefits	7,024	5,692	4,838	4,116
Post employment benefits	851	726	536	470
Share based payments	84	–	33	–

#### 43 RELATED PARTY DISCLOSURES (CONT'D)

- (c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Progress billings charged to customers on contracts:</b>				
- Dewan Bandaraya Kuala Lumpur	807	7,685	-	4,432
- Iskandar Investment Berhad	18,254	-	-	-
- Jabatan Pengairan Dan Saliran Malaysia	19,890	79,928	19,890	76,928
- Kementerian Kesihatan Malaysia	4,028	-	4,028	-
- MASS Rapid Transit Corporation Sdn. Bhd.	5,913	56,277	-	-
- Pelaburan Hartanah Berhad	232,115	-	-	-
- Sarawak Hidro Sdn. Bhd.	232	2,509	-	-
- Syarikat Prasarana Negara Berhad	123,535	61,508	-	-
- TH Universal Builders Sdn. Bhd.	25,371	-	-	-
<b>Rental income received from:</b>				
- Jabatan Penilaian dan Perkhidmatan Harta	2,359	2,293	2,359	2,293
- Jabatan Insolvency Malaysia	1,639	1,592	-	-
- Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	1,505	1,426	-	-
- Mahkamah Persekutuan Malaysia	525	2,834	-	-
- Malaysia Investment Development Authority	-	2,772	-	2,772
- Perbadanan Insurans Deposit Malaysia	-	831	-	831
- Performance Management and Delivery Unit	882	542	-	-
- Suruhanjaya Syarikat Malaysia	656	601	-	-
- Small and Medium Enterprises Corporation Malaysia	23,728	23,726	-	-
- Suruhanjaya Pengangkutan Awam Darat	6,623	2,208	-	-
<b>Project management and building maintenance service fees received from:</b>				
- Keretapi Tanah Melayu Berhad	3,893	4,705	-	-
- Lembaga Tabung Haji	4,433	4,281	-	-
- Malaysia Investment Development Authority	5,723	7,510	-	-
- Pelaburan Hartanah Berhad	4,896	28,410	-	-
- Small and Medium Enterprises Corporation Malaysia	1,400	1,964	-	-
- Suruhanjaya Syarikat Malaysia	1,421	1,392	-	-
<b>Rental charged by:</b>				
- Bank Kerjasama Rakyat Malaysia Berhad	5,250	5,250	-	-
- Lembaga Tabung Haji	12,351	10,722	11,096	10,086



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### 43 RELATED PARTY DISCLOSURES (CONT'D)

- (c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows: (cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Disposal of a subsidiary (Note 5):</b>				
- Telekom Malaysia Berhad	45,000	-	-	-

### 44 CONTINGENT LIABILITIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Performance guarantees extended to third parties	242,217	255,172	237,970	255,172
Unsecured guaranteed return given to a non controlling interest	-	-	-	115,000
Disputed claims from sub-contractor arising from business transaction	4,681	-	-	-
Litigations arising from business transactions	-	63,248	-	35,139

The unsecured guaranteed return is a contractual obligation made by the Company to a non controlling interest in a subsidiary to guarantee the minimum return to their investment in the KL Sentral development project which is payable by 31 December 2012 or upon the completion of KL Sentral development project, whichever shall be the earlier. As at financial year end, the net present value of this guaranteed sum accounted for in the Group and the Company is RM115,000,000 (Note 42).

In the previous year, the litigation arising from business transactions have not been provided for in the financial statements as the Board of Directors, based on legal advice, are of the opinion that the above claims are not likely to succeed and thus would not have a material effect on the financial position of the business of the Group and of the Company. The litigation claims have been settled during the financial year and the necessary provision required have been recognised in the financial statements (Note 34).

### 45 CAPITAL COMMITMENT

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Authorised capital expenditure not contracted for - property, plant and equipment	19,558	26,958	10,852	11,125

#### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

The Group's effective equity interest in the subsidiaries, joint venture and associates as at 31 December 2013, their respective principal activities and country of incorporation are as follows:

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
SUBSIDIARIES:				
348 Sentral Sdn. Bhd	Leasing of office and service residence space	Malaysia	100.00	100.00
Held through 100% ownership by 348 Sentral Sdn. Bhd.				
- 348 Sentral Office Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- 348 Sentral Service Residence Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
59INC Sdn. Bhd.	Property development and property investment	Malaysia	100.00	100.00
Arch Angel Capital Sdn. Bhd.	Investment, general trading and financial consulting	Malaysia	70.00	–
Country Annexe Sdn. Bhd.	Construction and property development	Malaysia	70.00	70.00
Cosy Bonanza Sdn. Bhd.	Property development	Malaysia	65.70	65.70
Excellent Bonanza Sdn. Bhd.	Property development	Malaysia	60.00	60.00
Gapurna Builders Sdn. Bhd. β	Construction and development of property	Malaysia	100.00	–
Gapurna Global Solutions Sdn. Bhd. β	Property and investment holding	Malaysia	100.00	–
Gapurna Land Sdn. Bhd. β	Construction and development of property	Malaysia	100.00	–

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## 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
Gelanggang Harapan Construction Sdn. Bhd. β	Land and property development	Malaysia	100.00	–
<b>Held through 100% ownership by Gelanggang Harapan Construction Sdn. Bhd.</b>				
- Sanjung Sepang Sdn. Bhd. β	Pre-operating	Malaysia	100.00	–
Kuala Lumpur Sentral Sdn. Bhd.	Property development	Malaysia	74.00	74.00
<b>Held through 100% ownership by Kuala Lumpur Sentral Sdn. Bhd.</b>				
- Unity Portfolio Sdn. Bhd.	Property management	Malaysia	74.00	74.00
MRCB Utama Sdn. Bhd.	Property development	Malaysia	100.00	100.00
MRCB Sentral Properties Sdn. Bhd.	Property development and property investment	Malaysia	100.00	100.00
MRCB Engineering Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
<b>Held through 100% ownership by MRCB Engineering Sdn. Bhd.</b>				
- MRCB (Thailand) Ltd. β	Pre-operating	Thailand	100.00	100.00
MRCB Environmental Services Sdn. Bhd.	Project management services, consultancy services, infrastructure and environmental engineering and investment holding	Malaysia	100.00	100.00

**46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)**

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
<b>Held through 55% ownership by MRCB Environmental Services Sdn. Bhd.</b>				
- MRCB Environment Sdn. Bhd.	Infrastructure and environmental engineering	Malaysia	<b>55.00</b>	55.00
MRCB Prasarana Sdn. Bhd.	Project management and investment holding	Malaysia	<b>100.00</b>	100.00
<b>Held through 100% ownership by MRCB Prasarana Sdn. Bhd.</b>				
- MRCB Lingkaran Selatan Sdn. Bhd.	Design, development construction, project management, operations and maintenance of EDL	Malaysia	<b>100.00</b>	100.00
<b>Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.</b>				
- MRCB Southern Link Bhd.	Design, development, construction, project management and financing of expressway and infrastructure related project	Malaysia	<b>100.00</b>	100.00
Malaysian Resources Development Sdn. Bhd.	Property development and investment holding	Malaysia	<b>100.00</b>	100.00

## NOTES TO THE FINANCIAL STATEMENTS

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## 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
<b>Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.</b>				
- Bitar Enterprises Sdn. Bhd.*	Property development and investment holding	Malaysia	<b>100.00</b>	100.00
<b>Held through 70% ownership by Bitar Enterprises Sdn. Bhd.</b>				
- MRCB Land (Australia) Pty. Ltd.	Property development	Australia	<b>70.00</b>	70.00
<b>Held through 100% ownership by MRCB Land (Australia) Pty. Ltd.</b>				
- MRCB Project Incorporated Pty. Ltd.*	Property development	Australia	<b>70.00</b>	70.00
<b>Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.</b>				
- Golden East Corporation Sdn. Bhd.*	Property development and management	Malaysia	<b>100.00</b>	100.00
- Sunrise Properties Sdn. Bhd.*	Property development	Malaysia	<b>100.00</b>	100.00
- MR Properties Sdn. Bhd.^	Property development	Malaysia	–	100.00
- Seri Iskandar Utilities Corporation Sdn. Bhd.^	Pre-operating	Malaysia	–	100.00
- Taiyee Development Sdn. Bhd.#	Property development	Malaysia	<b>100.00</b>	100.00
- MRCB Property Development Sdn. Bhd.*	Investment holding	Malaysia	<b>100.00</b>	100.00

## 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
<b>Held through 100% ownership by MRCB Property Development Sdn. Bhd.</b>				
- MRCB Cahaya Mutiara Sdn. Bhd.^	Property development and management	Malaysia	–	100.00
<b>Held through 70% ownership by Malaysian Resources Development Sdn. Bhd.</b>				
- Seri Iskandar Development Corporation Sdn. Bhd.	Property development	Malaysia	70.00	70.00
Malaysian Resources Sentral Sdn. Bhd.	Provision of facility management	Malaysia	100.00	100.00
Milmix Sdn. Bhd.	Civil and infrastructure building contractor	Malaysia	100.00	100.00
MRCB Technologies Sdn. Bhd.	Information technology services and professional outsourcing	Malaysia	100.00	100.00
Onesentral Park Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Paradigma Berkat Sdn. Bhd.	Property development	Malaysia	70.00	70.00
Prema Bonanza Sdn. Bhd.	Property development	Malaysia	51.00	51.00
Puncak Wangi Sdn. Bhd. β	Construction and development of property	Malaysia	100.00	–
Region Resources Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00



## NOTES TO THE FINANCIAL STATEMENTS

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## 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
Held through 100% ownership by Region Resources Sdn. Bhd.				
- Syarikat Gemilang Quarry Sdn. Bhd.#	Quarry operations	Malaysia	100.00	100.00
Semasa Sentral Sdn. Bhd.	Operation, management and maintenance of the Kuala Lumpur Sentral railway station	Malaysia	100.00	100.00
Semasa Services Sdn. Bhd.	Building services	Malaysia	100.00	100.00
Semasa Parking Sdn. Bhd.	Car park management	Malaysia	100.00	100.00
Semasa Sentral (Penang) Sdn. Bhd.	Operation, management and maintenance of Penang Sentral	Malaysia	100.00	100.00
Sooka Sentral Sdn. Bhd.	Operation, management and maintenance of retail centre	Malaysia	100.00	100.00
Superview Development Sdn. Bhd. α	Property development, management and shares trading	Malaysia	100.00	100.00
SynarGym Sdn. Bhd.	Managing and operating a fitness centre	Malaysia	100.00	100.00
Transmission Technology Sdn. Bhd.	Engineering and construction services to power transmission systems and buildings	Malaysia	100.00	100.00
Landas Utama Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Lotus Terrain Sdn. Bhd.	Pre-operating	Malaysia	100.00	–
Mafira Holdings Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00

**46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)**

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
<b>Held through 38.6% ownership by Mafira Holdings Sdn. Bhd.</b>				
- Zen Concrete Industries Sdn. Bhd. ~	Manufacturing and sale of pre-stressed spun concrete poles	Malaysia	<b>38.60</b>	38.60
MRCB Ceramics Sdn. Bhd.*	Manufacturing, distribution and sale of ceramic tiles	Malaysia	<b>100.00</b>	100.00
MRCB Green Energy Sdn. Bhd.	Pre-operating	Malaysia	<b>100.00</b>	100.00
MRCB Land Sdn. Bhd.*	Project management and development services	Malaysia	<b>100.00</b>	100.00
MRCB Property Management Sdn. Bhd.*	Property investment and management	Malaysia	<b>100.00</b>	100.00
MR Securities Sdn. Bhd.*	Investment holding	Malaysia	<b>100.00</b>	100.00
<b>Held through 100% ownership by MR Securities Sdn. Bhd.</b>				
- Semasa Security Sdn. Bhd.*	Security guard services	Malaysia	<b>100.00</b>	100.00
Semasa District Cooling Sdn. Bhd*	One-stop card technology service provider	Malaysia	<b>100.00</b>	100.00
MRCB DMIA JV Sdn. Bhd.	Pre-operating	Malaysia	<b>100.00</b>	100.00
Bisraya Construction-MRCB Engineering Consortium @	Engineering services and construction	Unincorporated	<b>30.00</b>	30.00
KONSORTIUM KOP-HG-MRCB-ISOPLAS	Design and build transmission line and substation	Unincorporated	<b>100.00</b>	100.00
TTSB-SPK Consortium	Design and build transmission line and substation	Unincorporated	<b>100.00</b>	100.00

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
MRCB Dotcom Sdn. Bhd.#	Planning and management services	Malaysia	100.00	100.00
MRCB Intelligent System and Control Sdn. Bhd.#	System maintenance and application services and other technological applications	Malaysia	100.00	100.00
MRCB Trading Sdn. Bhd.#	Trading in building materials	Malaysia	100.00	100.00
MR Construction Sdn. Bhd.#	Construction	Malaysia	50.80	50.80
Harmonic Fairway Sdn. Bhd.^	Investment holding	Malaysia	–	100.00
MR Enterprises Sdn. Bhd.^	Construction	Malaysia	–	100.00
MR Management Sdn. Bhd.^	Investment holding and management services	Malaysia	–	100.00
Semasa ACE Urusharta Sdn. Bhd.^	Pre-operating	Malaysia	–	100.00
MRCB Energy International Sdn. Bhd.^	Pre-operating	Malaysia	–	100.00
MR-H Piling and Civil Engineering (M) Sdn. Bhd.^	Piling and civil engineering	Malaysia	–	51.00
Cheq Point (M) Sdn. Bhd.^	Charge card services and investment holding	Malaysia	–	75.00
Sibexlink Sdn. Bhd. α	Sale of business information and website development	Malaysia	100.00	100.00

**46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONT'D)**

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2013 %	2012 %
ASSOCIATES:				
Nuzen Corporation Sdn. Bhd. β	Investment holding	Malaysia	30.00	30.00
One IFC Sdn. Bhd. β	Investment holding	Malaysia	30.00	30.00
Penang Sentral Sdn. Bhd. β	Property development	Malaysia	49.00	49.00
Suasana Sentral Two Sdn. Bhd.	Property development	Malaysia	30.00	30.00
Ekovest-MRCB Construction Sdn. Bhd. β	Pre-operating	Malaysia	40.00	–
Ekovest-MRCB JV Sdn. Bhd. β	Project coordinator and manager for ‘River of Life’ project	Malaysia	40.00	40.00
UEMB – MRCB JV Sdn. Bhd. β	Project management	Malaysia	49.00	49.00
Kota Francais (M) Sdn. Bhd.* β	Franchising property management and consultancy	Malaysia	20.00	20.00
JOINT VENTURE:				
Nu Sentral Sdn. Bhd.	Property investment and management	Malaysia	51.00	51.00

\* Dormant

Ⓜ The Group has full control on this consortium

# The subsidiaries are under members' voluntary liquidation

~ This associate is under court order creditor liquidation

α The subsidiaries are under creditors' voluntary liquidation

^ The subsidiaries were under members' voluntary liquidation and dissolved during the year

All companies are audited by PricewaterhouseCoopers, Malaysia except for those indicated in β

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 47 SEGMENT REPORTING

Management has determined the operating segments based on the various reports prepared for the board of directors that are used to make strategic decisions.

The reportable operating segments derive their revenue primarily from the engineering and construction, property development, infrastructure and environmental, building services and investment holding divisions.

Segment results are defined as operating income before interest income.

Segment assets consist primarily of current and non current assets.

Segment liabilities comprises of current and non current liabilities.

The Group is domiciled in Malaysia. The results of its revenue from external customers in Malaysia is RM940,910,665 (2012: RM1,243,511,042), and the total of revenue from external customers from other countries is Nil (2012: Nil).

Inclusive in the Group's non current assets is RM102,266 (2012: RM328,568) located in countries other than Malaysia.

The total revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue was RM130,034,988, approximately 13.8% to the Group's revenue (2012: two single external customers that amounted to RM315,061,857, approximately 24.5% to the Group's revenue). These revenue were derived from a property development project and construction of a retail mall in Kuala Lumpur Sentral.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 47 SEGMENT REPORTING (CONT'D)

	Engineering and construction RM'000	Property develop- ment RM'000	Infra- structure and environ- mental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000	Discon- tinuing operations RM'000	Total RM'000
<b>Year ended 31 December 2013</b>								
<b>Revenue</b>								
Total revenue	710,729	469,747	37,863	90,164	128,952	1,437,455	47,498	1,484,953
Inter-segment revenue	(334,738)	(9,698)	-	(23,366)	(128,743)	(496,545)	(1,676)	(498,221)
External revenue	375,991	460,049	37,863	66,798	209	940,910	45,822	986,732
<b>Results</b>								
Segment results	(79,377)	10,275	(7,254)	7,484	(22,402)	(91,274)	29,482	(61,792)
Interim payment from Government						100,287	-	100,287
Finance income						23,494	1,570	25,064
Finance costs						(147,905)	(20,696)	(168,601)
Share of results of joint venture and associates	5,837	1,224	(2,030)	-	-	5,031	-	5,031
(Loss)/profit before income tax						(110,367)	10,356	(100,011)
Income tax expense						(12,481)	(5,459)	(17,940)
(Loss)/profit after tax						(122,848)	4,897	(117,951)
Non controlling interests						8,819	-	8,819
Net (loss)/profit for the financial year						(114,029)	4,897	(109,132)



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 47 SEGMENT REPORTING (CONT'D)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environ- mental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
<b>At 31 December 2013</b>						
<b>Assets</b>						
Segment assets	746,414	3,336,105	128,383	96,322	213,225	4,520,449
Joint venture and associates	6,469	178,506	970	–	–	185,945
Assets held for sale (Note 18)	–	401,817	1,450,520	–	–	1,852,337
Tax recoverable and deferred tax assets						43,993
Total assets						6,602,724
<b>Liabilities</b>						
Segment liabilities	484,374	543,854	75,056	35,224	112,184	1,250,692
Interest bearing instruments						3,510,591
Current and deferred tax liabilities						104,707
Total liabilities						4,865,990
<b>Other disclosures</b>						
Capital expenditure	281	139,162	9	22,565	2,319	164,336
Depreciation and amortisation	6,754	18,876	461	2,124	2,037	30,252
Impairment loss	–	1,647	–	–	–	1,647

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 47 SEGMENT REPORTING (CONT'D)

	Engineering and construction RM'000	Property develop- ment RM'000	Infra- structure and environ- mental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000	Discon- tinuing operations RM'000	Total RM'000
<b>Year ended 31 December 2012</b>								
<b>Revenue</b>								
Total revenue	855,465	657,119	73,538	106,533	84,565	1,777,220	39,693	1,816,913
Inter-segment revenue	(405,868)	(6,882)	-	(36,682)	(84,277)	(533,709)	-	(533,709)
External revenue	449,597	650,237	73,538	69,851	288	1,243,511	39,693	1,283,204
<b>Results</b>								
Segment results	(25,670)	164,178	(1,891)	11,269	(18,948)	128,938	23,700	152,638
Interim payment from Government						68,277	-	68,277
Finance income						28,126	1,586	29,712
Finance costs						(102,288)	(16,206)	(118,494)
Share of results of joint venture and associates	633	1,236	-	-	-	1,869	-	1,869
Profit before income tax						124,922	9,080	134,002
Income tax expense						(35,300)	(7,535)	(42,835)
Profit after tax						89,622	1,545	91,167
Non controlling interests						(31,045)	-	(31,045)
Net profit for the financial year						58,577	1,545	60,122

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 47 SEGMENT REPORTING (CONT'D)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environ- mental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
<b>At 31 December 2012</b>						
<b>Assets</b>						
Segment assets	479,415	3,363,356	163,802	72,674	347,635	4,426,882
Joint venture and associates	–	154,116	633	–	–	154,749
Assets held for sale (Note 18)	–	–	1,321,672	–	–	1,321,672
Tax recoverable and deferred tax assets						51,514
Total assets						5,954,817
<b>Liabilities</b>						
Segment liabilities	437,363	485,767	48,986	47,491	66,369	1,085,976
Interest bearing instruments						3,324,775
Current and deferred tax liabilities						61,136
Total liabilities						4,471,887
<b>Other disclosures</b>						
Capital expenditure	933	207,453	907	1,037	1,072	211,402
Depreciation and amortisation	3,306	11,926	776	2,540	1,422	19,970
Impairment loss	–	10,253	–	–	–	10,253

#### 47 SEGMENT REPORTING (CONT'D)

Capital expenditure consists of additions to property, plant and equipment and investment properties (Notes 15 and 16).

The Group's business segments operate in Malaysia only.

#### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) The Company had on 8 February 2013 entered into the following agreements ("SSA"):

- (i) Conditional share sale agreement with Nusa Gapurna Development Sdn. Bhd. ("NGD") for the acquisitions of the entire equity interest in Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd. and Puncak Wangi Sdn. Bhd. as well as 70% equity interest in P.J Sentral Development Sdn. Bhd. ("NGD Identified Subsidiaries SSA") for RM459 million;
- (ii) Conditional share sale agreement with Mohd Imran bin Mohamad Salim, Datuk Mohamad Salim bin Fateh Din and Datin Yasmin binti Mohamed Ashraff for the acquisition of the entire equity interest in Gelanggang Harapan Construction Sdn. Bhd. ("GHC") ("GHC SSA") for RM250 million; and
- (iii) Conditional share sale agreement with Hanif Ahmad bin Nisar Ahmad and Mohd Imran bin Mohamad Salim for the acquisition of the entire equity interest in Gapurna Global Solutions Sdn. Bhd. ("GGS") ("GGS SSA") for RM20 million.

The above proposed acquisitions totaling RM729 million would be satisfied by a combination of cash of RM111 million and up to 398,709,678 new ordinary shares of RM1.00 each in the Company ("MRCB Shares") at RM1.55 per share, together with up to 113,917,052 free detachable warrants on the basis of two (2) free detachable warrants for every seven (7) MRCB Shares issued.

Simultaneous with the execution of the agreements, the Company had also entered into the following agreements:

- (i) A right of first refusal and call option agreement with NGD to purchase the Options Assets comprising the entire issued and paid up share capital of the subsidiaries of NGD, namely Nilaitera Sdn. Bhd. and Projectmaju Sdn. Bhd. and the issued and paid up capital of other subsidiaries of NGD as may be incorporated from time to time or to be incorporated by NGD for the purpose of holding any land (s) / real property(ies) or carrying out property development for a period of three (3) years following the date of completion of the SSA.
- (ii) Profit guarantee agreement with Gapurna Sdn. Bhd. ("GSB") wherein GSB unconditionally and irrevocably and jointly and severally guarantee to the Company that the actual aggregate audited net profit after tax of GHC for the financial years ended ("FYE") 2013 to FYE 2015 shall be collectively not less than RM50 million.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (a) The Company had on 8 February 2013 entered into the following agreements ("SSA"):- (cont'd)

In addition to the above, the Company undertook the followings:

- (i) Issued free warrants in the Company to all existing entitled shareholders of the Company on the basis of one (1) free warrant for every three (3) of the Company Shares held at an entitlement date to be determined later; and
- (ii) Sought waiver from the Securities Commission Malaysia to undertake a mandatory take-over offer for the remaining shares of the Company not already owned by NGD, the Employees Provident Fund Board and GSB as well as persons acting in concert with them.

The above are collectively known as Corporate Proposals.

By a letter dated 22 April 2013, NGD served a notice to PKNS Holdings Sdn. Bhd. ("PKNS"), a non controlling interest of P.J Sentral Development Sdn. Bhd., requesting PKNS to participate in the sale of the entire issued and paid up share capital of P.J Sentral Development Sdn. Bhd. to the Company.

On 3 June 2013, the Company also entered into three (3) separate supplemental agreements ("Supplementary SSAs") to amend and vary certain clauses of the NGD Identified Subsidiaries SSA, GHC SSA and GGS SSA to allow the staggered completion of the acquisition of NGD Identified Subsidiaries, GHC and GGS.

On 19 June 2013, PKNS filed a writ of summons to NGD and the Company to refrain parties from performing the NGD Identified Subsidiaries SSA ("Legal Proceedings").

On 20 June 2013, the above Corporate Proposals were approved by the shareholders of the Company during the Extraordinary General meeting.

On 22 August 2013, the Company announced that all the conditions precedent as set out in the NGD Identified Subsidiaries SSA, GHC SSA and GGS SSA have been fulfilled.

On the same day, Parties had agreed to further amend and vary the terms of the NGD Identified Subsidiaries SSA, GHC SSA and GGS SSA as follows:

- (i) To complete the acquisition of Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd. and Puncak Wangi Sdn. Bhd. ("Remaining Subsidiaries") notwithstanding the deferment of completion of the proposed acquisition of 70% P.J Sentral Development Sdn. Bhd. as allowed under the Supplemental SSAs;
- (ii) That the completion of Proposed Acquisitions of 70% P.J Sentral Development Sdn. Bhd. is conditional upon the achievement of the Legal Proceedings Resolution; and
- (iii) The completion adjustments attributable to the Targeted Lands as stipulated in the GHC SSA will be RM70 million;
- (iv) A moratorium undertaking by the vendors of GHC SSA for the consideration shares issued for the Targeted Lands and attributable to the P.J Sentral Development Sdn. Bhd. construction contract until and unless (a) valid agreement(s)/ privatization agreement(s) has been signed or (b) the Legal Proceedings Resolution is obtained or has occurred, whichever shall be the earlier;

#### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) The Company had on 8 February 2013 entered into the following agreements ("SSA"):- (cont'd)

(v) The Company may unwind and terminate the above SSAs in the event that the Legal Proceedings Resolution is not achieved; and

(vi) The Aggregate Guaranteed Profit for the FYE 2013 to FYE 2015 has been changed to FYE 2014 to FYE 2016.

The acquisitions of the NGD Identified subsidiaries, GHC and GGS were completed on 27 August 2013.

On 27 February 2014, the High Court granted Legal Proceedings Resolution to the Company and dismissed PKNS's claim against NGD and MRCB. However, PKNS had on 3 March 2014 served the Company a sealed copy of Notice of Application for an Erinford Injunction to refrain the Company and NGD from taking any action or step for the Company to acquire P.J Sentral development Sdn. Bhd..

(b) The disposal of the Company's wholly owned sub-subsidiary known as GTC Global Sdn. Bhd. to Telekom Malaysia Berhad was announced on 27 November 2013.

The disposal comprising 1,000,000 ordinary shares of RM1.00 each and 125,000 redeemable preference shares of RM1.00 each for a total cash consideration of RM45 million was completed on 24 December 2013. There was no gain/(loss) recognised from the disposal as the net assets value at date of disposal was RM45 million.

(c) The Company's wholly owned subsidiary, Superview Development Sdn. Bhd. had on 2 December 2013 applied to Companies Commission of Malaysia to effect the commencement of Creditors' Voluntary Liquidation pursuant to Section 260 of the Companies Act, 1965.

To-date, the liquidation exercise is still in progress.

(d) The Company had on 23 December 2013 entered into the followings agreements:-

(i) Share Sale and Subscription Agreements with Arch Angel Capital Sdn. Bhd. ("AAC") and Arch Angel DMC Sdn. Bhd. ("AADMC") to:

- acquire 2 million ordinary shares of RM1.00 each in AAC from AADMC for cash consideration of RM2.5 million;
- subscribe 1.5 million new ordinary shares of RM1.00 each in AAC; and
- subscribe up to 300,000 redeemable cumulative preference shares of RM1.00 each at a subscription price of RM100.00 per share in AAC.

The above effectively resulted in the Company having a 70% equity interest in AAC.

(ii) A Shareholders' Agreements with AAC and AADMC for the purpose of determining the terms and conditions of the joint venture and regulating the relationship of AAC's shareholders.

AAC is principally involved in investment, general trading and financial consulting and had acquired a piece of freehold land known as Plot 2C4, Precinct 2, Putrajaya.

The acquisition and subscription of shares were completed on 30 December 2013.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 49 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

- (a) The Company had on 29 January 2014 entered into a Sale Agreement with Ekovest and its subsidiaries for the disposal of the following:-
- (i) 1,500,000 ordinary shares of RM1.00 each in Nuzen Corporation Sdn. Bhd. ("Nuzen") and 13,500,000 redeemable preference shares of RM1.00 each in Nuzen representing the Company's entire 30% equity interest in Nuzen to Wira Kristal Sdn. Bhd., a wholly owned subsidiary of Ekovest;
  - (ii) 585 Series A redeemable preference shares of RM1.00 each in Kesturi to Ekovest Construction Sdn. Bhd., a wholly subsidiary of Ekovest; and
  - (iii) RM54 million nominal value redeemable secured junior bonds in Kesturi to Ekovest.

for a total cash consideration of RM228 million.

- (b) The Company's wholly owned subsidiary, MRCB Sentral Properties Sdn. Bhd. had on 29 January 2014 entered into a Heads of Agreement ("HoA") with Maybank Trustees Berhad, acting as trustee for Quill Capital Trust for the disposal of the Group's investment property known as Platinum Sentral, consisting of 5 blocks of 4 to 7 storey commercial buildings for a sale consideration of RM750 million.

The parties shall within 30 business days from the date of HoA, with an automatic extension of a further period of 15 business days, enter into the relevant definitive sale and purchase agreement for the proposed disposal.

As at date of this report, the completion of the above disposals are still pending.

## 50 PRIOR YEAR ADJUSTMENTS

During the current financial year ended 31 December 2013, the Group made a prior year adjustment in relation to Amendment to FRS 119 "Employee Benefits" which require changes to the recognition and measurement of defined benefit pension expenses and termination benefits, and to the disclosure for all employee benefits. The requirement includes actuarial gains and losses are no longer deferred using the "Corridor Approach". FRS 119 has withdrawn the application of this amendment.

The financial effects arising from the Group's and the Company's prior year adjustments are as follows:

	As previously reported RM'000	Prior year adjust- ments RM'000	As Restated RM'000
<b>Statement of financial position</b>			
<b>Group</b>			
<b>At 1 January 2012</b>			
<b>Equity and liabilities</b>			
Accumulated losses	(186,788)	(4,405)	(191,193)
Non controlling interests	38,131	(10)	38,121
Post-employment benefit obligations	12,478	4,415	16,893
<b>At 31 December 2012</b>			
Accumulated losses	(136,354)	(4,405)	(140,759)
Non controlling interests	69,144	(10)	69,134
Post-employment benefit obligations	12,666	4,415	17,081
<b>Company</b>			
<b>At 1 January 2012</b>			
<b>Equity and liabilities</b>			
Accumulated losses	(231,649)	(2,045)	(233,694)
Post-employment benefit obligations	3,908	2,045	5,953
<b>At 31 December 2012</b>			
Accumulated losses	(181,940)	(2,045)	(183,985)
Post-employment benefit obligations	3,280	2,045	5,325

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 51 DIVIDENDS

	Gross dividend per share Sen	2013 Amount of net dividend RM'000	Gross dividend per share Sen	2012 Amount of net dividend RM'000
Proposed first and final dividend				
- net of 25% income tax	-	-	0.4	4,163
- single tier dividend	1.0	16,513	1.6	22,205
	1.0	16,513	2.0	26,368

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2013 of 1.0% or 1.0 sen per ordinary share, amounting to approximately RM16,513,110 which is subject to the approval of the members at the forthcoming Annual General Meeting.

## 52 DISCONTINUING OPERATIONS

The discontinuing operation is in respect of the proposed disposal of the Group's investment property known as Platinum Sentral pursuant to the Heads of Agreement entered by the Company's wholly owned subsidiary, MSPSB with Maybank Trustees Berhad, acting as trustee for Quill Capita Trust (Note 49(b)).

### a. Results

	2013 RM'000	2012 RM'000
Rental income	48,634	40,829
Direct operating expenses	(19,382)	(16,565)
Other income	556	10
Administrative expenses	(314)	(174)
Other operating expenses	(12)	(400)
Finance income	1,570	1,586
Finance costs	(20,696)	(16,206)
Profit before income tax	10,356	9,080
Income tax expense		
- current tax	(3,824)	-
- deferred tax (Note 25)	(1,635)	(7,535)
	(5,459)	(7,535)
Profit from discontinuing operations	4,897	1,545
Included in the results are:		
<b>Operating expenses</b>		
Depreciation of property, plant and equipment	2	1
Depreciation of investment property	9,091	8,212

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

### 52 DISCONTINUING OPERATIONS

#### b. Cash flows

	2013 RM'000	2012 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit from operating activities	4,897	1,545
Adjustments for:		
Income tax expense	5,459	7,535
Depreciation of property, plant and equipment	2	1
Amortisation of investment property	9,091	8,212
Finance income	(1,570)	(1,586)
Finance costs	20,696	16,207
Cash flow from operating activities	38,575	31,914
Changes in working capital		
Payables	836	4,054
	39,411	35,968
Tax paid	(3,824)	-
Finance income	1,570	1,586
Interest expenses paid	(20,726)	(11,905)
Net cash flow from operating activities	16,431	25,649

### 53 BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

The following analysis of realised and unrealised accumulated losses at the legal entity is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

#### Group

	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	01.01.2012 RM'000 (restated)
Total accumulated profits/(losses)			
- realised	31,201	22,265	(111,632)
- unrealised	(69,561)	(39,213)	(30,913)
Total share of accumulated profits from associates			
- realised	17,632	11,622	8,996
Total share of accumulated losses from joint venture			
- realised	(7,012)	(6,033)	(5,463)
Add: Consolidation adjustments	(247,316)	(129,400)	(52,181)
Total accumulated losses	(275,056)	(140,759)	(191,193)

#### Company

	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	01.01.2012 RM'000 (restated)
Total accumulated losses			
- realised	(181,165)	(176,756)	(235,641)
- unrealised	(8,005)	(7,229)	1,947
Total accumulated losses	(189,170)	(183,985)	(233,694)

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

The unrealised portion within unappropriated losses (accumulated losses) as at 31 December 2013 relates mainly to the expected settlement of ongoing litigations totalling RM10,000,000 (2012: RM28,794,626) (Note 34) and net deferred tax liabilities of RM61,555,412 (2012: RM12,113,056).



## NOTES

# PROXY FORM

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

(Please see the notes below before completing the form)

I/We (FULL NAME IN CAPITAL LETTERS) \_\_\_\_\_  
NRIC No./Passport No./Company No. \_\_\_\_\_  
of (FULL ADDRESS) \_\_\_\_\_

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

*First Proxy*

Full Name of Proxy in capital letters	NRIC Number	Proportion of shareholdings	
		Number of shares	Percentage (%)

and/or failing him/her

*Second Proxy*

Full Name of Proxy in capital letters	NRIC Number	Proportion of shareholdings	
		Number of shares	Percentage (%)

or failing him/her the Chairman of the Meeting as my/our proxies to attend and vote for me/us on my/our behalf at the 43<sup>rd</sup> Annual General Meeting of the Company to be held on Friday, 27 June 2014 at 3.00 p.m. and at any adjournment thereof.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

NO.	RESOLUTION	FOR	AGAINST
1	To approve a first and final single tier dividend of 1.0% or 1.0 sen per ordinary share for the financial year ended 31 December 2013		
	To re-elect the following Directors under Article 106:		
2	Datuk Mohamad Salim Fateh Din		
3	Tan Sri Ahmad Fuad Ismail		
4	Dato' Ishak Haji Mohamed		
5	Dato' Johari Razak		
6	Rohaya Mohammad Yusof		
	To re-elect the following Directors under Articles 101 and 102:		
7	Tan Sri Azlan Zainol		
8	Datuk Shahril Ridza Ridzuan		
9	To approve the Directors' Fees of RM767,808 for the financial year ended 31 December 2013		
10	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to the authorise Directors to fix their remuneration		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of Shareholders

\* DELETE IF NOT APPLICABLE

## NOTES :

- Only members whose names appear in the Record of Depositors on 20 June 2014 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
- Where a member of the company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
- Duly completed Proxy Form must be deposited at **Symphony Share Registrars Sdn.Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** not less than **48 hours** before the time set holding the meeting or any adjournment thereof.

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**SYMPHONY SHARE REGISTRARS SDN BHD**

Level 6, Symphony House, Block D13,  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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# BORANG PROKSI

No. Akaun CDS	
Bilangan Saham Biasa Dipegang	

(Sila lihat nota-nota di bawah sebelum mengisi borang ini)

Saya/Kami (NAMA PENUH DALAM HURUF BESAR) \_\_\_\_\_

No. Kad Pengenalan/No.Pasport/No. Syarikat \_\_\_\_\_

yang beralamat di (ALAMAT PENUH) \_\_\_\_\_

sebagai ahli/ahli-ahli MALAYSIAN RESOURCES CORPORATION BERHAD, dengan ini melantik

*Proksi Pertama*

Nama Penuh Proksi dalam huruf besar		Pegangan saham	
		Bilangan saham	Peratus (%)
No. Kad Pengenalan			

dan/atau sebagai penggantinya,

*Proksi Kedua*

Nama Penuh Proksi dalam huruf besar		Pegangan saham	
		Bilangan saham	Peratus (%)
No. Kad Pengenalan			

atau sebagai penggantinya, Pengerusi Mesyuarat sebagai proksi saya/kami untuk menghadiri dan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat Ke-43 yang akan diadakan pada hari Jumaat, 27 Jun 2014 pada pukul 3.00 petang dan pada sebarang penangguhannya.

Proksi saya/kami hendaklah mengundi untuk resolusi-resolusi yang telah ditentukan dengan tanda "X" di ruang yang berkenaan di bawah ini. Sekiranya borang ini dikembalikan tanpa apa-apa penentuan mengenai cara pengundian, proksi akan mengambil tindakan yang sewajarnya untuk mengundi ataupun tidak.

NO.	RESOLUSI	MENYOKONG	MENENTANG
1	Untuk meluluskan dividen pertama dan akhir satu peringkat sebanyak 1.0% atau 1.0 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2013		
	Untuk memilih semula pengarah-pengarah berikut menurut Artikel 106:		
2	Datuk Mohamad Salim Fateh Din		
3	Tan Sri Ahmad Fuad Ismail		
4	Dato' Ishak Haji Mohamed		
5	Dato' Johari Razak		
6	Rohaya Mohammad Yusof		
	Untuk memilih semula pengarah-pengarah berikut menurut Artikel 101 dan 102:		
7	Tan Sri Azlan Zainol		
8	Datuk Shahril Ridza Ridzuan		
9	Untuk meluluskan Yuran Pengarah sebanyak RM767,808 bagi tahun kewangan berakhir 31 Disember 2013		
10	Untuk melantik semula tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menetapkan ganjaran mereka		

Bertarikh \_\_\_\_\_ hb \_\_\_\_\_ 2014

\_\_\_\_\_  
Tandatangan Pemegang Saham

\* POTONG YANG MANA TIDAK PERLU

## NOTA-NOTA :

- Hanya Ahli yang berdaftar di dalam Rekod Depositori (ROD) setakat 20 Jun 2014 yang layak menghadiri atau melantik proksi bagi menghadiri dan mengundi bagi pihaknya di Mesyuarat Agung Tahunan (MAT).
- Seorang Ahli yang layak untuk menghadiri dan mengundi di Mesyuarat ini adalah layak untuk melantik tidak lebih daripada dua (2) proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya seorang Ahli Syarikat. Tiada sebarang sekatan ke atas kelayakan sebagai proksi dan peruntukan di bawah Seksyen 149(1)(b) Akta Syarikat, 1965 adalah tidak terpakai.
- Jika seorang Ahli melantik dua (2) orang proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi ditetapkan.
- Jika Ahli adalah merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada pelbagai pemilik benefisial di dalam satu akaun sekuriti ("akaun omnibus"), tiada sebarang had dikenakan bagi jumlah proksi yang dilantik, di mana wakil berkecuali yang telah diberi kuasa berhak melantik mengikut setiap akaun omnibus yang dipegang.
- Instrumen pelantikan proksi perlu dibuat secara bertulis dan ditandatangani oleh orang yang melantik atau peguam yang dilantik di bawah surat kuasa wakil. Di mana instrument pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat ini hendaklah dimeterai atau ditandatangani oleh seorang pegawai atau peguam cara yang dilantik di bawah surat kuasa wakil.
- Borang Pelantikan Proksi yang telah lengkap hendaklah diserahkan kepada **Symphony Share Registrars Sdn. Bhd., di Aras 6, Symphony House, Blok D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** tidak kurang daripada empat puluh lapan (48) jam sebelum waktu yang ditetapkan untuk Mesyuarat.

Lipat sini



Setem

**SYMPHONY SHARE REGISTRARS SDN BHD**

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