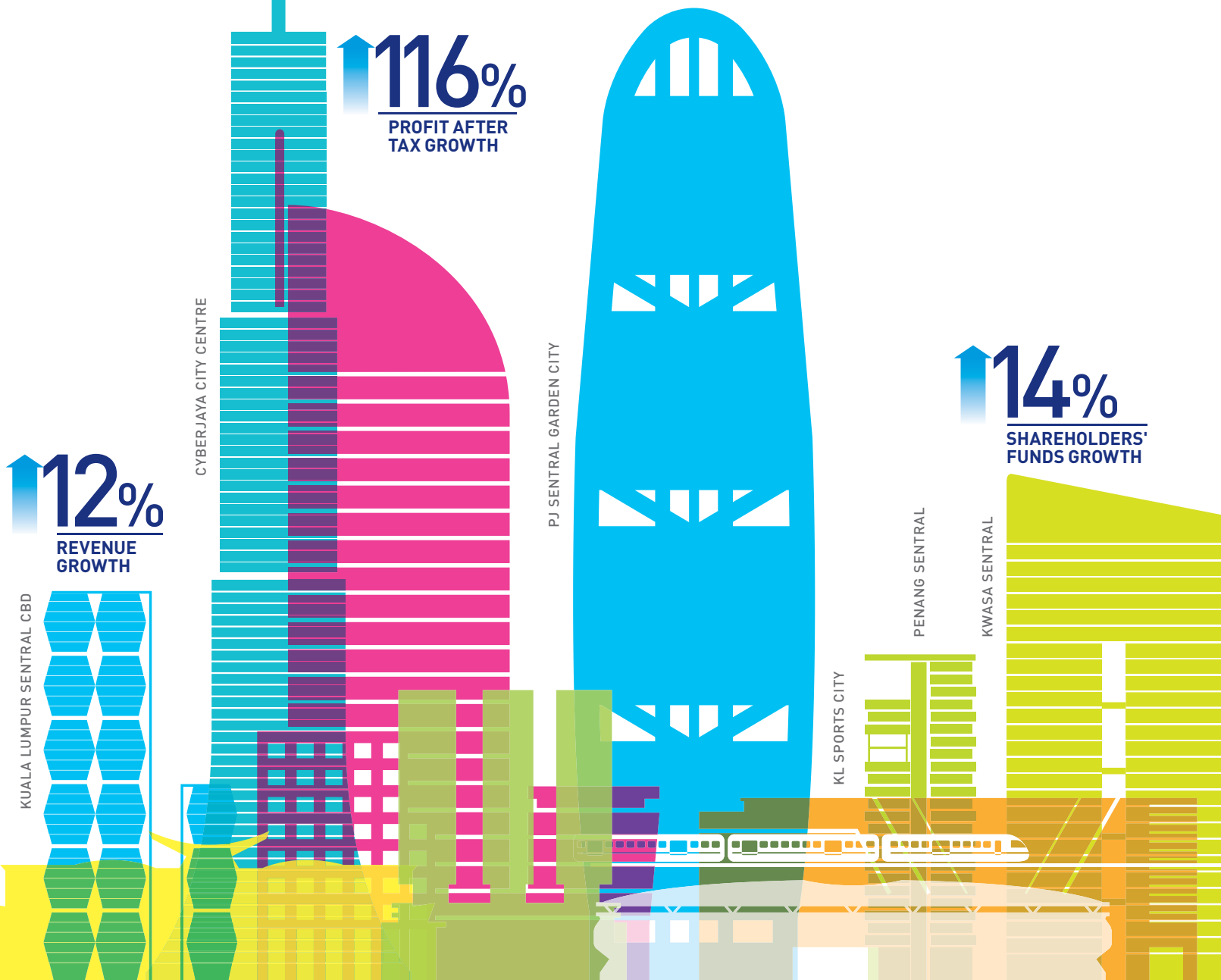


Setting the Standard in Transport Oriented Developments

MALAYSIAN RESOURCES CORPORATION BERHAD (7994-D)

Annual Report 2015



2015 AT A GLANCE

+12%

RM1,697 BILLION

**REVENUE
GROWTH**

+116%

RM330 MILLION

**PROFIT AFTER
TAX GROWTH**

+14%

RM2.26 BILLION

**SHAREHOLDERS'
FUNDS**

1.27

**NTA PER
SHARE (RM)**

17%

**REDUCTION
IN GEARING**

16%

**RETURN ON
EQUITY**

410

ACRES

**DEVELOPMENT
LAND BANK**

50

RM BILLION

**ESTIMATED GDV
LAND BANK**

5.4

RM BILLION

**CONSTRUCTION
ORDER BOOK**

CONTENTS

MRCB AT A GLANCE

2015 at a Glance	1
Vision & Mission	2
Our Values	3
Corporate Profile	4
Project Milestones	6
Visi & Misi	2
Nilai-Nilai Kami	3
Detik-detik Penting Projek	8

PERFORMANCE REVIEW

Corporate Information	12
Awards & Accolades in 2015	13
Chairman's Statement	14
Group Managing Director's Statement & Review of Operations	24
Five-year Group Financial Highlights	36
Group Quarterly Performance	38
Group Segmental Performance	39
Maklumat Korporat	12
Anugerah & Pengiktirafan	13
Penyata Pengerusi	20

CORPORATE INFORMATION

Corporate Structure	42
Organisation Chart	44
Director's Profile	46
Senior Management	54
Corporate Events 2015	58
Analysis of Shareholdings	66
Top 30 Largest Shareholders	68
Analysis of Warrant Holders	72
Top 30 Largest Warrant Holders	74
Sustainability Statement	78
Struktur Korporat	42
Profil Pengarah	46
Analisis Pegangan Saham	67
30 Pemegang Saham Terbesar	70
Analisis Pegangan Waran	73
30 Pemegang Waran Terbesar	76

CORPORATE GOVERNANCE & ACCOUNTABILITY

Statement on Corporate Governance	90
Statement on Risk Management and Internal Control	126
Audit Committee Report	134
Additional Compliance Information	142
Material Contracts	144
Properties of the Group	148
Penyata Mengenai Tadbir Urus Korporat	108
Penyata Pengurusan Risiko dan Kawalan Dalaman	129
Laporan Jawatankuasa Audit	138
Maklumat Pematuhan Tambahan	143
Kontrak-Kontrak Penting	146

FINANCIAL STATEMENTS

Financial Report 2015	156
Notice of 45th Annual General Meeting	321
Proxy Form	329
Notis Mesyuarat Agung Tahunan ke-45	325
Borang Proksi	331

VISION

VISI

Setting the Standard

KAMI MENETAPKAN PENANDA ARAS

MISSION

MISI

Transforming communities through innovation and sustainable design

MENTRANSFORMASI MASYARAKAT MELALUI REKA BENTUK
INOVATIF DAN LESTARI



OUR VALUES

NILAI-NILAI KAMI

Courageous

We are courageous in our actions.
We take responsibility, challenge
and question.

BERANI: Kami berani mengambil tindakan.
Kami bertanggungjawab, sanggup berdepan
dengan cabaran dan persoalan.

Creative

We are forward thinkers.
We encourage new ideas to help us
enhance value and stay ahead.

KREATIF: Kami berpandangan jauh.
Kami menggalakkan cetusan idea baharu bagi
membantu kami mempertingkatkan nilai dan
mendahului persaingan.

Driven

We are a high performance organisation
determined to deliver the best outcomes
for our customers.

BERMOTIVASI: Kami adalah sebuah organisasi
berprestasi tinggi yang bersemangat untuk melakukan
yang terbaik demi kebaikan pelanggan kami.

Customer Centric

Every decision must ultimately contribute
to improving our customers' experience.

MEMENTINGKAN PELANGGAN:

Setiap keputusan yang dilaksanakan adalah demi
menambahbaik pengalaman pelanggan kami.

Accountable

We are committed to what we do, standing
accountable for every decision we make.

BERTANGGUNGJAWAB: Kami komited
terhadap apa yang kami lakukan dan memartabatkan
kebertanggungjawaban dalam segala tindakan kami.

CORPORATE PROFILE

Malaysian Resources Corporation Berhad (“MRCB”) is a leading Property and Construction company that has been listed on the Main Board of Bursa Malaysia since 1971.

Malaysian Resources Corporation Berhad (“MRCB”) ialah sebuah syarikat Hartanah dan Pembinaan yang disenaraikan di Papan Utama Bursa Malaysia sejak tahun 1971.



KUALA LUMPUR SENTRAL CBD

MRCB'S CORE ACTIVITIES ARE: Aktiviti teras MRCB meliputi:

Property Development & Investment

PEMBANGUNAN HARTANAH & PELABURAN

MRCB is a leading urban property developer, with a large portfolio of successful integrated commercial and residential developments anchored around transportation hubs. MRCB was the pioneer of Transit Oriented Development ("TOD") in Malaysia, through its flagship and award winning Kuala Lumpur Sentral CBD project, which has attracted some of the world's leading corporations as tenants due to its excellent transportation connectivity. MRCB's future TOD projects – PJ Sentral Garden City, Penang Sentral, Kwasa Sentral and Cyberjaya City Centre, will feature excellent transportation connectivity at their core. The Group's Property investment activity is through its 31% equity stake in MRCB-Quill REIT.

MRCB owns an urban development land bank of 410 acres, with an estimated gross development value of RM50 billion.

Sebagai pemaju hartanah bandar yang terkemuka, MRCB telah berjaya membina portfolio pembangunan komersial dan kediaman bersepadu yang besar yang tertumpu di sekitar hab-hab pengangkutan. MRCB telah merintis Pembangunan Berorientasikan Transit ("TOD") di Malaysia, melalui projek ulung Kuala Lumpur Sentral CBD yang pernah meraih anugerah dan berjaya menarik beberapa syarikat terkemuka dunia sebagai penyewa kerana kehebatan sambung-tara pengangkutannya. Projek TOD bakal dilaksanakan oleh MRCB pada masa depan merangkumi PJ Sentral Garden City, Penang Sentral, Kwasa Sentral dan Cyberjaya City Centre, turut memaparkan sambung-tara pengangkutan sebagai tunggak utama kecemerlangan pembangunan masing-masing. Aktiviti pelaburan hartanah Kumpulan adalah melalui 31% pegangan ekuiti di dalam MRCB-Quill REIT.

Kini, MRCB memiliki tanah simpanan untuk pembangunan seluas 410 ekar dengan nilai pembangunan kasar dianggarkan bernilai RM50 bilion.

Infrastructure & Concession

INFRASTRUKTUR & KONSESI

Infrastructure & Concession Division has a 30 year concession to operate and collect toll on the RM1.3 billion Eastern Dispersal Link Expressway in Johor Bahru, an 8.62 km highway that links with Bangunan Sultan Iskandar Customs, Immigration & Quarantine Complex.

Bahagian Infrastruktur & Konsesi memegang konsesi selama 30 tahun untuk mengendali dan memungut tol di Lebuhraya Penyuraian Timur yang dibina dengan kos RM1.3 bilion di Johor Bahru. Lebuhraya sejauh 8.62 km ini dihubungkan terus ke Kompleks Kastam, Imigresen & Kuarantin yang dikenali sebagai Bangunan Sultan Iskandar.

Engineering, Construction & Environment

KEJURUTERAAN, PEMBINAAN & ALAM SEKITAR

Designing, building and contracting gives MRCB complete control over its own property development projects, helping the Group ensure that the project's vision is fully realised.

As well as constructing world class commercial and residential buildings, MRCB's Engineering, Construction & Environment division also has an enviable track record in transportation infrastructure, Engineering, Procurement and Construction (EPC) of high voltage power transmission projects comprising substations, overhead transmission lines and underground cabling. Its environment business undertakes the rehabilitation and flood mitigation of rivers and coastal areas.

Engineering, Construction & Environment Division has an external order book of RM5.4 billion.

MRCB mempunyai kawalan penuh terhadap pelbagai projek pembangunan hartanah miliknya dengan mereka bentuk dan membina sendiri projek-projek pembangunan tersebut. Langkah ini membantu Kumpulan merealisasikan sepenuhnya wawasan projek-projek tersebut.

Di samping kejayaan dalam pembinaan komersial dan kediaman, bahagian Kejuruteraan, Pembinaan & Alam Sekitar MRCB juga mempunyai rekod pencapaian yang membanggakan dalam infrastruktur pengangkutan, projek Kejuruteraan, Perolehan dan Pembinaan (EPC) penghantaran tenaga bervoltan tinggi yang meliputi pencawang, talian penghantaran atas dan kabel bawah tanah. Sementara itu, perniagaan alam sekitarnya pula terlibat dalam kerja pemuliharaan dan kawalan banjir di kawasan berhampiran sungai dan pesisir pantai.

Bahagian Kejuruteraan, Pembinaan & Alam Sekitar mempunyai buku tempahan projek (luar daripada projek dalaman MRCB) bernilai RM5.4 bilion.

Facilities Management

PENGURUSAN KEMUDAHAN

MRCB's Facilities Management operation has successfully established its own brand as a major player in Malaysia managing, maintaining and providing security services at integrated transportation hubs, high profile commercial and residential complexes and as well as operating car parks.

Pengurusan Kemudahan MRCB berjaya mencipta jenamanya sendiri sebagai peneraju utama di Malaysia dalam mengurus, menyelenggara dan menyediakan perkhidmatan keselamatan di hab-hab pengangkutan bersepadu, kompleks komersial dan kediaman berprofil tinggi serta mengendali pusat-pusat meletak kereta.

PROJECT MILESTONES

1994

MRCB embarked on a new branding direction and changed its logo to a more dynamic design with enhanced visibility.

The Government awarded a privatization contract to Kuala Lumpur Sentral Sdn Bhd, a consortium led by MRCB, for the construction of Stesen Sentral Kuala Lumpur on a 72-acre KTMB train depot in Brickfields that will be regenerated into a modern transportation hub, to be known as Kuala Lumpur Sentral development.

1997

A concession agreement was signed, assigning Kuala Lumpur Sentral Sdn Bhd to build and surrender Stesen Sentral Kuala Lumpur to the Government, in exchange for development rights over the surrounding 72-acre freehold commercial land, later to be known as Kuala Lumpur Sentral CBD.

1998

Transmission Technology Sdn Bhd, MRCB's wholly-owned subsidiary, commenced the 500kV & 275kV Transmission Lines System for Peninsular Malaysia Grid.

2000

MRCB completed Stesen Sentral Kuala Lumpur, the state-of-the-art transportation hub for Kuala Lumpur's integrated rail transportation, which seamlessly links all of Kuala Lumpur's major rail services comprising LRT, KTMB, KL Monorail and KLIA ERL.

Transmission Technology Sdn Bhd, MRCB's wholly-owned subsidiary, completed the 500kV & 275kV Substation System for Peninsular Malaysia Grid.

2001

Labuan Matriculation College in Sabah is completed by MRCB on a 56-acre piece of land located about 7 km from Labuan town and about 4 km away from Labuan Airport.

The Kuala Lumpur Railway Station received its last intercity train service, marking the start of operations from the new Stesen Sentral Kuala Lumpur.

Plaza Sentral Phase 1 (3 blocks) is completed at Kuala Lumpur Sentral CBD.

MRCB rejuvenated and expanded Tawau Airport into the second largest airport in Sabah and completion was ahead of schedule.

MRCB's Major Project Milestones 1994-2015

2007

The Sabah East-West 275kV Interconnection Grid, the main electrical power infrastructure in Sabah is completed by MRCB.

MRCB completed the construction of the Osmani International Airport in Bangladesh.

The 30-storey 1 Sentral office tower is completed at Kuala Lumpur Sentral CBD.

The lifestyle pulse of Kuala Lumpur Sentral CBD, Sooka Sentral opened to the public.

2008

The Suasana Sentral Loft luxury condominium is completed at Kuala Lumpur Sentral CBD.

2009

Duta-Ulu Klang Expressway (DUKE) linking the Middle Ring Road 2 (MRRT2) with the New Klang Valley Expressway (NKVE) is completed by MRCB and its partner.

MRCB delivers the Melaka Marina, an integrated complex which houses the offices of the Immigration Department, Customs and private dock for yachts.

Completion of Lot J at Kuala Lumpur Sentral CBD, comprising 4 towers that included the headquarters of United Engineers Malaysia Berhad (UEM), a leading Malaysian infrastructure conglomerate, Malaysia Development Authority (MIDA), Quill Realty Sdn Bhd (a major land owner & developer) and the Companies Commission of Malaysia (SSM).

2009

Beach and Rivermouth Rehabilitation is completed by MRCB at Kuala Sungai Tekek, Tioman in Pahang.

2010

MRCB completes the Little India development in Brickfields and it was launched by Prime Minister Dato' Sri Najib Tun Razak and Prime Minister, Dr Manmohan Singh of India.

Construction of Bagan Ajam Jetty in Penang to address issues of sea bed and river mouth silting faced by local fishermen is completed.



KWASA SENTRAL

2002

KLIA Ekspres launched on April 14, 2002, linking KLIA to MRCB's Stesen Sentral Kuala Lumpur.

The 400-unit luxury condominium Suasana Sentral in Kuala Lumpur Sentral CBD is completed.

2003

Bandar Seri Iskandar, MRCB's township development in Perak has successfully completed and sold over 1,000 units of houses with a GDV of RM70 million.

2004

MRCB utilised the Pressure Equalisation Module (PEM) sand replenishment technique for a pilot beach conservation project at Teluk Cempedak in Kuantan, Pahang, a technique used for the first time in Asia.

5-star hotels Hilton and Le Meridien opened for business at Kuala Lumpur Sentral CBD. These 5-star service hotels complement Kuala Lumpur Sentral CBD's value as a global and world-class facility hub.

2006

MRCB's Kuala Lumpur Sentral CBD is awarded MSC Malaysia Cybercentre status.

Completion of Plaza Sentral Phase 2 at Kuala Lumpur Sentral CBD by MRCB.

2011

Upgrading of Sabah Medical Centre is completed by MRCB. Upgrades included, among others, a 5-storey car park, expansion of operating theatres, refurbishment of the accident and emergency department and the development of a cardiology and cardiothoracic centre.

Platinum Sentral, Kuala Lumpur Sentral CBD's first Green Office Campus is completed. Securing MRCB's reputation as a builder of green buildings with distinction. Kuala Lumpur Sentral CBD now has the most number of green buildings in one single location within Malaysia.

Phase 1 of Kuala Sungai Pahang beach and river mouth rehabilitation project is completed by MRCB.

Transmission Technology Sdn Bhd, MRCB's wholly-owned subsidiary, completed the 275kV Salak South-Pantai Transmission Line.

2012

Three major projects are completed in Johor:

- Eastern Dispersal Link Expressway (EDL)
- Permai Psychiatric Hospital
- Marlborough College

2013

Menara Shell, a Platinum certified Green Office Building and Ascott Sentral, a serviced apartment block are completed by MRCB.

Phase 2 of Kuala Sungai Pahang beach and river mouth rehabilitation project is completed by MRCB.

2014

Aloft boutique business hotel, NU Tower 1 & 2 and NU Sentral retail mall are completed as seamlessly linked developments at Kuala Lumpur Sentral CBD.

2015

Q Sentral, a state-of-the-art 45-storey Grade A office tower designed as a contemporary monoblock glass box, is completed at Kuala Lumpur Sentral CBD.

Installation of 132kV Overhead Transmission Line from Pantai Siring to Pulau Besar in Melaka is completed.

Phase 3 of Kuala Sungai Pahang beach and river mouth rehabilitation project is completed by MRCB.

DETIK-DETIK PENTING PROJEK

Pencapaian Utama MRCB 1994-2015

1994

MRCB melancarkan hala tuju penjenamaan baharu dan mengubah logonya kepada reka bentuk lebih dinamik dan teguh.

Kerajaan memberikan kontrak penswastan kepada Kuala Lumpur Sentral Sdn Bhd, sebuah konsortium yang diterajui oleh MRCB bagi membina Stesen Sentral Kuala Lumpur di depoh kereta api KTMB seluas 72 ekar di Brickfields. Ia dibangunkan semula untuk menjadi sebuah hab pengangkutan moden yang dikenali sebagai Pembangunan Kuala Lumpur Sentral.

1997

Perjanjian konsesi telah ditandatangani oleh Kuala Lumpur Sentral Sdn Bhd untuk membina dan menyerahkan Stesen Sentral Kuala Lumpur kepada Kerajaan sebagai pertukaran kepada hak pembangunan di sekeliling tanah komersial pegangan bebas seluas 72 ekar.

1998

Transmission Technology Sdn Bhd, anak syarikat milik penuh MRCB telah menyiapkan Sistem Talian Penghantaran 500kV & 275kV bagi Grid Semenanjung Malaysia.

2000

MRCB menyiapkan Stesen Sentral Kuala Lumpur, hab pengangkutan rel bersepadu Kuala Lumpur yang moden dan canggih yang menghubungkan semua perkhidmatan rel di Kuala Lumpur yang terdiri daripada perkhidmatan LRT, KTMB, KL Monorel dan ERL ke KLIA.

Transmission Technology Sdn Bhd, anak syarikat hakmilik MRCB sepenuhnya, telah menyiapkan Sistem Pencawang 500kV & 275kV bagi Grid Semenanjung Malaysia.

2001

MRCB menyiapkan pembinaan Kolej Matrikulasi Labuan di tapak seluas 56 ekar. Ia terletak kira-kira 7 km dari bandar Labuan dan kira-kira 4 km dari Lapangan Terbang Labuan.

Stesen Keretapi Kuala Lumpur menerima perkhidmatan keretapi antarabandar yang terakhir sebagai tanda permulaan operasi di Stesen Kuala Lumpur Sentral yang baharu.

Plaza Sentral Fasa 1 (3 blok) di Kuala Lumpur Sentral CBD disiapkan.

Kerja mengubahsuai dan meluaskan Lapangan Terbang Tawau sebagai lapangan terbang kedua terbesar di Sabah disiapkan oleh MRCB lebih awal daripada yang dijadualkan.

2002

Pelancaran KLIA Ekspres yang menghubungkan KLIA ke Stesen Sentral Kuala Lumpur pada 14 April, 2002.

MRCB menyiapkan pembinaan Suasana Sentral, sebuah kondominium mewah 400 unit di Kuala Lumpur Sentral CBD.

2003

Bandar Seri Iskandar, pembangunan perbandaran di Perak telah berjaya menyiapkan dan menjual lebih 1,000 unit rumah dengan GDV RM70 juta.

2004

MRCB menggunakan teknik penggantian pasir "Pressure Equalisation Module" (PEM), sebuah projek perintis pemuliharaan pantai di Teluk Cempedak, Kuantan, Pahang. Ia adalah teknik yang pertama kali digunakan di Asia.

Hotel-hotel bertaraf 5 bintang Hilton dan Le Meridien memulakan perniagaan masing-masing di Kuala Lumpur Sentral CBD. Kedua-dua hotel perkhidmatan bertaraf 5 bintang ini saling melengkapi nilai Kuala Lumpur Sentral CBD sebagai sebuah hab transit global dengan kemudahan bertaraf dunia.

2006

Kuala Lumpur Sentral CBD yang dibangunkan oleh MRCB diberi status Pusat Siber MSC Malaysia.

MRCB menyiapkan pembinaan Plaza Sentral Fasa 2 di Kuala Lumpur Sentral CBD.

2007

MRCB menyiapkan pembinaan Grid Sambungan Timur-Barat Sabah 275kV yang merupakan infrastruktur tenaga elektrik utama di Sabah.

MRCB menyiapkan pembinaan Lapangan Terbang Antarabangsa Osmani di Bangladesh.

Pembinaan menara pejabat 30 tingkat 1 Sentral di Kuala Lumpur Sentral CBD disiapkan.

Sooka Sentral, nadi gaya hidup Kuala Lumpur Sentral CBD memulakan perniagaannya.

2008

Kondominium mewah Suasana Sentral Loft di Kuala Lumpur Sentral CBD disiapkan pembinaannya.

2009

Lebuhraya Duta Ulu-Klang (DUKE) yang menghubungkan Lebuhraya Lingkaran Tengah 2 (MRRT2) dengan Lebuhraya Baru Lembah Klang (NKVE) disiapkan oleh MRCB dan rakan niaganya.

MRCB menyerahkan Melaka Marina, sebuah kompleks bersepadu yang menempatkan pejabat Jabatan Imigresen, Kastam dan limbungan swasta untuk perahu layar.

MRCB menyiapkan pembinaan 4 menara di Lot J yang menempatkan ibu pejabat United Engineers Malaysia Berhad (UEM), konglomerat infrastruktur Malaysia, Lembaga Kemajuan Perindustrian Malaysia (MIDA), Quill Realty Sdn Bhd (pemilik tanah & pemaju hartanah) dan Suruhanjaya Syarikat Malaysia (SSM) di Kuala Lumpur Sentral CBD.

Pemulihan pantai dan muara sungai di Kuala Sungai Tekek, Tioman, Pahang disiapkan oleh MRCB.

2010

MRCB menyiapkan pembangunan Little India di Brickfields yang dilancarkan oleh Perdana Menteri, Dato' Sri Najib Tun Razak dan Perdana Menteri India, Dr Manmohan Singh.

Pembinaan Jeti Bagan Ajam di Pulau Penang siap dibina dengan tujuan untuk menangani masalah kelodak dasar laut dan muara sungai yang menjejaskan kehidupan nelayan tempatan.

2011

Kerja-kerja menaik taraf Pusat Perubatan Sabah disiapkan oleh MRCB. Kerja-kerja tersebut meliputi pembinaan tempat letak kereta 5 tingkat, pelebaran dewan pembedahan, membaik pulih jabatan kemalangan dan kecemasan serta pembangunan pusat kardiologi dan kardiothoraxik.

Platinum Sentral, Pejabat Kampus Hijau pertama di Kuala Lumpur Sentral CBD yang disiapkan telah mengangkat reputasi MRCB sebagai pemaju bangunan hijau yang cemerlang. Kuala Lumpur Sentral CBD kini mempunyai bilangan bangunan hijau paling banyak terletak di satu lokasi di Malaysia.

Projek pemulihan pantai dan muara sungai Fasa 1 di Kuala Sungai Pahang disiapkan oleh MRCB.

Transmission Technology Sdn Bhd, anak syarikat milik penuh MRCB telah menyiapkan Talian Penghantaran 275kV bagi Salak Selatan – Pantai.



KUALA LUMPUR SENTRAL CBD

2012

Tiga projek utama disiapkan di Johor adalah:

- Lebuhraya Penyuraian Timur (EDL)
- Hospital Psikiatrik Permai
- Kolej Marlborough

2013

Menara Shell, sebuah menara pejabat hijau pensijilan Platinum dan Ascott Sentral, sebuah pangsapuri perkhidmatan telah siap dibina oleh MRCB.

Projek pemeliharaan pantai dan muara sungai Fasa 2 di Kuala Sungai Pahang disiapkan oleh MRCB.

2014

Hotel butik Aloft, Menara NU 1 & 2 dan pusat beli-belah NU Sentral siap dibina di Kuala Lumpur Sentral CBD.

2015

Q Sentral, sebuah menara pejabat Gred A 45 tingkat dengan rekabentuk ala blok kaca mono kontemporari, disiapkan di Kuala Lumpur Sentral CBD.

Pemasangan Talian Penghantaran merentasi laut 132kV dari Pantai Siring ke Pulau Besar di Melaka disiapkan oleh MRCB.

MRCB menyiapkan projek pemeliharaan pantai dan muara sungai Fasa 3 di Kuala Sungai Pahang.





KUALA LUMPUR SENTRAL CBD

Malaysia's flagship transit-oriented development

CORPORATE INFORMATION

MAKLUMAT KORPORAT

BOARD OF DIRECTORS/ LEMBAGA PENGARAH

1. **TAN SRI AZLAN ZAINOL**
Non-Independent
Non-Executive Chairman
Pengerusi Bukan Bebas Bukan Eksekutif
2. **TAN SRI MOHAMAD SALIM FATEH DIN**
Group Managing Director
Pengarah Urusan Kumpulan
3. **MOHD IMRAN TAN SRI MOHAMAD SALIM**
Executive Director
Pengarah Eksekutif
4. **DATUK SHAHRIL RIDZA RIDZUAN**
Non-Independent
Non-Executive Director
Pengarah Bukan Bebas Bukan Eksekutif
5. **JAMALUDIN ZAKARIA**
Independent Director
Pengarah Bebas
6. **ROHAYA MOHAMMAD YUSOF**
Non-Independent
Non-Executive Director
Pengarah Bukan Bebas Bukan Eksekutif
7. **CHUAH MEI LIN**
Independent Director
Pengarah Bebas
8. **HASMAN YUSRI YUSOFF**
Independent Director
Pengarah Bebas

AUDIT COMMITTEE/ JAWATANKUASA AUDIT

HASMAN YUSRI YUSOFF
JAMALUDIN ZAKARIA
ROHAYA MOHAMMAD YUSOF

EXECUTIVE COMMITTEE JAWATANKUASA EKSEKUTIF

DATUK SHAHRIL RIDZA RIDZUAN
TAN SRI MOHAMAD SALIM FATEH DIN
JAMALUDIN ZAKARIA
CHUAH MEI LIN

NOMINATION & REMUNERATION COMMITTEE JAWATANKUASA PENCALONAN & IMBUHAN

JAMALUDIN ZAKARIA
CHUAH MEI LIN
HASMAN YUSRI YUSOFF

ESOS COMMITTEE JAWATANKUASA ESOS

DATUK SHAHRIL RIDZA RIDZUAN
MOHD IMRAN TAN SRI MOHAMAD SALIM
JAMALUDIN ZAKARIA

COMPANY SECRETARY/ SETIAUSAHA SYARIKAT

MOHD NOOR RAHIM YAHAYA
(MAICSA 0866820)

REGISTERED OFFICE/ PEJABAT BERDAFTAR

LEVEL 33A, MENARA NU 2
NO. 203, JALAN TUN SAMBANTHAN
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
PUSAT DAGANGAN DANA 1
JALAN PJU 1A/46
47301 PETALING JAYA
SELANGOR DARUL EHSAN
TEL: 03-7849 0777
FAX: 03-7841 8151/8152

AUDITORS/JURUAUDIT

PRICEWATERHOUSECOOPERS

PRINCIPAL BANKERS/ BANK-BANK UTAMA

AFFIN BANK BERHAD
AFFIN HWANG INVESTMENT BANK
BERHAD
RHB BANK BERHAD
RHB ISLAMIC BANK BERHAD
MALAYAN BANKING BERHAD
CIMB BANK BERHAD
CIMB ISLAMIC BANK BERHAD
HSBC BANK MALAYSIA BERHAD
MALAYSIA BUILDING SOCIETY 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

AWARDS & ACCOLADES IN 2015

ANUGERAH & PENGIKTIRAFAN



ASIA PACIFIC ENTREPRENEURSHIP AWARDS 2015

- *Outstanding Category*
– Tan Sri Mohamad Salim Fateh Din



FIABCI MALAYSIA PROPERTY AWARDS 2015

- *Office Category Winner*
– Menara Shell (Kuala Lumpur Sentral CBD)



SELANGOR EXCELLENCE BUSINESS AWARDS 2015

- *Masterclass CEO Of The Year*
– Tan Sri Mohamad Salim Fateh Din



THE MALAYSIAN PROPERTY PRESS AWARDS 2015

- *Best Office*
– Menara Shell (Kuala Lumpur Sentral CBD)
- *Best High-rise Condominium Development*
– 9 Seputeh



6TH MIDDLE EAST BUSINESS LEADERS AWARDS 2015

- *Masterclass Global CEO Of The Year*
– Tan Sri Mohamad Salim Fateh Din



GREENTECH MALAYSIA AWARDS 2015

- *Malaysian Resources Corporation Berhad*
– Building Sector Category

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am delighted to report yet another admirable performance by the Group. In 2015, the Group recorded a 12% increase in revenue to RM1,697 million, and a 116% increase in net profit to RM330 million. This is the highest revenue and net profit generated by the Group in the past 10 years.

The strong revenue growth and higher net profit was attributable to the completion of the Q Sentral development, the sale of Platinum Sentral and also other on-going residential development projects, including the Sentral Residences and 9 Seputeh.

In addition, the gain on disposal from the sale of our joint venture companies, NU Sentral Sdn Bhd, Paradigma Berkat Sdn Bhd and Lotus Terrain Sdn Bhd, also contributed to the commendable results. Our deleveraging efforts have also begun to pay off, as net gearing reduced from 1.53 times in 2014 to 1.27 times at the end of 2015.

As a result of the strong financial performance in 2015, the Board of Directors declared a single tier interim dividend in respect of the financial year ended 31 December 2015 of 2.5% or 2.5 sen per ordinary share, totalling approximately RM44.7 million.

KEY CORPORATE HIGHLIGHTS

Despite the challenging conditions faced by the construction and property sectors throughout the year, the Group continued its long term strategic development plan that places emphasis on expanding its landbank in strategic locations, monetising its non-core assets and focussing on its core business of Property Development and Engineering, Construction & Environment.

In 2015, the Group acquired the 1.87-acre German Embassy land in central Kuala Lumpur with a Gross Development Value ("GDV") of RM1.3 billion, located in a prime location surrounded by high-end developments. The Group also acquired several pieces of land in Pulau, Johor totalling 67.52 acres, which will have a GDV of approximately RM1.1 billion.

TAN SRI AZLAN ZAINOL
Chairman

“Building on the success of Kuala Lumpur Sentral CBD, PJ Sentral Garden City, Cyberjaya City Centre, the northern transport hub Penang Sentral and Kwasa Sentral, all seek to emulate MRCB’s successful TOD formula, and will drive the Group to greater heights in the coming years.”



The purchase of development land in prime locations is part of the Group’s plan for sustainability and growth. As an urban property developer, the Group’s continued success will be bolstered by a healthy reserve of this type of land.

As part of the Group’s strategy of unlocking the value of its investment property holdings, the Group entered into a Sale and Purchase Agreement in August 2015 with Cardiac Vascular Sentral Kuala Lumpur Sdn Bhd for the sale of Sooka Sentral for a total consideration of RM90.8 million.

The Group also entered into a Heads of Agreement in December 2015 with Maybank Trustees Berhad, acting as trustee for MRCB-Quill REIT (“MQ REIT”), for the disposal of Menara Shell for a proposed sale consideration of RM640 million, via a combination of cash and the issuance of new units in MQ REIT. This corporate exercise is designed not only to unlock the tremendous value in our investment property portfolio, but also provide the Group with a long term source of earnings via a recurring income stream. While creating a more tax efficient structure to

manage and maintain the investment properties, this will also enable the Group to re-deploy capital into new property development projects.

In addition, the Group also disposed its 51% equity interest in NU Sentral Sdn Bhd for a consideration of RM120 million. This disposal is part of the Group’s macro strategy to monetise its non-core assets and focus its resources on its core businesses.

In order for the Group to raise the necessary funds to expand its landbank expeditiously and receive cash proceeds to further pare down its borrowings, the Group has announced its intention to undertake a private placement exercise of up to 493,610,683 new ordinary shares of RM1.00 each in the company, representing up to 20% of the issued and paid-up share capital of MRCB.

The placement shares are to be placed out to Gapurna Sdn Bhd and Institutional investors. Furthermore, the Group has applied to the Ministry of Finance (“MOF”) to be deemed a Bumiputera Controlled Public Listed Company (“BCPLC”) and has received approval in principle from the MOF, which is conditional upon MRCB meeting a minimum Bumiputera equity of 35%. With this BCPLC status, MRCB is one of the largest Bumiputera construction companies in Malaysia, and will be eligible to bid for projects reserved for Bumiputera contractors only, giving the company a competitive edge when tendering for Government initiated projects.



KWSA Sentral

During the year, the Group's other core activity, Engineering, Construction & Environment ("E&C"), successfully secured a record external order book of around RM5.4 billion in 2015 by winning new projects domestically. Among the major projects won during the financial year included the Light Rail Transit Line 3 PDP Contract ("LRT3") which will run from Bandar Utama to Johan Setia, the regeneration of Bukit Jalil Sports Centre, Kwasa Utama mixed development projects in Kwasa Damansara and the Desaru developments in Johor.

The Group's Facilities Management Division has evolved into a business that has been growing steadily, since its inception 9 years ago. Facilities Management continues to boost work performance and improve quality of service as well as exploring new avenues to enhance its portfolio of assets.

The Group continues to focus on transport oriented development ("TOD") projects to strengthen its position among the top developers in Malaysia. As part of its strategy, MRCB constantly aims to feature mixed-use

residential and commercial development designed to maximise access to public transport, and often incorporates features to encourage ridership.

MRCB is the pioneer of TOD development in Malaysia. Building on the success of Kuala Lumpur Sentral Central Business District, PJ Sentral Garden City, Cyberjaya City Centre, the northern transport hub Penang Sentral and Kwasa Sentral, all seek to emulate MRCB's successful TOD formula, and will drive the Group to greater heights in the coming years.

AWARDS AND ACHIEVEMENTS

The Group continued to be recognised with a number of prestigious awards in 2015. Of notable mention is the FIABCI Malaysia Property Award 2015 (under the Office Development category) for Menara Shell, the company's world class green office tower in the Kuala Lumpur Sentral CBD, which has also been awarded with the Leadership in Energy and Environmental Design ("LEED") Platinum standard certification by the US Green Building Council. Menara Shell has also bagged another top property award at the Malaysian Property Press Awards 2015 in the Best Office category, while its 9 Seputeh project won as the Best High-rise Condominium development.



9 SEPUTEH

“The Group places considerable emphasis on ensuring the highest standards of governance, ethical business conduct and values practised within its organisation.”

“MRCB’s strong commitment to Corporate Responsibility (“CR”) reflects our conviction that economic success must be accompanied by a sustainable positive impact on society.”

My heartiest congratulations go to my fellow Board member, Tan Sri Mohamad Salim Fateh Din, who is also Group Managing Director, for winning three awards this year. Tan Sri Mohamad Salim emerged as winner in the prestigious Asia Pacific Entrepreneurship Awards 2015 in the Outstanding Achievement category. Tan Sri Mohamad Salim was also selected as Global CEO of the Year at the 6th Middle East Business Leaders Awards 2015, and won the Masterclass CEO of the Year in the Selangor Excellence Business Awards 2015.

These awards are a recognition of more than 30 years of involvement in the Malaysian property sector, and recognition of his extraordinary contribution and achievements since taking over the helm of MRCB in 2013.

CORPORATE RESPONSIBILITY

MRCB’s strong commitment to Corporate Responsibility (“CR”) reflects our conviction that economic success must be accompanied by a sustainable positive impact on society. This philosophy guides the Group’s CR framework and is embraced throughout the Group’s operations via

a wide range of environmental-friendly and operational best practices to achieve long term sustainable benefits for all stakeholders.

The Group places considerable emphasis on ensuring the highest standards of governance, ethical business conduct and values practised within its organisation. As part of our CR efforts, the Group carried out numerous community programmes pertaining to social welfare and education and will continue to identify areas where our support can make a real difference.

The Group is also committed to the wellbeing of its employees and contractors at the workplace and sites through increased awareness, accountability and continued training to ensure that all activities are conducted in an ethical, environmentally responsible, and safe manner.



PUSAT TRANSIT GELANDANGAN KUALA LUMPUR

“The Group’s on-going development projects at prime locations will continue to be key revenue drivers, contributing positively to the Group’s future profitability.”

BUSINESS OUTLOOK AND PROSPECTS

With the US economy continuing to exhibit signs of sustainable recovery, the Federal Reserve is expected to begin normalising interest rates from their current low levels. Emerging economies such as Malaysia will remain susceptible to incidences of heightened financial market instability, as it was a major recipient of capital inflows during earlier periods of quantitative easing by the US. It is now vulnerable to large and sudden capital reversals. While household spending has been affected by the implementation of Goods and Service Tax in April 2015, the Malaysian economy is expected to be resilient as it is well-diversified, backed by steady employment conditions and a very stable financial system.

Despite the prevalent global macro uncertainties, the Group remains focused on executing projects in hand while building on its future growth pipelines. The Group’s on-going development projects at prime locations will continue to be key revenue drivers, contributing positively to the Group’s future profitability.

More development projects to be launched soon include the remaining phases of 9 Seputeh, Bukit Rahman Putra, Sentral Suites Serviced Residences, Penang Sentral, Taman Kajang Utama, an office tower development in Putrajaya and the Semarak City development, slated to be launched in the 3rd quarter of 2016. The Group will also continue to actively participate in tenders for more engineering & construction contracts to continue to grow its order book. With these strategies in place, the Board is optimistic of the Group’s prospects.

APPRECIATION

On behalf of MRCB’s Board of Directors, I wish to express my heartfelt appreciation to all our shareholders, the regulatory authorities, business partners, contractors, suppliers, bankers and financiers for their support and cooperation.

I also take this opportunity to thank and express my gratitude to Dato’ Abdul Rahman Ahmad and Dato’ Chong Pah Aung, who have resigned as Directors of the Company since the last report. Dato’ Abdul Rahman who was previously the Group Managing Director of MRCB, was appointed to the Board on 9 August 2001. He was re-designated as an Independent Director on 24 November

2009 and became the Chairman of the Audit Committee on 25 February 2014. Dato’ Chong Pah Aung was appointed to the Board on 21 June 2011 and was a Member of the Audit Committee, the Nomination & Remuneration Committee and the Executive Committee. My sincere appreciation to both Dato’ Abdul Rahman and Dato’ Chong Pah Aung for their invaluable knowledge, insight and contribution to MRCB’s strategic development. I wish them all the very best in their future endeavours.

My gratitude and appreciation is also extended to Dato’ Ahmad Johari Tun Abdul Razak, who was appointed to the Board of MRCB on 5 February 2014 and resigned as a board member last year. Dato’ Ahmad Johari was the Chairman of the Nomination & Remuneration Committee and member of the ESOS Committee.

I would also like to welcome the new additions to the Board, Puan Chuah Mei Lin, who was appointed on 4 September 2015 and Encik Hasman Yusri Yusoff who was appointed on 26 January 2016. I believe both Puan Chuah Mei Lin and Encik Hasman Yusri Yusoff, with their vast professional experience will be able to contribute greatly to the growth of the company.

And it is with great pleasure for me to welcome Encik Mohd Imran Tan Sri Mohamad Salim in his new role as the Executive Director of MRCB who was appointed on 1 March 2015. Mohd Imran had served as Group Chief Operating Officer before he assumed his new role in the company. He held various senior posts in Gapurna Group, including the position of Chief Operating Officer of Gapurna Sdn Bhd and GTC Global Sdn Bhd. I am confident that Mohd Imran, with his extensive experience in construction, land development, together with management and finance, will be able to steer the company to greater heights.

We are also very appreciative of the commitment and dedication of our employees in facing up to the many challenges in a highly competitive operating environment. My deepest appreciation also goes to my colleagues on the Board and our senior management team for their dynamic leadership in helping us achieve a successful and profitable 2015.

Thank you.



AZLAN ZAINOL
Chairman

PENYATA PENGERUSI

PARA PEMEGANG SAHAM SEKALIAN,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya melaporkan satu lagi prestasi membanggakan yang dicapai oleh Kumpulan. Pada 2015, Kumpulan mencatatkan peningkatan hasil sebanyak 12% kepada RM1,697 juta dan peningkatan keuntungan bersih sebanyak 116% kepada RM330 juta. Ini merupakan hasil dan keuntungan bersih tertinggi pernah dijana oleh Kumpulan dalam tempoh 10 tahun.

Pertumbuhan teguh hasil dan keuntungan bersih yang lebih tinggi ini didorong oleh penyiapan pembangunan Q Sentral, penjualan Platinum Sentral dan beberapa projek pembangunan kediaman yang sedang dalam pembinaan, termasuk The Sentral Residences dan 9 Seputeh.

Di samping itu, keuntungan daripada penjualan syarikat usahasama NU Sentral Sdn Bhd, Paradigma Berkat Sdn Bhd dan Lotus Terrain Sdn Bhd, turut menyumbang kepada keputusan memberangsangkan ini. Langkah pemerolehan hasil melalui jualan ini juga mula memberi pulangan apabila penggearan bersih berkurangan daripada 1.53 kali pada 2014 kepada 1.27 kali pada akhir 2015.

Keteguhan prestasi kewangan pada 2015 ini telah mendorong Lembaga Pengarah mengisytiharkan dividen interim satu peringkat bagi tahun kewangan berakhir 31 Disember 2015 sebanyak 2.5% atau 2.5 sen sesaham, berjumlah kira-kira RM44.7 juta.

MALUMAT KORPORAT UTAMA

Walaupun sektor pembinaan dan hartanah menghadapi pelbagai keadaan yang mencabar sepanjang tahun ini, namun Kumpulan meneruskan pelan pembangunan strategik jangka panjangnya yang memberi penekanan untuk meluaskan simpanan tanahnya di beberapa lokasi strategik, melupuskan aset bukan teras dan memfokus kepada perniagaan teras pembangunan hartanah dan Kejuruteraan, Pembinaan & Alam Sekitar.

Pada tahun 2015, Kumpulan membeli tanah Kedutaan Jerman seluas 1.87 ekar di tengah-tengah Bandaraya Kuala Lumpur yang dianggar mempunyai Nilai Pembangunan Kasar ("GDV") RM1.3 bilion. Ia terletak di lokasi utama yang dikelilingi oleh pembangunan mewah. Kumpulan juga telah membeli beberapa bidang tanah seluas 67.52 ekar di Pulau, Johor yang dianggar mempunyai GDV RM1.1 bilion.

Pembelian tanah pembangunan di lokasi-lokasi utama merupakan sebahagian daripada rancangan Kumpulan untuk mencapai kemapanan dan pertumbuhan. Sebagai pemaju hartanah bandar, kejayaan berterusan Kumpulan adalah didukung melalui simpanan tanah seperti ini.

Sebagai sebahagian daripada strategi Kumpulan untuk merealisasikan nilai pegangan hartanah pelaburan, Kumpulan telah memeterai Perjanjian Jual Beli dengan Cardiac Vascular Sentral Kuala Lumpur

“Berlandaskan kepada kejayaan Kawasan Pusat Perniagaan Kuala Lumpur Sentral (“CBD”), PJ Sentral Garden City, Pusat Bandar Cyberjaya, hab pengangkutan, Penang Sentral dan Kwasa Sentral, semua pembangunan ini mencontohi kejayaan formula TOD MRCB. Justeru itu, kejayaan tersebut bakal melonjakkan Kumpulan untuk mencatat kejayaan yang lebih membanggakan pada masa hadapan.”

Sdn Bhd pada Ogos 2015 bagi menjual Sooka Sentral yang berjumlah sebanyak RM90.8 juta.

Pada bulan Disember 2015, Kumpulan juga memeterai Perjanjian Utama dengan Maybank Trustees Berhad, yang bertindak sebagai pemegang amanah bagi MRCB-Quill REIT (“MQ REIT”), untuk penjualan Menara Shell dengan jumlah sebanyak RM640 juta melalui kombinasi tunai dan penerbitan unit baharu dalam MQ REIT. Langkah korporat ini bukan sahaja bertujuan untuk merealisasi nilai hebat dalam portfolio hartanah pelaburan Kumpulan, malah ia turut menyediakan sumber pendapatan jangka panjang kepada Kumpulan melalui aliran pendapatan yang berulang. Dengan langkah ini, Kumpulan akan mempercekapkan pengurusan struktur cukai dan penyelenggaraan hartanah pelaburan tersebut serta membolehkan Kumpulan mengatur semula modal ke dalam beberapa projek pembangunan hartanah baharu.

Di samping itu, Kumpulan juga telah menjual 51% kepentingan ekuitinya dalam NU Sentral Sdn Bhd dengan jumlah sebanyak RM120 juta. Penjualan ini merupakan sebahagian daripada strategi makro Kumpulan untuk mencairkan aset bukan terasnya dan memfokus sumbernya kepada perniagaan terasnya.

Bagi membolehkan Kumpulan mengumpul dana bagi meluaskan tanah simpanannya dan menerima kutipan tunai bagi mengurangkan lagi pinjamannya, Kumpulan telah mengumumkan hasratnya untuk melaksanakan langkah penempatan swasta sehingga 493,610,683 saham biasa baharu berharga RM1.00 sesaham dalam MRCB yang merupakan 20% daripada modal saham terbitan dan berbayar MRCB.

Penempatan saham ini dicadang akan dijual kepada Gapurna Sdn Bhd dan para pelabur Institusi. Selain itu, Kumpulan juga telah membuat permohonan kepada Kementerian Kewangan (“MOF”) supaya disenaraikan sebagai sebuah Syarikat Senarai Awam Kawalan Bumiputera (“BCPLC”) dan secara umumnya telah mendapat kelulusan daripada MOF yang bersyarat selepas MRCB memenuhi keperluan ekuiti Bumiputera minimum 35%. Selepas mendapat status BCPLC, MRCB dijangka akan menjadi salah sebuah syarikat pembinaan Bumiputera terbesar di Malaysia dan akan layak untuk membida projek yang diperuntuk kepada kontraktor Bumiputera sahaja. Ini akan memberikan kelebihan kompetitif kepada Syarikat untuk memasuki tender bagi pelbagai projek inisiatif Kerajaan.

Pada tahun ini, aktiviti teras Kumpulan yang lain meliputi Kejuruteraan, Pembinaan & Alam Sekitar (“E&C”), berjaya mencatat rekod buku tempahan luaran sebanyak RM5.4 bilion pada tahun 2015 berikutan

kejayaan memenangi beberapa projek domestik baharu. Antara projek utama yang diperoleh pada tahun kewangan ini termasuk Kontrak Transit Aliran Ringan Laluan 3 (LRT3) “Project Delivery Partner” (PDP) yang akan menghubungkan Bandar Utama hingga Johan Setia, pembangunan semula Kompleks Sukan Negara Bukit Jalil, projek pembangunan campuran Kwasa Utama di Perbandaran Kwasa Damansara dan pembangunan Desaru di Johor.

Sejak penubuhannya 9 tahun lalu, Bahagian Pengurusan Kemudahan Kumpulan telah menjadi perniagaan yang semakin berkembang. Pengurusan Kemudahan terus mempertingkatkan prestasi kerja dan memperbaiki kualiti perkhidmatan serta menerokai pelbagai peluang baharu untuk mengembangkan lagi portfolio asetnya.

Kumpulan meneruskan fokusnya terhadap projek pembangunan berorientasikan transit (“TOD”) bagi mengukuhkan kedudukannya sebagai antara syarikat pemaju yang paling terkemuka di Malaysia. Sebagai sebahagian daripada strateginya, MRCB sentiasa bermatlamat untuk menawarkan pembangunan campuran kediaman dan komersial yang direka bentuk untuk memaksimumkan akses ke hab pengangkutan awam dan sering menawarkan ciri-ciri yang menggalakkan penggunaan tinggi terhadap pengangkutan awam.

MRCB adalah perintis bagi pembangunan berorientasikan transit di Malaysia. Berlandaskan kepada kejayaan Kawasan Pusat Perniagaan Kuala Lumpur Sentral (“CBD”), PJ Sentral Garden City, Pusat Bandar Cyberjaya, hab pengangkutan, Penang Sentral dan Kwasa Sentral, semua pembangunan ini mencontohi kejayaan formula TOD MRCB. Justeru itu, kejayaan tersebut bakal melonjakkan Kumpulan untuk mencatat kejayaan yang lebih membanggakan pada masa hadapan.

ANUGERAH DAN PENCAPAIAN

Kumpulan terus menerima pengiktirafan beberapa anugerah berprestij pada 2015. Antara yang utama adalah Anugerah Hartanah Malaysia FIABCI 2015 (di bawah Kategori Pembangunan Pejabat) bagi Menara Shell, menara pejabat bertaraf dunia dengan teknologi hijau di Kuala Lumpur Sentral CBD, yang turut dianugerahi pensijilan piawaian Leadership in Energy and Environmental Design (“LEED”) Platinum oleh US Green Building Council. Menara Shell turut meraih anugerah hartanah terbaik di Malaysian Property Press Awards 2015 dalam kategori Pejabat Terbaik, sementara projek pembangunan 9 Seputeh memenangi anugerah pembangunan Kondominium Bertingkat Tinggi Terbaik 2015.

PENYATA PENERUSI

“Komitmen teguh MRCB terhadap Tanggungjawab Korporat (“CR”) menunjukkan kesedaran kami bahawa kejayaan ekonomi perlu diiringi dengan impak positif yang mapan terhadap masyarakat.”

Saya ingin mengucapkan setinggi-tinggi tahniah kepada rakan Lembaga Pengarah saya, Tan Sri Mohamad Salim Fateh Din, yang juga Pengarah Urusan Kumpulan MRCB, kerana memenangi tiga anugerah pada tahun ini. Tan Sri Mohamad Salim merupakan pemenang Asia Pacific Entrepreneurship Awards 2015 yang berprestij dalam Kategori Pencapaian Cemerlang. Tan Sri Mohamad Salim juga telah dipilih sebagai Global CEO of the Year di Anugerah Middle East Business Leaders Awards 2015, dan memenangi Masterclass CEO of the Year dalam Anugerah Kecemerlangan Perniagaan Selangor 2015.

Semua anugerah ini merupakan pengiktirafan kepada penglibatan dan kecemerlangan beliau selama lebih 30 tahun dalam sektor hartanah Malaysia, khususnya sumbangan dan pencapaian luar biasa beliau sejak mengambil alih teraju kepimpinan MRCB pada 2013.

TANGGUNGJAWAB KORPORAT

Komitmen teguh MRCB terhadap Tanggungjawab Korporat (“CR”) menunjukkan kesedaran kami bahawa kejayaan ekonomi perlu diiringi dengan impak positif yang mapan terhadap masyarakat. Falsafah ini menjadi panduan kepada rangka kerja CR Kumpulan dan ia diamalkan di seluruh operasi Kumpulan melalui pelbagai amalan terbaik mesra alam dan operasi bagi mencapai manfaat jangka panjang mapan untuk semua pemegang kepentingan.

Kumpulan memberi perhatian untuk memastikan tadbir urus, pengendalian perniagaan beretika dan nilai murni diamalkan dalam operasinya. Sebagai sebahagian daripada usaha CR, Kumpulan melaksanakan pelbagai program komuniti berkaitan kebajikan sosial dan pendidikan dan akan terus mengenal pasti program yang mana sokongan kami akan membawa perubahan yang lebih bermakna.

Kumpulan turut komited untuk menyumbang ke arah kesejahteraan seluruh warga kerja dan kontraktornya di tempat kerja dan juga di tapak binaan dengan mempertingkatkan tahap kesedaran, kebertanggungjawaban dan latihan berterusan bagi memastikan semua aktiviti dijalankan secara beretika, bertanggungjawab terhadap alam sekitar dan selamat.

MASA DEPAN DAN PROSPEK PERNIAGAAN

Memandangkan ekonomi negara Amerika Syarikat (AS) terus menampilkan tanda-tanda pemulihan, Rizab Persekutuan dijangka akan mula menaikkan semula kadar faedah daripada tahap sekarang yang lebih rendah. Negara-negara ekonomi sedang membangun seperti Malaysia akan terus menerima kesan akibat ketidakstabilan pasaran kewangan, kerana ia merupakan penerima aliran masuk modal sepanjang tempoh awal langkah pelonggaran kuantitatif oleh AS. Kini, ia terdedah pula kepada pengeluaran modal secara besar-besaran dan mengejut. Walaupun perbelanjaan isi rumah terjejas akibat pelaksanaan Cukai Barangan dan Perkhidmatan pada bulan April 2015, ekonomi Malaysia dijangka akan bertahan kerana ia mempunyai kepelbagaian yang baik, disokong oleh peluang pekerjaan yang teguh dan sistem kewangan yang sangat stabil.

Walaupun berlakunya ketidakpastian makro di peringkat global, Kumpulan terus fokus melaksanakan kerja yang diperoleh sambil membina rancangan pertumbuhan masa depannya. Projek-projek pembangunan Kumpulan yang sedang berlangsung di lokasi utama terus menjadi penjana hasil, yang akan menyumbang kepada keuntungan masa depan Kumpulan yang positif.

“Kumpulan memberi perhatian untuk memastikan tadbir urus, pengendalian perniagaan beretika dan nilai murni diamalkan dalam operasinya.”

Lebih banyak projek pembangunan akan dilancarkan tidak lama lagi termasuk baki fasa 9 Seputeh, Bukit Rahman Putra, Sentral Suites Serviced Residences, Penang Sentral, 3 Residences di Kajang Utama, pembangunan menara pejabat di Putrajaya dan pembangunan Kota Semarak, yang sedia untuk dilancarkan pada suku ketiga 2016. Kumpulan akan terus bergiat aktif memasuki lebih banyak tender kontrak kejuruteraan & pembinaan untuk menambahkan buku tempahannya. Dengan adanya beberapa strategi yang dirancang, Lembaga Pengarah yakin terhadap prospek masa depan Kumpulan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah MRCB, saya ingin menyampaikan setinggi-tinggi penghargaan kepada semua pemegang saham, pihak berkuasa, rakan perniagaan, kontraktor, pembekal, institusi perbankan dan pembiaya atas sokongan dan kerjasama mereka selama ini.

Saya juga ingin mengambil peluang ini untuk mengucapkan terima kasih kepada Dato' Abdul Rahman Ahmad dan Dato' Chong Pah Aung, kedua-duanya telah meletak jawatan sebagai pengarah-pengarah Syarikat sejak laporan tahunan yang lepas. Dato' Abdul Rahman yang dilantik ke Lembaga Pengarah pada 9 Ogos 2011 adalah bekas Pengarah Urusan Kumpulan MRCB. Beliau menjadi Pengarah Bebas pada 24 November 2009 dan dilantik sebagai Pengerusi Jawatankuasa Audit pada 25 Februari 2014. Dato' Chong Pah Aung telah dilantik ke Lembaga Pengarah pada 21 Jun 2011 dan merupakan salah seorang Ahli Jawatankuasa Audit, Ahli Jawatankuasa Pencalonan dan Imbuan serta Ahli Jawatankuasa Eksekutif. Saya ingin menyampaikan penghargaan ikhlas kepada Dato' Abdul Rahman dan Dato' Chong Pah Aung atas sumbangan ilmu pengetahuan dan pengalaman yang tidak ternilai terhadap pembangunan strategik MRCB. Saya doakan yang terbaik atas segala usaha masa depan mereka berdua.

Ucapan terima kasih dan penghargaan juga ingin saya sampaikan kepada Dato' Ahmad Johari Tun Abdul Razak yang telah dilantik di dalam Lembaga Pengarah MRCB pada 5 Februari 2014 dan telah meletak jawatan pada tahun ini sebagai ahli Lembaga Pengarah. Dato'

Ahmad Johari juga telah berkhidmat sebagai Pengerusi Jawatankuasa Pencalonan & Imbuan dan Ahli Jawatankuasa ESOS di MRCB.

Saya juga ingin mengucapkan selamat datang kepada ahli Lembaga Pengarah baharu, Puan Chuah Mei Lin yang dilantik pada 4 September 2015 dan Encik Hasman Yusri Yusoff yang dilantik pada 26 Januari 2016. Saya percaya, Puan Chuah Mei Lin dan Encik Hasman Yusri Yusoff mempunyai pengalaman profesional yang luas dan akan dapat memberi sumbangan besar dalam perkembangan Syarikat ini.

Dan saya amat berbesar hati mengalu-alukan Encik Mohd Imran Tan Sri Mohamad Salim atas pelantikan ke jawatan baharu sebagai Pengarah Eksekutif MRCB pada 1 Mac 2015. Mohd Imran telah berkhidmat sebagai Ketua Pegawai Operasi Kumpulan di MRCB sebelum beliau menyandang jawatan baharu di syarikat ini. Beliau telah memegang pelbagai jawatan kanan dalam Kumpulan Gapurna, termasuk sebagai Ketua Pegawai Operasi Gapurna Sdn Bhd dan GTC Global Sdn Bhd. Saya yakin bahawa Mohd Imran, dengan pengalaman beliau yang luas dalam pembinaan, pembangunan dan hartanah, begitu juga dalam pengurusan dan kewangan, akan membantu beliau mengemudi syarikat ini ke tahap yang lebih tinggi.

Kami juga amat menghargai komitmen dan dedikasi warga kerja kami yang telah menghadapi pelbagai cabaran dalam persekitaran operasi yang kompetitif. Setinggi-tinggi penghargaan saya ucapkan kepada rakan sekerja saya di dalam Lembaga Pengarah dan pasukan pengurusan kanan atas kepimpinan dinamik mereka sehingga membolehkan kita mencapai kejayaan dan keuntungan pada tahun 2015.

Terima kasih.



AZLAN ZAINOL
Pengerusi

GROUP MANAGING DIRECTOR'S STATEMENT AND REVIEW OF OPERATIONS



**TAN SRI MOHAMAD
SALIM FATEH DIN**
Group Managing Director

DEAR VALUED SHAREHOLDERS,

I am pleased to report that MRCB Group performed strongly in 2015 despite challenging economic conditions, delivering on its promises and the goals set in 2014 as part of its corporate transformation. The strong performance in 2015 is reflected in the Group's profit before tax of RM370 million and net profit of RM330 million, which grew 68% and 116% respectively.

The Group's strong financial performance strengthened our balance sheet, with shareholders' funds exceeding RM2.26 billion and the Group's total assets standing at RM7 billion at the financial year end. Meanwhile, we have successfully pared down our net gearing to 1.27 times at the end of 2015, compared to 1.53 times at the end of 2014, providing us with the flexibility to consider strategic growth opportunities in the coming year.

PROSPECTS

The property market in Malaysia is expected to remain challenging in 2016 due to continued weak consumer sentiment post the introduction of GST, and much more stringent mortgage approval processes. The Group will remain vigilant during these challenging times by adjusting development and marketing strategies in response to changing economic conditions and market realities.

The strong performance and value creation through the unlocking and monetisation of value embedded in the Group's investment property portfolio in 2015, including the disposal of Platinum Sentral to MQ REIT was a direct result of the corporate transformation plan embarked on by the Group.

“The current external order book has grown tremendously over the last year with some sizeable contact wins, and now stands over RM5.4 billion.”

Furthermore, the Group also announced its intention to undertake a private placement exercise of up to 20% of its equity share capital, which will enable it to raise the necessary funds expeditiously to expand its land bank when such opportunities arise, and to carry out its property development activities, which in turn are expected to contribute positively to the future earnings of the Group.

The Group continues to actively participate in tendering for more construction contracts to grow its order book. The current external order book has grown tremendously over the last year with some sizeable contact wins, and now stands over RM5.4 billion, which will keep the Group busy for the next few years, as well as putting the Group in a solid position to weather any challenges in the coming financial year.

CHARTING GROWTH BY SECTOR

The Group's core business activities now encompass Property Development and Investment, Engineering, Construction & Environment, Infrastructure & Concession and Facilities Management.

PROPERTY DEVELOPMENT & INVESTMENT

In 2015, the Group's Property Development and Property Investment activities contributed RM724 million to the Group's revenue. Recognition of revenue was mainly attributable to the sales of commercial developments, namely Q Sentral which was completed in June 2015, and sales from residential developments, namely Sentral Residences and 9 Seputeh. The Sentral Residences and 9 Seputeh developments will continue to drive Group revenue in the coming year.

The Group's Property Development revenues will be further boosted with projects currently in the early stages of their life cycle, including 9 Seputeh (Parcel C), an integrated residential high-rise development sited on 7.96 acres, with a GDV of RM756 million; The Grid on Jalan Kia Peng, a Kuala Lumpur city centre high-end apartment tower with a GDV of RM415 million; a 13-storey bespoke office complex in Putrajaya with a GDV of RM399 million; the Kajang 3



9 SEPUTEh

Residences, service apartments on 4.07 acres with a GDV of RM195 million and the PJ Sentral Garden City development with a GDV of RM2 billion.

As of 31 December 2015, the Group's total urban landbank stood at 410.7 acres with an estimated GDV exceeding RM50 billion.

As part of its corporate transformation plan, the Group continued the implementation of its strategic initiatives to drive growth in the future, including the divestment of non-core assets. Consequently, during 2015, the Group entered into a Sale and Purchase Agreement with Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd for the sale of Sooka Sentral for a total consideration of RM90.8 million, and also disposed its 51% equity interest in joint venture company, NU Sentral Sdn Bhd for RM120 million.

The Group also continued to streamline its operations in 2015, entering into a Share Swap Agreement with DMIA (M) Sdn Bhd ("DMIA") to transfer MRCB's 100% equity in Lotus Terrain Sdn Bhd for the transfer of DMIA's 30% equity in Country Annexe Sdn Bhd.

Furthermore, the Group signed a Share Sale Agreement to dispose of its 70% equity in Paradigma Berkas Sdn Bhd for a cash consideration of RM39.0 million. The Group made a gain of RM38.8 million from this disposal.



PJ SENTRAL GARDEN CITY

“As of 31 December 2015, the Group's total urban landbank stood at 410.7 acres with an estimated GDV exceeding RM50 billion.”

In 2015, the Group continued to identify land in prime locations with access to major transportation and other infrastructure, and to this end, the Group's wholly-owned subsidiary, Legasi Azam Sdn Bhd entered into a Sale and Purchase Agreement with the Government of The Federal Republic of Germany for the acquisition of a parcel of very prime land in the heart of Kuala Lumpur for a total cash consideration of RM259 million.

MRCB's wholly-owned subsidiary, MRCB Land Sdn Bhd, also entered into a joint venture agreement with Cyberview Sdn Bhd to form CSB Development Sdn Bhd, to purchase and undertake the development of Cyberjaya City Centre, totalling 53.37 acres, for a total subscription payment of RM269.5 million, with an option to buy another parcel of land totalling 59.89 acres. The land will be developed into a mixed development comprising of residential units, retail and commercial space, hotels and a convention centre in line with the concept of a smart, sustainable and vibrant city centre TOD with a GDV of RM5.35 billion.

The Group believes that Cyberjaya offers tremendous potential due to its unique demographic profile. In addition, the ready infrastructure, including a comprehensive network of expressways, the Express Rail Link to KL International Airport, an upcoming Mass Rapid Transit ("MRT") station and various amenities, as well as a large catchment of mature neighbouring townships, make Cyberjaya a ready and growing market to be tapped into with the right product, providing a good opportunity for the Group to expand its operations and increase its development land bank.

The Group's wholly-owned subsidiary, Rukun Juang Sdn Bhd ("RJSB"), entered into a Privatization Agreement with the Government of Malaysia, represented by the Minister of Youth and Sports and Syarikat Tanah and Harta Sdn Bhd to undertake the refurbishment and upgrading of the facilities located at the National Sport Complex in Bukit Jalil, Kuala Lumpur for a total contract value of RM1.6 billion ("KL Sports City"). In consideration of RJSB agreeing to undertake the Proposed Privatisation, the Government will transfer three pieces of leasehold land in the Mukim of Petaling, District of Kuala Lumpur, measuring approximately 92.50 acres in total to RJSB.

In the pursuit of its strategy of unlocking value via the monetisation of its investment properties, MRCB's wholly-owned subsidiary, 348 Sentral Sdn Bhd also entered into a Heads of Agreement with Maybank Trustees Berhad, acting as trustee for MQ REIT, for the disposal of the 33-storey Menara Shell for a proposed sale consideration of RM640 million, made up of a mixture of cash and units in MQ REIT. This sale is targeted to be completed in 2016.

With the completion of the disposal of Platinum Sentral in Q1 2015, also for a mixture of cash and units in MQ REIT, the Group currently owns 31.18% of MQ REIT and 41% of MRCB Quill Management Sdn Bhd, the Management Company of MQ REIT. This strategy provides a platform for MRCB to continue to monetise its investment properties, allowing capital tied up in the respective investment properties to be released and used to pay down debt tied to the properties being disposed, and allow any surplus capital to be recycled for use in other development projects. The partial sales consideration satisfied by way of units in MQ REIT, provide a long term stream of earnings through income distributions, and allow the Group to maintain some indirect exposure to the underlying investment properties it is disposing.

Amidst a more challenging backdrop for the property market this year, MRCB continues to offer a diverse range of residential developments that address the needs of various sectors within the market. From the high-end residential segment of The Sentral Residences and The Grid, to the medium-high end segment of 9 Seputeh and the affordable range of homes in Kajang Utama's 3 Residences, MRCB has property developments that cater for a range of market segments. The Sentral Residences are almost fully pre-sold, whilst 9 Seputeh's first 2 phases have been more than 70% sold since launch.

The Government's introduction of cooling measures to curb speculation in the property market has not quelled demand for developments in strategic locations. The demand for MRCB's residential developments has been very encouraging this year, and we foresee this trend to continue in 2016.

Demand for commercial property in strategically well-connected locations show little signs of dampening. For example, office space in Kuala Lumpur Sentral CBD is near full capacity, proving that building spaces with comprehensive connectivity is still in high demand. This concept emanates across the Group's other transport-oriented developments, such as PJ Sentral Garden City, Penang Sentral and in the future, Cyberjaya City Centre. Providing easy access to public transport systems is a huge pull factor for businesses looking for office space, and fundamental to the Group's Transit Oriented Development ("TOD") strategy.

ENGINEERING, CONSTRUCTION & ENVIRONMENT

Engineering, Construction & Environmental Division ("E&C") recorded a revenue of RM774 million – an increase of 51% over 2014. The stronger growth in 2015 was mainly attributable to the Light Rail Transit ("LRT") construction works on the Ampang and Kelana Jaya Lines for which during the year under review, the Engineering and Construction division ("E&C") successfully completed and handed over the fabrication and delivery of Segmental Box Girders (Package B) for the 17.7 km Kelana Jaya Line Extension project. The construction and completion of facilities works including fabrication and delivery of Segmental Box Girders (Package B) for the Ampang (AMG) Line Extension project (18.10 km) is at 95% Completion.

In addition, the construction of Giant Hypermarkets in Kampar, Kangar and Setapak, and various TNB projects, contributed positively to revenues.

Our joint venture company, UEMB-MRCB JV Sdn Bhd also successfully completed and handed over the construction of the fourth lane extension of the RM1.4 billion New Klang Valley Expressway from Shah Alam to Rawang / Jalan Duta Toll Plaza interchanges and Nilai Utara to Seremban and the Proposed new RM118.5 million Seremban Interchange and Toll Plaza for PLUS at the end of 2015.



KL SPORTS CITY

The Division also successfully completed and handed over to Tenaga Nasional Berhad ("TNB") the works related to the 132kV Transmission Line from Pantai Siring to Pulau Besar, Melaka, the first ever project to install overhead lines in Malaysia crossing over a stretch of sea in the Straits of Melaka, six months ahead of the original targeted completion date.

The Phase 3 of the Sungai Pahang river mouth rehabilitation project at Pekan, Pahang was successfully completed and handed over at the end of 2015. With a contract value amounting to RM130 million, the work involved the construction of a dyke and extensions of two breakwater arms, measuring 368 metres and 201 metres. We have submitted a proposal to the client to continue with the Phase 4 works and are ready for negotiations.

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

Other ongoing projects, the 30-storey Jland Tower and Aman Desaru Resort Projects are at 8.3% and 9.2% completion respectively. Whilst the joint venture project with Hicom Builder for the construction of the Integrated Immigration, Customs, Quarantine and Securities Complex ("ICQS") at Bukit Kayu Hitam, Kedah, started in third quarter of 2015.

The Group has actively been sourcing new jobs to expand its construction order book over the past two years. We are thrilled to have won some large projects that boosted our external order book to RM5.4 billion at the end of 2015, and on the back of existing projects and these new wins, the division is already showing signs of improvement.

Some of the other bigger construction project wins in 2015 were also in Johor, namely Desa Desaru, Westin Desaru Resort and Desaru Convention Centre. The three projects have a total contract value of about RM485 million.

“Providing easy access to public transport systems is a huge pull factor for businesses looking for office space, and fundamental to the Group's Transit Oriented Development (“TOD”) strategy.”

“The appointment of the MRCB-George Kent joint venture as Project Delivery Partner (“PDP”) for the construction of LRT3 is the latest addition to the Group’s order book.”

The appointment of the MRCB-George Kent joint venture as Project Delivery Partner (“PDP”) for the construction of LRT3 is the latest addition to the Group’s order book. The scope, terms and conditions of the appointment as PDP are subject to a comprehensive and definitive agreement. The indicative value for the entire project is RM9 billion (excluding land cost) and the alignment is estimated to be 37.6 km in length, consisting of 26 stations with 6,000 parking lots. The joint venture will earn an indicative management fee of 6% of the total project value (excluding land cost).

The KL Sports City construction contract consists of 2 phases, Project 1 and Project 2, whereby Project 1, which carries an estimated value of RM499 million, involves refurbishing, renovation, and upgrading of the National Stadium, Putra Stadium, hockey stadium and aquatic centre located at the National Sports complex. This project must be completed by June 2017 in time for the SEA Games to be hosted by Malaysia.

Project 2 involves upgrading the National Stadium, developing, planning, designing, constructing, completing and the commissioning of a sports complex, sports mall, convention centre, a multi-storey car park, hostels, a sport museum, library and youth park. The estimated value of Project 2 is RM1.10 billion and the project is expected to complete in December 2020.

Another addition to the Group’s construction order book during 2015 occurred when the Company entered into a management contract with Kwasa Utama Sdn Bhd (“KUSB”) for the development and construction of a commercial development named Kwasa Utama, on a 29.82 acre piece of land known as Plot C8 in Kwasa Damansara owned by KUSB. The project has a provisional total contract sum of RM3.15 billion.

The development of the C8 land, which will span approximately 12 years from 2016 to 2027, is expected to comprise seven separate development plots consisting of eight towers, one hotel, one auditorium and one facility block.

In addition, the E&C Division has been awarded three projects in 2015, amounting to RM210 million by TNB. The three projects include works related to the diversion of existing 275kV Overhead Lines from Bukit Tarek to Chubadak near Rawang, and Bukit Lagong Forest Reserve; Double Circuit 500kV Overhead Transmission Lines from Mukim Jabi, Segamat to Mukim Seriting Ilir, Jempol; Main Intake 500/275kV Substation Lenggeng extension of 3 Diameters 500kV Line.

The Division’s high voltage transmission projects operation is also embarking on other areas of business development related to power & distribution and advanced metering infrastructure.

The E&C Division has successfully implemented and obtained SIRIM QAS International certifications on the “Provision of Construction Services for Building and Infrastructure Projects”, ISO Quality Management Systems certified under ISO 9001 and ISO 14001, together with the OHSAS 18001 Occupational Health and Safety Management System in December 2015. Each of the ISO standards provide 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.

I am optimistic the E&C Division should perform well in 2016, on the back of its strong order book of projects in hand for execution in the next few years, coupled with the substantial on-going internal development projects from the Property Division, particularly the 9 Seputeh residential development, the PJ Sentral Garden City commercial development, Penang Sentral and a commercial office development in Putrajaya.

Notwithstanding its success in securing these sizeable new contracts, the Group is very cognisant of the current challenges posed by the limited number of construction jobs in the domestic market, and shrinking profit margins in the industry due to intense competition among local as well as foreign contractors. The Group will continue push on in its efforts to tender for new jobs in the local and overseas markets to ensure its order book continues to grow.

INFRASTRUCTURE & CONCESSION

The Infrastructure segment generated revenues of RM115 million in 2015, representing an increase of 135% over 2014. This segments revenue comprises revenue from the Eastern Dispersal Link (“EDL”) Expressway in Johor Bahru.

During the financial year, the Group saw a significant increase in revenue as the Group consolidated the EDL’s revenue into the Group’s result. The EDL’s revenue was generated from the collection of toll, which was gazetted in August 2014.

FACILITIES MANAGEMENT

Facilities Management & Parking contributed revenue of RM75 million in 2015, a decrease of 4%. MRCB’s Facilities Management business offers a diverse range of services to match clients’ requirements, namely, cleaning services, mechanical & electrical services, pest control, landscaping works, façade cleaning, energy management, security services and car parking services.

LRT 3 PDP PROJECT



“MRCB’s competitive edge has always been its capability to leverage on its strategic land bank to create value in a diverse range of market segments.”

Semasa Parking Sdn Bhd (“SPSB”) is a wholly owned subsidiary company of MRCB. As an ISO 9001:2008 certified company that specializes in carpark management and consultancy, SPSB aims to make the task of running a car park as smooth, efficient and profitable as possible. The company’s services begin with a complimentary consultation to determine the client’s needs, followed by the development of a meticulous management strategy including feasibility analysis.

Its main objective is to provide the most comprehensive and cost-effective parking management service available, including superior management systems, highly trained staff, an advanced revenue collection system, the most updated and reliable equipment, regulation and security enforcement, ensuring the owner’s interests are best served. In addition to increasing profit margins, the long-term benefits include an efficient cash control system to track revenue and expenses. SPSB also represents an effort on the part of MRCB to move into the ownership and management of parking assets as part of our strategy to increase the number of long-term recurring income assets.

Today, SPSB is one of Malaysia’s safest, most efficient parking management providers, and currently manages 20 parking facilities including most of the buildings in the prestigious Kuala Lumpur Sentral CBD, dealing with multiple international companies and government agencies.

Semasa Services Sdn Bhd (“SSRV”) the wholly owned facilities management subsidiary of MRCB, has been awarded ISO 9001:2008 certification since 31st March 2006, which reflects recognition and compliance to clients’ expectations. SSRV successfully again passed a Surveillance Audit conducted by SIRIM in February 2016. In fact, SSRV was among the first five companies in Malaysia to be certified with ISO 50001:2011 Energy Management System when it was certified by SIRIM on 28th June 2013.

Semasa Security Sdn Bhd provides a safe and secure environment for business continuity at all MRCB related entities, including Kuala Lumpur Sentral CBD, Stesen Sentral Kuala Lumpur, for all tenant employees, visitors, stakeholders, be it in a building or at our construction Sites.

The Group continues to explore new avenues to expand its Facilities Management activity. Among potential revenue drivers in the future are the upcoming PJ Sentral Garden City, Kwasa Sentral and Penang Sentral developments in

the coming years. The creation of new office space and car park spaces within these developments offer large potential for growth.

LEVERAGING ON UNIQUE STRENGTHS & OPPORTUNITIES

As the Group Managing Director of MRCB, I am pleased that the Group continues to create value in all our developments and products, particularly in TODs. I am proud of the fact that MRCB was the first developer of fully integrated, sustainable and environmentally friendly TODs in Malaysia.

The Group offers a unique proposition; residential and commercial developments centralised around an integrated transport hub, adopting green technology for a sustainable future for stakeholders within the development. Building on the success of Kuala Lumpur Sentral CBD, PJ Sentral Garden City, Penang Sentral and Kwasa Sentral seek to emulate this example of a very successful green development. MRCB’s emphasis on green technology is driven by a strong corporate responsibility that emanates across its business activities. Overall, MRCB’s competitive edge has always been its capability to leverage on its strategic land bank to create value in a diverse range of market segments, from high-end and mid-range developments to affordable urban market developments.

Based on its pioneering flagship development Kuala Lumpur Sentral CBD as a model, the Group will continue with developments centred around transportation hubs. This will be the focus moving forward. We believe our core values will guide us to push the boundaries further, and create value for our clients, local communities, stakeholders and our shareholders.

I would like to offer my sincere appreciation to all our valued customers, clients, suppliers, financiers and the relevant authorities for their continuous support.

Last but not least, I would like to take this opportunity to thank the Board for entrusting me with the responsibility of leading the Group, and all the MRCB team for their commitment and unwavering support as we continue on our journey of transformation and enhancing growth through 2016 and beyond.

Thank you.



MOHAMAD SALIM FATEH DIN
Group Managing Director

KEY PROPERTY DEVELOPMENT PROJECTS

PJ SENTRAL GARDEN CITY

GDV: RM2.17 billion

Land Size: 12 acres

PJ Sentral Garden City Phase 1 comprises of 6 towers, of which 3 towers have been sold to Selangor State Development Corporation (PKNS), Malaysia Building Society Berhad (MBSB) and Intellectual Property Corporation of Malaysia (MyIPO) respectively. The fourth tower will be occupied by Celcom on a long term lease basis. In this Phase 1 development, the total GFA is 3,883,899 sq. ft. and total NFA is 2,691,107 sq. ft.



PJ SENTRAL GARDEN CITY

9 SEPUTEH

GDV : RM2.10 billion

Land Size: 17.30 acres

9 Seputeh comprises a mix of sophisticated commercial and residential units located in Jalan Klang Lama. The development's Phase 1 known as the ViVo Series, comprising four 42 & 44 storey Residences (Vivo Residences) blocks (824 units) and a 15-storey SoHo (Vivo Suites) block (287 units) were 68% sold as of the end of 2015.

The commercial components consisting of 2 & 3 storey signature retail lots & supermarkets will be kept as an investment asset managed by MRCB to further enhance the value of the development. Parcel B the Phase 2 of the development is schedule to launch in the third quarter of 2016.



9 SEPUTEH

PENANG SENTRAL

GDV: RM2.86 billion

Land Size: 22.65 acres

Located in Seberang Perai, Butterworth, Penang Sentral is a Transport Hub, an integrated urban TOD, comprising commercial and residential components incorporated with a Transport Terminal and "Park n Ride" facilities.

Phase 1, 2, 3, 4, 5, 6 & 7 have been secured and the remaining land acquisitions are in progress. The Development Order and Building Plan approvals for Phase 1, 2 & 3 have been issued and the construction works which include the Transport Terminal, Retail Mall and Hotel components started in January 2015.



9 SEPUTEH

CYBERJAYA CITY CENTRE (CCC)

GDV: RM5.35 billion

Land Size: 53.37 acres

CCC Phase 1 will contain commercial blocks, an integrated lifestyle and retail arena, serviced residential complexes and a convention centre. The development will be consolidated into three zones comprising Vibrant, Tech & Enterprise and Gateway zones. Each zone will have the right infrastructure and facilities that will cultivate and support the stimulation of new ideas and inspiration, establishments of creative and commercial opportunities as well as social networking.

The CCC will propel Cyberjaya into a Global Technology Hub that not only advances technologies but is also a prodigious project that will redefine the meaning of smart cities, eco-friendly developments, connectivity, innovation and living.

The development will also integrate with the MRT Line 2 between Sungai Buloh and Putrajaya, as well as providing seamless pedestrian connectivity via a walkway from Putrajaya Sentral.

THE SENTRAL RESIDENCES

GDV: RM1.31 billion

Land Size: 2.35 acres

The Sentral Residences is a serviced residence, located at KL Sentral CBD, Kuala Lumpur. It neighbours St. Regis Hotel and Suasana Sentral Loft. It consists of a 57-storey twin tower that comprises a total of 752 units, with 17 types of floor plans. With a GFA of 1.4 million sq. ft. the top-most 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. The generous facilities include a garden deck at level 2, Sky Lounge at level 45, and Sky Club at the rooftop of level 55.

BANDAR SERI ISKANDAR

GDV: RM684 million

Land Size: 264.93 acres

Carrying on from the success of Phase 1 of the Bandar Seri Iskandar Development, undertaken by 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), further launches were carried out while a review is underway for the remainder of the development land. The current Phase 2A, B and C branded as Puncak Iskandar is due for completion by 2017, while the original commercial development of Phase 2D is being re-planned for Pr1ma housing.

Puncak Iskandar was conceptualized as a high end low density development consisting of single storey bungalows selling from RM480,000, single storey semi-detached houses from RM340,000 as well as single and double storey terrace houses at selling prices from RM135,000 and RM260,000 respectively.

Whereas the future development of Phase 3, located at the highest terrain of Bandar Seri Iskandar will focus upon a new range of community type of housing development with clusters and neighbourhood spaces, both soft and hard landscaping features, plus enhancements to the built environment to cater for new lifestyle living, as well as enhanced security features.



THE SENTRAL RESIDENCES

SEMARAK CITY

GDV: RM3.16 billion

Land Size: 27.41 acres

This strategically located integrated development on Jalan Sultan Yahya Petra (formerly known as Jalan Semarak) is conceptualized as a new urban centre offering a modern urban living environment that integrates meticulously planned commercial, residential, lifestyle shopping mall and leisure components. Approximately 3,400 serviced apartments, shops and SoHo units will be built over several phases; Phase 1 consists of shops and serviced apartments, Phase 2 consists of shops and SoHo units and Phase 3 consists of a shopping mall and serviced apartments. The 4-storey shopping mall will have a GFA of over 774,000 sq. ft.



TAMAN KAJANG UTAMA



SEMARAK CITY

TAMAN KAJANG UTAMA

GDV: RM195 million

Land Size: 4.07 acres

The final project in this development is the Kajang Utama Phase 7, known as Residensi PR1MA Kajang Utama. PR1MA Corporation accepted this development as part of the PR1MA Homes Development program.

This commercial land area with an approved plot ratio of 1:4 has been efficiently designed to utilise the existing terrain to house 2 sub basements and 3 elevated podium car parks. Three residential towers of 19 storeys, 25 storeys and 29 storeys, complete with desirable outdoor and indoor amenities such as, a multipurpose hall, kindergarten, lounge, parcourse, multipurpose courtyard and playground for children. There are 3 types of units with built-ups ranging from 900, 1,022 to 1,124 sq. ft, offering desirable lifestyle living within affordable prices.



THE EASTON BURWOOD, MELBOURNE

THE EASTON BURWOOD, MELBOURNE

GDV: RM190 million

Land Size: 1.20 acres

MRCB's Australian residential development project Easton Burwood is lauded as the new vibrant centre for the Burwood suburb of Melbourne.

Comprising 126 luxury apartments of 1, 2 and 3 bedrooms in two buildings (A & B), residents of Easton Burwood will enjoy a range of facilities that include an internal communal courtyard, a communal garden with BBQ area and seating and roof top terrace gardens with elevator access. They will also enjoy 148 car park bays, 126 storage spaces provided in the buildings' basement, secure entrances and 24-7 CCTV and security services for this development with a GFA of 168,014 sq ft.

KEY CONSTRUCTION PROJECTS

PROJECT	DESCRIPTION	CONTRACT VALUE	TARGET COMPLETION
LRT3 PDP	LRT3 PDP will manage the construction of the 37.6 km LRT line from Bandar Utama to Klang. It will feature one underground station and 25 elevated stations with 6,000 parking lots. Contract valued at RM9 billion, the project will serve two million users by 2020.	RM9 billion	2020
Kwasa Utama	The 29.82-acre Kwasa Utama mixed development project comprises the Employee Provident Fund's new Headquarters, financial institutions, office and commercial buildings, a retail mall and serviced apartment, a hotel, shared common infrastructure, amenities and parks on a piece of land known as Plot C8 in the Kwasa Damansara township in Sungai Buloh, Selangor Darul Ehsan, with an estimated GDV of RM5.087 billion.	RM2.6 billion	2027
KL Sports City	The Regeneration of KL Sports City Phase 1 works include the refurbishing, renovation and upgrading of the National Stadium, Putra Stadium, hockey stadium and aquatic centre located at the National Sports Complex, Bukit Jalil together with the construction of the common infrastructures including boulevard, parking, steps and new signage.	RM1.6 billion	2017
Aman Desaru	Construction of central facilities, conference centre, spa, carpark with M&E rooms and back of house facilities and related supporting facilities, 46 units of club suite, 2 units of prototype villa, beach recreation club.	RM135 million	2018
Desa Desaru	Construction of 386 keys hotel in 9 blocks of 5 storey buildings.	RM212 million	2017
Westin Desaru Resort	Construction of 275 room hotel in 4 blocks of 4 to 5 storey buildings.	RM212 million	2017
Desaru Convention Centre	Construction of conference centre and basement car park.	RM61 million	2017
Transmission Line Project	Construction of Double CCT 500kv Transmission Line Mukim Jabi to Serting	RM122 million	2018



PLATINUM SENTRAL

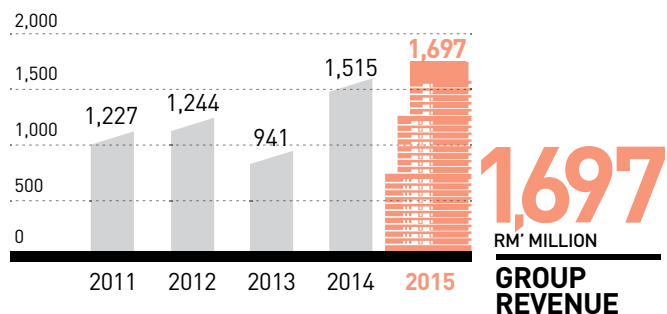
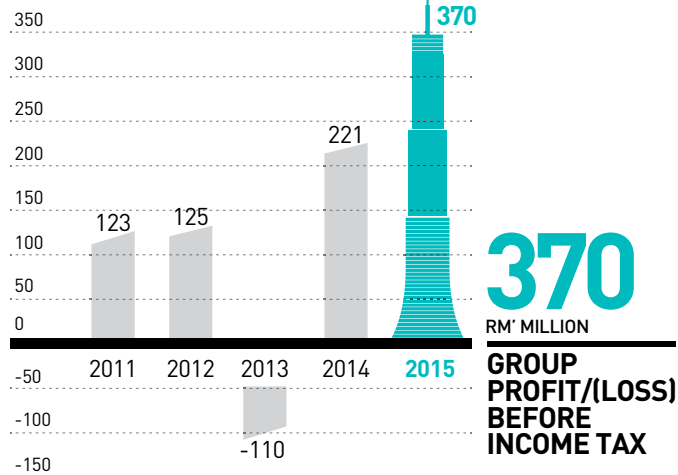
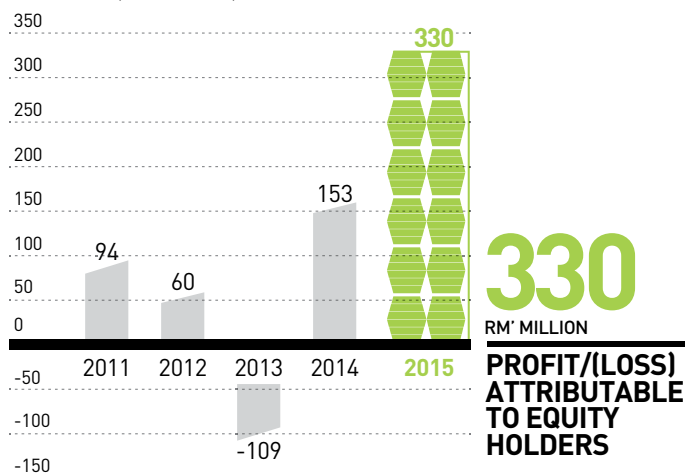
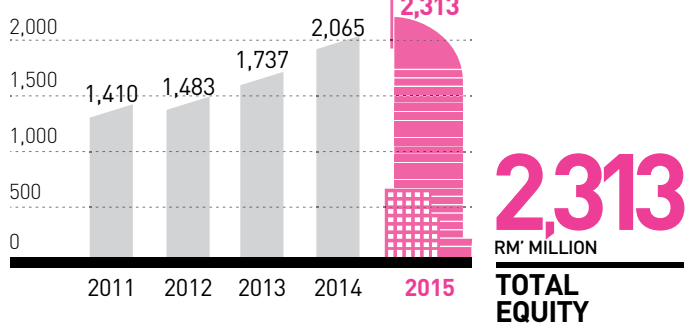
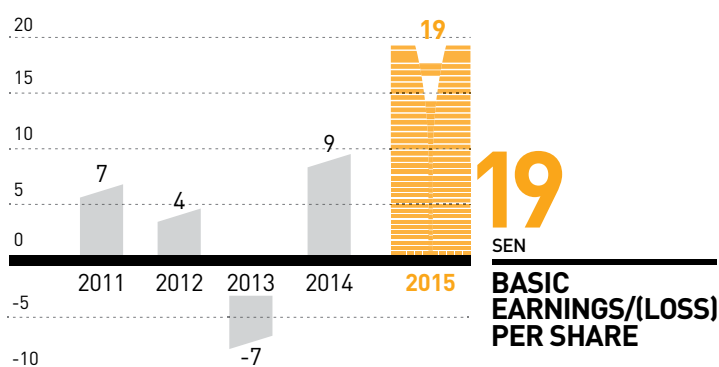
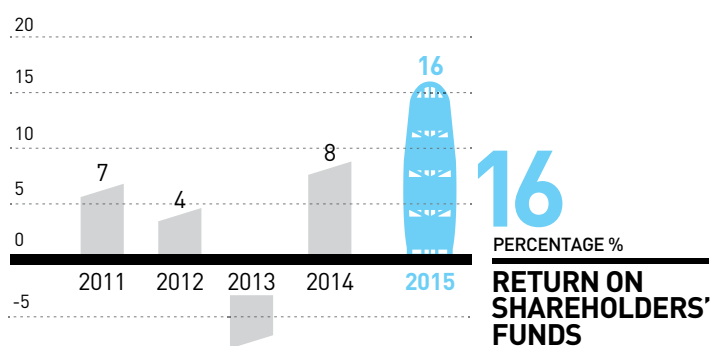
Maintaining a strong
focus on sustainability
in everything we do

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

	2011	2012	2013	2014	2015
FINANCIAL RESULTS (RM' MILLION)					
Revenue	1,227	1,244	941	1,515	1,697
Gross profit margin (%)	18	22	3	24	27
Profit/(loss) before income tax	123	125	(110)	221	370
Profit/(loss) after income tax	108	90	(123)	221	364
Profit/(loss) attributable to equity holders	94	60	(109)	153	330
FINANCIAL POSITION (RM' MILLION)					
Total cash & bank balances and investment securities	621	648	608	664	524
Total assets	5,408	5,955	6,603	7,042	7,090
Total borrowings	2,743	3,324	3,510	3,691	3,394
Total net assets	1,372	1,414	1,675	1,985	2,260
Share capital	1,386	1,388	1,651	1,760	1,787
Total equity	1,410	1,483	1,737	2,065	2,313
FINANCIAL RATIOS					
Basic earnings/(loss) per share (sen)	7	4	(7)	9	19
Return on average shareholders' funds (%)	7	4	(7)	8	16
Return on total assets (%)	7	4	(7)	8	15
Share price at year end (RM)	2.16	1.55	1.29	1.22	1.28
Price earning ratio (times)	31.99	35.75	(17.49)	13.66	6.92
Dividend per share (sen)	2.0	2.0	1.0	2.5	2.5
Dividend yield (%)	0.9	1.3	0.8	2.0	2.0
Net assets per share attributable to equity holders (RM)	0.99	1.02	1.02	1.13	1.27
Net gearing ratio (times)	1.55	1.89	1.73	1.53	1.27
Market capitalisation (RM' Million)	2,994	2,151	2,130	2,147	2,287
Profit after tax & minority interest (RM' Million)	94	60	(109)	153	330
Average shareholders' funds (RM' Million)	1,329	1,393	1,545	1,830	2,123
Weighted average no. of shares (no. of shares)	1,385	1,387	1,479	1,709	1,786
Share capital (no. of shares)	1,386	1,388	1,651	1,760	1,787
BANK BORROWINGS (RM' MILLION)					
Bank borrowings	1,584	2,031	2,226	2,431	2,180
EDL financing	1,144	1,278	1,277	1,253	1,207
Loan stock	14	15	7	7	7
Total bank borrowings	2,743	3,324	3,510	3,691	3,394
Total cash & bank balances and investment securities	(621)	(648)	(608)	(664)	(524)
Total net borrowings	2,122	2,676	2,902	3,027	2,870
Total net borrowings excluding EDL financing	978	1,398	1,625	1,774	1,663

CHART

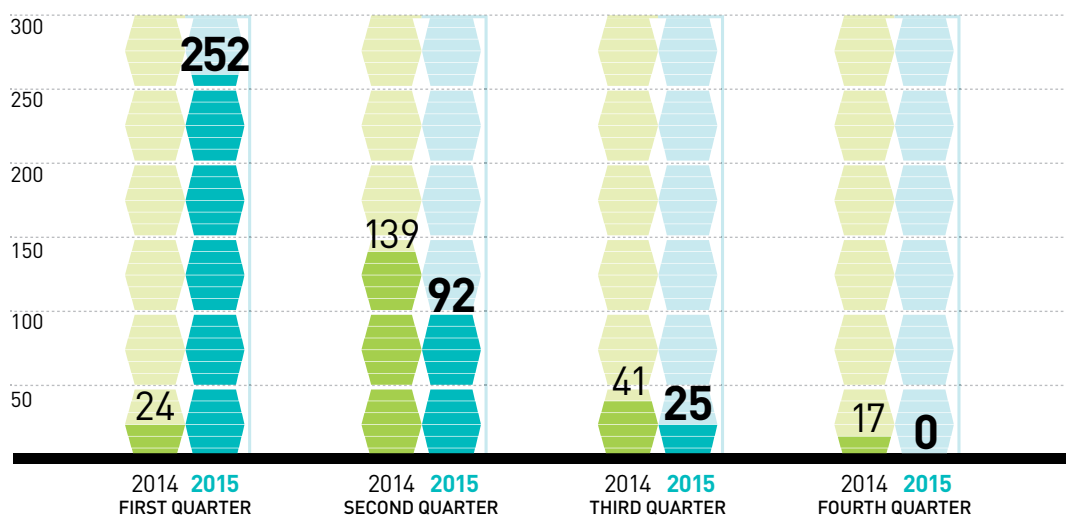
GROUP REVENUE
(RM' MILLION)**GROUP PROFIT/(LOSS) BEFORE INCOME TAX**
(RM' MILLION)**PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS** (RM' MILLION)**TOTAL EQUITY**
(RM' MILLION)**BASIC EARNINGS/(LOSS) PER SHARE**
(SEN)**RETURN ON SHAREHOLDERS' FUNDS (%)**

GROUP QUARTERLY PERFORMANCE

2015						
RM'MILLION For the period ended		FIRST QUARTER 31/3/2015	SECOND QUARTER 30/6/2015	THIRD QUARTER 30/9/2015	FOURTH QUARTER 31/12/2015	2015
Revenue		404	530	374	388	1,697
Profit before taxation		252	92	25	0	370
Profit after taxation		249	73	8	34	364
Profit attributable to equity holders		238	60	6	27	330
Basic earnings per share	(sen)	13.34	3.36	0.32	1.50	18.50
Dividend per share	(sen)	-	-	-	2.50	2.50
Net assets per share attributable to equity holders	(RM)	1.26	1.29	1.27	1.27	1.27

2014						
RM'MILLION For the period ended		FIRST QUARTER 31/3/2014	SECOND QUARTER 30/6/2014	THIRD QUARTER 30/9/2014	FOURTH QUARTER 31/12/2014	2014
Revenue		205	326	497	487	1,515
Profit before taxation		24	139	41	17	221
Profit after taxation		19	124	33	7	184
Profit attributable to equity holders		12	119	27	(5)	153
Basic earnings per share	(sen)	0.72	7.15	1.56	(0.30)	8.93
Dividend per share	(sen)	-	-	-	2.50	2.50
Net assets per share attributable to equity holders	(RM)	1.13	1.13	1.13	1.13	1.13

PROFIT BEFORE TAXATION (RM' MILLION)



370

RM' MILLION

2015

221

RM' MILLION

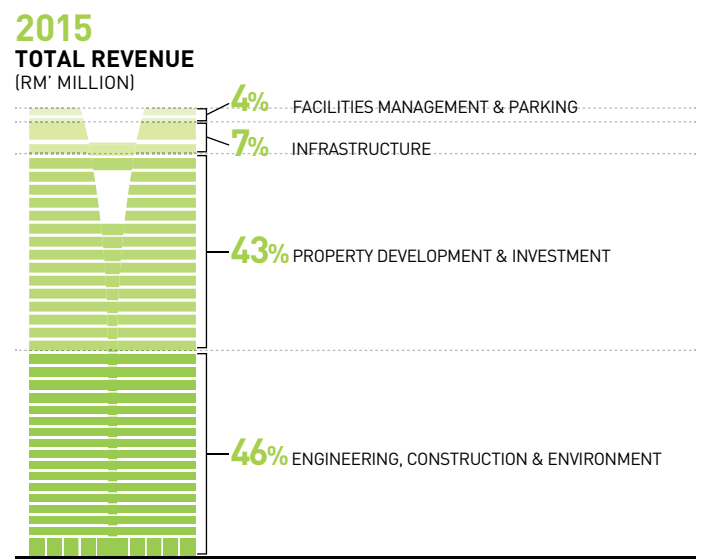
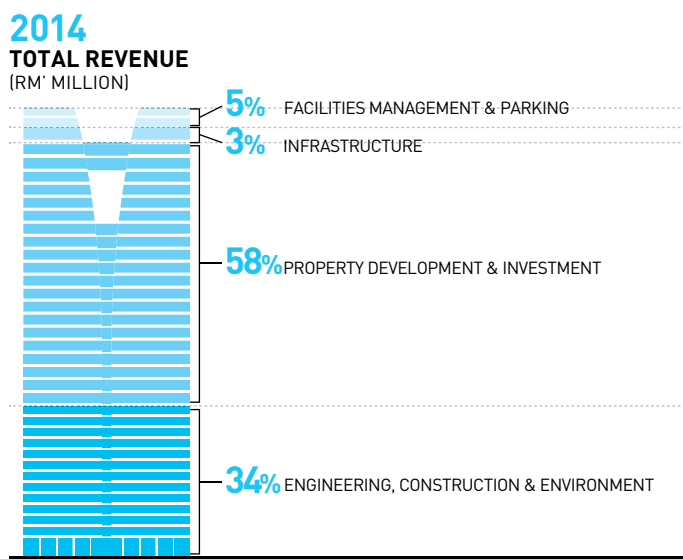
2014

GROUP SEGMENTAL PERFORMANCE

RM' MILLION					
REVENUE	2011	2012	2013	2014	2015
Property development & investment	487	650	460	876	724
Engineering, construction & environment	651	450	376	511	774
Infrastructure	29	74	38	49	115
Facilities management & parking	60	70	67	78	75
Others	0	0	0	1	9
Total Revenue	1,227	1,244	941	1,515	1,697

RM' MILLION					
OPERATING PROFIT BY SEGMENT*	2011	2012	2013	2014	2015
Property development & investment	125	164	10	160	443
Engineering, construction & environment	12	(26)	(79)	43	35
Infrastructure	(2)	(2)	(7)	20	59
Facilities management & parking	7	12	7	10	10
Others	(12)	(19)	(22)	82	7
Total Segment Results	130	129	(91)	315	554

* Earnings before interest, tax and unallocated corporate expenses (refer to pg 311)



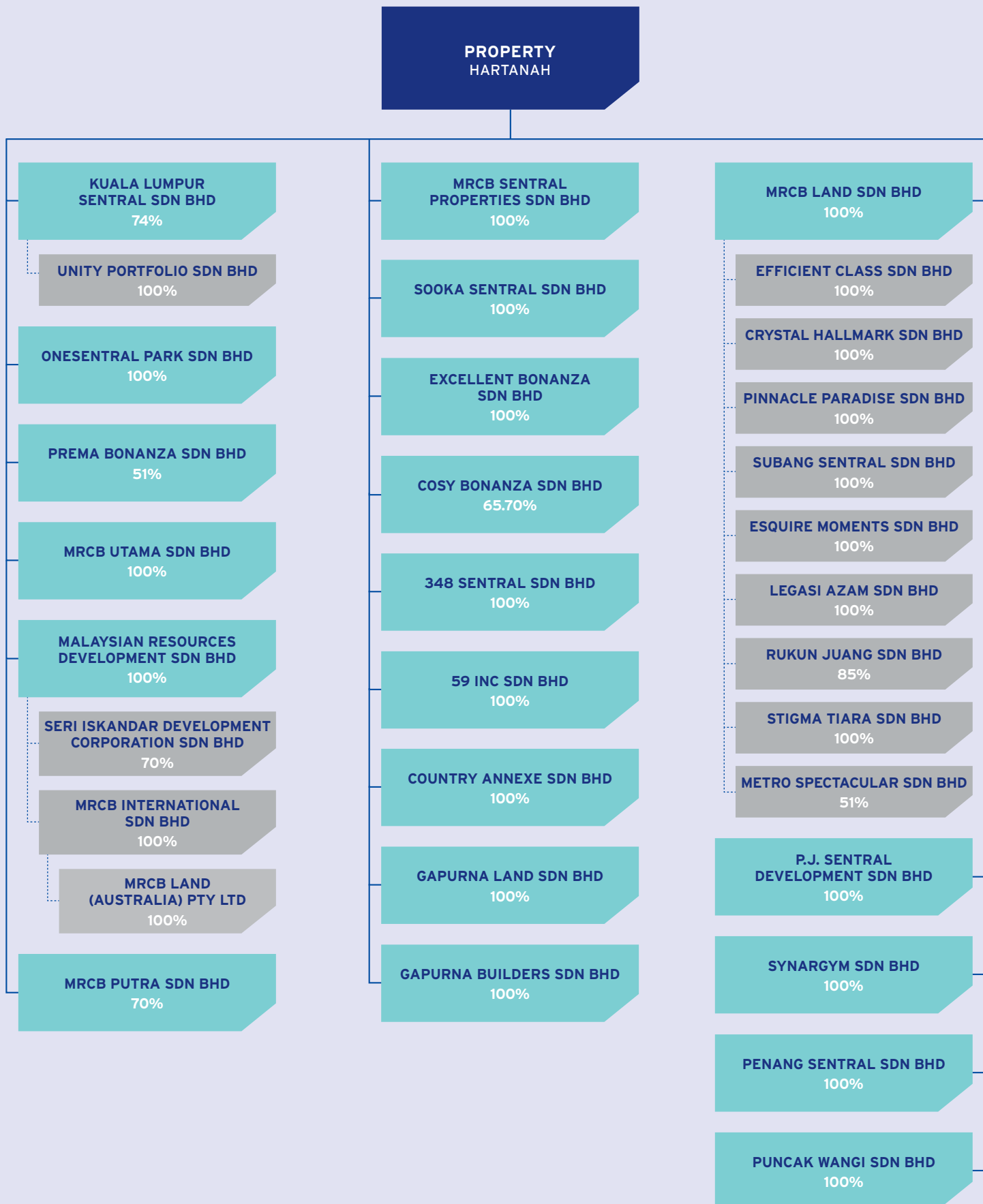
PJ SENTRAL GARDEN CITY

A green catalyst for the rejuvenation of a city



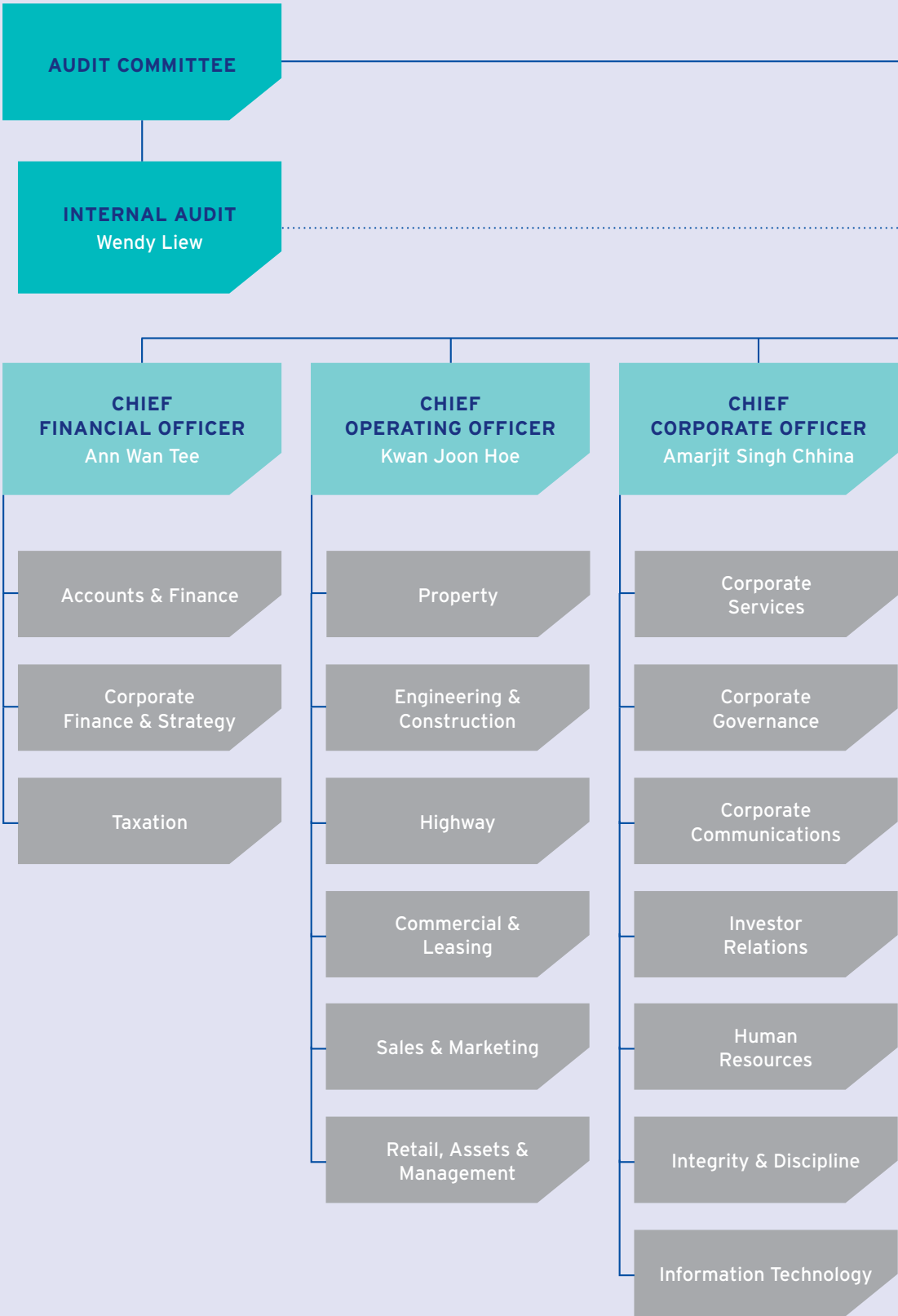


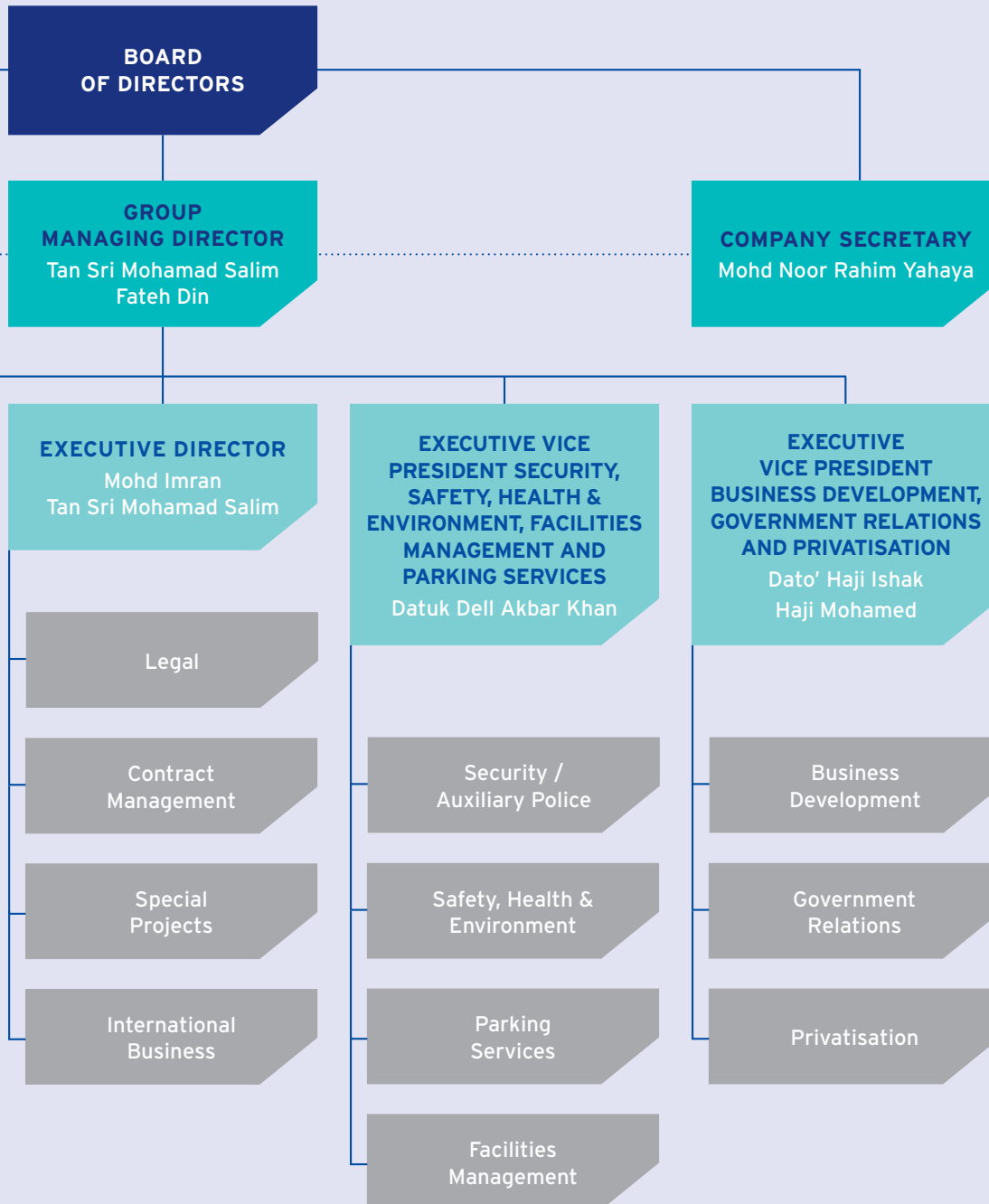
CORPORATE STRUCTURE





ORGANISATION CHART





DIRECTOR'S PROFILE

PROFIL PENGARAH

Tan Sri Azlan Zainol, 66, 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 and Wales, a Fellow and a Chartered Banker of the Asian Institute of Chartered Bankers, a member of the Malaysian Institute of Certified Public Accountants and a member of the 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, Eco World International Berhad and Yayasan Astro Kasih, member of the Board of RHB Capital Berhad, Rashid Hussain Berhad (in Members' Voluntary Liquidation), Kuala Lumpur Kepong Berhad, Jardine Cycle & Carriage Limited and RHB Hong Kong Limited (formerly known as OSK Holdings Hong Kong 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, 66, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 12 Januari 2005. Beliau merupakan Felo Institut Akauntan Bertauliah di England dan Wales, Felo dan Banker Bertauliah Asian Institute of Chartered Bankers, ahli Institut Akauntan Awam Bertauliah Malaysia dan ahli Institut Perakaunan Malaysia.

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

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

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



Tan Sri Mohamad Salim, 59, 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).

Tan Sri Mohamad Salim also pioneered the "Super Store Petrol Station" concept for leading oil companies Shell, Esso, BP and Caltex. He was responsible for designing the latest distribution centre for Malaysian leading retailer, Giant, by modernising 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 currently also sits on the Boards of Gapurna Group of Companies and is the Chairman of British American Tobacco (Malaysia) Berhad. He is also the father of Encik Mohd Imran, the Executive Director of the Company.

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 Mohamad Salim, 59, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 2 September 2013 dan merupakan ahli Jawatankuasa Eksekutif. Beliau adalah seorang usahawan dan penginovasi perniagaan, yang memiliki dan mengendalikan sendiri pelbagai perniagaan dalam pembinaan, pelaburan hartanah dan pembangunan hartanah.

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

Tan Sri Mohamad Salim juga perintis kepada konsep "Super Store Petrol Station" untuk beberapa syarikat minyak terkemuka seperti Shell, Esso, BP dan Caltex. Beliau bertanggungjawab merekabentuk pusat pengedaran terkini untuk peruncit utama di Malaysia, Giant dengan mempermodenkan dan menambahbaik sistem pemprosesan makanannya di samping mengurangkan kos logistik dan masa pusingan penghantaran. Kejayaan pasar raya besar Giant kini telah dicontohi oleh pasar raya besar lain dalam rantai bekalan makanan negara.

Beliau menganggotai lembaga pengarah syarikat-syarikat dalam Kumpulan Gapurna dan juga Pengerusi British American Tobacco (Malaysia) Berhad. Beliau adalah bapa kepada Encik Mohd Imran, Pengarah Eksekutif di Syarikat ini.

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 yang lepas.

**TAN SRI MOHAMAD
SALIM FATEH DIN**
Group Managing Director
Pengarah Urusan Kumpulan



DIRECTOR'S PROFILE

PROFIL PENGARAH

Mohd Imran, 34, a Malaysian, was appointed to the Board of MRCB on 1 March 2015 and is also a member of the ESOS Committee. He holds a Degree in Electrical and Electronics from the University of Manchester Institute of Science and Technology, United Kingdom and a Masters in Commerce from Deakin University, Australia. He is a member of the Institution of Engineers Malaysia and Institute of Electrical and Electronic Engineers, UK. He is also a member of the Institute of Value Management of Malaysia and The International Real Estate Federation ("FIABCI"), Malaysia.

Upon his graduation in early 2004, he commenced his career as an Engineer with Bisraya Construction Sdn Bhd, a company under Gapurna Group of Companies, a medium sized diversified group and was promoted to Project Director in the following year. From there, he held various senior posts in the Group including the post of Chief Operating Officer and Director of GTC Global Sdn Bhd where he managed the day to day running of a boutique set-up providing total solutions for security surveillance.

Mohd Imran was appointed as the Group Chief Operating Officer of MRCB on 1 March 2013. He is the son of Tan Sri Mohamad Salim Fateh Din, the Group Managing Director. Mohd Imran also sits on the board of Gapurna Sdn Bhd, the holding company of Gapurna Group which has interests in commercial property development, project management, construction and building, car park management services and oil and gas.

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.

Mohd Imran, 34, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 1 Mac 2015 dan juga ahli Jawatankuasa ESOS. Beliau memiliki Ijazah Elektrik dan Elektronik daripada University of Manchester Institute of Science and Technology, United Kingdom dan Ijazah Sarjana dalam Perdagangan daripada Deakin University, Australia. Beliau merupakan ahli Institut Jurutera Malaysia dan Institut Jurutera Elektrik dan Elektronik, United Kingdom. Beliau juga adalah ahli Pertubuhan Pengurusan Nilai Malaysia dan "The International Real Estate Federation ("FIABCI"), Malaysia".

Selepas menamatkan pengajiannya pada awal 2004, beliau memulakan kerjayanya sebagai Jurutera di Bisraya Construction Sdn Bhd, sebuah syarikat di bawah Kumpulan Gapurna, sebuah kumpulan syarikat bersaiz sederhana dan mempunyai kepelbagaian perniagaan dan kemudiannya dinaikkan pangkat sebagai Pengarah Projek dalam tahun berikutnya. Semenjak dari itu, beliau telah memegang pelbagai jawatan kanan dalam Kumpulan Gapurna termasuk jawatan Ketua Pegawai Operasi dan menganggotai Lembaga Pengarah GTC Global Sdn Bhd, di mana beliau bertanggungjawab dalam urusan syarikat yang menyediakan penyelesaian menyeluruh bagi pengawasan keselamatan.

Mohd Imran telah dilantik sebagai Ketua Pegawai Operasi Kumpulan MRCB pada 1 Mac 2013. Beliau adalah anak kepada Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan Syarikat. Mohd Imran juga merupakan ahli lembaga pengarah Gapurna Sdn Bhd, syarikat induk Kumpulan Gapurna yang mempunyai kepentingan dalam pembangunan hartanah komersial, pengurusan projek, pembinaan dan bangunan, perkhidmatan pengurusan tempat letak kereta dan minyak dan gas.

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 yang lepas.

MOHD IMRAN TAN SRI MOHAMAD SALIM

Executive Director
Pengarah Eksekutif



Datuk Shahril Ridza Ridzuan, 46, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of the Executive Committee and the 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, 46, 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 Sivil (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 Kumpulan Syarikat mulai 1 September 2003 hingga 1 Disember 2009 dan kini menyandang jawatan sebagai Ketua Pegawai Eksekutif Kumpulan Wang Simpanan Pekerja.

Datuk Shahril juga menganggotai 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.

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



DIRECTOR'S PROFILE

PROFIL PENGARAH

Jamaludin Zakaria, 50, a Malaysian, was appointed to the Board of MRCB on 24 August 2011. He is the Chairman of the Nomination & Remuneration Committee and a member of the Audit Committee, the Executive Committee and the ESOS Committee. He holds a Bachelor of Science in Accounting with a minor in Real Estate 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, 50, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 24 Ogos 2011 dan juga merupakan Pengerusi Jawatankuasa Pencalonan & Imbuan, ahli Jawatankuasa Audit, Jawatankuasa Eksekutif, dan Jawatankuasa ESOS. Beliau memiliki Ijazah Sarjana Muda Sains dalam Perakaunan (Minor 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.

JAMALUDIN ZAKARIA

Independent Director

Pengarah Bebas



Rohaya Mohammad Yusof, 51, a Malaysian, was appointed to the Board of MRCB on 6 March 2014 and is a member of the Audit Committee.

She holds a Bachelor of Commerce (Accountancy) from Australian National University and is an associate member of CPA, 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 statements and evaluating internal control of accounting systems. In 1990, she joined Maybank Investment Bank (formerly known as Aseambankers) and was appointed as Executive Vice President for Corporate Investment Banking in 2005. After 18 years of acquiring vast experience in Maybank Investment Bank in the areas of Fixed Income, Equity and Corporate Finance, Rohaya joined Employees 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 Domestic and Global Fixed Income monitoring of 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, 51, 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 CPA, Australia.

Rohaya memulakan kerjaya beliau bersama Arthur Andersen & Co. sebagai Perunding Kewangan di bahagian Audit. Pengalaman kerja beliau antara lain meliputi; mengaudit pelbagai bidang yang terdiri daripada industri perkilangan, perbankan, minyak & gas dan industri 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 pinjaman dan bon untuk pelaburan Domestik serta Global. Portfolio beliau juga termasuk memantau Pengurus Dana Luar Pendapatan Tetap Domestik dan Global.

Rohaya turut menganggotai 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.

ROHAYA MOHAMMAD YUSOF

Non-Independent

Non-Executive Director

Pengarah Bukan Bebas Bukan Eksekutif



DIRECTOR'S PROFILE

PROFIL PENGARAH

Chuah Mei Lin, 55, a Malaysian, was appointed to the Board of MRCB on 4 September 2015 and is also a member of the Executive Committee and the Nomination & Remuneration Committee.

She is a graduate of the University of London and is currently the Executive Director of The Association of Banks in Malaysia ("ABM"). She assumed the role in 2008 after a stint as head of legal, compliance and audit with a group of companies with diverse activities in then, 35 countries and enjoyed the international exposure. A lawyer by training, Chuah Mei Lin brings with her a wealth of experience in both the financial services and the securities industries. Her foray into the corporate world after 10 years in legal practice began with a listed financial services group. She held, in succession, key senior positions in several conglomerates including the former Kuala Lumpur Stock Exchange.

Presently, Chuah Mei Lin represents ABM on the Board of Directors of Financial Mediation Bureau. She is also an alternate director on the Board and Executive Committee of ASEAN Finance Corporation Limited, Singapore.

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.

Chuah Mei Lin, 55 tahun, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 4 September 2015 dan merupakan ahli Jawatankuasa Eksekutif dan Jawatankuasa Pencalonan & Imbuan.

Beliau merupakan graduan University of London dan kini memegang jawatan sebagai Pengarah Eksekutif Persatuan Bank-bank Malaysia ("PBM"). Beliau menyandang jawatan tersebut pada tahun 2008 selepas berkhidmat sebagai ketua perundangan, pematuhan dan audit untuk sebuah kumpulan syarikat-syarikat yang mempunyai pelbagai penglibatan di 35 buah negara dan menikmati pendedahan di peringkat antarabangsa. Chuah Mei Lin adalah seorang peguam yang memiliki pengalaman yang luas dalam industri perkhidmatan kewangan dan sekuriti. Selepas 10 tahun di dalam bidang undang-undang, beliau menyertai bidang korporat dengan berkhidmat di kumpulan kewangan tersenarai. Beliau pernah memegang beberapa jawatan utama di beberapa buah konglomerat termasuk Bursa Saham Kuala Lumpur.

Kini, Chuah Mei Lin mewakili PBM dalam Lembaga Pengarah Biro Pengantaraan Kewangan. Beliau juga merupakan pengarah silih ganti dalam Jawatankuasa Eksekutif dan Lembaga Pengarah ASEAN Finance Corporation Limited, Singapura.

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.

CHUAH MEI LIN

Independent Director

Pengarah Bebas



Hasman Yusri Yusoff, 56, a Malaysian, was appointed to the Board of MRCB on 26 January 2016. He is also the Chairman of the Audit Committee and a member of the Nomination & Remuneration Committee.

He is a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants. He also holds a Postgraduate Diploma in Islamic Studies from International Islamic University Malaysia.

Hasman Yusri was a Partner at KPMG Malaysia (KPMG) before his retirement in December 2015. He joined KPMG in 1999 as a Director in the Assurance and Audit Division before becoming a Principal with the Assurance Division in October 2001. Prior to KPMG, he was with the Petronas Group of Companies for 10 years from 1984 to 1994, holding various positions in the Group. Thereafter, he joined Malakoff Berhad for four years from 1995 to 1999 as the General Manager, Finance responsible for the financial affairs of the Group.

His experience in audit and commercial covers a wide range of industries including construction, property development, plantation, power generation and oil & gas.

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.

Hasman Yusri Yusoff, 56 tahun, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 26 Januari 2016. Beliau juga merupakan Pengerusi Jawatankuasa Audit dan ahli Jawatankuasa Pencalonan & Imbuhan.

Beliau merupakan ahli Institut Perakaunan Malaysia dan Felo Association of Chartered Certified Accountants. Beliau juga memiliki Diploma Pascasiswazah dalam Pengajian Islam daripada Universiti Islam Antarabangsa Malaysia.

Hasman Yusri merupakan rakan kongsi KPMG Malaysia (KPMG) sebelum bersara pada bulan Disember 2015. Beliau menyertai KPMG pada tahun 1999 sebagai Pengarah di Bahagian Jaminan dan Audit pada bulan Oktober 2001. Sebelum menyertai KPMG, beliau berkhidmat dengan Kumpulan Syarikat-syarikat Petronas selama 10 tahun dari 1984 hingga 1994 dan menjawat pelbagai jawatan dalam Kumpulan tersebut. Kemudian beliau menyertai Malakoff Berhad selama empat tahun dari 1995 hingga 1999 sebagai Pengurus Besar, Kewangan dan bertanggungjawab terhadap hal ehwal kewangan Kumpulan itu.

Pengalaman beliau dalam audit dan komersial meliputi pelbagai industri yang luas, termasuk pembinaan, pembangunan hartanah, perladangan, penjanaan tenaga dan minyak & gas.

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.

HASMAN YUSRI YUSOFF

Independent Director

Pengarah Bebas



SENIOR MANAGEMENT

**TAN SRI MOHAMAD SALIM
FATEH DIN**
Group Managing Director

**MOHD IMRAN TAN SRI
MOHAMAD SALIM**
Executive Director

ANN WAN TEE
Chief Financial Officer

KWAN JOON HOE
Chief Operating Officer



DATUK DELL AKBAR KHAN

Executive Vice President
*Security, Safety, Health &
Environment, Facilities
Management and Parking Services*

**DATO' HAJI ISHAK
HAJI MOHAMED**

Executive Vice President
*Business Development,
Government Relations
& Privatisation*

AMARJIT SINGH CHHINA

Chief Corporate Officer



SHIREEN IQBAL
MOHAMED IQBAL
Senior Vice President
Property

WONG HONG YEONG
Vice President
Commercial & Office Leasing

LOK NGAI HEY
Vice President
Property

PATRICK HWANG CHEE LEONG
Vice President
*Engineering, Construction &
Environment*



THE SENTRAL RESIDENCES

Redefining the way the future lives, works and plays



CORPORATE EVENTS 2015

JANUARY 2015

8 JAN



MRCB HANDED OVER DONATION TO FAMILIES OF MH17'S PERISHED CREW

MRCB has distributed donations of RM566,000 to the families and next-of-kin of the perished MH17 technical and cabin crew. The donations were raised from a charity squash match between MRCB's Group Managing Director, Tan Sri Mohamad Salim Fateh Din and CIMB Investment Bank's Chief Executive Officer, Tengku Dato' Zafrul Tengku Abdul Aziz.

26 JAN



NU SENTRAL MALL'S CNY "OLDEN GOLDEN KL" THEME

NU Sentral's first Chinese New Year since its opening was celebrated with the "Olden Golden KL" promotion campaign, taking visitors back to KL's roots in bygone eras. Among the activities held were Lion and Dragon Dance performances, a "live" cooking show, calligraphy workshops, a Chinese drum performance, a children's lantern-making workshop and a fusion instrumental performance.

29 JAN



MRCB WON THE GREENTECH AWARD

MRCB was awarded the GreenTech Development Award under the Building Sector Category in the Malaysia GreenTech Awards 2014, for its catalytic role in promoting green technology in support of the nation's green agenda.

FEBRUARY 2015

12 FEB



MRCB EGM

An Extraordinary General Meeting (EGM) was held to gain shareholders approval on the proposed Kwasa Damansara township development.

12 FEB



VISIT BY FORMER LORD MAYOR OF THE CITY OF LONDON SIR MICHAEL BEAR

Tan Sri Mohamad Salim Fateh Din welcomed Sir Michael Bear, former London Mayor and Chairman of Regeneration & Investment Organisation, UKTI, London to MRCB's headquarters. Sir Michael was briefed on MRCB's various projects.

27 FEB



OHSAS 18001 & ISO 14001 SOFT LAUNCHED

Engineering & Construction launched the implementation of procedures and principles for compliance under OHSAS 18001 and ISO 14001.

MARCH 2015

15 MAR

**MRCB JOINED LOCAL COMMUNITY FOR 'ANTI DENGUE GOTONG ROYONG'**

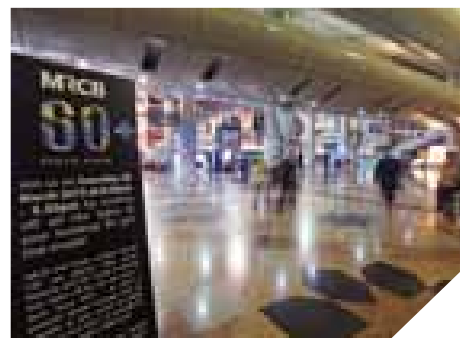
MRCB's volunteers, subcontractors and local authorities joined residents along Jalan Berkat in Kampung Sri Aman, Puchong, Selangor for a 'gotong royong' activity near MRCB's work site at the Ampang LRT Line Extension project. This was part of MRCB's Corporate Social Responsibility (CSR) initiative to combat the threat of dengue.

24 MAR

**MRT CORP CEO VISITED MRCB**

Dato' Sri Shahril Mokhtar, Chief Executive Officer of Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) visited MRCB's headquarters for a meeting and discussion with Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director.

28 MAR

**EARTH HOUR**

MRCB celebrated its sixth year of participation in the Earth Hour global initiative, which reflects the company's own pro-active strategy to incorporate sustainable elements in all its property development projects.

APRIL 2015

1 APR

**VISIT BY IGP TO MRCB**

Tan Sri Khalid Abu Bakar, Inspector-General of Police (IGP), paid a visit to MRCB's headquarters for a briefing and discussion with MRCB's top management on Kuala Lumpur Sentral CBD.

7 APR

**SIGNING CEREMONY WITH GERMAN EMBASSY**

Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director and His Excellency Holger Michael, the German Ambassador to Malaysia, signed a Sales & Purchase of the agreement for MRCB's purchase of the German Embassy Land in Jalan Kia Peng.

18 APR

**1WILAYAH PERSEKUTUAN LIBRARY OPENED IN LEMBAH PANTAI**

Dato' Dr Loga Bala Mohan, the Federal Territories Deputy Minister launched MRCB's CSR-driven project, the 1Wilayah Persekutuan Library in Lembah Pantai, Kuala Lumpur.

CORPORATE EVENTS 2015

MAY 2015

22 APR



MRCB DISPOSED OFF ITS EQUITY IN NU SENTRAL

MRCB disposed off its 51% equity in NU Sentral Sdn Bhd (NSSB) to Pelaburan Hartanah Berhad (PHB). MRCB's Group Managing Director, Tan Sri Mohamad Salim Fateh Din signed on behalf of MRCB and Datuk Kamalul Arifin Othman signed on behalf of PHB as its Chief Executive Officer and Managing Director.

27 APR



VISIT BY MINISTER OF TRANSPORT TO MRCB

Dato' Sri Liow Tiong Lai, the Minister of Transport visited MRCB headquarters in Kuala Lumpur Sentral CBD. He was briefed on the development of transport hub that serve as convergence points for the country's urban centres. Dato' Sri Liow Tiong Lai was also updated on the upgrading plans for Kuala Lumpur Sentral CBD.

11 MAY



MRCB'S 44TH ANNUAL GENERAL MEETING

MRCB held its 44th Annual General Meeting at the Hotel Istana, Kuala Lumpur, with more than 2,000 shareholders in attendance.

JUNE 2015

25 MAY



PERBADANAN KEMAJUAN NEGERI SELANGOR (PKNS) OFFICIALS VISITED MRCB

Senior officials from PKNS visited MRCB for briefing and discussion on mutual development strategies in the State of Selangor Darul Ehsan.

16 JUNE



PUTRAJAYA COMMITTEE, PCG, HUMAN RESOURCE CIRCLE MEETING

The PCG Human Resource (HR) Circle on GLC High Performance convened a meeting of GLCs (hosted by MRCB) on HR initiatives that will help transform these companies into high-performing organizations. This is in line with the national transformation programme of GLCs.

26 JUNE



RAMADHAN DONATION AT SUBANG PERDANA MOSQUE

MRCB contributed Ramadhan donation, which was personally presented by the Sultan of Selangor, Duli Yang Maha Mulia Sultan Sharafuddin Idris Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj to 500 orphans, single mothers, the poor and new converts to Islam, in a mass breaking of fast event at the Masjid Taman Subang Perdana in Taman Subang Perdana, Shah Alam.

JULY 2015

7 JUL


VISIT BY KOREA SPECIALTY CONTRACTORS ASSOCIATION (KOSCA) MEMBERS

Korean KOSCA at the briefing to gather information, knowledge sharing and potential business opportunities with MRCB.

30-31 JUL


SPECIAL VISIT BY DELEGATES FROM LONDON

Business delegates from London made a special visit to MRCB headquarters and was briefed on the company's various property projects.

AUGUST 2015

3 AUG


MRCB WELCOMED AXIATA SENIOR MANAGEMENT TEAM

Dato' Sri Jamaludin Ibrahim Managing Director/President & Group Chief Executive Officer of Axiata and his senior management team met Tan Sri Mohamad Salim Fateh Din to gather new updates on Kuala Lumpur Sentral CBD.

5 AUG


SOOKA SENTRAL WILL BE CONVERTED INTO CARDIOVASCULAR TREATMENT CENTRE

MRCB signed an S&P agreement with CVSKL, a subsidiary of TE Asia Healthcare Partners (a TPG Capital portfolio company) for the sale of Sooka Sentral, which is to be redeveloped as a specialist cardiac and vascular centre that will complement the Kuala Lumpur Sentral CBD's "Live, Work, and Play" offering with a medical tourism component in Malaysia's largest public transit oriented development.

7-9 AUG


GLC OPEN DAY 2015

MRCB participated in the Government Linked Companies (GLCs) Open Day 2015. The exhibition highlighted GLCs progress towards higher performance under the Putrajaya Committee GLC Performance (PCG) programme and it was also a GLC Transformation Programme Graduation Ceremony.

27 AUG


MRCB'S GROUP MANAGING DIRECTOR WON AT APEA

Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director, won the Outstanding Achievement category at the prestigious Asia Pacific Entrepreneurship Awards (APEA).

CORPORATE EVENTS 2015

SEPTEMBER 2015

2 SEP



VISIT BY MAYOR OF SHAH ALAM TO MRCB

Dato' Hj Mohd Jaafar bin Hj Mohd Atan, the Mayor of Shah Alam made a special visit to MRCB headquarters for a briefing and discussion session with MRCB's top management team.

14 SEP



INFO2U LAUNCHED AT STESEN SENTRAL KUALA LUMPUR

MRCB collaborated with the Ministry of Communications and Multimedia to install several giant screens known as INFO2U, at public areas within the public transport hubs and routes.

15 SEP



VISIT BY INDIAN HIGH COMMISSIONER TO MALAYSIA

His Excellency Shri T.S. Tirumurti the High Commissioner of India to Malaysia accepted a special invitation for a briefing on MRCB's projects and discussion of potential project opportunities in India.

OCTOBER 2015

22 SEP



VISIT BY THAI DELEGATES TO KUALA LUMPUR SENTRAL CBD

Delegates from Thailand's Ministry of Transport were brought on a walkabout of MRCB's Kuala Lumpur Sentral CBD and followed by a visit to Keretapi Tanah Melayu Berhad's facilities at Stesen Sentral Kuala Lumpur.

21 OCT



VISIT BY SENATOR DATUK SERI PANGLIMA DR. MOHD SALLEH TUN SAID KERUAK, MINISTER OF COMMUNICATIONS AND MULTIMEDIA MALAYSIA

A discussion and presentation was held exclusively at MRCB's headquarters for the Minister of Communications and Multimedia on MRCB's projects.

28 OCT



MRCB LAND SIGNED AGREEMENT TO JOINTLY DEVELOP CYBERJAYA CITY CENTRE

MRCB Land Sdn Bhd signed an agreement with Cyberview Sdn Bhd to jointly develop 53.37 acres of land in Cyberjaya, as the first phase of the Cyberjaya City Centre (CCC) development that will become the central urban-tech development of Cyberjaya.

28 OCT



REGENERATION OF BUKIT JALIL NATIONAL SPORTS COMPLEX INTO KL SPORTS CITY

Rukun Juang Sdn Bhd (RJSB), MRCB's subsidiary, was appointed by the Federal Government to regenerate Bukit Jalil National Sports Complex as the iconic Kuala Lumpur Sports City (KL Sports City) with a total project cost of RM1.6 billion, after 11 companies submitted proposals in an open national tender process undertaken by the Public Private Partnership Unit (UKAS). Under the first phase of the project, Bukit Jalil National Stadium will be ready to host the 2017 Southeast Asia (SEA) Games, followed up by Phase 2 works for the completion of KL Sports City.

28 OCT



MANAGEMENT CONTRACT FOR KWASA CORPORATE PARK

MRCB signed a Management Contract agreement in October with Kwasa Utama Sdn Bhd (KUSB), to develop 29.82-acre Kwasa Corporate Park mixed development project, which comprises the Employee Provident Fund's new headquarters, financial institutions, office and commercial buildings, a retail mall and serviced apartment, a hotel, shared common infrastructure, amenities and parks on a piece of land known as Plot C8 in the Kwasa Damansara township in Sungai Buloh, Selangor Darul Ehsan. The GDV is estimated at RM5.087 billion.

NOVEMBER 2015

28 OCT



MEETING WITH TPG CAPITAL FOUNDER, DAVID BONDERMEN

MRCB welcomed TPG Capital founder, David Bondermen and YAM Tunku Ali Redhaudin Ibni Tuanku Muhriz, Tunku Besar Seri Menanti to its headquarters for a meeting and discussion. Sooka Sentral was purchased by CVSKL, a subsidiary of TE Asia Healthcare Partners (a TPG Capital portfolio company).

3 NOV



MEDIA BRIEFING ON KL SPORTS CITY PROJECT

Editors and journalists from local media organizations participated in a specially organized briefing on the RM1.6 billion KL Sports City project.

6 NOV



MRCB'S MENARA SHELL WINNER OF FIABCI MALAYSIA PROPERTY AWARD – OFFICE CATEGORY 2015

MRCB's Menara Shell won the FIABCI Malaysia Property Award under the Office Development category. This world class green office tower in the Kuala Lumpur Sentral CBD is certified with the Leadership in Energy and Environmental Design (LEED) Platinum standard certification from the US Green Building Council.

CORPORATE EVENTS 2015

DECEMBER 2015

23 NOV



TORANA GATE IN LITTLE INDIA

MRCB was involved in the construction of Torana Gate in Little India, Brickfields. The Torana Gate is a gift of friendship from the Government of India to the Malaysian Government. Malaysian Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak jointly inaugurated the Torana Gate together with his Indian counterpart, His Excellency Narendra Modi.

1 DEC



MRCB GMD SELECTED AS GLOBAL CEO OF THE YEAR AT THE 6TH MEBLA

Tan Sri Mohamad Salim Fateh Din was awarded the Global CEO of the Year at the 6th Middle East Business Leaders Awards (MEBLA) 2015 in Dubai.

3 DEC



SALE OF MENARA SHELL

MRCB's subsidiary, 348 Sentral Sdn Bhd, executed a Heads of Agreement with MRCB-Quill REIT for the Sale of Menara Shell together with its accompanying freehold land for a purchase consideration of RM640 million.



KUALA SUNGAI PAHANG

At the forefront
of protecting our
rivers and coastlines

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

Authorised Share Capital	: 5,000,000,000
Paid-up Share Capital	: 1,786,590,857
Class of Shares	: Ordinary Share of RM1.00 each
No. of Shareholders	: 35,078
Voting Rights	: One vote for every share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
less than 100	4,132	11.78	158,404	0.01
100 to 1,000	8,648	24.65	5,286,828	0.29
1,001 to 10,000	16,718	47.66	72,053,332	4.03
10,001 to 100,000	4,959	14.14	149,901,037	8.39
100,001 to less than 5% of issued shares	618	1.76	395,545,105	22.14
5% and above of issued shares	3	0.01	1,163,646,151	65.14
TOTAL	35,078	100.00	1,786,590,857	100

DIRECTORS' SHAREHOLDINGS

Name of Directors	DIRECT INTEREST		INDIRECT INTEREST	
	No. Of Shares	%	No. Of Shares	%
1. Tan Sri Azlan Zainol	120,000	0.01	30,000 [^]	0.00
2. Tan Sri Mohamad Salim Fateh Din	-	-	298,322,581 [*]	16.70
3. Mohd Imran Tan Sri Mohamad Salim	-	-	-	-
4. Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-
5. Jamaludin Zakaria	-	-	-	-
6. Rohaya Mohammad Yusof	-	-	-	-
7. Chuah Mei Lin	-	-	-	-
8. Hasman Yusri Yusoff	-	-	-	-

* held through Gapurna Sdn Bhd

[^] held through Edenview Projects Sdn Bhd

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Name	No. Of Shares	%
1. Employees Provident Fund Board	685,457,897	38.37
2. Gapurna Sdn Bhd	298,322,581	16.70
3. Lembaga Tabung Haji	179,765,673	10.06

ANALISIS PEGANGAN SAHAM

PADA 31 MAC 2016

Modal Saham Dibenarkan	: 5,000,000,000
Modal Saham Berbayar	: 1,786,590,857
Kelas Saham	: Saham Biasa bernilai RM1.00 setiap satu
Bil. Pemegang Saham	: 35,078
Hak Mengundi	: Satu undi untuk setiap saham

PECAHAN PENGANGAN SAHAM

Saiz Pegangan Saham	Bilangan Pemegang Saham	%	Bilangan Saham	%
kurang dari 100	4,132	11.78	158,404	0.01
100 hingga 1,000	8,648	24.65	5,286,828	0.29
1,001 hingga 10,000	16,718	47.66	72,053,332	4.03
10,001 hingga 100,000	4,959	14.14	149,901,037	8.39
100,001 hingga kurang dari 5% saham diterbitkan	618	1.76	395,545,105	22.14
5% dan lebih saham diterbitkan	3	0.01	1,163,646,151	65.14
JUMLAH	35,078	100.00	1,786,590,857	100

PEGANGAN SAHAM PENGARAH

Nama Pengarah	KEPENTINGAN LANGSUNG		KEPENTINGAN TIDAK LANGSUNG	
	Bilangan Saham	%	Bilangan Saham	%
1. Tan Sri Azlan Zainol	120,000	0.01	30,000 ^	0.00
2. Tan Sri Mohamad Salim Fateh Din	-	-	298,322,581 *	16.70
3. Mohd Imran Tan Sri Mohamad Salim	-	-	-	-
4. Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-
5. Jamaludin Zakaria	-	-	-	-
6. Rohaya Mohammad Yusof	-	-	-	-
7. Chuah Mei Lin	-	-	-	-
8. Hasman Yusri Yusoff	-	-	-	-

* dipegang melalui Gapurna Sdn Bhd

^ dipegang melalui Edenview Projects Sdn Bhd

PEMEGANG SAHAM UTAMA (5% DAN KE ATAS)

Nama	Bilangan Saham	%
1. Employees Provident Fund Board	685,457,897	38.37
2. Gapurna Sdn Bhd	298,322,581	16.70
3. Lembaga Tabung Haji	179,765,673	10.06

TOP 30 LARGEST SHAREHOLDERS

AS AT 31 MARCH 2016

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>	685,457,897	38.37
2. Gapurna Sdn Bhd	298,322,581	16.70
3. Lembaga Tabung Haji	174,949,773	9.79
4. Tokio Marine Life Insurance Malaysia Bhd <i>As Beneficial Owner (PF)</i>	14,116,600	0.79
5. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 12)</i>	12,985,700	0.73
6. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	11,406,550	0.64
7. Hong Leong Assurance Berhad <i>As Beneficial Owner (Life Par)</i>	10,523,400	0.59
8. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 1)</i>	9,028,635	0.51
9. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)</i>	8,779,184	0.49
10. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)</i>	8,173,100	0.46
11. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for Dimensional Emerging Markets Value Fund</i>	8,144,100	0.46
12. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Eastspring Investmentsdana Al-Ilham</i>	7,916,900	0.44
13. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For AIA Bhd.</i>	7,759,800	0.43
14. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-Asing)</i>	7,564,400	0.42
15. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	5,896,800	0.33

TOP 30 LARGEST SHAREHOLDERS

AS AT 31 MARCH 2016

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

Name	No. Of Shares	%
16. Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	5,606,800	0.31
17. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Bank Julius Baer & Co. Ltd (Singapore BCH)</i>	5,572,065	0.31
18. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 14)</i>	5,343,000	0.30
19. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	5,316,300	0.30
20. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (West CLT OD67)</i>	4,949,456	0.28
21. Amanahraya Trustees Berhad <i>Public Islamic Treasures Growth Fund</i>	4,825,500	0.27
22. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	4,800,800	0.27
23. HSBC Nominees (Asing) Sdn Bhd <i>BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund</i>	3,663,700	0.21
24. Amsec Nominees (Tempatan) Sdn Bhd <i>AmBank (M) Berhad (Hedging)</i>	3,645,600	0.20
25. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)</i>	3,625,628	0.20
26. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for AMB Ethical Trust Fund (4256)</i>	3,200,000	0.18
27. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For The Bank of New York Mellon (Mellon Acct)</i>	3,039,600	0.17
28. Lim Gaik Bway @ Lim Chiew Ah	2,866,800	0.16
29. CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717 TR01)</i>	2,747,250	0.15
30. Amanahraya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	2,657,700	0.15

30 PEMEGANG SAHAM TERBESAR

PADA 31 MAC 2016

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>	685,457,897	38.37
2. Gapurna Sdn Bhd	298,322,581	16.70
3. Lembaga Tabung Haji	174,949,773	9.79
4. Tokio Marine Life Insurance Malaysia Bhd <i>As Beneficial Owner (PF)</i>	14,116,600	0.79
5. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 12)</i>	12,985,700	0.73
6. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	11,406,550	0.64
7. Hong Leong Assurance Berhad <i>As Beneficial Owner (Life Par)</i>	10,523,400	0.59
8. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 1)</i>	9,028,635	0.51
9. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)</i>	8,779,184	0.49
10. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)</i>	8,173,100	0.46
11. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for Dimensional Emerging Markets Value Fund</i>	8,144,100	0.46
12. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Eastspring Investmentsdana Al-Ilham</i>	7,916,900	0.44
13. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For AIA Bhd.</i>	7,759,800	0.43
14. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-Asing)</i>	7,564,400	0.42
15. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	5,896,800	0.33

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PADA 31 MAC 2016

SENARAI TIGA PULUH (30) PEMEGANG SAHAM TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

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19. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	5,316,300	0.30
20. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (West CLT OD67)</i>	4,949,456	0.28
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26. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for AMB Ethical Trust Fund (4256)</i>	3,200,000	0.18
27. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For The Bank of New York Mellon (Mellon Acct)</i>	3,039,600	0.17
28. Lim Gaik Bway @ Lim Chiew Ah	2,866,800	0.16
29. CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717 TR01)</i>	2,747,250	0.15
30. Amanahraya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	2,657,700	0.15

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2016

Number of Outstanding Warrants	:	576,519,012
Exercise Price of Warrants	:	RM2.30
Exercise Period of Warrants	:	17 September 2013 to 16 September 2018
Voting Rights at Meeting of Warrant Holders	:	One vote per Warrant

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. Of Warrant Holders	%	No. Of Warrants	%
less than 100	6,648	20.51	210,057	0.04
100 to 1,000	13,361	41.23	6,219,021	1.08
1,001 to 10,000	8,467	26.12	29,066,563	5.04
10,001 to 100,000	3,117	9.62	124,722,196	21.63
100,001 to less than 5% of issued warrant	816	2.52	331,066,152	57.43
5% and above of issued warrant	1	0.00	85,235,023	14.78
TOTAL	32,410	100.00	576,519,012	100.00

DIRECTORS' WARRANT HOLDINGS

Name of Directors	DIRECT INTEREST		INDIRECT INTEREST	
	No. Of Warrants	%	No. Of Warrants	%
1. Tan Sri Azlan Zainol	-	-	-	-
2. Tan Sri Mohamad Salim Fateh Din	-	-	85,235,023 *	14.78
3. Mohd Imran Tan Sri Mohamad Salim	-	-	-	-
4. Datuk Shahril Ridza Ridzuan	166,667	0.03	-	-
5. Jamaludin Zakaria	-	-	-	-
6. Rohaya Mohammad Yusof	-	-	-	-
7. Chuah Mei Lin	-	-	-	-
8. Hasman Yusri Yusoff	-	-	-	-

* held through Gapurna Sdn Bhd

SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE)

Name	No. Of Warrants	%
1. Gapurna Sdn Bhd	85,235,023	14.78

ANALISIS PEGANGAN WARAN

PADA 31 MAC 2016

Bilangan Waran Tertunggak	:	576,519,012
Harga Pelaksanaan Waran	:	RM2.30
Tempoh Pelaksanaan Waran	:	17 September 2013 hingga 16 September 2018
Hak Mengundi di Mesyuarat bagi Pemegang Waran	:	Satu undi untuk setiap Waran

PECAHAN PEGANGAN WARAN

Saiz Pegangan Waran	Bilangan Pemegang Waran		Bilangan Waran	
		%		%
kurang dari 100	6,648	20.51	210,057	0.04
100 sehingga 1,000	13,361	41.23	6,219,021	1.08
1,001 sehingga 10,000	8,467	26.12	29,066,563	5.04
10,001 sehingga 100,000	3,117	9.62	124,722,196	21.63
100,001 hingga kurang dari 5% waran diterbitkan	816	2.52	331,066,152	57.43
5% dan lebih waran diterbitkan	1	0.00	85,235,023	14.78
TOTAL	32,410	100.00	576,519,012	100.00

PEGANGAN WARAN PENGARAH

Nama Pemegang	KEPENTINGAN LANGSUNG		KEPENTINGAN TIDAK LANGSUNG	
	Bilangan Waran	%	Bilangan Waran	%
1. Tan Sri Azlan Zainol	-	-	-	-
2. Tan Sri Mohamad Salim Fateh Din	-	-	85,235,023 *	14.78
3. Mohd Imran Tan Sri Mohamad Salim	-	-	-	-
4. Datuk Shahril Ridza Ridzuan	166,667	0.03	-	-
5. Jamaludin Zakaria	-	-	-	-
6. Rohaya Mohammad Yusof	-	-	-	-
7. Chuah Mei Lin	-	-	-	-
8. Hasman Yusri Yusoff	-	-	-	-

* dipegang melalui Gapurna Sdn Bhd

PEMEGANG WARAN UTAMA (5% DAN KE ATAS)

Nama	Bilangan Waran	%
1. Gapurna Sdn Bhd	85,235,023	14.78

TOP 30 LARGEST WARRANT HOLDERS

AS AT 31 MARCH 2016

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

Name	No. Of Warrants	%
1. Gapurna Sdn Bhd	85,235,023	14.78
2. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Siew Chan</i>	12,228,700	2.12
3. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kek Lian Lye</i>	7,600,000	1.32
4. Abdull Star Khan bin Amirullah Khan	5,166,667	0.90
5. Johari bin Mohamed	4,900,000	0.85
6. Eow Yin Kam	4,700,000	0.82
7. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Fee Chong (REM 157-Margin)</i>	3,700,000	0.64
8. Maybank Securities Nominees (Asing) Sdn Bhd <i>Maybank Kim Eng Securities Pte Ltd for Koh Kim Leng Colin</i>	3,500,000	0.61
9. Fong Tuck Seng	3,400,000	0.59
10. Eow Yin Kam	3,200,000	0.56
11. Yu Kok Ann	3,133,333	0.54
12. Low Chee Meng	3,060,000	0.53
13. Ng Leong Huat	3,000,000	0.52
14. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sher Khan bin Khan Mohamad (CEB)</i>	3,000,000	0.52
15. Ng Sau Chan	2,800,000	0.49

TOP 30 LARGEST WARRANT HOLDERS

AS AT 31 MARCH 2016

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

Name	No. Of Warrants	%
16. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)</i>	2,530,629	0.44
17. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Bhoopindar Singh all Harbans Singh (SS2/JUP)</i>	2,443,933	0.42
18. Mohd Fauzi bin Mohd Anuar	2,400,000	0.42
19. Soh Tong Hwa	2,400,000	0.42
20. Lee Chip Hwa	2,242,400	0.39
21. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Song Soon Hee (470272)</i>	2,170,000	0.38
22. Foo Chong Chin	2,138,500	0.37
23. Punniya Moorthy a/l Ponnusamy	2,109,100	0.37
24. Tan Han Chong	2,050,000	0.36
25. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Tong Hwa (STF)</i>	2,000,000	0.35
26. Teh Chor Heng	1,929,233	0.33
27. Lee Choy Kuan	1,872,733	0.32
28. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Teh Swee Heng (MM1118)</i>	1,800,000	0.31
29. Ong Lee Lee	1,800,000	0.31
30. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Bank Julius Baer & Co. Ltd. (Singapore BCH)</i>	1,760,687	0.31

30 PEMEGANG WARAN TERBESAR

PADA 31 MAC 2016

SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

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10. Eow Yin Kam	3,200,000	0.56
11. Yu Kok Ann	3,133,333	0.54
12. Low Chee Meng	3,060,000	0.53
13. Ng Leong Huat	3,000,000	0.52
14. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sher Khan bin Khan Mohamad (CEB)</i>	3,000,000	0.52
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30 PEMEGANG WARAN TERBESAR

PADA 31 MAC 2016

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SUSTAINABILITY STATEMENT

STAKEHOLDERS AND MATERIALITY

Effective stakeholder engagement is core to business success and part of our everyday operations. We consider stakeholders to be anyone with an interest in our activities, whether they are an individual or a representative of a group or organisation. Stakeholders include people who are affected by our operations as well as those who influence our decisions.

We engage with our stakeholders throughout the project planning, development, construction and operation stages. We provide information on our activities and take time understanding their concerns and interests. All these actions are invaluable for improving our decision-making processes.

We are involved in a wide range of engagement activities. By listening to and working with others, we explore how we might solve some of the challenges we face. We deal with all stakeholders ethically, honestly and constructively. We seek their opinions so that we can adapt to changing expectations and generate long-term value for our shareholders.

MRCB's Stakeholder Engagement Framework



MATERIALITY MATTERS

Materiality refers to how we determine the relevance of sustainability issues and their importance to both the business and stakeholders. Understanding and prioritising these salient issues help us address and report the most important aspects. This process supports our strategy and allows us to align our sustainability reporting with the expectations of our stakeholders.

MRCB's Stakeholder Engagement Framework forms the basis for consulting with internal and external stakeholders in the most extensive materiality assessment performed to date.

Components of the Materiality Assessment

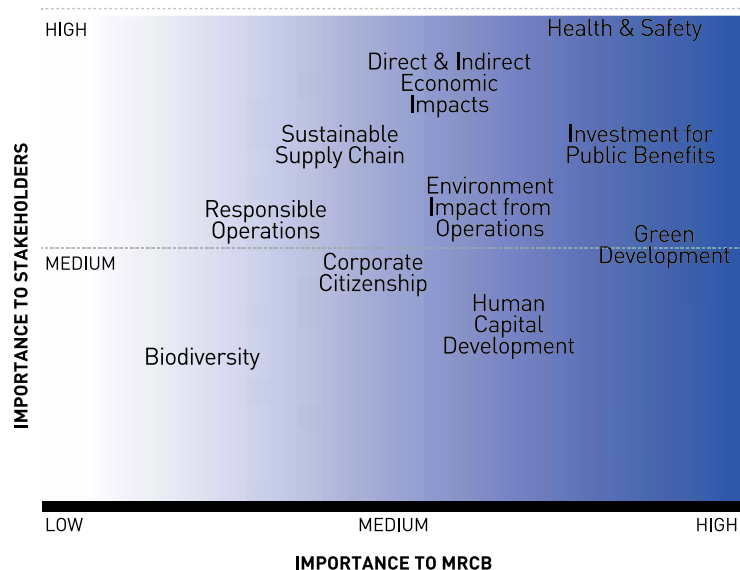


Determining Material Topics for MRCB



MRCB's current understanding of the relevant topics and the level of interest of its stakeholders are depicted in the following chart. Understanding the relevance of specific sustainability topics for stakeholders is of mutual interest and can support MRCB's sustainability strategy.

During our materiality study, stakeholder representatives were asked to rate the importance they placed on particular areas of sustainability. Their comments were gathered systematically and are incorporated in the materiality matrix below.



Periodically, we review our material issues against the changing context of the business, stakeholder feedback and emerging trends. We also ensure that our reporting continues to include the critical issues for stakeholders as they arise.

This reporting focuses on areas that matter most to our stakeholders. Moving forward, we hope to set targets or KPIs for each material issue.

ECONOMIC

At MRCB, we are mindful of our impact on the economies of our stakeholders and our operations directly develop the infrastructure in our local communities. We actively develop public transportation, sports, human capital, welfare facilities and medical facilities in Malaysia.

MRCB Empowers the Bumiputera Economy

We effectively implement the nation's Bumiputera socio-economic development agenda by increasing Bumiputera ownership of corporate equity and assets. This approach is in line with the Government's Bumiputera Economic Council (MEB) objectives.

The Government expects all government-linked companies (GLCs) to set targets and include them in their corporate key performance indicators. At MRCB, we have developed a scorecard that outlines our achievements over the last financial year and this has become the basis for setting our future targets. We set targets for the number of projects awarded to local vendors and spent RM62 million on collaborative programmes with other Bumiputera agencies. Our Trading Arm spent RM82.81 million on purchasing materials from Bumiputera vendors, which exceeded our initial target of RM52 million.

Growing the Economy through Rapid Development of Kuala Lumpur Sentral Central Business District (CBD)

Our iconic development project, Kuala Lumpur Sentral CBD, is an exclusive urban centre built around Malaysia's largest transportation hub. It offers global connectivity, excellent investment opportunities, business convenience and an international lifestyle.

Kuala Lumpur Sentral CBD is intrinsically critical infrastructure in Malaysia's capital city. This transport hub has connected commuters, business and casual travellers and tourists for the past 15 years. It provides the capital city with an unrivalled connectivity to the world via this well-known Transit Oriented Development (TOD).

We have completed 85% of Kuala Lumpur Sentral CBD and are nearing its delivery of approximately RM15 billion total Gross Development Value (GDV). It has become a vibrant and self-contained city-within-a-city development that comprises premium corporate office towers, business suites, luxury condominiums, serviced apartments and the NU Sentral retail mall. It houses the highest number of Green buildings in one location in the country. These 'live, work and play' components make Kuala Lumpur Sentral a vision of the next-generation CBD.

A fully fibre data network provides ample bandwidth for businesses' growing requirements, especially multinational corporations. More data is being stored, sent and accessed by businesses within the CBD. These corporations use applications that demand international quality infrastructure that is maintained by skilled IT professionals, who are part of the CBD's resident population. This CBD provides a good level of security and safety for the well-being of its global community.

SUSTAINABILITY STATEMENT

Transforming Malaysia, One City at a Time

MRCB has learned from the experiences and success of its first Transit Oriented Development (TOD) project – The Kuala Lumpur Sentral CBD and aims to include this concept as part of its sustainability strategy. These mixed-use residential and commercial areas are designed to maximise access to public transport and often incorporate features to encourage transit ridership. We have made significant progress in incorporating business and environmental sustainability in the execution of our projects.

MRCB has embarked on four TODs in PJ Sentral Garden City and Penang Sentral, Kwasa Sentral and Cyberjaya City Centre in Cyberjaya.

Highlights of Upcoming Transit Oriented Developments (TODs)

PJ Sentral Garden City	<ul style="list-style-type: none"> – Integrated with the LRT station – The overall development will adopt the LEED Neighbourhood Gold rating
Penang Sentral	<ul style="list-style-type: none"> – Construction work for this transport hub commenced in early 2015 and is scheduled for completion by 2017 – Integrated commercial and residential development, built around a Transport Terminal hub – Integration of ferry, bus, taxi and train services
Kwasa Sentral	<ul style="list-style-type: none"> – Two MRT rail stations will be integrated with the TOD that will form a CBD for Kwasa Damansara township – The entire project may take between 12 and 15 years to complete – It is tailored as a liveable commercial development similar to Kuala Lumpur Sentral CBD
Cyberjaya City Centre (CCC)	<ul style="list-style-type: none"> – CCC will be integrated with MRT line 2 – Phase 1, CCC will propel Cyberjaya into becoming a global technology hub, a smart city, eco-friendly development, connectivity, innovation and urban lifestyle for the community – The development will comprise of three zones namely Vibrant, Tech & Enterprise and Gateway

Sports and Nation Building

In October 2015, the Federal Government appointed MRCB's subsidiary, Rukun Juang Sdn Bhd (RJSB), to regenerate Bukit Jalil National Sports Complex into the iconic Kuala Lumpur Sports City (KL Sports City).

KL Sports City will be a vibrant sports hub that will be used by athletes, the local community, recreational users and the general public. The first phase, Project 1, will prepare the Bukit Jalil National Stadium for hosting the 2017 Southeast Asia (SEA) Games. During Project 1, RJSB will also carry out targeted works on Putra Stadium, the National Aquatic Centre and the National Hockey Stadium. Integration with existing public transportation links will be improved and pedestrian access to the site increased.

In early 2018, RJSB is scheduled to begin the second phase of work. Project 2 will create KL Sports City, a fully-integrated sports hub. KL Sports City will contain world-class infrastructure including high-performance sports training facilities. Within the city, there will be a sports rehabilitation science centre, a youth park, public sports facilities, a sports museum, youth hostel, convention centre and sports-focused retail mall.

The new KL Sports City will be a catalyst that inspires Malaysia to become a sporting nation. The project propels MRCB into sports and recreational infrastructure. It allows us to build on our core strengths of delivering multi-use developments that regenerate areas of national importance. Through this private-public partnership, we can align our own corporate goals with the nation's objectives for growth and development.

DEVELOPING HUMAN CAPITAL FOR THE NATION

MRCB recognises that education is a key factor in building human capital. We support the government's initiatives, particularly the Graduate Employability Programme which aims to reduce talent shortages in key areas by 2020.

SL1M is a programme led by the Economic Planning Unit (EPU) of the Prime Minister's Office. SL1M aims to improve the employability of graduates so they can secure a job upon completion of the training scheme. In 2015, we helped groom 102 trainees and were touched by several heartwarming success stories. SL1M graduates successfully improved their lives, and those of their families, for a much better future. These 'zero to hero' and 'rags to riches' stories motivated us to absorb more trainees and we are considering adopting 140 trainees in 2016.

MRCB also signed a memorandum of understanding (MoU) on the KBS-MRCB Partnership Programme. We will train Institut Kemahiran Belia Negara (IKBN) students or graduates by providing industry exposure through a series of on-the-job training programmes. This employee engagement programme is championed by the Ministry of Youth & Sports. This train-the-trainer programme will familiarise selected lecturers with technologies being used in the Property and Construction industry.

MRCB Green Buildings



MRCB Promotes Medical Tourism

In August 2015, we announced that Sooka Sentral will be redeveloped as a specialist cardiac and vascular centre. This centre will complement our “Live, Work, and Play” offering.

Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd (CVSKL) will undertake this redevelopment. Once complete, the building will house a 70+ bed cardiac and vascular hospital with a comprehensive range of cardiology, cardiothoracic, vascular, diagnostic and therapeutic services. Facilities will include cathlabs, cardiac operating theatres as well as intensive care, coronary care and high dependency units.

This medical tourism component will ensure that the mature and established CBD continues to benefit Malaysians and other nationalities. It will benefit all those who converge at the CBD such as users of the extensive rail networks as well as those who live, work and play in the CBD.

ENVIRONMENT

As a corporate citizen, we have an obligation to protect and preserve the environment while projects are under construction. We are committed to providing sustainable solutions that minimise the environmental impact of these projects. Through continuous research of green building materials, technologies and implementation, we deliver high-performance, sustainable buildings that achieve these benefits.

Green Developments

MRCB has almost completed eight green buildings. Each of these structures has been certified by at least one local or international green standard certification body.

MRCB’s continuous commitment to sustainable development for these buildings has been recognised with:

- Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council,
- Malaysian Green Building Index (GBI) certification,
- Singapore’s Building and Construction Authority (BCA) Green Mark standards for Sustainability.

In the Office Development category, Menara Shell won both the Malaysian Property Press Awards (MPPA) 2015 and FIABCI Malaysia Property Awards 2015. Menara Shell was awarded LEED Platinum standard and GBI certification.

Menara Shell has outstanding features for a conducive and user-friendly office environment. It focuses on saving energy and improved efficiency in utilising water and materials. Menara Shell was built for long-term sustainability, with green technology that results in an energy-efficient, healthier and more productive work environment. Preferred parking is offered to drivers of low-emission and fuel-efficient vehicles and 5% of parking spaces are allocated for electric car charging.

In 2015, we achieved the GBI Design Assessment (DA) Provisional Certificate for our MyIPO corporate headquarters. This award is truly a testament to the dedication of the entire team in promoting green development for the future of the planet.

Biodiversity and Conservation

In the past, MRCB was involved in implementing the ‘River of Life’ entry point project in Kuala Lumpur, which will transform and revitalise the Klang and Gombak rivers. Managing the impacts from operations require a sophisticated, ecosystems-based approach. MRCB prioritises biodiversity in the development of its environmental management plan. MRCB has also secured the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang. This RM130 million contract was awarded by the Department of Irrigation and Drainage and is on-going.

In 2015, MRCB initiated a conservation programme in its project sites at the hospitality and tourism Desaru Coast development. This project was secured from Destination Resorts and Hotel, a subsidiary of Khazanah Nasional Bhd and the strategic owner and developer of Desaru Coast, located on Johore’s east coast. The environmentally aware project enhancement initiative was expected to ensure the sustainability of this development project involving the construction of a RM61.4 million conference centre, a 386-room hotel named Desa Desaru hotel valued at RM212 million and the 275-room Westin Desaru Resort worth RM211.6 million.

SUSTAINABILITY STATEMENT

As part of our commitment to biodiversity, we sponsored some fruit trees that were planted at an event with Dewan Bandaraya Kuala Lumpur (DBKL). This is part of an effort to transform Kuala Lumpur into a world-class and leading liveable city containing parks with 100,000 trees and greenery by 2020.

Water Management

Conserving and reusing water are key focus areas that are integral to our operations. We examine the impact water use has across the value chain. We have also improved our performance by introducing conservation and efficiency projects at our manufacturing facilities.

A proactive approach to water efficiency must influence building design specifications and the way buildings are used, managed and maintained. We usually recycle excess water from wash troughs at project sites. This water is stored in sedimentation tanks for future reuse.

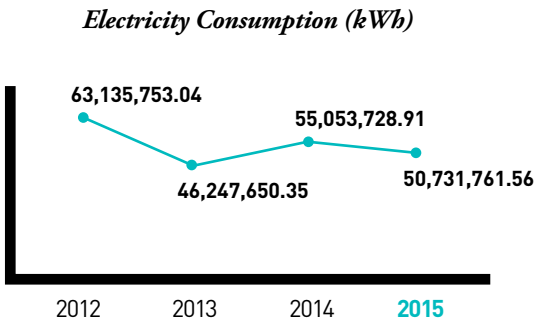
Energy Management

Effective management of energy is vital to the continued growth and success of MRCB. In 2015, the total group energy usage by all subsidiaries was 50,731,761.56kWh, which is 7.85% less than the previous year. This reduction was due to our formal energy management systems that are being systematically established across the Group. Energy reduction targets are also being set mainly for higher energy users within the Group.

In 2015, we established energy efficiency improvements which are a major element of the Group's cost savings initiatives. Energy conservation makes good business sense, since it is a significant operating cost. Energy from renewable resources is actively pursued especially at our green buildings. MRCB also aims to reduce its energy use by increasing operational energy efficiency.

Water Efficiency Features Implemented at Project Sites

A rainwater harvesting system that minimises potable water use for landscape irrigation
A good filtration system for irrigation
Rain sensors as part of an effective 100%-automated site irrigation system
Excellent-rated basin taps, sink and bib taps and flushing cisterns
A flush valve system on all public toilets and a flushing cistern system on disabled toilets
Dual flush cisterns



Low-flow urinals

Low fittings for sink or bib taps, basin taps, mixers and showerheads

Waste Management

We are presented with many opportunities to reduce and recover materials that would otherwise be discarded. The beneficial reuse of materials is considered along with any economically viable means to reduce the waste we dispose of. Effective strategies are examined for identifying and separating wastes. Options are being explored to:

- Create value by reusing wastes in the construction processes;
- Incorporating recycled materials into products; and
- Reducing building-related wastes through efficient jobsite practices.

Construction waste is segregated at major project sites with separate bins for each type of waste. Subsequently, the waste is sent for recycling. Scrap iron is taken to a recycling centre and the majority of concrete waste is reused as a road base. Our waste disposal contractor is an approved recycling company.

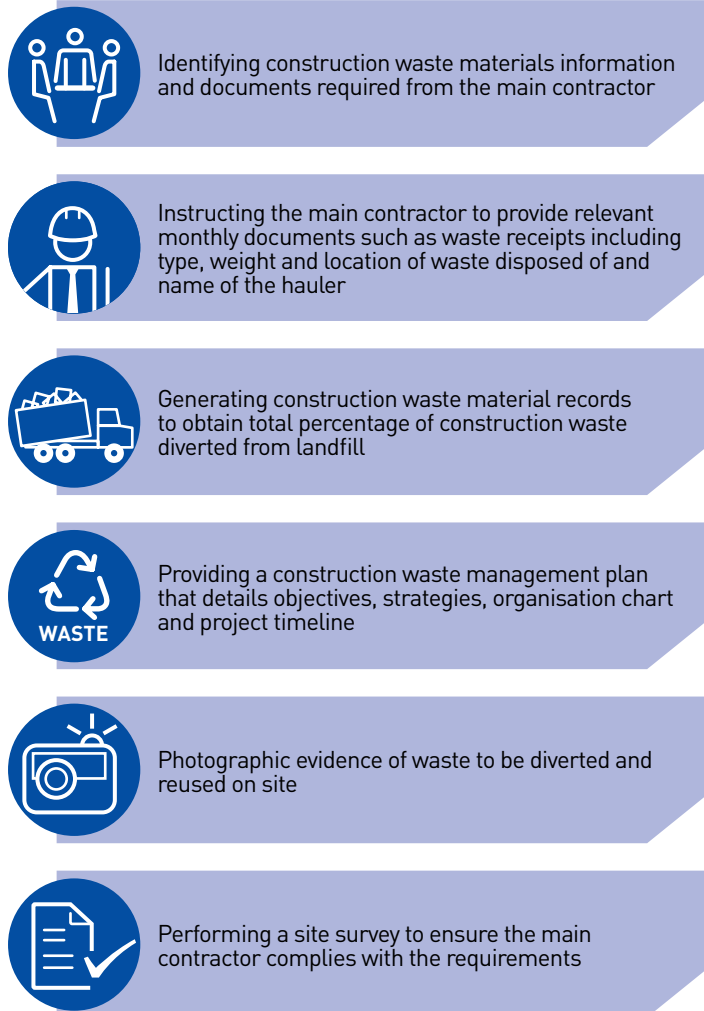
SOCIAL

MRCB is committed to providing a safe and healthy environment for employees, tenants and visitors to its facilities. We also recognise the importance of contributing to our community through direct involvement in social causes and charitable work. Particular emphasis is placed on contributing to positive change in the places where we live and work.

A Diverse MRCB

Great ideas push us forward. At MRCB, we rely on our employees' diverse backgrounds and perspectives to spark innovation. Even though we operate in a male-oriented industry, we do our best to make diversity a priority. At MRCB, we promote diversity not just in the workplace but also throughout the entire ecosystem, from the

Main Processes of Waste Disposal



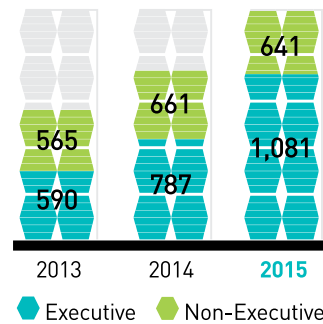
customers we serve to the suppliers and developers we work with. Our diverse workforce at MRCB is presented in the following charts.

Safety and Health

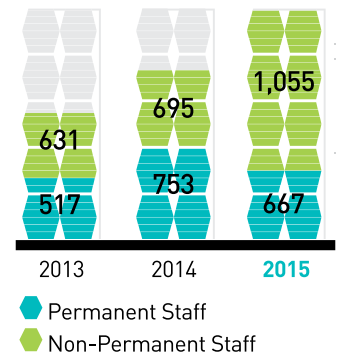
The safety and health of our colleagues, contractors, visitors and communities, as well as the environment in which we live and operate, is an integral part of our responsibilities. We continue to act in a responsible manner to:

- Prevent incidents, injuries, ill-health and environmental pollution arising from the work activities with the continual improvement of OHSAS 18001 and ISO 14001.
- Comply with all applicable environment, safety and health, and legal requirements.

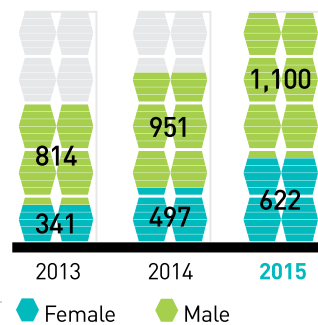
Workforce Breakdown by Employment Type



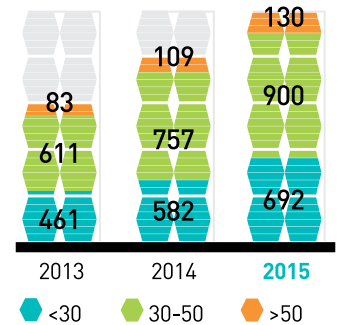
Workforce Breakdown by Employment Contract



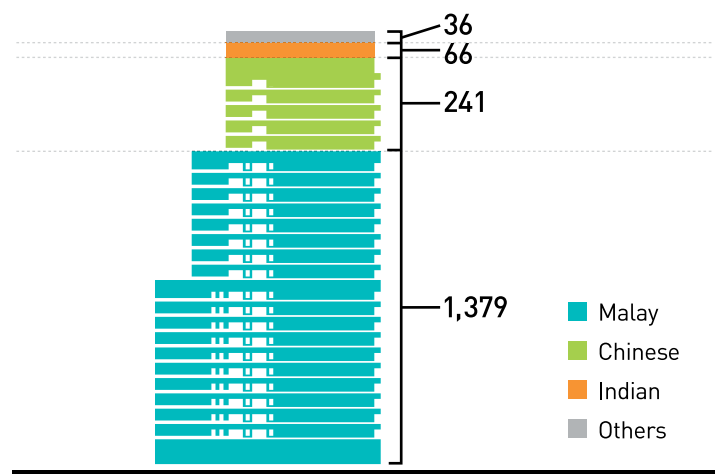
Workforce Breakdown by Gender



Workforce Breakdown by Age Group



Workforce Breakdown by Race



SUSTAINABILITY STATEMENT

We deliver adequate training and awareness programmes to familiarise all persons working under our control with their individual environmental, safety and health (ESH) obligations. We engage with our contractors on a daily basis. We supervise and advise on all aspects of ESH at the worksites. These aspects are also subject to continuous monitoring, inspection and an internal audit. Weekly ESH reports are submitted to Group Head Officer for monitoring. Site visits are performed by Group ESH on a monthly basis. All construction sites are subjected to a safety audit.

2015 Health Campaign Programme

On 19 and 20 October 2015, the 2015 Health Campaign Programme was organised by the Human Resource Division. The main objective was to raise health awareness in MRCB employees. Healthcare vendors were invited to participate in the programme including ST Tiew Dental Group, Pantai Eye Centre, LifeCare and TAGS Spine & Joint. We offered free health examinations and talks to all our employees.

Occupational Safety and Health (OSH) Training

Training Programme	Date	Objective
OHSAS Awareness Training & Implementation Briefing	28 January 2015	<ul style="list-style-type: none"> To understand the core requirements of OHSAS 18001:2007 and MS 1722:2005. To review the existing safety management system and identify opportunities for safety compliance.
OHSAS Internal Audit Course	9 & 10 March 2015	<ul style="list-style-type: none"> To provide an overview of the MRCB health and safety management auditing process. To understand the requirements of OHSAS 18001:2007. To undergo internal auditor training to gain the competency, knowledge and skills to deliver a first-class auditing process. To raise awareness of the highest health and safety management standards across MRCB.
Basic Occupational First Aid, CPR and AED Training	1–3 April & 13–14 August 2015	This programme is designed in accordance with the Occupational Safety and Health Act 1994 Malaysia. It educates employees on basic and advanced first aid. The main topics include Cardio Pulmonary Resuscitation (CPR), Automated External Defibrillator (AED) and Fire Safety.
Safety and Health Briefing	1 September 2015 1 October 2015 2 November 2015 1 December 2015	This training is particularly important for helping new employees understand the OSH requirements in the workplace.
Aedes Seminar	21 April 2015	Construction sites are prone to becoming breeding grounds for Aedes mosquitos. We continue to raise staff awareness on ways to prevent mosquitos from breeding at these sites.
Safety & Health Officer Certificate Course	2 May 2015 to 18 July 2015	This training provides our safety executives with exposure so they can become respected safety and health officers and practitioners.
Managing Occupational Health Risk & Enhancing Safety Awareness in Construction Sector	11 & 12 August 2015	We invited experts from various fields to deliver seven essential OSH topics. Participants were briefed on ways to respond to an OSH crisis.
NIOSH TNB Safety Passport	28 April 2015	This training is compulsory for any personnel entering any TNB sites.
CIDB Green Card Training	29 January 2015 7 February 2015 7 March 2015 12 April 2015 24 May 2015 18 September 2015 1 November 2015 8 November 2015 6 December 2015	CIDB Green Card training is an integrated programme involving the registration and accreditation of construction personnel to improve safety on construction work sites. Objectives include understanding the importance of having a safe and healthy workplace as well as the legal requirements for safety on work sites.

Safety and Health Statistics in 2015

Indicator	Number of Incidents
Fire	-
Property Damage, Dangerous Occurrence & Others	46
Near Miss	3
Medical Treatment	6
First Aid	20
Fatality	-

COMMUNITY DEVELOPMENT

MRCB Promotes Integrity-Driven Higher Performance for All Its Staff

As part of our commitment to promoting honesty and integrity, we invited Yang Berhormat Senator Datuk Paul Low Seng Kuan, Minister in the Prime Minister's Department to a company-wide talk titled "Integrity Driven Higher Performance".

The talk was attended by 150 members of MRCB's senior management team. Senator Datuk Paul Low delivered his speech and shared his thoughts at the talk that is held in conjunction with the annual National Integrity Day on 5 November each year.

MRCB became a signatory to the Corporate Integrity Pledge (CIP) under the Malaysian Anti-Corruption Commission on 18 April 2014. MRCB was an early supporter of this national initiative that holistically and effectively combats corruption, malpractice and abuse of power.

The signing of the CIP allows a company to make a commitment to uphold the Anti-Corruption Principles for Corporations in Malaysia. The CIP was co-developed by the MACC, Malaysian Institute of Integrity, Transparency International Malaysia, PEMANDU, Bursa Malaysia Berhad, Bank Negara, Companies Commission of Malaysia

and Securities Commission Malaysia. Subsequently, our Integrity and Discipline Department was formed.

Inspiring Young Minds through Quality Education

Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) is a community programme initiated by the Ministry of Finance. It is driven by Khazanah Nasional through the PINTAR Foundation together with GLCs to improve socioeconomic standards through educational achievement. The programme aims to raise awareness of the importance of good academic achievements by students from low income households to give them and opportunity for a better future.

MRCB has participated in PINTAR since 2007 and has invested RM2.1 million to date, which has reached out to approximately 20,000 students nationwide. These students will continue to touch other lives as they progress, mature and enter the future job market. In 2015, we continued with our adoption of schools in Kuala Lumpur, Pahang, Penang and Perak through motivational programmes, UPSR clinics, education workshops and Smart Study Camps.

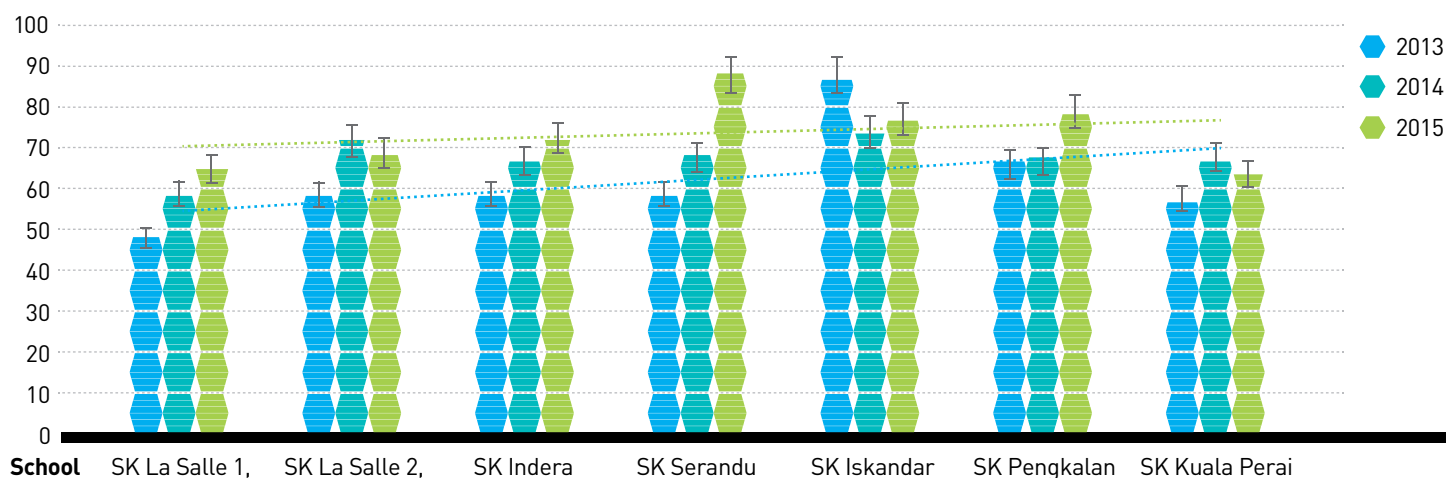
We also collaborated with Berita Harian Education Unit in organising UPSR Clinics to guide students on techniques in answering examination questions according to the Malaysian Examination Board requirements. Our Young Leaders Campaign also sponsored school uniforms, bags and shoes for students from low income families. A total of 755 students from MRCB adopted schools benefited from this programme for the year 2015. Since we started this programme in 2007, we have contributed school items to 5,488 students.

Encouragingly, our existing adopted schools' UPSR have improved with some schools being upgraded to cluster school of excellence (Sekolah Kluster Kecemerlangan) for their high-performing academic records and better facilities and teachers.

Giving back to the community is very much a part of MRCB's DNA. We are committed to helping the poor, underprivileged and children from the lower income group in Malaysia to have access to education.

Historical Comparison of UPSR Results

Percentage %



SUSTAINABILITY STATEMENT

Community Giving and Service

MRCB is more than a company; it is a member of each and every community it serves. We support local communities through donations, volunteerism and charitable giving with our philanthropy plans and charitable structures being at the heart of our sustainability strategy. We also encourage employees to participate in social contributions efforts. Our philanthropy focuses primarily on geographic regions in which we have a business presence. Our significant contributions in 2015 are summarised in the following table.

Beneficiary	Description
Corporate Social Responsibility Contributions	MRCB invested a total of more than RM2.8 million in 2015 to benefit many parties and initiatives such as the Global Transformation Programme under the United Nations Development Programme; the Kuala Lumpur International Arts Festival titled "Diversecity"; the National Sports Day and the Federal Territory Sports Awards. These were among the 70 beneficiaries of MRCB's corporate philanthropy in 2015.
Flood Donation	MRCB contributed RM10,000 donation to purchase daily necessities for Terengganu flood victims at four locations in Ajil, Telemong, Kuala Berang and Manir, which were hit with the worst flooding ever in several decades.
MyVaisahki Festival 2015	MRCB donated RM100,000 to support the MyVaisahki Festival 2015, which formed part of a tourism enhancement programme. This event was organised by the Malaysian Punjabi Chambers of Commerce and Industries at the Malaysian Tourism Centre (MaTic).
KL-Maran Walk 2015	Organised by the Brickfields Rukun Tetangga, the KL-Maran Walk 2015 received RM10,000 from MRCB. The charity walk, which was held from 29 March to 1 April 2015, attracted 250 participants from Brickfields and other parts of Malaysia. The participants walked from Batu Caves to the Maran Hindu temple in Pahang.
Celebration of Maulidur Rasul	MRCB contributed RM100,000 to support a Maulidur Rasul event held on 28 February 2015 at Masjid Tuanku Mizan Zainal Abidin in Putrajaya. The event organiser, Al Wariseen Trust, also organises other religious and welfare activities for orphanages and new Muslim converts. It also administers medical aid for the needy.
Back to School Programme	MRCB sponsored 200 sets of school uniforms, shoes and bags for its CSR-driven "Back to School" programme. The programme benefited 100 students from both the Kuala Selangor and Parit parliamentary constituencies.
Hari Sukan Negara 2015	The Ministry of Youth and Sports Malaysia organised the Hari Sukan Negara 2015 on 10 October 2015. MRCB supported this campaign with its own sporting activities and cash contributions. This national agenda event aimed to foster unity through sports as well as promoting a healthy and active lifestyle to Malaysians.
RM1 Million for flood victims	MRCB RM1 million donation to Persatuan Pandu Puteri Malaysia for the relief effort of flood victims in affected Peninsular Malaysia states.
Anti Dengue Gotong Royong	Members of approximately 30 households along Jalan Berkat in Kampung Sri Aman, Puchong, living near MRCB's work site at the Ampang LRT Line Extension project joined forces with MRCB's volunteers, subcontractors and local authorities. The volunteers cleared rubbish and stagnant water from along the LRT line extension worksite.
Families and next-of-kin of the perished MH17 technical and cabin crew	MRCB donated RM566,000 to the families and next-of-kin of the perished MH17 technical and cabin crew. The amount was collected in a charity squash match between Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director and Tengku Dato' Zafrul Tengku Abdul Aziz, CIMB Investment Bank's Chief Executive Officer during the CIMB Malaysian Open Squash Championships 2014, which was part of MRCB's sports activity as venue sponsor at NU Sentral mall.

MRCB's 1Wilayah Persekutuan Library

On 18 April 2015, our 1Wilayah Persekutuan Library project in Lembah Pantai was officially launched by Dato' Dr Loga Bala Mohan, the Deputy Minister of Federal Territories, at the Kampung Kerinchi People's Housing Project (PPR) flats on Jalan Pantai Dalam.

This is the first library to be fully funded and developed by MRCB. The 1Wilayah Persekutuan Library building has been handed over to Dewan Bandaraya Kuala Lumpur (DBKL) to manage its operations. The Company is donating a total of RM15 million for all three libraries in the Klang Valley. 1Wilayah Persekutuan Library is accessible by more than 20,000 residents living nearby.

This 17,000 square feet two-storey library is developed on a 30,000 sq ft piece of land near the Projek Perumahan Rakyat (PPR) with cooperation from the Federal Territories Ministry and DBKL. The library offers a substantial collection of approximately 15,000 reading materials for all ages and covers a wide range of interests. A computer lab, an atrium and a cafeteria have made the 1Wilayah Persekutuan Library a suitable meeting place for people of all ages and walks of life. The library also provides rooms to hold meetings as well as deliver training and tutorial classes for the local community.

The 1Wilayah Persekutuan Library aims to be a place for knowledge and research. It can be used for both personal and business interaction and encourages the dissemination of knowledge for community volunteerism activities. The library upgrades public facilities in the city and showcases the importance of education to lower-income groups. This CSR effort is in line with MRCB's urban regeneration and sustainable development philosophy.

The ultimate objective is to contribute to the creation of a learned population and transform communities, especially those in the lower income group.

MRCB Provides Rescue and Relief for the Homeless

In 2015, MRCB also delivered a homeless shelter on Jalan Pahang at a cost of RM10 million. The homeless shelter is known as Pusat Transit Gelandangan Kuala Lumpur and MRCB has handed over the building to DBKL and it is operating under Yayasan Kebajikan Negara (YKN). Pusat Transit Gelandangan Kuala Lumpur is a three-storey building with a total built up area of 14,316 sq ft. Approximately 250 persons can be accommodated at any given time with a ratio of 70% men to 30% women.

Facilities provided include a dining area, reception lobby, office room, treatment room, OKU room, locker room, store room, electrical room, family room, caretaker room, male and female dormitories, prayer room, toilets, laundry room with washers and dryers, a dry kitchen with concrete table top and a car park. This homeless shelter is the first welfare facility to be fully funded by MRCB.

Responsible Operations

MRCB is built on three fundamental values: integrity, commitment and excellence. We provide consistent quality, true customer service and always put our customers first. Our goal is to set the highest standards in our industry and maintain a reputation for quality and service through everything we do.

Towards the end of construction and maintenance schemes, we ask our customers a number of questions about their experience. We try to establish the helpfulness of our employees and if customers were well informed of how our works would affect them. These results help us monitor how effectively teams and processes are working. We also consider customers' ideas for improvement.

We have completed the upgrading of a few facilities in Stesen Sentral Kuala Lumpur. The toilets, escalators and ventilation system can now cope with the influx of people and services have improved. MRCB will strive to ensure that it will do its level best within its jurisdiction to ensure the comfort and safety of commuters and visitors at Stesen Sentral Kuala Lumpur.

Kuala Lumpur Sentral CBD offers connectivity, investment opportunities and an international lifestyle. We have relieved traffic congestion as taxi services can now only be taken from the main entrance. We have also installed new fire hoses and resurfaced the bus lane. Railings have also been erected to improve security and prevent taxis from parking there. An additional 30 auxiliary police personnel have been assigned to patrol the station.

During the year, we have completed a link between NU Sentral and the station's south entrance to the under-deck. We have also conducted human and vehicle traffic studies and constructed six pedestrian walkways within the Kuala Lumpur Sentral CBD. Additional bus and taxi lanes were also added in front of NU Sentral.

Our Commitment to Sustainable Quality Management

We are committed to sustainable business practices, which extend to every facet of our business and guide our plans for sustainable growth. Our business units are ISO certified and MRCB is committed to implementing a continuous improvement plan. We have recently achieved the ISO 14001:2004 and OHSAS 18001 certifications for MRCB Builders Sdn Bhd and MRCB Engineering Sdn Bhd. These certifications complement our existing ISO 9001:2008 Quality Management System. Our construction division now conforms to a fully integrated QESH (Quality, Environmental, Safety and Health) management system. Conformance to these ISO standards is a testament to our dedication to ensuring all operational processes are effective and consistent.



1WILAYAH PERSEKUTUAN LIBRARY



PENANG SENTRAL

A catalyst for economic growth in the northern corridor



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of MRCB ("the Board") firmly believes that sound corporate governance practices are vital for ensuring sustainable business performance and value creation for the company's shareholders and remains committed in ensuring that the highest standards of business ethics, integrity and professionalism are applied across the activities of MRCB and its subsidiaries ("the Group").

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 2015, the Board had 8 members, comprising the Chairman (Non-Independent Non-Executive), two (2) Executive Directors and five (5) Non-Executive Directors. Three (3) of the Non-Executive Directors are Independent Directors and two (2) are Non-Independent Non-Executive Directors.

The profile of each member of the Board, their designation and membership of the Board Committees they sit on are set out on pages 46 to 53 of this report.

The members of the Board bring with them a diversity and depth of experience in corporate strategy, finance, business management, construction, 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.

With the composition as at 31 December 2015, the Independent Directors constituted 37.5% of the Board and these Independent Directors provide effective debate and uphold the principles of objectivity and integrity during Board deliberations.

The Board believes that its present composition and size enables it to discharge its duties and responsibilities effectively and competently. From time to time, the Nomination & Remuneration 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 2015.

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.

b. Appointment to the Board and Re-election of Directors

The Nomination & Remuneration Committee ("NRC") is entrusted with the responsibility of assessing capable candidates to be appointed as members of the Board. In assessing the suitability of candidates for membership to the Board, the NRC 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.

During the year, Mohd Imran Tan Sri Mohamad Salim was appointed to the Board as Executive Director on 1 Mar 2015. This was followed by the appointment of Chuah Mei Lin as Independent Non-Executive Director on 4 September 2015. Two Independent Directors, Dato' Johari Razak and Dato' Abdul Rahman Ahmad resigned from the Board on 13 May 2015 and 24 August 2015 respectively.

Subsequent to the financial year end, Hasman Yusri Yusoff was appointed Independent Director on 26 January 2016 and Dato' Chong Pah Aung resigned from the Board on 31 January 2016.

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 11 May 2015, Dato' Chong Pah Aung, Dato' Abdul Rahman Ahmad and Jamaludin Zakaria, who retired pursuant to Articles 101 and 102 of the Articles of Association of the Company, had been duly re-elected. At the same time, Mohd Imran Tan Sri Mohamad Salim had retired pursuant to Article 106 of the Articles of Association of the Company and was duly re-elected.

c. Roles and Responsibilities

The Board oversees the business and affairs of the Group and is 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, <http://www.mrcb.com.my>

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.

Both the Group Managing Director and Executive Director are 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, along with the Executive Director, chart the overall business direction of the Group, report and communicate key strategic matters and proposals to the Board, and implement decisions made by the Board.

The Chairman is 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 chairs 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 these scheduled meetings, additional meetings may be requested by the Chairman to deliberate on urgent or important matters that require attention.

A total of eight (8) Board of Directors meetings were held between 1 January 2015 and 31 December 2015. All the directors attended at least 75% of the Board of Directors meetings during the period.

STATEMENT ON CORPORATE GOVERNANCE

Table 1: Details of attendance of the Directors at the Board Meetings held from 1 January 2015 to 31 December 2015

NAME OF DIRECTOR	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS HELD	PERCENTAGE [%]
Tan Sri Azlan Zainol (Chairman)	8	8	100%
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)	8	8	100%
Datuk Shahril Ridza Ridzuan	8	8	100%
Jamaludin Zakaria	7	8	88%
Rohaya Mohammad Yusof	8	8	100%
Mohd Imran Tan Sri Mohamad Salim (Executive Director, appointed 1 March 2015)	6	6	100%
Dato' Johari Razak (resigned 13 May 2015)	2	2	100%
Dato' Abdul Rahman Ahmad (resigned 24 August 2015)	4	4	100%
Chuah Mei Lin (appointed 4 Sept 2015)	3	4	75%

Amongst the matters deliberated by the Board in 2015 were:

- Major business proposals and transactions :
 - i) Disposal of Platinum Sentral
 - ii) Acquisition of 41% equity interest in MRCB Quill Management Sdn Bhd
 - iii) Kwasa Land development
 - iv) Execution of Privatisation Agreement
 - v) Private Placement of shares
- Business plan and budget for 2015 & 2016;
- Performance bonus and remuneration package for Senior Management;
- Appointment of additional independent directors;
- Remuneration package for the Group Managing Director, Executive Director, Chief Operating Officer and Chief Financial Officer; and
- Revision to the director's benefits.

2. BOARD COMMITTEES

The Board has established four (4) Committees, each with specific authorities and responsibilities, to assist the Board to discharge its duties and responsibilities effectively. At these Committees, detailed review and deliberation of strategic issues are carried out and the Chairmen of the various Committees will report on their respective deliberations and recommendations to the Board at the subsequent Board meeting. However, 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 134 to 137.

b. Executive Committee (“EXCO”) 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 two (2) 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 EXCO or Board approval in line with the approved Limits of Authority.

Three (3) members form the quorum for a meeting. For 2015, a total of five (5) 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 2015 to 31 December 2015

NAME OF EXCO MEMBER	ATTENDANCE
Datuk Shahril Ridza Ridzuan (Chairman)	5/5
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)	5/5
Dato’ Chong Pah Aung	5/5

Among the activities carried out by the EXCO in 2015 were:

- Reviewing the progress of key projects;
- Deliberating on major business proposals and transactions;
- Reviewing and measuring the progress and outcome of the budget set for 2015;
- Reviewing the business plan and budget for 2016.

c. Nomination & Remuneration Committee (“NRC”)

The NRC comprises three (3) members, all of whom are Independent Directors.

During the year, the NRC reviewed its Terms of Reference and the following revised Terms of Reference was approved by the Board on 21 May 2015:

In relation to its nomination function:

- i) To identify, assess and recommend to the Board for its approval, suitably qualified candidates for the Board, the committees of the Board, subsidiaries and associate companies of the Group taking into consideration their character, experience, integrity, competence and time commitment.
- ii) To identify and recommend to the Board for its approval, candidates for appointment as the Group Managing Director/Chief Executive Officer, Executive Director(s), Chief Financial Officer and Chief Operating Officer.
- iii) To review and recommend to the Board for its approval, the extension of contracts of the Group Managing Director/Chief Executive Officer, Executive Director(s), Chief Financial Officer and Chief Operating Officer.
- iv) To recommend to the Board, candidates for re-election and/or re-appointment by the shareholders at the annual general meeting under the annual re-election provisions or retirement pursuant to the relevant laws after assessing their performance and their ability to continue to contribute to the Board after taking into consideration their knowledge, skills and experience based on the annual Board assessment.
- v) To assess the independence of independent directors and recommend to the Board the retention of independent directors who have served for a cumulative period of nine (9) years, if deemed appropriate. Consideration is made as to whether an independent director can continue to bring independent and objective judgement to Board deliberations.

STATEMENT ON CORPORATE GOVERNANCE

- vi) To assist the Board in implementing annual evaluation of the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual including Group Managing Director/Chief Executive Officer and Executive Director(s) and to maintain proper documentation of such assessment.

In relation to its remuneration function:

- i) To develop a remuneration framework for the Group covering the Board, the committees of the Board and the Group's Top Management, taking into consideration best practices, the views of industry experts, stakeholders and the market at large and obtaining and analysing available data. The remuneration framework comprises basic, fringe benefit and benefits-in-kind.
- ii) To design, formulate and recommend to the Board for its approval, the remuneration packages for Non-Executive Directors, the committees of the Board and the Board of subsidiary companies and to ensure the remuneration packages are aligned with business strategy, long term objectives of the Group, and also reflect the Board's responsibilities, expertise and the complexity of the Group's activities.
- iii) To design, formulate and recommend to the Board for its approval, the remuneration packages for the Group Managing Director/Chief Executive Officer, the Executive Director(s), the Chief Financial Officer and Chief Operating Officer (hereinafter referred to as "the Executive Management") with the aim of attracting and retaining high-caliber Executive Management who will deliver success for shareholders and high standards of service to customers, while having due regard to the business environment in which the Group operates.
- iv) To review any major changes in employee benefit structures throughout the Company or Group, and if fit, recommend to the Board for adoption.
- v) To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include:
 - Merit increment
 - Merit bonus
 - Project completion incentives.
- vi) To seek any information it requires from any employee of the Company in order to perform its duties.
- vii) To obtain, at the Company's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of the external advisers at its meeting if it considers necessary, and to obtain reliable, up-to-date information about the remuneration in other companies.

The NRC shall have full authority to commission any report or survey which it deems necessary to help it fulfil its obligations.

A total of four (4) NRC Committee meetings were held in 2015 and these were fully attended by all the members.

Table 3: Details of attendance of members at the Nomination & Remuneration Committee meetings held from 1 January 2015 to 31 December 2015

NAME OF NOMINATION & REMUNERATION COMMITTEE MEMBER	ATTENDANCE
Dato' Johari Razak (Chairman – resigned 13 May 2015)	2/2
Jamaludin Zakaria (Chairman – appointed 13 May 2015)	2/2
Dato' Abdul Rahman Ahmad (resigned 24 August 2015)	3/3
Chuah Mei Lin (appointed 16 Nov 2015)	1/1
Dato' Chong Pah Aung	4/4

Among the activities carried out by the Nomination & Remuneration Committee in 2015 were:

- i) Reviewed the performance bonus and remuneration package for Senior Management;
- ii) Deliberation on the appointment of additional independent directors;
- iii) Deliberation on the contract renewal of the Group Managing Director; and
- iv) Deliberation on the revision to the director's fees.

d. Employees' Share Option Scheme Committee ("ESOS")

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. One (1) ESOS Committee meeting was held during the year under review to deliberate on the proposed offer of share options to the employees.

Table 4: Details of attendance of members at the ESOS Committee meeting held from 1 January 2015 to 31 December 2015

NAME OF ESOS COMMITTEE MEMBER	ATTENDANCE
Datuk Shahril Ridza Ridzuan (Chairman)	1/1
Jamaludin Zakaria	1/1
Mohd Imran Tan Sri Mohamad Salim (appointed 13 May 2015)	1/1
Dato' Johari Razak (resigned 13 May 2015)	-

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 Nomination & 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 Nomination & 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 2015 are set out in Tables 5 and 6 below.

The total Directors' remuneration for the financial year ended 31 December 2015 was approximately RM6.29 million, with the highest paid director being the Group Managing Director.

STATEMENT ON CORPORATE GOVERNANCE

Table 5: Details of Aggregate Directors' Remuneration for 2015

NAME OF DIRECTOR	FEE RM'000	SALARY & BONUS RM'000	EPF & SOCSO RM'000	LEAVE PASSAGE RM'000	ALLOWANCE RM'000	CAR ALLOWANCE RM'000	BENEFITS- IN-KIND RM'000	TOTAL RM'000
Tan Sri Azlan Zainol (Chairman)	200				74			274
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)		2,800	585	60		120	73	3,638
Datuk Shahril Ridza Ridzuan	150				145		78	373
Dato' Chong Pah Aung	150				29			179
Jamaludin Zakaria	150				19			169
Rohaya Mohammad Yusof	150				15			165
Mohd Imran Tan Sri Mohamad Salim (Executive Director, appointed 1 Mar 2015)		956	211	20		60	12	1,259
Dato' Johari Razak (resigned 13 May 2015)	55				6			61
Dato' Abdul Rahman Ahmad (resigned 24 August 2015)	97				17			114
Chuah Mei Lin (appointed 4 Sept 2015)	49				4			53
TOTAL	1,001	3,756	796	80	309	180	163	6,285

Table 6: Analysis of Directors' Remuneration by Bands of RM50,000

DIRECTORS' REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	TOTAL
RM50,001 – RM100,000	-	2	2
RM100,001 – RM150,000	-	1	1
RM150,001 – RM200,000	-	3	3
RM250,001 – RM300,000	-	1	1
RM350,001 – RM400,000	-	1	1
RM1,000,000 and above	2	-	2
TOTAL	2	8	10

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 from any deliberations on the matter.

b. Director's 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 attended various courses on corporate governance, risk management, corporate finance and management. The details of the courses attended by the Directors are set out in Table 7 below.

Table 7: Training Courses Attended by Directors in 2015

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Tan Sri Azlan Zainol	Briefing on GST Implication to the Directors Date: 5 Feb 2015 Organiser: RHB Banking Group
	Briefing on Bank Negara Malaysia's Annual Report 2014/Financial Stability & Payment System Report 2014 – Holding Companies Date: 11 Mar 2015 Organiser: Bank Negara Malaysia
	The Boardroom Programme - Retail Management Institute Date : 16 - 19 Mar 2015 Organiser: Santa Clara University, USA
	Bank Negara Malaysia Composite Risk Rating (CRR) 2014 Review (for Board) Date: 3 Apr 2015 Organiser: Bank Negara Malaysia
	Invest Malaysia 2015 Conference Date: 23 Apr 2015 Organiser: CIMB Investment Bank in collaboration with Bursa Malaysia
	Board Chairman Series Part 2: Leadership Excellence From the Chair Date: 27 July 2015 Organiser: Bursa Malaysia & ICLIF
	Plantation Operations in the Current Sustainability Landscape, Facilitator: Mr Sin Chuan Eng Date: 18 Aug 2015 Organiser: Kuala Lumpur Kepong Berhad
	Briefing on Overseas Tax and Malaysian Financial Reporting Standard 9 (MFRS9) – "Financial Instruments" Date: 1 Oct 2015 Organiser: RHB Banking Group (by KPMG & PwC respectively)
	Khazanah Megatrends Forum 2015 Date: 5 - 6 Oct 2015 Organiser: Khazanah Nasional

STATEMENT ON CORPORATE GOVERNANCE

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Tan Sri Mohamad Salim Fateh Din	Directors' Continuing Education Programme 2015 Date: 19 - 20 October 2015 Organiser: In-house Corporate Training under Shell Refining Company (FOM) Berhad
Mohd Imran Tan Sri Mohamad Salim	Mandatory Accreditation Programme for Directors of Public Listed Companies Date: 16 May 2015 Organiser: Bursatra Sdn. Bhd.
Datuk Shahril Ridza Ridzuan	World Capital Markets Symposium 2015 Date: 9 Mar 2015 Organiser: Securities Commission Malaysia Amundi World Investment Forum 2015 Date: 5 - 6 June 2015 Organiser: Amundi Group EPF Risk Management Seminar 2015 Date: 10 Aug 2015 Organiser: Employees Provident Fund (EPF) Board of Directors Workshop Date: 30 Sep 2015 Organiser: Media Prima Berhad Thought Leaders Roundtable Date: 6 Oct 2015 Organiser: Institutional Investor EPF Investment Seminar 2015 Date: 17 - 18 Oct 2015 Organiser: Employees Provident Fund & Macquarie Group BFM's General Management Programme Date: 27 Oct 2015 Organiser: BFM Business School EPF Global Private Equity Summit 2015 Date: 24 - 26 Nov 2015 Organiser: Commonwealth Heads of Government Meeting (CHOGM) and Commonwealth Enterprise and Investment Council
Dato' Chong Pah Aung	Nominating Committee Programme 2: Effective Board Evaluations (A joint programme with Bursa Malaysia Berhad) Date: 8 Apr 2015 Organiser: The ICLIF Leadership & Governance Centre

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Jamaludin Zakaria	<p>Corporate Finance Strategies For Value Creation Date: 1 July 2015 Organiser: PNB Investment Institute Sdn Berhad</p> <p>Khazanah Megatrend Forum Date: 5 - 6 Oct 2015 Organiser: Khazanah</p> <p>EPF Investment Seminar Date: 17 - 18 Oct 2015 Organiser: EPF</p> <p>EPF Global Private Equity Summits 2015 Date: 29 Oct 2015 Organiser: EPF</p>
Rohaya Mohammad Yusof	<p>EPF Management Conference Date: 25 - 27 Mar 2015 Organiser: KWSP</p> <p>Invest Malaysia Date: 23 - 24 Apr 2015 Organiser: CIMB</p> <p>International Social Security Conference Date: 19 - 20 May 2015 Organiser: KWSP</p> <p>CIMB 4th Annual Asia Pacific Conference @ Invest Malaysia Leading Leaders Programme Date: 9 June 2015 Organiser: CIMB</p> <p>Khazanah Megatrend Forum Date: 5 - 6 Oct 2015 Organiser: Khazanah</p> <p>EPF Investment Seminar Date: 17 - 18 Oct 2015 Organiser: EPF</p> <p>Global Transformation Forum 2015 – Operationalising Transformation – Shifting Dialogue to Effective Action Date: 21 - 23 Oct 2015 Organiser: Big Fast Results Institute</p> <p>EPF Global Private Equity Summits 2015 Date: 29 Oct 2015 Organiser: EPF</p>

STATEMENT ON CORPORATE GOVERNANCE

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
	<p>2015 Institutional Client Program (US) Date: 2 - 6 Nov 2015 Organiser: Franklin Templeton Investments</p> <p>Bengkel Latihan Media dan Skil Komunikasi Date: 23 - 24 Nov 2015 Organiser: EPF</p> <p>Leadership Energy Summit Asia (LESA) 2015 Date: 1 - 2 Dec 2015 Organiser: Bank Negara Malaysia</p> <p>Konvensyen KIK 2015 Date: 4 Dec 2015 Organiser: EPF</p>
Chuah Mei Lin	<p>SSM National Conference 2015 on “Modernizing the Companies Act. Creating Synergy in Malaysia Business Landscape” Date: 8 - 9 Sep 2015 Organiser: SSM</p> <p>Malaysia’s Economic Update 2015 Date: 21 Sep 2015 Organiser: PEMANDU</p> <p>Talk on “Key Global Trends in Investment Banking and Finance” Date: 16 Oct 2015 Organiser: ABS & MIBA</p> <p>Mandatory Accreditation Programme for Directors of Public Listed Companies Date: 4 - 5 Nov 2015 Organiser: Bursatra Sdn Bhd</p> <p>10th Asia Economic Summit with the theme “Thriving Amidst Global Economic Uncertainties and Challenging Times” Date: 4 Dec 2015 Organiser: Asian Strategy and Leadership Institute</p> <p>Launch of The Directors’ Remuneration Report 2015 Date: 7 Dec 2015 Organiser: Bank Negara Malaysia</p> <p>Majlis Dialog Tahunan Suruhanjaya Syarikat Malaysia (KL) Date: 15 Dec 2015 Organiser: SSM</p>

c. Performance Evaluation

The Board, through the Nomination & Remuneration Committee, reviews and evaluates its performance and the performance of individual Directors. The last performance evaluation was conducted in 2014 by KPMG.

d. Relationship of the Board with Management

The relationship between the Board and Management remained 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. 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 allocations, are based on financial performance and achievement of key performance targets.

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. This advice and these services are made available independent of Management's intervention. During the year under review, the Board did not seek the advice of any independent professionals.

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 various project sites. During these visits, the Directors gained a better understanding of the Company's projects and the challenges faced, thus enhancing the Board's effectiveness during its deliberations and decision-making.

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 disclose the financial position of the Group in a true and fair manner.

STATEMENT ON CORPORATE GOVERNANCE

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 164 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 and tax-related matters.

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. The Audit Committee also held two meetings with the External Auditors without the presence of members of management during the year.

In recommending the External Auditors for reappointment, the Audit Committee reviews their performance, suitability and independence. For 2015, 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 page 134.

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 of 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:

- i) the effectiveness and efficiency of the Group's operations;
- ii) effective management of risks;
- iii) the reliability of the Group's financial information; and
- iv) 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 totally 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 126 to 128 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 a 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 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.

A Whistleblowing Policy has also been established. 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. The Whistleblowing Policy also describes the procedures to be taken for investigating and dealing with reports on the misconduct of employees.

c. Corporate Integrity

MRCB signed the Corporate Integrity Pledge on 18 April 2014 to indicate its support towards the anti-corruption efforts in Malaysia, in line with the objectives of the National Key Result Area of "Fighting Corruption" under the Government Transformation Programme.

With this Pledge, MRCB commits to, amongst others, promote values of integrity, transparency and good governance in carrying out its business activities, and comply with anti-corruption laws, policies and procedures. On 19 November 2015, an Integrity Driven Performance Executive Seminar was organised by the Integrity & Discipline Department of the Group to promote a culture of integrity and accountability. The Seminar, which was officiated by YB Senator Datuk Paul Low Seng Kuan, Minister in the Prime Minister's Department, was attended by the Management team of the Group.

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 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

The Company has established a Dividend Policy, whereby shareholders can expect a dividend payout amounting to at least 20% of core net profits. On 18 December 2015, the Company declared a single tier interim dividend in respect of the financial year ended 31 December 2015 of 2.5% or 2.5 sen per ordinary share. The dividend will be paid on 24 February 2016 to depositors whose names appeared in the record of Depositors on 26 January 2016. The Directors do not recommend the payment of final dividend for the financial year ended 31 December 2015.

c. Communication, Transparency & Investor Relations

In order to ensure that the stakeholders and investing public have 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.my>

During the year under review, a total of six (6) analyst briefings were held where up-to-date information on the Company's major developments, ongoing corporate exercises and released results were explained to the analysts and fund managers that were present.

The Investor Relations team also participated in 6 local and international institutional investment roadshows to familiarise analysts with MRCB's development projects and plans. During the roadshows, analysts and fund managers were presented with comprehensive information of MRCB's land banking activities, its current and future developments, sales trends and upcoming launches. Details of the roadshows participated in are as follows:

STATEMENT ON CORPORATE GOVERNANCE

DATE	ORGANISER	EVENT	INVESTMENT FIRM	VENUE
23 November 2015	JP Morgan	Asia Rising Dragon 1x1 Forum	1. Kumpulan Wang Persaraan 2. Syarikat Takaful Malaysia 3. Pertubuhan Keselamatan Sosial 4. Affin Bank Bhd 5. Affin Hwang Asset Management Bhd 6. Public Mutual Bhd	Kuala Lumpur
24 November 2015	JP Morgan	Asia Rising Dragon 1x1 Forum	1. Daiwa Asset Management Co Ltd 2. Allianz Global Investors 3. Goldman Sachs Asset Management	Singapore
26 November 2015	JP Morgan	Asia Rising Dragon 1x1 Forum	1. Pinebridge Investments HK 2. BlackRock HK 3. Manulife Asset Management Asia	Hong Kong
2 December 2015	RHB Investment Bank	Roadshow MRCB	1. Daiwa Asset Management Co Ltd 2. GIC Real Estate Pte Ltd 3. GIC Asset Management Pte Ltd 4. JP Morgan Asset Management Ltd 5. BlackRock Asset Management	Singapore
3 December 2015	RHB Investment Bank	Roadshow MRCB	1. York Capital Management Asia 2. Oasis Management HK 3. MEAG Hong Kong Ltd	Hong Kong
4 December 2015	RHB Investment Bank	Roadshow MRCB	1. Cathay Securities Investment Trust Ltd 2. Franklin Templeton SinoAm Securities Investment Management Inc 3. Fuh Hwa Securities Investment Trust Company Ltd 4. Capital Investment Trust Corporation 5. Yuanta Security Investment Trust 6. Uni-President Assets Management	Taiwan

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, Jamaludin Zakaria, to convey their concerns or questions. Jamaludin Zakaria may be contacted via email at: jamal.zakaria@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, these matters are put to vote by poll.

7. ON-GOING GLC TRANSFORMATION INITIATIVES

MRCB had successfully completed and graduated from the 10-year GLC Transformation (“GLCT”) Programme of which the graduation ceremony took place at the 3-day GLC Open day that was held from 7 to 9 August 2015. During the event, MRCB along with 16 other GLCs showcased how the company had progressed and catalysed the development of the country and impacted the lives of all Malaysians.

The GLCT was announced by the Government on 14 May 2004 as an initiative in a bid to transform the G20 into high-performing entities and push them to greater heights. Following this, the Putrajaya Committee for GLC High Performance (“PCG”) chaired by the Prime Minister was established in January 2005 to drive the delivery of the GLCT programme, with 2015 being its final year.

Through the GLCT Programme, MRCB embarked on various initiatives, including transformative progress that focused on enhancing financial performance, institutionalising good governance, and delivering broader, impactful contributions to national socioeconomic development.

The GLCT Programme also provided direction for the progress of the Bumiputera agenda. One of the programme’s key underlying principles is the national development agenda which includes principles of growth with equity and development of the Bumiputera community. Through the Bumiputera Empowerment Agenda (“BEA”), MRCB as part of the G20, helped in improving the capabilities of Bumiputera businesses by providing opportunities through the carving out of construction projects to Bumiputera contractors. The BEA programme is set to run until 2020.

8. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

a. CSR Programmes

MRCB invested a total of more than RM2.8 million in 2015 to benefit many parties and initiatives such as the Global Transformation Programme under the United Nations Development Programme; the Kuala Lumpur International Arts Festival titled “Diversecity”; the National Sports Day and the Federal Territory Sports Awards. These were among the 70 beneficiaries of MRCB’s corporate philanthropy in 2015.

The Group’s involvement in flood relief efforts beginning at the end of 2014 for Peninsular Malaysia’s communities was extended to January 2015 to include a RM1 million donation to Persatuan Pandu Puteri Malaysia for the relief effort of flood victims in affected Peninsular Malaysia states.

Additionally, another RM10,000 donation to purchase daily necessities for Terengganu flood victims at four locations in Ajil, Telomong, Kuala Berang and Manir, which were hit with the worst flooding ever in several decades.

Donations worth RM566,000 to the families and next-of-kin of the perished MH17 technical and cabin crew. The amount was collected in a charity squash match between Tan Sri Mohamad Salim Fateh Din, MRCB’s Group Managing Director and Tengku Dato’ Zafrul Tengku Abdul Aziz, CIMB Investment Bank’s Chief Executive Officer during the CIMB Malaysian Open Squash Championships 2014, which was a part of MRCB’s programme as venue sponsor at NU Sentral mall.

In another initiative, members of about 30 households along Jalan Berkat in Kampung Sri Aman, Puchong, living near MRCB’s work site for the Ampang LRT Line Extension project joined forces with MRCB’s volunteers, subcontractors and local authorities to clear up the areas of rubbish and stagnant water along the LRT line extension worksite as a proactive step to combat the dengue threat.

MRCB’s community engagement initiatives received a boost with the opening of a 1Wilayah Persekutuan Library in Lembah Pantai that was officially launched by Datuk Seri Tengku Adnan bin Tengku Mansor, the Federal Territories Minister, at the Kampung Kerinchi People’s Housing Project (PPR) flats in Jalan Pantai Dalam. The library is now open to more than 20,000 residents living in the vicinity of this community facility. The development of this 17,000 square feet two-storey library on a 30,000 square feet piece of land near the PPR was with the cooperation of the Federal Territories Ministry.

STATEMENT ON CORPORATE GOVERNANCE

As a purely CSR driven project, MRCB fully funded and developed the Lembah Pantai 1Wilayah Persekutuan Library, the first of 3 libraries that the Company is donating to 3 communities in the Klang Valley at a total cost of RM15 million. The other two 1Wilayah Persekutuan libraries are located in Taman Medan Idaman and Kampung Pandan.

MRCB also developed the RM10 million three-storey homeless shelter at Jalan Pahang, Kuala Lumpur. The centre will serve as sanctuary for the homeless and vagrants in Kuala Lumpur. This homeless shelter is the first welfare facility to be fully funded by MRCB.

In 2015, MRCB continued with its participation in PINTAR by adopting schools in Kuala Lumpur, Pahang, Penang and Perak. The company reached out through motivational programmes, UPSR clinics, education workshops and Smart Study Camps. MRCB engaged with these schools annually and has contributed RM2.1 million to the programme since its commencement.

In 2015, MRCB actively promoted Mathematics, English and Science subjects in the PINTAR school programme for the seventh year running. Underprivileged and lower performing students gained direct benefit from focused and specialized tutoring sessions by experienced former teachers and academicians. MRCB has adopted close to 20,000 students since becoming a member of PINTAR Foundation in 2007 and will continue to touch their lives as they progress, mature and enter future job markets.

MRCB organized UPSR Clinics conducted by the Berita Harian Education Unit as part of PINTAR activities in 2015. Throughout this 2-day session, the students were taught techniques to answer examination questions based on the requirements and format outlined by the Malaysian Examination Board.

Targeted at students sitting for their UPSR exams, this programme served as a final preparatory session for students before the UPSR exam. The programme included study techniques for 4 core subjects (English, Bahasa Malaysia, Science and Mathematics).

The Young Leaders Campaign was a programme where MRCB allocated funds for the sponsorship of school uniforms, bags and shoes for students from low income families. This was one way to reduce the financial burden of families from lower income group. A total of 755 students from MRCB's adopted schools in Penang, Perak, Kuala Lumpur and Pahang benefitted from this programme.

b. Awards and Recognition

The Company continued to receive recognition and accolades in 2015. The awards won in the year under review comprised:

1. Masterclass Global CEO of the Year won by Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director at the 6th Middle East Business Leaders Awards (MEBLA) 2015.
2. Outstanding Achievement in Construction, Property & Building Materials Industry won by Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director in the prestigious Asia Pacific Entrepreneurship Awards (APEA) 2015.
3. FIABCI Malaysia Property Award 2015 won by MRCB under the Office Category for Menara Shell, the company's world class green office tower in the Kuala Lumpur Sentral CBD, which has been awarded with the Leadership in Energy and Environmental Design (LEED) Platinum standard certification from the US Green Building Council.
4. Malaysian Property Press Awards 2015 won by MRCB under the Best Office category for Menara Shell.
5. Malaysian Property Press Awards 2015 won by MRCB under the Best High-rise Condominium development for its 9 Seputeh development.
6. Masterclass CEO of the Year won by Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director in the Selangor Excellence Business Awards (SEBA) 2015.
7. MRCB won the Greentech Malaysia Awards 2015 under Building Category Section.

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 22 February 2016.

PENYATA MENGENAI TADBIR URUS KORPORAT

Lembaga Pengarah MRCB ("Lembaga") sesungguhnya percaya bahawa amalan tadbir urus korporat yang mantap adalah penting bagi memastikan prestasi perniagaan dan penciptaan nilai yang mampan bagi para pemegang saham syarikat, dan Lembaga kekal komited dalam memastikan supaya piawaian etika, kewibawaan dan profesional tertinggi diguna pakai dalam semua aktiviti MRCB dan anak-anak syarikatnya ("Kumpulan").

Dalam penyata ini, Lembaga dengan sukacitanya membentangkan penggunaan prinsip-prinsip yang digariskan dalam Kod Tadbir Urus Korporat Malaysia 2012 dan juga segala keperluan berkaitan yang dinyatakan dalam Keperluan Penyenaraian Bursa Malaysia Securities Berhad ("MMLR").

1. STRUKTUR LEMBAGA MRCB

a. Komposisi Ahli

Pada 31 Disember 2015, Lembaga MRCB mempunyai 8 orang ahli yang terdiri daripada Pengerusi (Bukan Eksekutif Bukan Bebas), dua (2) orang Pengarah Eksekutif dan lima (5) orang Pengarah Bukan Eksekutif. Tiga (3) orang daripada Pengarah Bukan Eksekutif adalah Pengarah Bebas, manakala dua (2) orang lagi adalah Pengarah Bukan Eksekutif Bukan Bebas.

Profil setiap ahli Lembaga, jawatan dan keahlian mereka dalam Jawatankuasa Lembaga dinyatakan di muka surat 46 hingga 53 laporan ini.

Ahli-ahli Lembaga membawa bersama mereka pelbagai pengalaman dan pengetahuan mendalam dalam strategi korporat, kewangan, pengurusan perniagaan, pembinaan, pembangunan hartanah dan pengurusan hartanah. Berserta dengan rangkaian hubungan mereka yang kukuh dalam sektor awam dan swasta, ahli-ahli Lembaga menyediakan pengawasan yang berkesan dan kepimpinan strategik kepada pasukan Pengurusan.

Berdasarkan komposisi pada 31 Disember 2015, para Pengarah Bebas membentuk 37.5% daripada Lembaga di mana para Pengarah Bebas tersebut menyumbangkan perbincangan yang berkesan dan berpegang teguh kepada prinsip-prinsip objektiviti dan kewibawaan semasa perbincangan Lembaga.

Lembaga percaya bahawa komposisi dan saiznya pada masa ini membolehkan ia melaksanakan tugas dan tanggungjawabnya secara berkesan dan kompetent. Jawatankuasa Pencalonan & Imbuhan mengkaji dari semasa ke semasa, campuran kemahiran, pengetahuan, pengalaman dan kebebasan ahli-ahlinya. Lembaga berpuas hati bahawa tiada sebarang kompromi terhadap kebebasan Pengarah Bebas pada tahun 2015.

Sebagai dasar, Lembaga telah menetapkan bahawa tempoh para Pengarah menyandang jawatan tidak boleh melebihi tempoh kumulatif selama 12 tahun. Lembaga percaya bahawa tempoh ini memberikan keseimbangan keberkesanan dan kebebasan yang sewajarnya bagi Kumpulan.

b. Pelantikan ke Lembaga dan Pemilihan Semula Pengarah

Jawatankuasa Pencalonan & Imbuhan ("NRC") telah diamanahkan dengan tanggungjawab untuk menilai calon-calon berkebolehan yang akan dilantik sebagai ahli-ahli Lembaga. Dalam menilai kesesuaian calon-calon bagi keahlian Lembaga, NRC mengambil kira latar belakang, kemahiran, pengalaman, komitmen masa dan potensi sumbangan calon-calon tersebut kepada Lembaga, dan terhadap keperluan semasa dan masa depan perniagaan Kumpulan.

Pada tahun yang ditinjau, Mohd Imran Tan Sri Mohamad Salim telah dilantik menganggotai Lembaga sebagai Pengarah Eksekutif pada 1 Mac 2015. Ini diikuti oleh pelantikan Chuah Mei Lin sebagai Pengarah Bukan Eksekutif Bebas pada 4 September 2015. Dua orang Pengarah Bebas iaitu Dato' Johari Razak dan Dato' Abdul Rahman Ahmad pula telah meletak jawatan daripada Lembaga, masing-masing pada 13 Mei 2015 dan 24 Ogos 2015. Hasman Yusri Yusoff telah dilantik sebagai Pengarah Bebas selepas akhir tahun iaitu pada 26 Januari 2016, manakala Dato' Chong Pah Aung pula meletak jawatan daripada Lembaga pada 31 Januari 2016.

Semua Pengarah yang baru dilantik akan memegang jawatan hanya sehingga Mesyuarat Agung Tahunan akan datang dan adalah layak untuk pelantikan semula. Keperluan ini dinyatakan dalam Artikel 106 Tataurus Pertubuhan Syarikat. Selain itu, Artikel 101 dan 102 Tataurus Pertubuhan Syarikat memerlukan sekurang-kurangnya satu pertiga daripada para Pengarah bersara mengikut giliran, dan para Pengarah yang akan bersara pada setiap tahun adalah Pengarah yang paling lama memegang jawatan sejak pelantikan atau pemilihan semula mereka.

Pada AGM yang diadakan pada 11 Mei 2015, Dato' Chong Pah Aung, Dato' Abdul Rahman Ahmad dan Jamaludin Zakaria yang bersara menurut Artikel 101 dan 102 Tataurus Pertubuhan Syarikat, telah dipilih semula dengan sewajarnya. Pada masa yang sama, Mohd. Imran Tan Sri Mohamad Salim pula telah bersara menurut Artikel 106 Tataurus Pertubuhan Syarikat dan juga telah dipilih dengan sewajarnya.

c. Peranan dan Tanggungjawab

Lembaga mengawasi perniagaan dan hal ehwal Kumpulan dan pada dasarnya bertanggungjawab ke atas perancangan strategik, pengurusan risiko, rancangan penggantian, pemantauan operasi dan mengkaji kecukupan maklumat pengurusan dan sistem kawalan dalaman Kumpulan. Lembaga dipandu oleh Piagam yang telah dikaji dan diterima pakai pada 20 November 2012. Piagam Lembaga, antara lain menggariskan peranan utama Lembaga, fungsi, peranan, tanggungjawab dan kuasa Lembaga dan pelbagai jawatankuasanya. Kandungan Piagam Lembaga boleh dirujuk di laman web syarikat, <http://www.mrcb.com.my>

Perkara-perkara yang berikut telah dikhususkan oleh Lembaga untuk keputusannya:

- Rancangan dan program korporat;
- Bajet tahunan, termasuk komitmen modal utama;
- Usaha niaga baharu;
- Pengambilalihan dan pelupusan penting bagi usaha niaga dan hartanah; dan
- Perubahan struktur pengurusan dan kawalan Syarikat serta anak-anak syarikatnya, termasuk dasar-dasar penting.

Pengarah Urusan Kumpulan dan Pengarah Eksekutif bertanggungjawab terhadap operasi perniagaan harian Kumpulan sementara para Pengarah Bukan Eksekutif bertanggungjawab untuk membawa pertimbangan dan penilaian bebas kepada keputusan yang dibuat oleh Lembaga dan untuk memberikan perbincangan yang objektif kepada pengurusan. Para Pengarah Bukan Eksekutif tidak terlibat dalam sebarang urusan perniagaan dengan Kumpulan untuk memastikan supaya mereka berkeupayaan untuk melaksanakan pertimbangan bebas dan bertindak demi kepentingan Kumpulan dan para pemegang sahamnya.

Peranan Pengerusi dan Pengarah Urusan Kumpulan dipegang oleh individu berasingan, dengan pembahagian tanggungjawab dan kuasa yang jelas. Pengerusi yang merupakan pengarah bukan eksekutif, bertanggungjawab terhadap kepimpinan, memastikan kefungsian Lembaga yang berkesan dan menyediakan pemantauan operasi Kumpulan, manakala Pengarah Urusan Kumpulan bertanggungjawab untuk membuat dan melaksana keputusan operasi serta pengurusan harian Kumpulan. Bersama-sama dengan Pengarah Eksekutif, Pengarah Urusan Kumpulan menentukan hala tuju keseluruhan Kumpulan, melapor dan menyampaikan pelbagai perkara dan cadangan strategik kepada Lembaga, dan melaksanakan keputusan yang dibuat oleh Lembaga.

Pengerusi bertanggungjawab mempengerusikan mesyuarat-mesyuarat Lembaga dan memastikan supaya terdapat pertimbangan dan penilaian yang mencukupi terhadap cadangan dan maklumat yang disediakan oleh pengurusan. Jika Pengerusi tidak hadir, Pengarah Bebas Kanan yang paling kanan akan mempengerusikan mesyuarat Lembaga.

d. Mesyuarat Lembaga Pengarah

Jadual mesyuarat Lembaga Pengarah bagi setiap tahun ditetapkan sebelum akhir tahun terdahulu berserta dengan jadual perkara-perkara yang akan dibincangkan dalam mesyuarat-mesyuarat berkenaan. Selain daripada mesyuarat yang dijadualkan, mesyuarat tambahan boleh diminta oleh Pengerusi untuk mempertimbangkan perkara-perkara segera dan penting yang memerlukan perhatian.

Sebanyak lapan (8) mesyuarat Lembaga Pengarah telah diadakan dari 1 Januari 2015 hingga 31 Disember 2015. Semua pengarah telah menghadiri lebih daripada 75% Mesyuarat Lembaga Pengarah dalam tempoh tersebut.

PENYATA MENGENAI TADBIR URUS KORPORAT

Jadual 1: Butiran kehadiran para Pengarah di Mesyuarat Lembaga yang diadakan dari 1 Januari 2015 hingga 31 Disember 2015

NAMA PENGARAH	BILANGAN MESYUARAT DIHADIRI	BILANGAN MESYUARAT DIADAKAN	PERATUSAN [%]
Tan Sri Azlan Zainol (Pengerusi)	8	8	100%
Tan Sri Mohamad Salim Fateh Din (Pengarah Urusan Kumpulan)	8	8	100%
Datuk Shahril Ridza Ridzuan	8	8	100%
Jamaludin Zakaria	7	8	88%
Rohaya Mohammad Yusof	8	8	100%
Mohd Imran Tan Sri Mohamad Salim (Pengarah Eksekutif, dilantik pada 1 Mac 2015)	6	6	100%
Dato' Johari Razak (meletak jawatan pada 13 Mei 2015)	2	2	100%
Dato' Abdul Rahman Ahmad (meletak jawatan pada 24 Ogos 2015)	4	4	100%
Chuah Mei Lin (dilantik pada 4 Sept 2015)	3	4	75%

Antara perkara yang dibincangkan oleh Lembaga pada tahun 2015 adalah:

- Cadangan perniagaan dan urus niaga utama :
 - i) Penjualan Platinum Sentral
 - ii) Pengambilalihan kepentingan ekuiti sebanyak 41% dalam MRCB Quill Management Sdn Bhd
 - iii) Pembangunan Kwasa Land
 - iv) Pelaksanaan Perjanjian Penswastan
 - v) Penempatan Persendirian Saham
- Rancangan perniagaan dan bajet bagi tahun 2015 & 2016;
- Bonus prestasi dan pakej imbuhan bagi Pengurusan Kanan;
- Pelantikan para pengarah bebas tambahan;
- Pakej imbuhan bagi Pengarah Urusan Kumpulan, Pengarah Eksekutif, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan; dan
- Semakan terhadap manfaat pengarah.

2. JAWATANKUASA LEMBAGA

Lembaga telah menubuhkan empat (4) Jawatankuasa, setiap satu dengan kuasa dan tanggungjawab khusus, bagi membantu Lembaga melaksanakan tugas dan tanggungjawab secara berkesan. Dalam Jawatankuasa tersebut, kajian dan pembincangan terperinci ke atas isu-isu strategik dijalankan dan para Pengerusi Jawatankuasa tersebut akan melapor berhubung pertimbangan dan syor-syor setiap Jawatankuasa kepada Lembaga dalam mesyuarat Lembaga yang berikutnya. Walau bagaimanapun, Lembaga bertanggungjawab secara muktamad ke atas keputusan yang dibuat oleh Jawatankuasa.

Komposisi, tanggungjawab dan aktiviti Jawatankuasa-jawatankuasa berkenaan dinyatakan di bawah.

a. Jawatankuasa Audit

Laporan Jawatankuasa Audit, pembentukan keahlian, peranan dan aktiviti dalam tahun ini dinyatakan pada muka surat 138 hingga 141.

b. Jawatankuasa Eksekutif ("EXCO") Lembaga

Jawatankuasa Eksekutif Lembaga ("EXCO") ditubuhkan untuk mempertingkatkan kepimpinan dan pengurusan Lembaga Kumpulan. Terdiri daripada dua (2) orang Pengarah Bukan Eksekutif dan Pengarah Urusan Kumpulan, fungsi-fungsi utama EXCO adalah untuk:

- Memberi panduan kepada pihak Pengurusan dalam pelaksanaan Inisiatif Transformasi GLC;
- Mengkaji dan mengesyorkan rancangan perniagaan dan belanjawan tahunan Kumpulan kepada Lembaga untuk kelulusan;
- Mempertimbangkan dan mengkaji isu-isu penting dan/atau utama berhubung hala tuju perniagaan Kumpulan; dan
- Membincangkan semua urusan niaga dan isu perniagaan utama berkaitan dengan Kumpulan yang memerlukan kelulusan EXCO atau Lembaga selaras dengan Had-had Kuasa yang diluluskan.

Tiga (3) orang ahli membentuk kuorum untuk sebuah mesyuarat. Pada tahun 2015, sebanyak lima (5) mesyuarat EXCO telah diadakan dan telah dihadiri sepenuhnya oleh semua ahli EXCO.

Jadual 2: Butiran kehadiran ahli di mesyuarat EXCO yang diadakan dari 1 Januari 2015 hingga 31 Disember 2015

NAMA AHLI EXCO	KEHADIRAN
Datuk Shahril Ridza Ridzuan (Pengerusi)	5/5
Tan Sri Mohamad Salim Fateh Din (Pengarah Urusan Kumpulan)	5/5
Dato' Chong Pah Aung	5/5

Antara aktiviti yang dijalankan oleh EXCO pada tahun 2015 adalah:

- Mengkaji kemajuan projek-projek penting;
- Mempertimbangkan cadangan perniagaan dan urusan niaga utama;
- Mengkaji dan menaksir kemajuan serta keputusan bajet yang ditetapkan bagi tahun 2015;
- Mengkaji rancangan perniagaan dan bajet bagi 2016.

c. Jawatankuasa Pencalonan & Imbuhan ("NRC")

NRC terdiri daripada tiga (3) orang ahli yang semuanya merupakan Pengarah Bebas

Pada tahun ini, NRC telah mengkaji Terma Rujukannya dan Terma Rujukan berikut telah diluluskan oleh Lembaga pada 21 Mei 2015.

Berkaitan fungsi pencalonannya:

- Untuk mengenal pasti, menilai dan mengesyorkan kepada Lembaga untuk kelulusannya, calon-calon layak yang sesuai untuk keahlian Lembaga, jawatankuasa-jawatankuasa Lembaga, anak-anak syarikat dan syarikat bersekutu Kumpulan dengan mengambil kira perwatakan, pengalaman, kewibawaan, daya saing dan komitmen masa mereka.
- Untuk mengenal pasti dan mengesyorkan kepada Lembaga untuk kelulusannya, calon-calon untuk pelantikan sebagai Pengarah Urusan/ Ketua Pegawai Eksekutif Kumpulan, Pengarah (Pengarah-pengarah) Eksekutif, Ketua Pegawai Kewangan dan Ketua Pegawai Operasi.
- Untuk mengkaji dan mengesyorkan kepada Lembaga untuk kelulusannya, penyambungan kontrak perkhidmatan Pengarah Urusan/ Ketua Pegawai Eksekutif Kumpulan, Pengarah (Pengarah-pengarah) Eksekutif, Ketua Pegawai Kewangan dan Ketua Pegawai Operasi.
- Untuk mengesyorkan kepada Lembaga, calon-calon untuk pemilihan semula dan/atau pelantikan semula oleh para pemegang saham pada mesyuarat agung di bawah peruntukan pemilihan semula atau persaraan tahunan menurut undang-undang yang berkaitan setelah menilai prestasi dan kemampuan mereka untuk terus menyumbang kepada Lembaga selepas mengambil kira pengetahuan, kemahiran dan pengalaman mereka berdasarkan penilaian Lembaga tahunan.
- Untuk menilai kebebasan para pengarah bebas dan mengesyorkan kepada Lembaga behubung pengekalan para pengarah bebas yang telah berkhidmat dengan tempoh kumulatif selama sembilan (9) tahun, jika dianggap sesuai. Pertimbangan dibuat mengenai sama ada seseorang pengarah bebas mampu untuk terus membawa pertimbangan bebas dan objektif kepada perbincangan Lembaga.
- Untuk membantu Lembaga melaksanakan penilaian tahunan terhadap keberkesanan Lembaga secara keseluruhan, jawatankuasa-jawatankuasa Lembaga dan sumbangan setiap individu termasuk Pengarah Urusan/Ketua Pegawai Eksekutif Kumpulan dan Pengarah (Pengarah-pengarah) Eksekutif, serta menyimpan dokumentasi yang sewajarnya bagi penilaian tersebut.

PENYATA MENGENAI TADBIR URUS KORPORAT

Berkaitan fungsi imbuhan:

- i) Untuk merangka satu rangka kerja imbuhan untuk Kumpulan yang meliputi Lembaga, jawatankuasa Lembaga dan Pengurusan Tertinggi Kumpulan, dengan mengambil kira amalan terbaik, pandangan daripada pakar-pakar industri, pemegang kepentingan dan pasaran secara keseluruhannya serta mendapatkan dan menganalisis data-data yang tersedia. Rangka kerja imbuhan merangkumi gaji pokok, manfaat sampingan dan manfaat seumpamanya.
- ii) Untuk mereka, merangka dan mengesyorkan kepada Lembaga untuk kelulusannya, pakej-pakej imbuhan bagi para Pengarah Eksekutif, jawatankuasa-jawatankuasa Lembaga dan Lembaga anak-anak syarikat serta memastikan pakej-pakej imbuhan tersebut selaras dengan strategi perniagaan dan objektif jangka panjang Kumpulan, dan turut mencerminkan tanggungjawab dan kepakaran Lembaga serta kerumitan aktiviti Kumpulan.
- iii) Untuk mereka, merangka dan mengesyorkan kepada Lembaga untuk kelulusannya, pakej-pakej imbuhan bagi Pengarah Urusan/ Ketua Pegawai Eksekutif Kumpulan, Pengarah (Pengarah-pengarah) Eksekutif, Ketua Pegawai Kewangan dan Ketua Pegawai Operasi (selepas ini akan dirujuk sebagai "Pengurusan Eksekutif") dengan tujuan untuk menarik dan mengekalkan Pengurusan Eksekutif berkaliber tinggi yang akan membawa kejayaan kepada para pemegang saham dan mutu perkhidmatan yang tinggi kepada para pelanggan, sambil mengambil kira dengan sewajarnya persekitaran perniagaan di mana Kumpulan beroperasi.
- iv) Untuk mengkaji sebarang perubahan besar dalam struktur manfaat kakitangan di seluruh Syarikat atau Kumpulan, dan mengesyorkan kepada Lembaga untuk diterima pakai jika sesuai.
- v) Untuk mengkaji dan mengesyorkan kepada Lembaga untuk diterima pakai rangka kerja bagi skim insentif tahunan Syarikat. Rangka kerja bagi skim insentif tahunan mungkin termasuk:
 - Kenaikan merit
 - Bonus merit
 - Insentif penyelesaian projek.
- vi) Untuk mencari sebarang maklumat yang perlukannya daripada mana-mana kakitangan Syarikat bagi melaksanakan tugasnya.
- vii) Untuk mendapatkan, dengan bayaran ditanggung Syarikat, mana-mana nasihat undang-undang atau profesional luar lain termasuk nasihat perunding imbuhan bebas, bagi memastikan kehadiran penasihat luar di mesyuaratnya jika perlu, dan untuk mendapatkan maklumat yang boleh dipercayai dan terkini mengenai imbuhan dalam syarikat-syarikat lain.

NRC hendaklah mempunyai kuasa penuh untuk memulakan sebarang laporan atau penyelidikan yang difikirkannya perlu untuk membantu dalam pelaksanaan obligasinya.

Sebanyak empat (4) mesyuarat Jawatankuasa NRC telah diadakan pada tahun 2015 dan semua mesyuarat tersebut telah dihadiri sepenuhnya oleh ahli jawatankuasa.

Jadual 3: Butiran kehadiran ahli di Mesyuarat Jawatankuasa Pencalonan & Imbuhan yang diadakan dari 1 Januari 2015 hingga 31 Disember 2015

NAMA AHLI JAWATANKUASA	KEHADIRAN
Dato' Johari Razak (Pengerusi – meletak jawatan pada 13 Mei 2015)	2/2
Jamaludin Zakaria (Pengerusi – dilantik pada 13 Mei 2015)	2/2
Dato' Abdul Rahman Ahmad (meletak jawatan pada 24 Ogos 2015)	3/3
Chuah Mei Lin (dilantik pada 16 Nov 2015)	1/1
Dato' Chong Pah Aung	4/4

Antara aktiviti yang dijalankan oleh Jawatankuasa Pencalonan & Imbuhan pada tahun 2015 adalah:

- i) Mengkaji prestasi pakej bonus dan imbuhan bagi Pengurusan Kanan;
- ii) Mempertimbangkan pelantikan para pengarah bebas tambahan;
- iii) Mempertimbangkan pembaharuan kontrak Pengarah Urusan Kumpulan; dan
- iv) Mempertimbangkan semakan yuran pengarah.

d. Jawatankuasa Skim Opsyen Saham Kakitangan ("ESOS")

Jawatankuasa Skim Opsyen Saham Kakitangan ("ESOS") ditubuhkan untuk memastikan supaya pelaksanaan ESOS ditadbir secara saksama selaras dengan Undang-undang Kecil Syarikat bagi ESOS yang diluluskan oleh para Pemegang Saham.

Jawatankuasa ESOS yang terdiri daripada tiga (3) orang ahli Lembaga, bermesyuarat apabila diperlukan dan tiga (3) orang ahli membentuk kuorum bagi sebuah mesyuarat. Satu (1) mesyuarat Jawatankuasa ESOS telah diadakan dalam tahun yang ditinjau untuk membincangkan cadangan tawaran opsyen kepada kakitangan.

Jadual 4: Butiran kehadiran ahli di mesyuarat Jawatankuasa ESOS yang diadakan dari 1 Januari 2015 hingga 31 Disember 2015

NAMA AHLI JAWATANKUASA	KEHADIRAN
Datuk Shahril Ridza Ridzuan (Pengerusi)	1/1
Jamaludin Zakaria	1/1
Mohd Imran Tan Sri Mohamad Salim (dilantik pada 13 Mei 2015)	1/1
Dato' Johari Razak (meletak jawatan pada 13 Mei 2015)	-

3. IMBUHAN LEMBAGA

a. Dasar Imbuhan bagi para Pengarah dan Pengurusan Kanan

Imbuhan bagi Pengarah Urusan Kumpulan dan kakitangan pengurusan kanan yang dilantik adalah berdasarkan kajian Jawatankuasa Pencalonan & Imbuhan serta penilaian terhadap pencapaian dan sumbangan setiap individu yang diukur berdasarkan Petunjuk Prestasi Penting masing-masing. Syor-syor kemudian dikemukakan oleh Jawatankuasa Pencalonan & Imbuhan untuk diputuskan oleh Lembaga berhubung imbuhan yang sesuai bagi setiap kakitangan.

Pengarah Bukan Eksekutif menerima yuran asas tetap sebagai bayaran bagi tugas mereka dalam Lembaga. Jumlah agregat bagi yuran Pengarah yang dibayar kepada Pengarah Bukan Eksekutif disyorkan oleh Lembaga untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan Syarikat.

b. Imbuhan Pengarah

Butiran imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2015 dibentangkan dalam Jadual 5 dan 6 di bawah.

Jumlah imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2015 adalah lebih kurang RM6.29 juta, dengan Pengarah Urusan Kumpulan sebagai pengarah yang menerima bayaran tertinggi.

PENYATA MENGENAI TADBIR URUS KORPORAT

Jadual 5: Butiran Imbuan Agregat Para Pengarah bagi 2015

NAMA PENGARAH	YURAN RM'000	GAJI & BONUS RM'000	KWSP & PERKESO RM'000	PERJALANAN PERCUTIAN RM'000	ELAUN RM'000	ELAUN KERETA RM'000	MANFAAT SEUMPAMANYA RM'000	JUMLAH RM'000
Tan Sri Azlan Zainol (Pengerusi)	200				74			274
Tan Sri Mohamad Salim Fateh Din (Pengarah Urusan Kumpulan)		2,800	585	60		120	73	3,638
Datuk Shahril Ridza Ridzuan	150				145		78	373
Dato' Chong Pah Aung	150				29			179
Jamaludin Zakaria	150				19			169
Rohaya Mohammad Yusof	150				15			165
Mohd Imran Tan Sri Mohamad Salim (Pengarah Eksekutif, dilantik pada 1 Mac 2015)		956	211	20		60	12	1,259
Dato' Johari Razak (meletak jawatan pada 13 Mei 2015)	55				6			61
Dato' Abdul Rahman Ahmad (meletak jawatan pada 24 Ogos 2015)	97				17			114
Chuah Mei Lin (dilantik pada 4 Sept 2015)	49				4			53
JUMLAH	1,001	3,756	796	80	309	180	163	6,285

Jadual 6: Analisis Imbuan Para Pengarah mengikut kumpulan RM50,000

IMBUHAN PENGARAH	PENGARAH EKSEKUTIF	PENGARAH BUKAN EKSEKUTIF	JUMLAH
RM50,001 – RM100,000	-	2	2
RM100,001 – RM150,000	-	1	1
RM150,001 – RM200,000	-	3	3
RM250,001 – RM300,000	-	1	1
RM350,001 – RM400,000	-	1	1
RM1,000,000 dan ke atas	2	-	2
JUMLAH	2	8	10

4. TATACARA LEMBAGA

a. Kod Etika dan Tatacara Ahli-ahli Lembaga

Para Pengarah dikehendaki untuk mengamalkan tata laku dengan piawaian etika tertinggi. Semua Pengarah Kumpulan diberi satu salinan Buku Panduan Eksekutif dan Kod Etika Perniagaan sebaik sahaja mereka dilantik. Mematuhi peruntukan dalam dokumen-dokumen ini dianggap sebagai sebahagian daripada terma dan syarat perkhidmatan mereka. Buku Panduan Eksekutif dan Kod Etika Perniagaan, antara lain, menetapkan piawaian tatacara dan tata laku yang dikehendaki apabila berurusan dengan pelanggan luar, pembekal dan keadaan percanggahan kepentingan; serta memelihara kerahsiaan maklumat syarikat.

Pengarah dikehendaki mendedahkan sebarang keadaan percanggahan kepentingan atau sebarang kepentingan peribadi ketara yang mungkin mereka miliki dalam hal ehwal Kumpulan sebaik sahaja mereka menyedari kepentingan bercanggah tersebut dan mengecualikan diri daripada sebarang perbincangan mengenai perkara tersebut.

b. Program Latihan dan Pendidikan Berterusan Pengarah

Ahli-ahli Lembaga sedia maklum tentang keperluan untuk sentiasa memperbaiki dan menambah pengetahuan serta meningkatkan kemahiran mereka untuk faedah Kumpulan. Semua Pengarah baharu dikehendaki menghadiri Program Akreditasi Mandatori seperti yang dikehendaki oleh Bursa Malaysia Securities Berhad. Selain itu, Lembaga akan menilai keperluan latihan para Pengarahnya dari masa ke masa dan memastikan supaya para Pengarah mempunyai akses kepada program pendidikan berterusan.

Pada tahun ini, ahli-ahli Lembaga telah menghadiri pelbagai kursus mengenai tadbir urus korporat, pengurusan risiko, kewangan dan pengurusan korporat. Butiran kursus yang dihadiri oleh para Pengarah adalah seperti yang dinyatakan dalam Jadual 7 di bawah.

Jadual 7: Kursus Latihan Dihadiri oleh Para Pengarah pada 2015

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
Tan Sri Azlan Zainol	Taklimat Implikasi GST kepada para Pengarah Tarikh: 5 Feb 2015 Penganjur: Kumpulan RHB Banking
	Taklimat mengenai Laporan Tahunan Bank Negara Malaysia 2014/Laporan Kestabilan Kewangan & Sistem Pembayaran 2014 – Syarikat-syarikat Pegagangan Tarikh: 11 Mac 2015 Penganjur: Bank Negara Malaysia
	The Boardroom Programme - Retail Management Institute Tarikh: 16 - 19 Mac 2015 Penganjur: Santa Clara University, USA
	Kajian Panarafan Risiko Komposit Bank Negara Malaysia (CRR) 2014 (bagi Lembaga) Tarikh: 3 Apr 2015 Penganjur: Bank Negara Malaysia
	Peersidangan Pelaburan Malaysia 2015 Tarikh: 23 Apr 2015 Penganjur: CIMB Investment Bank dengan kerjasama Bursa Malaysia
	Siri Pengerusi Lembaga Bahagian 2: Kecemerlangan Kepimpinan Daripada Jawatan Pengerusi Tarikh: 27 Julai 2015 Penganjur: Bursa Malaysia & ICLIF
	Operasi Perladangan dalam Persekitaran Kemampunan Semasa Fasilitator: En. Sin Chuan Eng Tarikh: 18 Ogos 2015 Penganjur: Kuala Lumpur Kepong Berhad
	Taklimat mengenai Cukai Seberang Laut dan Piawaian Laporan Kewangan Malaysia 9 (MFRS9) – “Instrumen Kewangan” Tarikh: 1 Okt 2015 Penganjur: Kumpulan RHB Banking (masing-masing oleh KPMG & PwC)
	Forum Khazanah Megatrends 2015 Tarikh: 5 - 6 Okt 2015 Penganjur: Khazanah Nasional

PENYATA MENGENAI TADBIR URUS KORPORAT

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
Tan Sri Mohamad Salim Fateh Din	Program Pendidikan Berterusan Pengarah 2015 Tarikh: 19 - 20 Okt 2015 Penganjur: Latihan Korporat Dalam di bawah Shell Refining Company (FOM) Berhad
Mohd Imran Tan Sri Mohamad Salim	Program Akreditasi Mandatori bagi Pengarah Syarikat Senarai Awam Tarikh: 16 Mei 2015 Penganjur: Bursatra Sdn Bhd
Datuk Shahril Ridza Ridzuan	<p>Simposium Pasaran Modal Dunia 2015 Tarikh: 9 Mac 2015 Penganjur: Suruhanjaya Sekuriti Malaysia</p> <p>Forum Pelaburan Dunia Amundi 2015 Tarikh: 5 - 6 Jun 2015 Penganjur: Kumpulan Amundi</p> <p>Seminar Pengurusan Risiko KWSP 2015 Tarikh: 10 Ogos 2015 Penganjur: Kumpulan Wang Simpanan Pekerja (KWSP)</p> <p>Bengkel Lembaga Pengarah Tarikh: 30 Sep 2015 Penganjur: Media Prima Berhad</p> <p>Meja Bulat Peneraju Pemikiran Tarikh: 6 Okt 2015 Penganjur: Pelabur Institusi</p> <p>Seminar Pelaburan KWSP 2015 Tarikh: 17 - 18 Okt 2015 Penganjur: Kumpulan Wang Simpanan Pekerja & Kumpulan Macquarie</p> <p>Program Pengurusan Am BFM Tarikh: 27 Okt 2015 Penganjur: BFM Business School</p> <p>Siddang Kemuncak Ekuiti Swasta Global KWSP 2015 Tarikh: 24 - 26 Nov 2015 Penganjur: Commonwealth Heads of Government Meeting (CHOGM) and Commonwealth Enterprise and Investment Council</p>
Dato' Chong Pah Aung	Program Jawatankuasa Pencalonan 2: Penilaian Lembaga Berkesan (Program bersama dengan Bursa Malaysia Berhad) Tarikh: 8 Apr 2015 Penganjur: The ICLIF Leadership & Governance Centre

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
Jamaludin Zakaria	<p>Strategi Kewangan Korporat Bagi Penciptaan Nilai Tarikh: 1 Julai 2015 Penganjur: PNB Investment Institute Sdn Berhad</p> <p>Forum Khazanah Megatrend Tarikh: 5 - 6 Okt 2015 Penganjur: Khazanah</p> <p>Seminar Pelaburan KWSP Tarikh: 17 - 18 Okt 2015 Penganjur: KWSP</p> <p>Sidang Kemuncak Ekuiti Swasta Global KWSP 2015 Tarikh: 29 Okt 2015 Penganjur: KWSP</p>
Rohaya Mohammad Yusof	<p>Persidangan Pengurusan KWSP Tarikh: 25 - 27 Mac 2015 Penganjur: KWSP</p> <p>Pelaburan Malaysia Tarikh: 23 - 24 Apr 2015 Penganjur: CIMB</p> <p>Persidangan Jaminan Sosial Antarabangsa Tarikh: 19 - 20 Mei 2015 Penganjur: KWSP</p> <p>Persidangan Asia Pasifik @ Program Pemimpin Memimpin Pelaburan Malaysia Tahunan ke-4 CIMB Tarikh: 9 Jun 2015 Penganjur: CIMB</p> <p>Forum Megatrend Khazanah Tarikh: 5 - 6 Okt 2015 Penganjur: Khazanah</p> <p>Seminar Pelaburan KWSP Tarikh: 17 - 18 Oct 2015 Penganjur: KWSP</p> <p>Global Transformation Forum 2015 – Operationalising Transformation – Shifting Dialogue to Effective Action Tarikh: 21 - 23 Oct 2015 Penganjur: Big Fast Results Institute</p> <p>EPF Global Private Equity Summits 2015 Tarikh: 29 Oct 2015 Penganjur: EPF</p> <p>2015 Institutional Client Program (US) Tarikh: 2 - 6 Nov 2015 Penganjur: Franklin Templeton Investments</p>

PENYATA MENGENAI TADBIR URUS KORPORAT

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
	Bengkel Latihan Media dan Skil Komunikasi Tarikh: 23 - 24 Nov 2015 Penganjur: EPF
	Leadership Energy Summit Asia (LESA) 2015 Tarikh: 1 - 2 Dec 2015 Penganjur: Bank Negara Malaysia
	Konvensyen KIK 2015 Tarikh: 4 Dec 2015 Penganjur: EPF
Chuah Mei Lin	Persidangan Nasional SSM 2015 mengenai “Memodenkan Akta Syarikat. Mencipta Sinergi dalam Persekitaran Perniagaan Malaysia” Tarikh: 8 - 9 Sep 2015 Penganjur: SSM
	Kemaskini Ekonomi Malaysia 2015 Tarikh: 21 Sep 2015 Penganjur: PEMANDU
	Ceramah mengenai “Aliran Global Penting dalam Perbankan Pelaburan dan Kewangan” Tarikh: 16 Okt 2015 Penganjur: ABS & MIBA
	Program Akreditasi Mandatori bagi Pengarah Syarikat Senarai Awam Tarikh: 4 - 5 Nov 2015 Penganjur: Bursatra Sdn Bhd
	Sidang Kemuncak Ekonomi Asia ke-10 dengan tema “Thriving Amidst Global Economic Uncertainties and Challenging Times” Tarikh: 4 Dis 2015 Penganjur: Institut Strategi dan Kemimpinan Asia
	Pelancaran Laporan Imbuhan Pengarah 2015 Tarikh: 7 Dis 2015 Penganjur: Bank Negara Malaysia
	Majlis Dialog Tahunan Suruhanjaya Syarikat Malaysia (KL) Tarikh: 15 Dis 2015 Penganjur: SSM

c. Penilaian Prestasi

Melalui Jawatankuasa Pencalonan & Imbuhan, Lembaga mengkaji dan menilai prestasinya dan prestasi Pengarah secara individu. Penilaian prestasi terakhir dilaksanakan pada tahun 2014 oleh KPMG.

d. Perhubungan Lembaga dengan Pengurusan

Perhubungan di antara Lembaga dan Pengurusan kekal kukuh dan padu dalam tahun yang ditinjau dan Lembaga terus mempunyai akses langsung dan tidak terbatas kepada pasukan pengurusan Kumpulan. Lembaga menyokong Pengurusan dengan menyediakan kepimpinan, dan menetapkan sasaran perniagaan. Pada masa yang sama, Lembaga juga berperanan sebagai sekatan dan imbalan dengan mencabar dan membahaskan keputusan yang dibuat oleh Pengurusan sebelum ia disahkan dan diluluskan. Untuk itu, satu sistem laporan yang mantap dan tersusun telah disediakan di mana Lembaga dimaklumkan dari semasa ke semasa mengenai prestasi Kumpulan. Sistem ini membolehkan Lembaga memantau secara teliti pencapaian sasaran yang ditetapkan. Ganjaran kepada Pengurusan dan kakitangan, seperti bonus dan peruntukan ESOS, adalah berdasarkan prestasi kewangan dan catatan sasaran pencapaian utama.

e. Akses Penuh Kepada Maklumat

Dalam melaksanakan tugas mereka, para Pengarah mempunyai:

- i) Akses penuh dan tidak terbatas kepada maklumat yang tepat dan menepati masa. Agenda dan satu set kertas Lembaga yang lengkap lazimnya diedarkan sekurang-kurangnya 7 hari sebelum mesyuarat Lembaga atau Jawatankuasanya. Proses ini memastikan agar para Pengarah mempunyai masa yang mencukupi untuk mengkaji, mempertimbang dan jika perlu, mendapatkan maklumat lanjut berhubung perkara-perkara yang akan dibincangkan, supaya dimaklumkan dengan sewajarnya dan bersedia semasa mesyuarat;
- ii) Akses tidak terbatas kepada nasihat dan khidmat Setiausaha Syarikat dan ahli-ahli pengurusan kanan lain; dan
- iii) Nasihat dan khidmat tidak terbatas daripada profesional luar dan bebas, yang tersedia kepada ahli Lembaga secara individu dan kolektif. Nasihat dan khidmat yang disediakan ini adalah bebas daripada campur tangan Pengurusan. Lembaga tidak mendapatkan nasihat daripada mana-mana profesional bebas pada tahun yang ditinjau.

Setiausaha Syarikat adalah ahli Institut Setiausaha dan Pentadbir Bertauliah Malaysia dan mempunyai pengalaman yang diperlukan untuk memberi nasihat tidak terbatas kepada Lembaga Pengarah bagi memastikan mereka berfungsi dengan berkesan dan mematuhi keperluan peraturan.

Bagi mempertingkatkan kebertanggungjawaban Lembaga dan Pengurusan Kanan, Kumpulan telah menetapkan Had-had Kuasa yang diluluskan oleh Lembaga bagi menggariskan had-had urus niaga yang dibenarkan untuk diluluskan oleh setiap peringkat Pengurusan, dan urus niaga yang perlu diluluskan oleh EXCO atau Lembaga.

f. Mengikuti Aktiviti Syarikat Tidak Kira Di Mana Jua

Lembaga telah menerima pakai pendekatan secara langsung dalam melaksanakan tugasnya. Pada tahun ini, para Pengarah telah membuat kunjungan ke pelbagai tapak projek Syarikat. Semasa kunjungan ini, para Pengarah mendapat pemahaman yang lebih baik mengenai projek-projek Syarikat dan cabaran yang dihadapinya, justeru, meningkatkan lagi keberkesanan Lembaga semasa membuat pertimbangan dan keputusan.

g. Kebertanggungjawaban bagi Maklumat Kewangan

Lembaga mengaku janji untuk memastikan supaya:

- i) penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham, laporan kepada penguatkuasa dan laporan-laporan umum sensitif harga Kumpulan yang lain dibentangkan berserta 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 digunakan; dan
- iii) rekod-rekod perakaunan adalah tepat, mengikut margin kemunasabahan dan yang mendedahkan kedudukan kewangan Kumpulan secara benar dan saksama.

Penyata oleh para pengarah selaras dengan Seksyen 169(15) Akta Syarikat, 1965 berhubung dengan penyediaan penyata kewangan dibentangkan di muka surat 164 dalam laporan ini di bawah "Penyata oleh Para Pengarah".

PENYATA MENGENAI TADBIR URUS KORPORAT

h. Perhubungan dengan Juruaudit Luar

Syarikat mengekalkan perhubungan yang telus dan profesional dengan juruauditnya melalui Jawatankuasa Audit. Pada tahun ini, Syarikat telah menugaskan juruaudit luar untuk menjalankan audit berkanun dan hal-hal berkaitan cukai.

Jawatankuasa Audit bermesyuarat secara kerap dengan Juruaudit Luar untuk membincangkan dan mengkaji Rancangan Audit dan keputusan kewangan tahunan, laporan pemeriksaan dan sebarang penemuan audit yang diketengahkan oleh Juruaudit Luar untuk perhatian Jawatankuasa Audit. Jawatankuasa Audit juga telah mengadakan dua mesyuarat dengan Juruaudit Luar pada tahun ini tanpa dihadiri oleh ahli-ahli pengurusan.

Dalam mengesyorkan pelantikan semula Juruaudit Luar, Jawatankuasa Audit mengkaji prestasi, kesesuaian dan kebebasan mereka. Bagi 2015, 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.

Maklumat lanjut mengenai aktiviti Jawatankuasa Audit berkaitan dengan Juruaudit Luar dibentangkan di muka surat 138.

5. PERLINDUNGAN NILAI PEMEGANG SAHAM

a. Pengurusan Risiko dan Kawalan Dalam

Lembaga mengakui bahawa ia bertanggungjawab terhadap keberkesanan pengurusan risiko dan memastikan supaya wujudnya satu sistem kawalan dalaman yang berkesan. Kajian ke atas rangka kerja pengurusan risiko dan sistem kawalan dalaman dijalankan dari semasa ke semasa bagi memastikan ia kekal relevan, mencukupi dan berwibawa.

Lembaga percaya bahawa sistem kawalan dalaman yang mantap, kewangan atau sebaliknya, hendaklah memberi jaminan munasabah ke atas:

- i) keberkesanan dan kecekapan operasi Kumpulan;
- ii) pengurusan risiko yang berkesan;
- iii) kebolehpercayaan maklumat kewangan Kumpulan; dan
- iv) pematuhan kepada undang-undang dan peraturan.

Walau bagaimanapun, disebabkan oleh batasan-batasan sedia ada dalam mana-mana sistem kawalan dalaman, sistem ini hanya mampu mengurus dan bukan menghapuskan risiko kegagalan mencapai objektif-objektif Kumpulan.

Penyata Pengurusan Risiko dan Kawalan Dalaman yang dibentangkan di muka surat 129 hingga 132 dalam laporan ini memberi gambaran keseluruhan mengenai proses pengurusan risiko dan ciri-ciri utama sistem kawalan dalaman dalam Kumpulan.

b. Pencegahan Penipuan

Lembaga juga telah menyediakan Panduan Pencegahan Penipuan yang merupakan panduan kepada Pengurusan dan kakitangan dalam mengekalkan piawaian tatalaku dan integriti tertinggi dalam semua urusan, serta memperincikan tanggungjawab Pengurusan bagi mewujudkan proses kawalan yang sesuai bagi mencegah dan mengesan penipuan. Ia mentakrifkan perkara-perkara yang termasuk dalam aktiviti penipuan dan pemalsuan, dan mewujudkan satu rangka kerja untuk mencegah penipuan.

Dasar Pengaduan Salah Laku juga telah diwujudkan. Dasar Pengaduan Salah Laku menggariskan saluran dan prosedur bagi para pengadu untuk menyampaikan kemusykilan mereka kepada Lembaga (sama ada melalui Pengerusi Jawatankuasa Audit atau Ketua Tadbir Urus Korporat) tanpa penglibatan dan campur tangan Pengurusan. Dasar Pengaduan Salah Laku turut menjelaskan prosedur-prosedur yang perlu diambil untuk menyiasat dan berurusan dengan laporan salah laku kakitangan.

c. Integriti Korporat

MRCB telah menandatangani Ikrar Integriti Korporat pada 18 April 2014 untuk menyatakan sokongannya terhadap usaha-usaha antirasuah di Malaysia, selaras dengan objektif Bidang Keputusan Penting Negara bagi "Memerangi Rasuah" di bawah Program Transformasi Kerajaan.

Dengan Ikrar ini, MRCB beriltizam untuk, antara lain, menggalakkan nilai-nilai integriti, ketelusan dan tadbir urus yang baik dalam menjalankan aktiviti perniagaannya, dan mematuhi undang-undang, dasar dan prosedur anti rasuah. Pada 19 November 2015, sebuah Seminar Eksekutif Prestasi Dorongan Integriti telah diadakan oleh Jabatan Integriti & Disiplin Kumpulan untuk memupuk budaya integriti dan kebertanggungjawaban. Seminar yang dirasmikan oleh YB Senator Datuk Paul Low Seng Kuan, Menteri di Jabatan Perdana Menteri tersebut dihadiri oleh pasukan Pengurusan Kumpulan.

d. Jaminan Prestasi Syarikat-syarikat Bersekutu

Untuk melindungi pelaburan Syarikat dalam syarikat-syarikat bersekutu dan untuk mengawasi prestasi syarikat-syarikat tersebut, Syarikat melantik wakil-wakilnya ke Lembaga Pengarah syarikat-syarikat bersekutu berkenaan. Bagi syarikat-syarikat bersekutu yang aktif, maklumat kewangan penting dan isu-isu penting berhubung syarikat-syarikat ini diminta 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 mewakili dan bertindak demi kepentingan para pemegang saham, pelabur dan pemegang kepentingan minoriti. Lembaga juga mengekalkan komunikasi dengan Kumpulan Pemerhati Pemegang Saham Minoriti bagi kepentingan para pemegang saham minoriti.

b. Dividen

Syarikat telah mewujudkan Dasar Dividen di mana para pemegang saham boleh mendapat pembayaran dividen berjumlah sekurang-kurangnya 20% daripada keuntungan teras bersih. Pada 18 Disember 2015, Syarikat telah mengisytiharkan satu dividen interim satu peringkat sebanyak 2.5% atau 2.5 sen setiap saham biasa bagi tahun kewangan berakhir 31 Disember 2015. Dividen tersebut akan dibayar pada 24 Februari 2016 kepada para pendeposit yang nama mereka tersenarai dalam rekod Pendeposit pada 26 Januari 2016. Para Pengarah tidak mengesyorkan pembayaran dividen akhir bagi tahun kewangan berakhir 31 Disember 2015.

c. Komunikasi, Ketelusan & Hubungan Pelabur

Bagi memastikan supaya pemegang kepentingan dan pelabur awam mendapat maklumat terkini berhubung prestasi, operasi dan perkembangan penting lain Kumpulan, pelbagai pengumuman korporat yang diperlukan di bawah MMLR (termasuk pengeluaran keputusan kewangan suku tahun tepat pada masa) telah dibuat sepanjang tempoh yang ditinjau. Selain itu, sebarang maklumat terperinci mengenai acara dan perkembangan korporat Kumpulan yang penting telah dibuat melalui siaran akhbar dan/atau sidang akhbar.

Para pemegang saham, pelabur dan pemegang kepentingan boleh mengakses dengan mudah maklumat terkini mengenai projek-projek, kedudukan kewangan suku tahun, hubungan pelabur dan maklumat korporat am Kumpulan di laman web awam korporatnya yang dikemas kini dari semasa ke semasa iaitu di <http://www.mrcb.com.my>

Pada tahun yang ditinjau, sebanyak enam (6) taklimat penganalisis telah diadakan di mana maklumat terkini mengenai perkembangan utama, pelaksanaan korporat yang sedang berlangsung dan keputusan-keputusan Syarikat yang disiarkan telah dijelaskan kepada para penganalisis dan pengurus yang hadir.

Pasukan Hubungan Pelabur turut mengambil bahagian dalam 6 roadshow pelaburan institusi tempatan dan antarabangsa untuk memaklumkan kepada para penganalisis tentang projek dan rancangan pembangunan MRCB. Sepanjang roadshow tersebut, para penganalisis dan pengurus dana telah dipersembahkan dengan maklumat menyeluruh tentang aktiviti perbankan tanah MRCB,

PENYATA MENGENAI TADBIR URUS KORPORAT

pembangunan yang sedang dijalankan dan masa depan, arah aliran jualan serta pelancaran-pelancaran yang bakal diadakan. Butiran mengenai roadshow yang disertai adalah seperti berikut:

TARIKH	PENGANJUR	ACARA	FIRMA PELABURAN	TEMPAT
23 November 2015	JP Morgan	Asia Rising Dragon 1x1 Forum	1. Kumpulan Wang Persaraan 2. Syarikat Takaful Malaysia 3. Pertubuhan Keselamatan Sosial 4. Affin Bank Bhd 5. Affin Hwang Asset Management Bhd 6. Public Mutual Bhd	Kuala Lumpur
24 November 2015	JP Morgan	Asia Rising Dragon 1x1 Forum	1. Daiwa Asset Management Co Ltd 2. Allianz Global Investors 3. Goldman Sachs Asset Management	Singapura
26 November 2015	JP Morgan	Asia Rising Dragon 1x1 Forum	1. Pinebridge Investments HK 2. BlackRock HK 3. Manulife Asset Management Asia	Hong Kong
2 Disember 2015	RHB Investment Bank	Roadshow MRCB	1. Daiwa Asset Management Co Ltd 2. GIC Real Estate Pte Ltd 3. GIC Asset Management Pte Ltd 4. JP Morgan Asset Management Ltd 5. BlackRock Asset Management	Singapura
3 Disember 2015	RHB Investment Bank	Roadshow MRCB	1. York Capital Management Asia 2. Oasis Management HK 3. MEAG Hong Kong Ltd	Hong Kong
4 Disember 2015	RHB Investment Bank	Roadshow MRCB	1. Cathay Securities Investment Trust Ltd 2. Franklin Templeton SinoAm Securities Investment Management Inc 3. Fuh Hwa Securities Investment Trust Company Ltd 4. Capital Investment Trust Corporation 5. Yuanta Security Investment Trust 6. Uni-President Assets Management	Taiwan

Satu ikon “Hubungi Kami” turut disediakan di laman web Syarikat yang akan menunjukan kepada halaman web di mana para pemegang saham dan pelabur boleh mengemukakan pertanyaan dan ulasan mereka kepada Syarikat dengan mudah. Para pemegang saham dan orang ramai juga boleh menghubungi Pengarah Bebas Kanan Syarikat, Jamaludin Zakaria, bagi menyampaikan kemusykilan atau pertanyaan mereka. Jamaludin Zakaria boleh dihubungi melalui emel di: jamal.zakaria@mrcb.com.

d. Mesyuarat Agung Tahunan

Mesyuarat Agung Tahunan adalah satu lagi forum di mana Lembaga berkomunikasi dengan para pemegang saham mengenai kemajuan dan prestasi Kumpulan, dan di mana Lembaga menjelaskan isu-isu mengenai aktiviti perniagaan, prestasi dan perkara-perkara lain berkaitan Kumpulan. Pemegang saham digalakkan untuk mengambil bahagian dalam mesyuarat dan diberi peluang untuk mengajukan soalan serta menyatakan pandangan mereka. Jika perlu, Pengerusi Lembaga akan menyediakan jawapan bertulis kepada mana-mana soalan penting yang tidak sempat dijawab semasa Mesyuarat Agung Tahunan.

Jika terdapat urusan khas atau jika resolusi-resolusi khas dicadangkan, penjelasan mengenai kesan urusan khas atau resolusi khas tersebut disediakan dalam notis Mesyuarat Agung Tahunan dan jika perlu, perkara-perkara ini boleh dikemukakan untuk undian.

7. INISIATIF TRANSFORMASI GLC YANG BERTERUSAN

MRCB telah berjaya menyempurnakan dan melepasi Program Transformasi GLC 10 Tahun ("GLCT") di mana majlis graduasinya telah berlangsung pada Hari Terbuka GLC selama 3 hari yang diadakan dari 7 hingga 9 Ogos 2015. Semasa acara ini, MRCB berserta 16 GLC lain telah mempersembahkan bagaimana syarikat telah berkembang dan menjadi pemangkin kepada pembangunan negara serta memberi impak kepada kehidupan rakyat Malaysia.

GLCT telah diumumkan oleh Kerajaan pada 14 Mei 2004 sebagai suatu inisiatif dalam usaha untuk mentransformasi G20 menjadi entiti-entiti berprestasi tinggi dan melonjakkan syarikat-syarikat tersebut ke tahap yang lebih tinggi. Sehubungan itu, Jawatankuasa Putrajaya bagi Prestasi Tinggi GLC ("PCG") yang dipengerusikan oleh Perdana Menteri telah dibentuk pada bulan Januari 2005 bertujuan untuk mendorong pelaksanaan program GLCT, di mana 2015 telah ditetapkan sebagai tahun akhirnya.

Melalui Program GLCT, MRCB telah mencetuskan pelbagai inisiatif, termasuk kemajuan transformatif yang memfokus kepada peningkatan prestasi kewangan, memupuk tadbir urus yang baik dan memberi sumbangan yang lebih luas dan berkesan kepada pembangunan sosioekonomi negara.

Program GLCT juga menyediakan hala tuju untuk memajukan agenda Bumiputera. Salah satu prinsip asas yang penting bagi program tersebut adalah agenda pembangunan negara yang meliputi prinsip-prinsip pertumbuhan ekuiti dan pembangunan komuniti Bumiputera. Melalui Agenda Memperkasa Bumiputera ("BEA"), sebagai sebahagian daripada G20, MRCB telah membantu mempertingkatkan kemampuan perniagaan Bumiputera dengan menyediakan peluang menerusi pemberian projek-projek pembinaan kepada kontraktor Bumiputera. Program BEA akan berterusan hingga tahun 2020.

8. TANGGUNGJAWAB SOSIAL KORPORAT ("CSR")

a. Program CSR

MRCB telah melaburkan lebih dari RM2.8 juta pada tahun 2015 untuk manfaat pelbagai pihak dan inisiatif seperti Program Transformasi Global di bawah Program Pembangunan Bangsa-Bangsa Bersatu; Festival Seni Antarabangsa Kuala Lumpur dengan tema "Diversecity"; Hari Sukan Negara dan Anugerah Sukan Wilayah Persekutuan. Acara-acara tersebut adalah antara 70 benefisiari kedermawanan korporat MRCB pada 2015.

Penglibatan Kumpulan dalam misi bantuan banjir yang bermula pada akhir 2014 bagi penduduk di Semenanjung Malaysia telah dilanjutkan ke bulan Januari 2015 dengan sumbangan berjumlah RM50,000 untuk misi bantuan mangsa banjir di Hulu Perak, Kerian, Kuala Kangsar dan Perak Tengah di Perak.

Sumbangan RM50,000 untuk mangsa banjir di Perak tersebut adalah tambahan kepada satu lagi sumbangan berjumlah RM10,330 bagi membeli barangan keperluan harian untuk mangsa banjir di empat lokasi di Terengganu iaitu Ajil, Telemong, Kuala Berang dan Manir yang telah dilanda banjir paling teruk sejak beberapa dekad yang lalu. Selain itu, para sukarelawan daripada MRCB turut menyertai kerja-kerja pembersihan sekolah di Tumpat, Kelantan.

Inisiatif bantuan banjir oleh MRCB tersebut telah diikuti pula dengan pengagihan derma berjumlah RM566,000 kepada keluarga dan waris anak kapal dan krew teknikal yang terkorban dalam tragedi pesawat MH17. Jumlah berkenaan adalah hasil kutipan daripada satu perlawanan skuasy amal antara Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan MRCB dan Tengku Dato' Zafrul Tengku Abdul Aziz, Ketua Pegawai Eksekutif CIMB Investment Bank yang diadakan semasa Kejohanan Skuasy Terbuka CIMB Malaysia 2014 iaitu sebahagian daripada program penajaan venue oleh MRCB di pusat membeli-belah NU Sentral.

NU Sentral juga menjadi venue Kempen Derma Darah Bantuan Pantai Timur bagi menambah bekalan darah ke negeri-negeri Pantai Timur Semenanjung Malaysia. Kempen derma darah tersebut telah berjaya mengumpul lebih 500 pain darah iaitu sasaran yang ditetapkan untuk kempen berkenaan. Seramai lebih 1,000 orang telah tampil menderma dan sebanyak 800 pain darah berjaya dikumpul.

PENYATA MENGENAI TADBIR URUS KORPORAT

Dalam satu inisiatif lain, penghuni kira-kira 30 buah kediaman sepanjang Jalan Berkat di Kampung Sri Aman, Puchong yang tinggal berhampiran dengan tapak kerja MRCB bagi projek Sambungan Laluan LRT Ampang, telah berpadu tenaga dengan sukarelawan dan subkontraktor MRCB serta pihak kerajaan tempatan untuk membersihkan sampah-sarap dan air bertakung di sepanjang tapak kerja sambungan laluan LRT tersebut sebagai satu langkah proaktif untuk memerangi ancaman denggi.

Inisiatif penglibatan komuniti MRCB juga telah beroleh dorongan dengan pembukaan Perpustakaan 1Wilayah Persekutuan di Lembah Pantai yang dilancarkan oleh Dato' Dr Loga Bala Mohan, Timbalan Menteri Wilayah Persekutuan, di rumah pangsa Projek Perumahan Rakyat Kampung Kerinchi (PPR) Jalan Pantai Dalam. Perpustakaan tersebut kini dibuka kepada lebih 20,000 penghuni yang tinggal di sekitar kemudahan komuniti berkenaan. Pembangunan perpustakaan dua tingkat berukuran 17,000 kaki persegi di atas tapak seluas 30,000 kaki persegi berhampiran PPR Jalan Pantai Dalam ini adalah hasil kerjasama Kementerian Wilayah Persekutuan.

Sebagai sebuah projek yang didorong secara keseluruhannya oleh usaha CSR, MRCB membiayai dan membangunkan sepenuhnya perpustakaan tersebut yang merupakan perpustakaan pertama daripada 3 buah perpustakaan yang didermakan oleh Syarikat kepada 3 komuniti di Lembah Klang dengan kos berjumlah RM15 juta. Pembinaan dua buah lagi perpustakaan 1Wilayah Persekutuan di Taman Medan Idaman dan Kampung Pandan adalah seperti yang dijadualkan.

MRCB turut melabur sebanyak RM10 juta untuk membina sebuah pusat perlindungan tiga tingkat bagi golongan gelandangan di Jalan Pahang, Kuala Lumpur. Dijadual siap pada 2016, pusat tersebut akan berperanan sebagai tempat perlindungan bagi golongan gelandangan di Kuala Lumpur.

Hubungan berterusan MRCB dengan komuniti Brickfields telah menyaksikan penglibatan Syarikat dalam pembinaan Torana Gate di Little India yang telah dirasmikan oleh Perdana Menteri Dato' Sri Mohd Najib Tun Abdul Razak bersama-sama dengan rakan sejawatnya dari India iaitu Perdana Menteri Narendra Modi.

Sebelum pelancaran Torana Gate diadakan, MRCB telah menaja sebuah acara Fiesta Deepavali dan menyumbangkan 100 biji bola sepak kepada lapan buah sekolah di Brickfields, iaitu daripada 200 biji bola yang didermakan kepada sekolah di negeri-negeri lain.

Pada tahun 2015, MRCB meneruskan penyertaannya dalam PINTAR dengan mengambil sekolah-sekolah di Kuala Lumpur, Pahang, Pulau Pinang dan Perak sebagai sekolah angkat. Sumbangan oleh Syarikat disalurkan melalui program-program motivasi, klinik UPSR, bengkel pendidikan dan Kem-kem Pembelajaran Pintar. MRCB bekerjasama dengan sekolah-sekolah terbabit pada setiap tahun dan telah melibatkan sumbangan berjumlah RM2.1 juta kepada program tersebut sejak pelancarannya.

Pada tahun 2015 dan untuk tahun ketujuh berturut-turut, MRCB terlibat secara aktif dalam mempromosi subjek Matematik, Bahasa Inggeris dan Sains dalam program sekolah PINTAR. Murid-murid yang tidak berkemampuan dan lemah dalam mata pelajaran tersebut telah beroleh faedah secara langsung daripada sesi-sesi berfokus dan khusus yang dikendalikan oleh bekas-bekas guru dan ahli akademik berpengalaman. MRCB juga telah mengambil hampir 20,000 orang murid sebagai murid angkat sejak menjadi ahli Yayasan PINTAR pada tahun 2007 dan akan terus menyentuh kehidupan mereka sepanjang mereka berkembang, matang dan memasuki alam pekerjaan pada masa depan.

Sebagai sebahagian daripada aktiviti PINTAR pada 2015, MRCB juga telah mengadakan Klinik-klinik UPSR yang dikendalikan oleh Unit Pendidikan Berita Harian. Sepanjang sesi selama 2 hari tersebut, murid-murid telah diajar teknik menjawab soalan peperiksaan berdasarkan keperluan dan format yang digariskan oleh Lembaga Peperiksaan Malaysia.

Program yang disasarkan kepada murid yang bakal menduduki peperiksaan UPSR ini berperanan sebagai suatu sesi persediaan akhir bagi mereka sebelum menghadapi peperiksaan tersebut. Program berkenaan meliputi teknik belajar bagi 4 subjek teras (Bahasa Inggeris, Bahasa Malaysia, Sains dan Matematik).

Kempen Pemimpin Muda adalah sebuah program di mana MRCB memperuntukkan sejumlah dana untuk penajaan pakaian seragam, beg dan kasut sekolah bagi murid-murid daripada keluarga berpendapatan rendah. Ini merupakan salah satu cara untuk menyokong pihak sekolah serta mengurangkan beban kewangan keluarga-keluarga miskin tersebut. Seramai 750 orang murid dari sekolah angkat MRCB di Pulau Pinang, Kuala Lumpur dan Pahang telah mendapat manfaat daripada program ini.

b. Anugerah dan Pengiktirafan

Syarikat terus menerima pengiktirafan dan penghargaan pada tahun 2015. Anugerah-anugerah yang dimenangi pada tahun yang ditinjau termasuk:

1. Global CEO of the Year dimenangi oleh Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB dalam Middle East Business Leaders Awards (MEBLA) 2015 yang keenam.
2. Pencapaian Cemerlang dalam Industri Pembinaan, Hartanah & Bahan Binaan dimenangi oleh Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB dalam Asia Pacific Entrepreneurship Awards (APEA) yang berprestij.
3. FIABCI Malaysia Property Award dimenangi oleh MRCB di bawah kategori Pembangunan Pejabat bagi Menara Shell, menara pejabat hijau bertaraf dunia yang dibina oleh Syarikat di CBD Kuala Lumpur Sentral, yang telah dianugerahkan dengan pensijilan piawaian Platinum bagi Peneraju Tenaga dan Reka Bentuk Alam Sekitar (LEED) oleh US Green Building Council.
4. Anugerah Akhbar Hartanah Malaysia 2015 yang dimenangi oleh MRCB di bawah kategori Pejabat terbaik bagi Menara Shell.
5. Anugerah Akhbar Hartanah Malaysia 2015 yang dimenangi oleh MRCB di bawah kategori pembangunan Kondominium Pencakar Langit Terbaik bagi projek 9 Seputeh.
6. Masterclass CEO of the Year dimenangi oleh Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB dalam Anugerah Kecemerlangan Perniagaan Selangor (SEBA) 2015.
7. Anugerah GreenTech 2015 yang dimenangi oleh MRCB di bawah kategori sektor pembinaan.

9. PENYATA TANGGUNGJAWAB BAGI TAHUN KEWANGAN YANG DITINJAU

(Menurut perenggan 15.26(a) Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.)

Lembaga memastikan supaya Penyata Kewangan Diaudit telah disediakan selaras dengan Akta Syarikat, 1965 dan piawaian perakaunan diluluskan yang diguna pakai seperti yang ditetapkan oleh Lembaga Piawaian Perakaunan Malaysia untuk membentangkan gambaran yang benar dan saksama tentang keadaan hal ehwal Kumpulan dan untung rugi dan aliran tunai pada akhir tempoh perakaunan.

Dalam menyediakan Penyata Kewangan Diaudit, para Pengarah berpuas hati bahawa Piawaian Perakaunan diluluskan di Malaysia telah dipatuhi dan keputusan serta anggaran munasabah dan berhemah telah dibuat. Penyata Kewangan Diaudit juga telah disediakan atas dasar usaha niaga berterusan memandangkan Lembaga mempunyai jangkaan yang munasabah, selepas membuat penyelidikan bahawa Kumpulan mempunyai sumber yang mencukupi untuk terus beroperasi bagi masa depan yang boleh ramal.

10. PENYATA PEMATUHAN KEPERLUAN BURSA MALAYSIA BERKAITAN PENGGUNAAN PRINSIP-PRINSIP DAN PENERIMAAN AMALAN TERBAIK YANG DINYATAKAN DALAM KOD TADBIR URUS KORPORAT MALAYSIA 2012

(Menurut perenggan 15.25 Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.)

Penyata-penyata di atas adalah gambaran jelas terhadap usaha-usaha berteraskan kesedaran yang dilaksanakan oleh Lembaga dan Pengurusan MRCB bagi mengukuhkan proses tadbir urus korporatnya dan mengekalkan kedudukannya sebagai peneraju dalam guna pakai tadbir urus korporat.

Lembaga dengan sukacitanya melaporkan kepada para pemegang saham bahawa Syarikat telah mematuhi prinsip-prinsip yang dinyatakan dalam Kod Tadbir Urus Korporat Malaysia 2012 dan Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad. Lembaga percaya ia merupakan satu 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 selaras dengan resolusinya bertarikh 22 Februari 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors affirms its overall responsibility for establishing and maintaining an adequate and effective risk management and internal control system 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. 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. 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. The effectiveness of the Limits of Authority are reviewed periodically and where necessary enhancements or revisions are proposed by the management team. All revisions to the Limits of Authority are approved by the Board with the recommendation of the Audit Committee.
- 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) 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 quarterly basis and on a semi-annual basis, a comprehensive budget review exercise is undertaken.
- v) 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.
- vi) 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.
- vii) Quality improvement initiatives are in place and key business units of the group are accredited for ISO and OHSAS certifications. The construction division has adopted the integrated Quality, Environment, Safety and Health management system.
- 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) Performance of all employees are tracked through formal performance appraisal processes.

b. Information and Communication Processes

- i) Regular and comprehensive information is 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) Briefings are given to 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. The presentation slides used during these briefings are uploaded on to the Group's website for anyone to view.

c. Monitoring Processes

- i) The performance of business divisions and the status of key projects are monitored through weekly Results-Action-Review meetings at various levels in the organization.
- 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. Follow-up reviews are conducted subsequently to ascertain that improvement measures are implemented. The findings of these reviews along with management's responses are reported to the Audit Committee on a quarterly basis for deliberation.

d. Integrity and anti-corruption

- i) All contracts entered into by companies in the Group contain an anti-corruption clause which requires the contracting party to comply with all anti-corruption laws of Malaysia. In the event that it is proven that the contracting party, its personnel, or agents are involved in any corruption or illegal activities, the contract may be terminated.
- ii) 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.

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, the Internal Audit Department highlighted some areas for improvement in the internal control system and Management has taken appropriate measures to address them accordingly. The internal control enhancements highlighted were mainly operational in nature and have negligible impact on the operational results of the Group.

2. 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, is accessible from the Group's intranet.

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 highlighted to the Audit Committee and mitigating actions proposed by management are deliberated. The Board also conducts an assessment of risks during its deliberation of the Group's business plans and when evaluating investment decisions.

The management of risks is an integral element of management's decision making processes. Risk exposures are discussed and appropriate mitigating actions are established and agreed prior to implementation. The progress of implementation of the risk mitigating actions and its effectiveness is monitored through subsequent updates and where necessary, additional measures may be implemented. This approach provides for faster response and close tracking of key risk exposures.

Key Risks for 2015

a) Market Risks

The cautious economic conditions and keen competition across all the Group's business segments were key risk focus areas that were monitored by the management and Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

However, despite these conditions, the Group managed to secure a number of new construction projects and successfully launched its property developments. These were achieved through the adoption of strategic marketing approaches that emphasised on value delivery to the customer. The Group also continues to participate actively in competitive bidding to build its order book.

b) Operational Risk

The Group's operations are exposed to escalations in material costs, shortage of skilled workers, supply chain inefficiency and equipment failure. To manage these risks, the Group has embarked on bulk purchasing of key materials to manage its material costs. Policies and procedures that include preparedness management, and management review processes are in place to monitor operational continuity and efficiency. Potential risks are escalated upwards and appropriate actions are taken to mitigate the likelihood and impact of the risks.

c) Financial Risk

The Group is exposed to liquidity and cash flow, interest rates, credit, foreign exchange and capital risks. With the objective of ensuring that the Group creates value for its shareholders, the strategies adopted are to minimize potential adverse effects on the financial performance of the Group. These include constant monitoring of the risk factors and their potential impacts, maintaining an optimal liquidity position and strategic hedging against significant fluctuations in interest and exchange rates.

3. 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.

The monitoring, review and reporting arrangements in place provide reasonable assurance that the system of internal control 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. 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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants.

RPG 5 (Revised) 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 22 February 2016.

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 dan anak-anak syarikatnya ("Kumpulan"). Lembaga juga menegaskan komitmennya dalam mengkaji keberkesanan, kecukupan dan kewibawaan sistem-sistem tersebut bagi memastikan supaya ia kekal relevan dan berkesan dalam menghadapi keadaan perniagaan Kumpulan 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. Proses-proses berkenaan dikaji dari semasa ke semasa oleh Lembaga melalui Jawatankuasa Audit. Walau bagaimanapun, perlu diakui bahawa disebabkan oleh batasan-batasan sedia ada dalam mana-mana sistem kawalan dalaman, sistem tersebut direka untuk mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan. Selaras dengan itu, ia hanya mampu menyediakan jaminan munasabah, bukan muktamad terhadap salah nyata atau kerugian yang ketara.

1. Unsur-Unsur Penting Sistem Pengurusan Risiko dan Kawalan Dalaman Kumpulan

Unsur-unsur penting sistem pengurusan risiko dan kawalan dalaman Kumpulan yang tersedia sepanjang tahun kewangan yang ditinjau sehingga tarikh Laporan Pengarah adalah seperti berikut:

a. Persekitaran Kawalan

- i) Bidang kuasa yang ditetapkan dengan jelas dalam struktur organisasi bahagian untuk memudahkan penyeliaan dan pemantauan pengendalian dan operasi setiap unit perniagaan dan jabatan perkhidmatan sokongan Kumpulan.
- ii) Had-had Kuasa telah ditetapkan bagi Kumpulan. Had-had Kuasa tersebut menggariskan dengan jelas pembahagian dan pengagihan tanggungjawab daripada Lembaga kepada Jawatankuasa Lembaga dan kepada ahli-ahli pengurusan serta peringkat kuasa pemberian kelulusan bagi pelbagai aspek operasi. Keberkesanan Had-had Kuasa dikaji secara berkala dan jika perlu, peningkatan atau semakan akan dicadangkan oleh pasukan pengurusan. Semua semakan terhadap Had-had Kuasa diluluskan oleh Lembaga dengan pengesyoran Jawatankuasa Audit.
- iii) Dasar dan prosedur dalaman yang didokumenkan dengan jelas telah digariskan dalam beberapa siri manual prosedur operasi standard yang dikaji dan dikemas kini secara berkala untuk menggambarkan perubahan dalam struktur perniagaan, serta proses dan perubahan terhadap persekitaran luar. Sebarang perubahan dasar memerlukan kelulusan Lembaga.
- iv) Bajet tahunan disediakan lebih awal sebelum tahun berikutnya dengan menggunakan proses menyediakan bajet terperinci. Bajet tersebut tertakluk kepada penilaian dan penelitian oleh pasukan pengurusan kanan dan EXCO, sebelum ia disyorkan kepada Lembaga untuk kelulusan. Prestasi berbanding bajet dipantau setiap suku tahun, manakala pada setiap setengah tahun, satu pelaksanaan kajian bajet yang menyeluruh dijalankan.
- v) Aset-aset Kumpulan dan risiko operasi yang boleh diinsurans dilindungi dengan secukupnya oleh polisi-polisi insurans untuk memastikan supaya Kumpulan dilindungi daripada kerugian kewangan sekiranya berlaku sebarang peristiwa yang tidak diingini.
- vi) Dasar Keselamatan, Kesihatan dan Alam Sekitar telah disediakan dan Jabatan Keselamatan, Kesihatan dan Alam Sekitar Kumpulan sentiasa berusaha mempertingkatkan kesedaran terhadap amalan keselamatan, kesihatan dan alam sekitar di seluruh Kumpulan serta memantau pematuan peraturan dan amalan-amalan terbaik yang berkaitan.
- vii) Pelbagai inisiatif bagi menambah baik kualiti telah disediakan dan unit-unit perniagaan penting kumpulan diakreditasi dengan pensijilan ISO dan OHSAS. Bahagian pembinaan pula telah menerima pakai sistem pengurusan Kualiti, Alam Sekitar, Keselamatan dan Kesihatan bersepadu.
- viii) Semua kakitangan Kumpulan ditadbir oleh Kod Tata Laku dan dikehendaki mengesahkan bahawa mereka telah membaca dan memahami Kod tersebut sebaik sahaja mereka mula bekerja.
- ix) Prestasi semua kakitangan dipantau menerusi proses-proses taksiran prestasi rasmi.

b. Proses Maklumat dan Komunikasi

- i) Maklumat disediakan dari semasa ke semasa dan secara komprehensif oleh Pengurusan kepada Lembaga dan Jawatankuasanya yang meliputi prestasi kewangan, pencapaian petunjuk prestasi penting, kemajuan projek-projek penting, penggunaan dana dan kedudukan aliran tunai.
- ii) Pelbagai sistem maklumat pengurusan beroperasi dengan baik untuk menyediakan maklumat mengikut masa dan tepat kepada pengurusan mengenai prestasi Kumpulan dan untuk membantu pengurusan membuat keputusan yang berkesan.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

- iii) Taklimat diberikan kepada para penganalisis pelaburan pada setiap suku tahun di mana laporan prestasi kewangan Kumpulan yang telah diluluskan oleh Lembaga dibentangkan dan penganalisis pelaburan diberi peluang untuk mengemukakan soalan dan berdialog dengan pasukan pengurusan kanan Kumpulan. Paparan yang digunakan semasa taklimat tersebut dimuat naik ke laman sesawang Kumpulan untuk capaian semua.

c. Proses Pemantauan

- i) Prestasi bahagian-bahagian perniagaan dan status projek-projek penting dipantau melalui mesyuarat Keputusan-Tindakan-Kajian mingguan di pelbagai peringkat organisasi.
- ii) Jabatan Audit Dalaman menjalankan kajian operasi secara tetap untuk menilai keberkesanan dan kecekapan sistem kawalan dalaman. Pendedahan risiko penting dan ketidakpatuhan kepada dasar dan prosedur Kumpulan diketengahkan untuk perhatian pengurusan dan saranan penambahbaikan dikemukakan kepada pengurusan untuk pertimbangan. Kajian susulan dijalankan selepas itu bagi memastikan supaya langkah-langkah penambahbaikan telah dilaksanakan. Penemuan daripada kajian tersebut berserta tindak balas pengurusan dilaporkan kepada Jawatankuasa Audit pada setiap suku tahunan untuk dibincangkan.

d. Integriti dan antirasuah

- i) Semua kontrak yang dimeterai oleh syarikat-syarikat di dalam Kumpulan mengandungi klausa antirasuah yang menghendaki agar pihak yang memeterai kontrak mematuhi semua undang-undang antirasuah Malaysia. Jika pihak yang memeterai kontrak, kakitangan atau agennya terbukti telah terlibat dalam sebarang amalan rasuah atau aktiviti yang menyalahi undang-undang, kontrak berkenaan akan ditamatkan.
- ii) Satu proses Pengaduan Salah Laku telah diwujudkan untuk menyediakan saluran bagi membolehkan para pemberitahu maklumat menyampaikan kemusykilan mereka berhubung perkara-perkara berkaitan kewibawaan secara rahsia. Satu saluran komunikasi secara langsung kepada Pengerusi Jawatankuasa Audit turut disediakan jika kemusykilan tersebut berkaitan dengan ahli pengurusan kanan.

Lembaga percaya bahawa pembangunan sistem kawalan dalaman adalah suatu proses berterusan dan telah mengambil langkah-langkah sepanjang tahun yang ditinjau untuk menambah baik sistem kawalan dalamannya dan akan terus berbuat demikian. Keberkesanan sistem pengurusan risiko Kumpulan turut dikaji dari semasa ke semasa oleh Lembaga.

Pada tahun yang ditinjau, Jabatan Audit Dalaman telah mengetengahkan beberapa unsur dalam sistem kawalan dalaman untuk penambahbaikan dan Pengurusan telah mengambil langkah-langkah yang sesuai untuk merealisasikan penambahbaikan tersebut dengan sewajarnya. Kebanyakan peningkatan kawalan dalaman yang diketengahkan adalah berbentuk operasi dan hanya mendatangkan kesan yang boleh diabaikan ke atas keputusan operasi Kumpulan.

2. Pengurusan Risiko

Satu proses berterusan telah disediakan untuk mengenal pasti, menilai, mengurus dan melaporkan risiko-risiko penting yang boleh menjejaskan pencapaian objektif perniagaan Kumpulan. Satu Rangka Kerja dan Manual Pengurusan Risiko yang menjadi panduan dokumentari bagi dasar pengurusan risiko, proses pengurusan risiko dan rangka kerja laporan Kumpulan boleh diakses dalam intranet Kumpulan.

Semua kakitangan Kumpulan bertanggungjawab untuk menguruskan risiko dalam lingkungan bidang tanggungjawab masing-masing. Pengarah Urusan Kumpulan bertanggungjawab ke atas pelaksanaan Rangka Kerja dan Dasar Pengurusan Risiko Perusahaan dan memastikan pelaksanaannya secara berterusan dalam Kumpulan MRCB, serta memastikan supaya strategi perniagaan dan risiko diselaraskan.

Pendedahan risiko penting diketengahkan oleh Jawatankuasa Audit dan tindakan pengurangan risiko yang dicadangkan oleh pengurusan telah dibincangkan. Lembaga turut menjalankan penilaian risiko semasa membincangkan rancangan perniagaan Kumpulan dan semasa membuat penilaian keputusan pelaburan.

Pengurusan risiko adalah satu elemen penting dalam proses membuat keputusan oleh pengurusan. Pendedahan risiko dibincangkan dan tindakan pengurangan yang sesuai akan diwujudkan dan dipersetujui sebelum dilaksanakan. Perkembangan pelaksanaan tindakan pengurangan risiko tersebut dan keberkesanannya dipantau melalui kemas kini yang dilakukan selepas itu dan jika perlu, langkah-langkah tambahan mungkin akan dilaksanakan. Pendekatan ini menyediakan tindak balas yang lebih pantas dan pemantauan yang teliti terhadap pendedahan risiko penting.

Risiko Utama 2015

a) Risiko Pasaran

Keadaan ekonomi yang membimbangkan dan persaingan sengit dalam semua segmen perniagaan Kumpulan adalah bidang fokus risiko utama yang dipantau oleh pengurusan dan Lembaga.

Walaupun terpaksa berhadapan dengan keadaan sedemikian, Kumpulan tetap berjaya memperoleh beberapa projek pembinaan baharu dan melancarkan pembangunan-pembangunan hartanahnya. Ini dicapai menerusi pelaksanaan pendekatan pemasaran strategik yang menekankan pemberian nilai kepada pelanggan. Kumpulan juga terus aktif menyertai pembidaan kompetitif untuk menambah buku pesanannya.

b) Risiko Operasi

Operasi Kumpulan terdedah kepada peningkatan kos bahan, kekurangan tenaga pekerja mahir, ketidakcekapan rantaian bekalan dan kegagalan peralatan. Bagi menguruskan risiko-risiko tersebut, Kumpulan telah memulakan pembelian bahan-bahan penting secara pukal untuk menguruskan kos bahannya. Dasar dan prosedur yang meliputi pengurusan ketersediaan dan proses kajian pengurusan telah disediakan untuk memantau kelangsungan dan kecekapan operasi. Risiko-risiko potensi dimaklumkan kepada peringkat pengurusan yang lebih tinggi dan tindakan-tindakan yang sewajarnya diambil untuk mengurangkan kemungkinan dan kesan risiko tersebut.

c) Risiko kewangan

Kumpulan terdedah kepada risiko kecairan dan aliran tunai, kadar faedah, kredit, pertukaran asing dan risiko modal. Dengan objektif untuk memastikan supaya Kumpulan mencipta nilai bagi para pemegang sahamnya, strategi yang diterima pakai adalah untuk meminimumkan potensi kesan buruk ke atas prestasi kewangan Kumpulan. Ini termasuk pemantauan berterusan ke atas setiap faktor risiko dan kesan potensinya, mengekalkan kedudukan kecairan tunai yang optimum dan perlindungan nilai strategik terhadap turun naik kadar faedah dan pertukaran asing yang ketara.

3. Usaha Sama dan Syarikat-syarikat Bersekutu Penting

Pendedahan dalam penyata ini tidak meliputi amalan pengurusan risiko dan kawalan dalaman bagi Usaha Sama dan Syarikat-syarikat Bersekutu penting Syarikat. Kepentingan Syarikat dalam entiti-entiti tersebut dilindungi melalui pelantikan ahli-ahli pasukan Pengurusan Kanan Kumpulan ke Lembaga Pengarah, dan dalam kes-kes tertentu, ke jawatankuasa-jawatankuasa pengurusan bagi entiti-entiti berkenaan. Selain itu, maklumat kewangan penting dan maklumat lain yang sewajarnya mengenai prestasi entiti-entiti ini diperoleh dan dikaji oleh Lembaga MRCB, jika perlu.

Pemantauan, kajian dan aturan laporan yang disediakan memberi jaminan yang munasabah bahawa sistem kawalan adalah bersesuaian dengan operasi Kumpulan dan bahawa risiko-risiko berada di tahap yang boleh diterima di seluruh perniagaan Kumpulan. Walau bagaimanapun, aturan sedemikian tidak menghapuskan kemungkinan kesilapan manusia, pengabaian prosedur kawalan secara sengaja oleh kakitangan dan lain-lain, atau berlaku keadaan di luar jangkaan.

Lembaga telah menerima jaminan daripada Ketua Pegawai Kewangan Syarikat bahawa pengurusan risiko dan sistem kawalan dalaman Kumpulan beroperasi seperti yang diperlukan dan berkesan. Justeru, Lembaga berpendapat bahawa sistem pengurusan risiko dan kawalan dalaman yang disediakan bagi tahun yang ditinjau adalah mantap dan memadai untuk melindungi pelaburan pemegang saham, kepentingan pemegang kepentingan dan aset-aset Kumpulan.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Kajian Penyata 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 jaminan terhadap mereka telah dilaksanakan selaras dengan Panduan Amalan Disyorkan ("RPG") 5 (Semakan Semula) yang dikeluarkan oleh Institut Akauntan Malaysia.

RPG 5 (Semakan Semula) tidak memerlukan juruaudit luar memberikan pendapat berhubung kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman Kumpulan.

Penyata mengenai Pengurusan Risiko dan Kawalan Dalaman ini dibuat oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 22 Februari 2016.



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AUDIT COMMITTEE REPORT

1. COMPOSITION OF THE COMMITTEE

The Audit Committee ("AC") comprises four (4) members. Of these members, three (3) members are Independent Directors of the Company and one (1) member is a Non-Independent Non-Executive Director. Following the resignation of Dato' Abdul Rahman Ahmad as both Chairman of the Audit Committee and Audit Committee Member on 24 August 2015, Hasman Yusri Yusoff was appointed Chairman of the Audit Committee on 26 January 2016. Hasman Yusri Yusoff, is an Independent and Non-Executive Director and also a member of the Malaysian Institute of Accountants ("MIA"). During the year under review, Dato' Abdul Rahman Ahmad was Chairman of the Audit Committee until 24 August 2015 and thereafter for the period from 25 August 2015 until 25 January 2016, Jamaludin Zakaria, an Independent Non-Executive Director temporarily led the Audit Committee as Chairman until Hasman Yusri Yusoff's appointment as the Chairman of the Audit Committee took effect on 26 January 2016. Subsequently Dato' Chong Pah Aung, an Independent Director resigned as member of the AC on 31 January 2016.

A total of seven (7) Audit Committee meetings were held during the financial year ended 31 December 2015. The attendance record of the Audit Committee Members is tabulated below:

Table 1: Details of Attendance of Audit Committee Meetings held between 1 January 2015 to 31 December 2015

DATE OF AUDIT COMMITTEE MEETING	NAME OF DIRECTORS				
	HASMAN YUSRI YUSOFF	DATO' ABDUL RAHMAN	DATO' CHONG PAH AUNG	JAMALUDIN ZAKARIA	ROHAYA MOHAMMAD YUSOF
	(Chairman) appointed on 26 January 2016	(Chairman) resigned on 24 August 2015			
23/02/2015	N/A	A	A	A	A
24/03/2015	N/A	A	A	A	A
31/03/2015	N/A	A	A	A	A
21/05/2015	N/A	A	A	A	A
20/08/2015	N/A	A	A	A	A
27/10/2015	N/A	Resigned wef 24 August 2015	A	A	A
18/11/2015	N/A	-	A	A	A
Total	N/A	5/5	7/7	7/7	7/7

The Company Secretary, who acts as secretary to the Audit Committee attended all meetings. Also in attendance by invitation, were the Group Managing Director, Executive Director, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and General Manager, Corporate Governance.

The Audit Committee met with the External Auditors two times 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 has undertaken and the key recommendations for the Board's consideration and decision.

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 of the Management. Audit reports and other matters brought to the Audit Committee's attention are deliberated and discussed and where necessary, the Heads 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 Internal Audit Department that is independent of Management and which 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, the Audit Committee is empowered by the Board of Directors to:

- i) Investigate any matter within its terms of reference;
- ii) Have the resources 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 fulfil 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 its 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 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.

AUDIT COMMITTEE REPORT

4. ACTIVITIES

i) Reviews

A summary of the reviews conducted by the Audit Committee for the year under review is as follows:

- **Financial results**

- i) 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
- ii) Reviewed the Group's achievement of its key performance indicators.

- **Internal Audit**

- i) Reviewed and approved the Internal Audit Annual Plan proposed by the Head of Internal Audit;
- ii) Reviewed the structure of the Internal Audit Department and the adequacy of its resources and budget;
- iii) Reviewed the findings of internal audit reports presented by the Head of Internal Audit on the Group;
- iv) Reviewed the effectiveness and adequacy of management's corrective actions in response to the internal audit reviews conducted;
- v) Reviewed the findings of follow-up audits to determine the status of implementation of management's corrective actions; and
- vi) 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**

- i) Reviewed and approved the External Auditor's Audit Plan, approach and scope of review;
- ii) Deliberated on the External Auditor's reports on audit and accounting issues that arose from its audits;
- iii) Deliberated on updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board; and
- iv) 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.

5. INTERNAL AUDIT

The Internal Audit function of the Group is carried out by MRCB's Internal Audit Department which is an independent Department and separated from the Corporate Governance 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 are spelt out in the Internal Audit Charter. During the year under review, the Internal Audit function 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 Department conducted reviews of key developments, property and construction projects and selected business units of the Group. Continuous 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 observed tender openings to ensure that appropriate control processes as set out in the Group's Policies and Procedures are complied with.

In 2015, the Internal Audit Department incurred total costs of RM 1,528,231 for its activities, which included Internal Audit and facilitating the enterprise risk management process throughout the Group.

This Audit Committee Report is approved by the Board of Directors in accordance to the resolution dated 22 February 2016.

LAPORAN JAWATANKUASA AUDIT

1. KOMPOSISI JAWATANKUASA

Jawatankuasa Audit ("AC") terdiri daripada empat (4) orang ahli. Tiga (3) orang daripada mereka merupakan Pengarah Bebas Syarikat dan seorang (1) ahli merupakan Pengarah Bukan Eksekutif Bebas. Hasman Yusri Yusoff dilantik sebagai Pengerusi Jawatankuasa Audit pada 26 Januari 2016 berikutan peletakan jawatan Dato' Abdul Rahman Ahmad sebagai Pengerusi Jawatankuasa Audit dan Ahli Jawatankuasa Audit pada 24 Ogos 2015. Hasman Yusri Yusoff adalah Pengarah Bukan Eksekutif Bebas dan juga ahli Institut Akauntan Malaysia ("MIA"). Pada tahun yang ditinjau, Dato' Abdul Rahman Ahmad menyandang jawatan Pengerusi Jawatankuasa Audit sehingga 24 Ogos 2015. Bagi tempoh selepas itu, iaitu dari 25 Ogos 2015 hingga 25 Januari 2016, jawatan Pengerusi Jawatankuasa Audit dipegang sementara oleh Jamaludin Zakaria, seorang Pengarah Bukan Eksekutif Bebas, sehingga pelantikan Hasman Yusri Yusoff sebagai Pengerusi Jawatankuasa Audit berkuat kuasa pada 26 Januari 2016. Kemudian pada 31 Januari 2016, Dato' Chong Pah Aung, seorang Pengarah Bebas pula telah meletak jawatan sebagai ahli AC.

Sebanyak tujuh (7) mesyuarat Jawatankuasa Audit telah diadakan sepanjang tahun kewangan berakhir 31 Disember 2015. Rekod kehadiran Ahli Jawatankuasa Audit adalah seperti dalam jadual di bawah:

Jadual 1: Butiran Kehadiran Mesyuarat Jawatankuasa Audit yang diadakan dari 1 Januari 2015 hingga 31 Disember 2015

TARIKH MESYUARAT JAWATANKUASA AUDIT	NAMA PENGARAH				
	HASMAN YUSRI YUSOFF	DATO' ABDUL RAHMAN	DATO' CHONG PAH AUNG	JAMALUDIN ZAKARIA	ROHAYA MOHAMMAD YUSOF
	(Pengerusi) dilantik pada 26 Januari 2016	(Pengerusi) meletak jawatan pada 24 Ogos 2015			
23/02/2015	Tidak berkaitan	A	A	A	A
24/03/2015	Tidak berkaitan	A	A	A	A
31/03/2015	Tidak berkaitan	A	A	A	A
21/05/2015	Tidak berkaitan	A	A	A	A
20/08/2015	Tidak berkaitan	A	A	A	A
27/10/2015	Tidak berkaitan	Meletak jawatan berkuat kuasa pada 24 Ogos 2015	A	A	A
18/11/2015	Tidak berkaitan	-	A	A	A
Jumlah	Tidak berkaitan	5/5	7/7	7/7	7/7

Setiausaha Syarikat, yang bertindak sebagai setiausaha kepada Jawatankuasa Audit menghadiri semua mesyuarat. Turut hadir secara jemputan adalah Pengarah Urusan Kumpulan, Pengarah Eksekutif, Ketua Pegawai Operasi, Ketua Pegawai Kewangan, Ketua Audit Dalaman dan Pengurus Besar Tadbir Urus Korporat.

AC telah bermesyuarat dengan Juruaudit Luar sebanyak dua kali pada tahun ini, tanpa kehadiran pihak Pengurusan.

Setelah selesai setiap mesyuarat, Pengerusi Jawatankuasa Audit akan melaporkan kepada Lembaga Pengarah mengenai aktiviti-aktiviti yang telah dijalankan dan pengesyoran penting bagi pertimbangan dan keputusan Lembaga.

Pelbagai isu yang menjejaskan operasi Kumpulan telah dikaji dan dibincangkan dengan teliti dalam mesyuarat ini. Ahli-ahli Jawatankuasa Audit memainkan peranan mereka secara serius dan profesional untuk membantu Lembaga dalam melaksanakan pengawasan ke atas Pengurusan. Laporan audit dan perkara-perkara lain yang dibawa kepada perhatian Jawatankuasa Audit dipertimbangkan dan dibincangkan, dan di mana perlu, Ketua Bahagian/Jabatan dan pasukan Pengurusan mereka akan dijemput ke mesyuarat untuk memberi penjelasan atau membantu dalam pertimbangan Jawatankuasa. Dengan berbuat demikian, Jawatankuasa Audit mengumpul input daripada Jabatan Audit Dalam yang bebas daripada Pengurusan dan melapor secara langsung kepada Jawatankuasa Audit. Input turut dikumpul daripada Juruaudit Luar, sebagaimana perlu.

2. KUASA JAWATANKUASA AUDIT

Bagi melaksanakan tanggungjawabnya, Jawatankuasa Audit diberi kuasa oleh Lembaga Pengarah untuk:

- i) Menyiasat sebarang perkara dalam bidang tugasnya;
- ii) Mempunyai sumber yang diperlukan untuk menjalankan tugasnya;
- iii) Mempunyai akses penuh, bebas dan tidak terbatas kepada sebarang maklumat, rekod, hartanah dan kakitangan MRCB serta anak-anak syarikatnya ("Kumpulan");
- iv) Mempunyai saluran komunikasi secara langsung dengan juruaudit luar dan juruaudit dalaman;
- v) Boleh mendapatkan nasihat profesional bebas atau pihak lain; dan
- vi) Boleh mengadakan mesyuarat dengan juruaudit luar dan juruaudit dalaman bersama dengan ahli-ahli bebas Lembaga yang lain (iaitu tidak termasuk ahli-ahli bukan bebas dan eksekutif) sekurang-kurangnya dua kali setahun atau apabila dianggap perlu. Jawatankuasa Audit juga hendaklah bermesyuarat secara eksklusif sesama ahlinya apabila dianggap perlu.

3. TUGAS DAN TANGGUNGJAWAB

Jawatankuasa Audit membantu Lembaga memenuhi tanggungjawab pengawasannya ke atas aktiviti-aktiviti Kumpulan. Tugas dan tanggungjawab utama Jawatankuasa Audit sebagaimana dinyatakan dalam Bidang Tugasnya adalah seperti berikut:

- i) Mempertimbangkan pelantikan juruaudit luar, yuran audit dan alasan yang diberikan bagi peletakan jawatan atau pemecatan mereka;
- ii) Mengkaji rancangan audit juruaudit luar;
- iii) Membincangkan masalah dan keraguan yang timbul daripada audit interim dan akhir, dan sebarang perkara lain yang mungkin ingin dibincangkan oleh juruaudit luar (tanpa kehadiran Pengurusan, jika perlu);
- iv) Mengkaji laporan audit juruaudit luar dan penilaian juruaudit luar terhadap sistem kawalan dalaman;
- v) Mengkaji penyata kewangan suku tahunan dan akhir tahun Kumpulan dan mengemukakan saranan yang sewajarnya kepada Lembaga untuk kelulusannya;
- vi) Mengkaji kecukupan skop, sumber dan kuasa fungsi Audit Dalam;
- vii) Mengkaji rancangan dan proses Audit Dalam serta hasil kajian audit dalaman dan siasatan yang telah dijalankan;
- viii) Mengkaji pelantikan, menentukan imbuhan dan menilai prestasi Ketua Audit Dalam;
- ix) Mengkaji dan memberi kuasa bagi penyiasatan terhadap dakwaan serius mengenai penipuan, salah laku dan pecah amanah dan untuk mengkaji penemuan siasatan tersebut;
- x) Mengkaji urusan niaga pihak berkaitan dan keadaan percanggahan kepentingan yang mungkin timbul dalam Kumpulan termasuk sebarang urusan niaga, prosedur atau tatacara yang menimbulkan persoalan terhadap kewibawaan Pengurusan;
- xi) Mengawasi fungsi Pengurusan Risiko Kumpulan;
- xii) Mengkaji pengaturan yang diwujudkan oleh Pengurusan bagi mematuhi sebarang keperluan penguatkuasaan peraturan atau laporan luaran lain, serta undang-undang kecil dan peraturan berkaitan operasi Kumpulan;
- xiii) Menentukan semua peruntukan Skim Opsyen Saham Kakitangan bagi memastikan supaya ia telah dilaksanakan dengan mematuhi kriteria yang dizahirkan oleh Syarikat kepada kakitangannya; dan
- xiv) Mempertimbangkan topik-topik lain sebagaimana ditakrifkan oleh Lembaga.

LAPORAN JAWATANKUASA AUDIT

4. AKTIVITI

i) Kajian

Ringkasan kajian yang dijalankan oleh Jawatankuasa Audit bagi tahun yang ditinjau adalah seperti berikut:

- **Keputusan kewangan**

- i) Mengkaji keputusan kewangan suku tahunan dan tahunan Kumpulan yang telah diaudit dan pengumuman yang mengiringinya serta mengemukakan syor yang berkaitan kepada Lembaga untuk kelulusan; dan
- ii) Mengkaji pencapaian Kumpulan bagi petunjuk prestasi utamanya.

- **Audit Dalaman**

- i) Mengkaji dan meluluskan Rancangan Tahunan Audit Dalaman yang dicadangkan oleh Ketua Audit Dalaman;
- ii) Mengkaji struktur Jabatan Audit Dalaman dan kecukupan sumber serta bajetnya;
- iii) Mengkaji penemuan laporan audit dalaman yang dibentangkan oleh Ketua Audit Dalaman mengenai Kumpulan;
- iv) Mengkaji keberkesanan dan kecukupan tindakan pembetulan pengurusan sebagai tindak balas terhadap kajian audit dalaman yang telah dijalankan;
- v) Mengkaji penemuan audit susulan untuk menentukan status pelaksanaan tindakan pembetulan pengurusan; dan
- vi) Mempertimbangkan penemuan siasatan dan lain-lain kajian khas yang tidak berjadual ke atas bidang-bidang operasi yang tertentu bagi memastikan punca masalah kepada isu-isu dan keberkesanan tindakan pembetulan yang telah diambil untuk menangani kelemahan yang dikenal pasti.

- **Audit Luar**

- i) Mengkaji dan meluluskan Rancangan Audit, pendekatan dan skop kajian Juruaudit Luar;
- ii) Mempertimbangkan laporan Juruaudit Luar mengenai isu-isu audit dan perakaunan yang timbul daripada auditnya;
- iii) Mempertimbangkan kemas kini tentang perkembangan terbaru mengenai piawaian perakaunan yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia; dan
- iv) Menilai prestasi Juruaudit Luar, termasuk kebebasan mereka, dan menyediakan pengesyoran tentang pelantikan semula dan imbuhan mereka kepada Lembaga.

- **Pengurusan Risiko**

Mengkaji aktiviti pengurusan risiko perusahaan Kumpulan dan aktiviti Jawatankuasa Kerja Pengurusan Risiko.

- **Urus Niaga Pihak Berkaitan**

Mengkaji kesaksamaan dan ketelusan urus niaga pihak berkaitan dan pendedahan yang sewajarnya telah dibuat selaras dengan Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.

- **Peruntukan Skim Opsyen Saham Kakitangan (ESOS)**

Mengkaji dan menentusahkan bahawa peruntukan ESOS pada tahun yang ditinjau telah dilakukan mengikut peruntukan skim dan kriteria bagi peruntukan kepada kakitangan.

- **Lain-lain**

Mengkaji dan meluluskan cadangan pembentukan atau semakan Had Kuasa anak-anak syarikat.

5. AUDIT DALAMAN

Fungsi Audit Dalaman Kumpulan dilaksanakan oleh Jabatan Audit Dalaman MRCB yang merupakan Jabatan bebas dan berasingan daripada Jabatan Tadbir Urus Korporat. Jabatan Audit Dalaman beroperasi secara bebas daripada pengurusan dan melapor secara langsung kepada Jawatankuasa Audit.

Objektif, misi, skop, organisasi, kuasa dan tanggungjawab fungsi Audit Dalaman dinyatakan dalam Piagam Audit Dalaman. Dalam tahun yang ditinjau, fungsi Audit Dalaman telah dikendalikan dan dilaksanakan selaras dengan prinsip-prinsip Piagamnya.

Tanggungjawab utama fungsi Audit Dalaman adalah untuk menjalankan kajian operasi bagi menyediakan jaminan yang munasabah bahawa sistem kawalan dalaman sedang beroperasi dengan berkesan dan cekap. Bahagian-bahagian yang akan dikaji semula ditentukan melalui rancangan audit berasaskan risiko sejajar dengan strategi dan aktiviti-aktiviti Kumpulan.

Pada tahun yang ditinjau, Jabatan Audit Dalaman telah menjalankan kajian mengenai projek-projek pembangunan, hartanah dan pembinaan utama termasuk unit perniagaan terpilih Kumpulan. Kajian susulan yang berterusan juga dijalankan untuk menentukan status rancangan tindakan pengurusan yang disediakan sebagai tindak balas kepada penemuan audit yang dibangkitkan sebelumnya. Status rancangan tindakan pengurusan ini juga dilaporkan kepada Jawatankuasa Audit untuk makluman mereka.

Kakitangan Jabatan Audit Dalaman turut memantau pembukaan tender bagi memastikan supaya proses kawalan yang sesuai telah dipatuhi sebagaimana dinyatakan dalam Dasar dan Prosedur Kumpulan.

Pada tahun 2015, Jabatan Audit Dalaman telah membelanjakan sebanyak RM1,528,231 untuk aktiviti-aktivitinya, termasuk Audit Dalaman dan melengkapkan proses pengurusan risiko perusahaan ke seluruh Kumpulan.

Laporan Jawatankuasa Audit ini diluluskan oleh Lembaga Pengarah selaras dengan resolusi bertarikh 22 Februari 2016.

ADDITIONAL COMPLIANCE INFORMATION

i) Utilisation of Proceeds Raised From Corporate Proposals

The Proposed Disposal of Platinum Sentral by MRCB Sentral Properties Sdn Bhd, a wholly-owned subsidiary of the Company to Maybank Trustees Berhad, acting solely in the capacity as Trustee for Quill Capita Trust (now known as MRCB-Quill Reit), for a total consideration of RM740 million, had been completed on 30 March 2015.

Cash proceeds from the disposal of RM476 million have been fully utilised for the following purposes:

- (i) Repayment of borrowings taken for Platinum Sentral of RM380 million;
- (ii) Working capital of RM83.18 million; and
- (iii) Expenses paid for the disposal of RM12.82 million.

ii) Share Buy-Back

The Company had obtained the authorisation from the shareholders for share buy-back at the Extraordinary General Meeting held on 11 May 2015.

There was no share buy-back during the financial year 2015.

iii) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants and convertible securities during the financial year ended 31 December 2015 save for the following:

a) Warrants

7,543,588 warrants were issued to Gapurna Sdn Bhd on 13 January 2015, being part of the settlement of the balance purchase consideration for the acquisition of Gelanggang Harapan Construction Sdn Bhd (now known as MRCB Builders Sdn Bhd).

As at 31 December 2015, a total 576,519,012 warrants were listed on Bursa Securities and no warrant was exercised during the financial year ended 31 December 2015.

b) Employees' Share Options Scheme (ESOS)

During the financial year ended 31 December 2015, a total of 85,103,750 options at RM1.30 each were granted to the 1,223 employees of the Group.

A total of 10,000 options were exercised pursuant to the ESOS.

In accordance with the ESOS Bye-Laws, the aggregate maximum allocation applicable to Director and senior management shall not exceed 50% of the options available under the scheme. As at 31 December 2015, the actual percentage of options granted to them in aggregate was 5.80%.

The details of options granted since the commencement of the scheme is disclosed in Note 32 to the Financial Statements on pages 274 to page 277 of this Annual Report.

iv) American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year 2015.

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 2015.

vi) Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group and Company for the financial year 2015 were RM2,705,000 and RM1,883,000 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 was no profit guarantee given by the Company during the financial year 2015.

ix) Material Contracts

Management Contract dated 28 October 2015 between the Company and Kwasa Utama Sdn Bhd ("KUSB") for the appointment of the Company as the Management Contractor in connection with the development and construction of a commercial development named Kwasa Utama on a piece of land owned by KUSB measuring 29.82 acres known as Plot C8 (part of Lot 85112) Kwasa Damansara, Mukim Sungai Buloh, Daerah Petaling, Seksyen U4, 40160 Shah Alam, Selangor.

Employees Provident Fund is the major shareholder of the Company and KUSB.

x) List of Properties and Revaluation Policy

The list of properties is set out on pages 148 to 154 of this Annual Report. There was no revaluation of properties of the Company done during the financial year 2015.

xi) Recurrent Related Party Transaction of a Revenue or Trading Nature

The Company had on 30 March 2015, announced to Bursa Securities that Cosy Bonanza Sdn Bhd, a 65.7% owned subsidiary of the Company had on 30 March 2015, entered into a Recurrent Related Party Transaction with Gapurna Sdn Bhd, a major shareholder of the Company for the sale of one unit of office suite at Level 35, Q Sentral, Kuala Lumpur Sentral.

MAKLUMAT PEMATUHAN TAMBAHAN

i) Penggunaan Keuntungan Yang Dikumpul Daripada Cadangan Korporat

Cadangan penjualan Platinum Sentral oleh MRCB Sentral Properties Sdn Bhd, subsidiari milik penuh Syarikat kepada Maybank Trustees Berhad yang bertindak di atas kapasiti Pemegang Amanah kepada Quill Capita Trust (sekarang dikenali sebagai MRCB-Quill Reit), pada harga balasan sebanyak RM740 juta telah disempurnakan pada 30 Mac 2015.

Perolehan tunai dari hasil penjualan sebanyak RM476 juta telah digunakan sepenuhnya untuk tujuan-tujuan seperti berikut:

- (i) Pembayaran balik pinjaman yang diambil untuk Platinum Sentral sebanyak RM380 juta;
- (ii) Modal kerja sebanyak RM83.18 juta; dan
- (iii) Perbelanjaan yang dibayar bagi penjualan tersebut sebanyak RM12.82 juta.

ii) Pembelian Balik Saham

Syarikat telah mendapat kuasa daripada pemegang-pemegang saham berkenaan cadangan pembelian balik saham di Mesyuarat Agung Luarbiasa yang telah diadakan pada 11 Mei 2015.

Tiada pembelian balik saham dalam tahun kewangan 2015.

iii) Opsyen, Waran atau Sekuriti Boleh Tukar

Syarikat tidak mengeluarkan sebarang opsyen, waran dan sekuriti boleh ditukar pada tahun kewangan berakhir 31 Disember 2015 kecuali yang berikut:

a) Waran

Sebanyak 7,543,588 waran tambahan telah dikeluarkan kepada Gapurna Sdn Bhd pada 13 Januari 2015 sebagai sebahagian daripada jumlah balasan daripada pengambilalihan dalam Gelanggang Harapan Construction Sdn Bhd ("GHC") (sekarang dikenali sebagai MRCB Builders Sdn Bhd).

Pada 31 Disember 2015, sejumlah 576,519,012 waran telah disenaraikan di Bursa Securities and tiada waran telah dilaksanakan sepanjang tahun kewangan 2015.

b) Skim Opsyen Saham Kakitangan (ESOS)

Dalam tahun kewangan berakhir 31 Disember 2015, sejumlah 85,103,750 opsyen pada harga RM1.30 sesaham telah diberikan kepada 1,223 kakitangan di Kumpulan Syarikat.

Sejumlah 10,000 opsyen telah dilaksanakan di bawah ESOS.

Selaras dengan Undang-undang Kecil ESOS, peruntukan maksimum agregat yang digunakan kepada Pengarah dan Pengurusan Kanan tidak boleh melebihi 50% daripada opsyen yang tersedia di bawah skim tersebut. Pada 31 Disember 2015, peratusan sebenar opsyen yang diberikan kepada mereka dalam agregat adalah 5.80%.

Butir-butir opsyen yang diberikan sejak bermulanya skim ini terdapat dalam Nota 32 kepada Penyata Kewangan (muka

surat 274 ke 277 dalam Laporan Tahunan ini).

iv) Resit Deposit Amerika ("ADR") atau Resit Depostori Global ("GDR")

Syarikat tidak menaja sebarang program ADR atau GDR dalam tahun kewangan 2015.

v) Sekatan dan/atau Denda Dikenakan

Tiada sekatan dan/atau denda penting yang dikenakan oleh badan-badan penguatkuasa berkaitan terhadap MRCB atau syarikat subsidiarinya, para Pengarah atau pengurusan pada tahun kewangan 2015.

vi) Yuran Bukan Audit

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar oleh Kumpulan dan Syarikat bagi tahun kewangan 2015 masing-masing adalah RM2,705,000 dan RM1,883,000.

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 diberi oleh Syarikat dalam tahun kewangan 2015.

ix) Kontrak-Kontrak Penting

"Management Contract" bertarikh 28 Oktober 2015 yang dimeterai antara Syarikat dan Kwasa Utama Sdn Bhd ("KUSB") berkenaan pelantikan Syarikat ini sebagai "Management Contractor" berkaitan pembangunan dan pembinaan bagi pembangunan komersial yang diberi nama Kwasa Utama di atas sekeping tanah milik KUSB berukuran 29.82 ekar yang dikenali sebagai Plot C8 (sebahagian daripada Lot 85112) Kwasa Damansara, Mukim Sungai Buloh, Daerah Petaling, Seksyen U4, 40160 Shah Alam, Selangor.

Kumpulan Wang Simpanan Pekerja adalah pemegang saham utama Syarikat dan KUSB.

x) Senarai Hartanah dan Dasar Penilaian Semula

Senarai hartanah disediakan di muka surat 148 ke 154 dalam Laporan Tahunan ini. Tiada penilaian semula hartanah Syarikat dilaksanakan pada tahun kewangan 2015.

xi) Urusniaga Pihak Berkaitan Yang Berulangan Berbentuk Hasil atau Perdagangan

Pada 30 Mac 2015, Syarikat telah mengumumkan ke Bursa Securities bahawa Cosy Bonanza Sdn Bhd, 65.7% subsidiari milik Syarikat telah memeterai satu urusniaga berkaitan berulang dengan Gapurna Sdn Bhd, pemegang saham utama Syarikat bagi penjualan satu unit pejabat yang terletak di Tingkat 35, Q Sentral, Kuala Lumpur Sentral.

MATERIAL CONTRACTS

(January 2015 – December 2015)

1. Acquisition by Gapurna Sdn Bhd of One Unit Office Suite At Q Sentral

Cozy Bonanza Sdn Bhd had on 30 March 2015, entered into a Sale and Purchase Agreement with Gapurna Sdn Bhd, a major shareholder of Malaysian Resources Corporation Berhad ("MRCB") for the sale of one unit of office suite at Level 35, Q Sentral, Kuala Lumpur Sentral, measuring approximately 15,917 sq. ft. at a consideration of RM19,100,400.00. The transaction has since completed on 1 July 2015.

2. Share Swap Agreement and Share Sale Agreement both between MRCB and DMIA (M) Sdn Bhd

MRCB and DMIA (M) Sdn Bhd ("DMIA") had on 31 March 2015 entered into:

- a) a Share Swap Agreement for the transfer of MRCB's 100% equity interest in Lotus Terrain Sdn Bhd to DMIA in consideration for the transfer of DMIA's 30% equity interest in Country Annexe Sdn Bhd to MRCB; and
- b) a Share Sale Agreement for the disposal of MRCB's 70% equity interest in Paradigma Berkat Sdn Bhd to DMIA for a consideration of RM39,010,808.

The Share Swap Agreement was completed on the date of the Share Swap Agreement while Share Sale Agreement was completed on 1 June 2015. However the consideration of RM39,010,808 which is due for payment on 30 November 2015 is still pending payment by DMIA to MRCB and now is treated as debt owing by DMIA to MRCB. MRCB had filed a civil suit against DMIA and Subramanian Pillai A/L Sankaran Pillai being the guarantor at the Kuala Lumpur High Court on 14 December 2015 to recover the outstanding sum.

3. Acquisition by Legasi Azam Sdn Bhd of a Parcel of Land from The Government of The Federal Republic of Germany

Legasi Azam Sdn Bhd, a wholly owned subsidiary of MRCB Land Sdn Bhd which in turn a wholly owned subsidiary of MRCB had on 7 April 2015, entered into a Sale and Purchase Agreement with The Government of The Federal Republic of Germany to acquire a parcel of land together with buildings erected thereon held under Geran 34211, Lot 94, Seksyen 58, Bandar and Daerah Kuala Lumpur, Wilayah Persekutuan KL for a cash consideration of RM259,155,708.00. The transaction has since completed on 23 November 2015.

4. Disposal by MRCB of 51% Equity Interest in NU Sentral Sdn Bhd to Pelaburan Hartanah Berhad

MRCB had on 22 April 2015, entered into a Share Sale Agreement with Pelaburan Hartanah Berhad ("PHB") to dispose its 51% equity interest in NU Sentral Sdn Bhd comprising of 10,200,000 ordinary shares of RM1.00 each and 91,800,000 redeemable non-convertible preference shares of RM0.01 each to PHB for a consideration of RM119,776,136.00. The transaction has since completed on 6 October 2015.

5. Joint Venture and Shareholders' Agreement between MRCB Engineering Sdn Bhd, Hicom Builders Sdn Bhd And Dekad Kaliber Sdn Bhd

MRCB Engineering Sdn Bhd, a wholly owned subsidiary of MRCB had on 7 July 2015 entered into a Joint Venture and Shareholders' Agreement with Hicom Builders Sdn Bhd and Dekad Kaliber Sdn Bhd for the purpose of setting up a joint venture company to undertake the construction of the proposed development of the Integrated Immigration, Customs, Quarantine and Security Complex at Bukit Kayu Hitam, Kedah Darul Aman.

6. Appointment as Project Delivery Partner for the Construction and Completion of the Light Rail Transit Line 3 (LRT3) From Bandar Utama to Johan Setia

MRCB-George Kent JV Sdn Bhd ("JV Company"), a 50:50 joint venture between MRCB and George Kent (Malaysia) Berhad had on 4 September 2015 received a letter of appointment from Prasarana Malaysia Berhad ("Prasarana") appointing the JV Company as the project delivery partner ("PDP") for the construction and completion of the Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia. The scope, terms and conditions of the appointment as PDP is subject to a comprehensive and definitive agreement to be executed between the JV Company and Prasarana. On 22 October 2015 MRCB Builders Sdn Bhd (formerly known as Gelanggang Harapan Construction Sdn Bhd) ("MRCB Builders"), a wholly owned subsidiary of MRCB acquired one (1) ordinary share in the share capital in the JV Company for a cash consideration of RM1.00 making MRCB Builders a 50% shareholder of the JV Company.

7. Privatisation Agreement Between Rukun Juang Sdn Bhd, The Government Of Malaysia And Syarikat Tanah Dan Harta Sdn Bhd

Rukun Juang Sdn Bhd, a 85%-owned subsidiary of MRCB Land Sdn Bhd, which in turn is a wholly owned subsidiary of MRCB, had on 28 October 2015, entered into a Privatisation Agreement with the Government of Malaysia, represented by the Ministry of Youth and Sports and Syarikat Tanah dan Harta Sdn Bhd relating to the refurbishment and upgrading of facilities located at the National Sports Complex in Bukit Jalil, Kuala Lumpur for a total contract sum of RM1,631,880,000. The construction work of the proposed project will be carried out in two (2) phases with the construction works for phase 1 is expected to span across 17 months commencing from the construction commencement date for phase 1 whilst phase 2 construction works is expected to span across 36 months commencing from the construction commencement date for phase 2.

8. Appointment as Management Contractor for the Development and Construction of Kwasa Utama

MRCB had on 28 October 2015, entered into a Management Contract with Kwasa Utama Sdn Bhd (formerly known as Kwasa Development (1) Sdn Bhd) ("KUSB") whereby KUSB has appointed MRCB as the management contractor to provide services in connection with the development and construction of a commercial development named Kwasa Utama on a piece of land owned by KUSB measuring 29.82 acres known as Plot C8 (part of Lot 85112) located at Kwasa Damansara, Mukim Sungai Buloh, Daerah Petaling, Seksyen U4, 40160 Shah Alam, Selangor Darul Ehsan for a provisional total contract sum of RM3,145,493,294.00 payable in cash.

9. Joint Venture with Cyberview Sdn Bhd to Purchase and Undertake the Mixed Development of Cyberjaya City Centre

MRCB Land Sdn Bhd, a wholly owned subsidiary of MRCB had on 28 October 2015, entered into a Joint Venture Agreement with Cyberview Sdn Bhd ("Cyberview") to form a joint venture company, CSB Development Sdn Bhd ("CSB Development") for the purpose of purchasing and subsequently carrying out development on part of the land within Cyberjaya City Centre, measuring approximately 53.37 acres. Upon CSB Development becoming a subsidiary of Cyberview, MRCB Land, Cyberview and CSB Development shall enter into a conditional share subscription agreement for MRCB Land to subscribe 700,000 new ordinary shares of CSB Development of RM1.00 each and 2,688,000 redeemable preference shares with a par value of RM1.00 and premium of RM99.00 each, representing 70% equity interest in CSB Development for a total subscription payment of RM269.5 million and Cyberview to subscribe for 300,000 new ordinary shares of CSB Development of RM1.00 each and 1,152,000 redeemable preference shares with par value of RM1.00 and premium of RM99.00 each, representing 30% equity interest in CSB Development for a total subscription payment of RM115.5 million.

KONTRAK-KONTRAK PENTING

(Januari 2015 – Disember 2015)

1. Pengambilalihan Satu Unit Pejabat di Q Sentral oleh Gapurna Sdn Bhd

Cozy Bonanza Sdn Bhd telah pada 30 Mac 2015, memeterai satu Perjanjian Jual Beli dengan Gapurna Sdn Bhd, pemegang saham utama Malaysian Resources Corporation Berhad ("MRCB") bagi penjualan satu unit pejabat di Aras 35, Q Sentral, Kuala Lumpur Sentral, berukuran kira-kira 15,917 kaki persegi pada harga sebanyak RM19,100,400.00. Transaksi telah disempurnakan pada 1 Julai 2015.

2. Perjanjian Pertukaran Saham dan Perjanjian Jualan Saham kedua-duanya di antara MRCB dan DMIA (M) Sdn Bhd

MRCB dan DMIA (M) Sdn Bhd ("DMIA") telah pada 31 Mac 2015 menandatangani:

- a) Perjanjian Pertukaran Saham bagi memindahkan 100% pegangan saham MRCB di dalam Lotus Terrain Sdn Bhd kepada DMIA sebagai balasan bagi pindahmilik 30% saham milik DMIA di dalam Country Annexe Sdn Bhd kepada MRCB; dan
- b) Perjanjian Jualan Saham bagi pelupusan 70% pegangan saham oleh MRCB di dalam Paradigma Berkas Sdn Bhd kepada DMIA bagi balasan sebanyak RM39,010,808.

Perjanjian Pertukaran Saham telah pun disempurnakan pada tarikh Perjanjian Pertukaran Saham tersebut manakala Perjanjian Jualan Saham pula telah disempurnakan pada 1 Jun 2015. Walau bagaimanapun balasan sebanyak RM39,010,808 yang sepatutnya dibayar pada 30 November 2015 masih belum dibayar oleh DMIA kepada MRCB dan sekarang dikira sebagai hutang yang perlu dibayar oleh DMIA kepada MRCB. MRCB telah pun memfailkan saman sivil terhadap DMIA dan Subramanian Pillai A/L Sankaran Pillai sebagai penjamin di Mahkamah Tinggi Kuala Lumpur pada 14 Disember 2015 bagi mendapatkan semula jumlah tertunggak tersebut.

3. Pengambilalihan Sebidang Tanah oleh Legasi Azam Sdn Bhd daripada Kerajaan Persekutuan Republik Jerman

Legasi Azam Sdn Bhd, sebuah anak syarikat milik penuh MRCB Land Sdn Bhd yang seterusnya merupakan anak syarikat milik penuh MRCB telah pada 7 April 2015, memeterai Perjanjian Jual Beli dengan Kerajaan Persekutuan Republik Jerman untuk memperoleh sebidang tanah bersama-sama dengan bangunan-bangunan yang didirikan di atasnya dipegang di bawah Geran 34211, Lot 94, Seksyen 58, Bandar dan Daerah Kuala Lumpur, Wilayah Persekutuan KL pada harga tunai sebanyak RM259,155,708.00. Transaksi ini telah disempurnakan pada 23 November 2015.

4. Pelupusan 51% Kepentingan Ekuiti oleh MRCB dalam NU Sentral Sdn Bhd kepada Pelaburan Hartanah Berhad

MRCB telah pada 22 April 2015, memeterai Perjanjian Jualan Saham dengan Pelaburan Hartanah Berhad ("PHB") untuk melupuskan 51% kepentingan ekuitinya dalam NU Sentral Sdn Bhd yang terdiri daripada 10,200,000 saham biasa bernilai RM1.00 sesaham dan 91,800,000 saham keutamaan boleh tebus bukan kumulatif bernilai RM0.01 sesaham kepada PHB dengan balasan sebanyak RM119,776,136.00. Transaksi ini telah disempurnakan pada 6 Oktober 2015.

5. Perjanjian Usahasama dan Pemegang Saham antara MRCB Engineering Sdn Bhd, Hicom Builders Sdn Bhd dan Dekad Kaliber Sdn Bhd

MRCB Engineering Sdn Bhd, sebuah anak syarikat milik penuh MRCB telah pada 7 Julai 2015 memeterai Perjanjian Usahasama dan Pemegang Saham dengan Hicom Builders Sdn Bhd dan Dekad Kaliber Sdn Bhd untuk menubuhkan sebuah syarikat usahasama untuk melaksanakan pembinaan cadangan pembangunan bersepadu Kompleks Imigresen, Kastam, Kuarantin dan Keselamatan di Bukit Kayu Hitam, Kedah Darul Aman.

6. Perlantikan sebagai “Project Delivery Partner” bagi Pembinaan dan Penyiapan Transit Aliran Ringan Laluan 3 (LRT3) dari Bandar Utama ke Johan Setia

MRCB-George Kent JV Sdn Bhd (“Syarikat Usahasama”), yang merupakan usahasama 50:50 di antara MRCB dan George Kent (Malaysia) Berhad telah menerima surat perlantikan daripada Prasarana Malaysia Berhad (“Prasarana”) pada 4 September 2015 yang telah melantik Syarikat Usahasama sebagai “Project Delivery Partner” (“PDP”) bagi Pembinaan dan Penyiapan Transit Aliran Ringan Laluan 3 (LRT3) dari Bandar Utama ke Johan Setia. Skop, terma-terma dan syarat-syarat perlantikan sebagai PDP adalah tertakluk kepada perjanjian lengkap dan muktamat yang akan ditandatangani oleh pihak Syarikat Usahasama dan Prasarana. Pada 22 Oktober 2015 MRCB Builders Sdn Bhd (sebelum ini dikenali sebagai Gelanggang Harapan Construction Sdn Bhd) (“MRCB Builders”) iaitu sebuah anak syarikat milik penuh MRCB telah memperolehi satu (1) saham biasa di dalam modal saham Syarikat Usahasama untuk balasan tunai sebanyak RM1.00 sahaja menjadikan MRCB Builders pemilik 50% saham di dalam Syarikat Usahasama.

7. Perjanjian Penswastan di antara Rukun Juang Sdn Bhd, Kerajaan Malaysia dan Syarikat Tanah Dan Harta Sdn Bhd

Rukun Juang Sdn Bhd, sebuah syarikat subsidiari milik 85% MRCB Land Sdn Bhd, yang merupakan sebuah anak syarikat milik penuh MRCB, telah pada 28 Oktober 2015, memeterai perjanjian penswastan dengan Kerajaan Malaysia, diwakili oleh Kementerian Belia dan Sukan dan Syarikat Tanah dan Harta Sdn Bhd berkaitan dengan pengubahsuaian dan menaiktaraf kemudahan yang terletak di Kompleks Sukan Negara di Bukit Jalil, Kuala Lumpur untuk jumlah kontrak sebanyak RM1,631,880,000. Kerja-kerja pembinaan bagi projek yang dicadangkan akan dijalankan dalam dua (2) fasa pembinaan, dimana kerja-kerja Fasa 1 dijangka menjangkau tempoh 17 bulan bermula dari tarikh permulaan pembinaan bagi Fasa 1, manakala kerja-kerja pembinaan Fasa 2 dijangka menjangkau tempoh 36 bulan bermula dari tarikh permulaan pembinaan bagi Fasa 2.

8. Perlantikan sebagai Kontraktor Pengurusan untuk Pembangunan dan Pembinaan bagi Kwasa Utama

MRCB telah pada 28 Oktober 2015, memeterai Kontrak Pengurusan dengan Kwasa Utama Sdn Bhd (dahulunya dikenali sebagai Kwasa Development (1) Sdn Bhd) (“KUSB”) di mana KUSB telah melantik MRCB sebagai kontraktor pengurusan untuk memberi perkhidmatan berkaitan dengan pembangunan dan pembinaan pembangunan komersial yang dinamakan Kwasa Utama terletak di atas sebidang tanah yang dimiliki oleh KUSB seluas 29.82 ekar yang dikenali sebagai Plot C8 (sebahagian Lot 85112) yang terletak di Kwasa Damansara, Mukim Sungai Buloh, Daerah Petaling, Seksyen U4, 40160 Shah Alam, Selangor Darul Ehsan dengan jumlah bayaran kontrak sementara sebanyak RM3,145,493,294.00 dibayar secara tunai.

9. Usahasama dengan Cyberview Sdn Bhd untuk Membeli dan Melaksanakan Pembangunan Campuran Pusat Bandar Cyberjaya

MRCB Land Sdn Bhd, anak syarikat milik penuh MRCB telah pada 28 Oktober 2015, memeterai Perjanjian Usahasama dengan Cyberview Sdn Bhd (“Cyberview”) untuk membentuk sebuah syarikat usaha sama, CSB Development Sdn Bhd (“CSB Development”) bagi tujuan pembelian dan seterusnya melaksanakan pembangunan di atas sebahagian tanah dalam Pusat Bandar Cyberjaya, berukuran kira-kira 53.37 ekar. Setelah CSB Development menjadi anak syarikat Cyberview, MRCB Land, Cyberview dan CSB Development hendaklah memeterai satu perjanjian langganan saham bersyarat untuk MRCB Land melanggan 700,000 saham biasa baru CSB Development bernilai RM1.00 sesaham dan 2,688,000 saham keutamaan boleh tebus dengan nilai par RM1.00 dan premium sebanyak RM99.00 sesaham, mewakili 70% kepentingan ekuiti dalam CSB Development dengan harga berjumlah RM269.5 juta dan Cyberview akan melanggan 300,000 saham biasa baru CSB Development bernilai RM1.00 sesaham dan 1,152,000 saham keutamaan boleh tebus dengan nilai par RM1.00 dan premium sebanyak RM99.00 sesaham mewakili 30% kepentingan ekuiti dalam CSB Development dengan harga berjumlah RM115.5 juta.

PROPERTIES OF THE GROUP

31 DECEMBER 2015

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	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	29,120	1982	Leasehold 66 years expiring on 2.2.2044	30	Yes
Land for proposed mixed housing development	PT 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 Municipality 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	HS(D) 79956 P.T. No. 12, Seksyen 14 Bandar Shah Alam Selangor Darul Ehsan	12,100	13,222	1992	Leasehold 99 years expiring on 15.9.2092	-	Nil
Plaza Alam Sentral - 7 storey shopping complex	HS(D) 79956 P.T. No. 12, Seksyen 14 Bandar Shah Alam Selangor Darul Ehsan	68,233	72,326	1992	Leasehold 99 years expiring on 15.9.2092	16	Yes
Land for proposed high-end residential development at Batu Feringghi, Penang	Lot 365, 366, 461 (PT 100), 465 and 467 (PT 102) Seksyen 1 Bandar Batu Feringghi Daerah Timur Laut Pulau Pinang	13,520	28,721	2009	Freehold	-	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
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	513,078	1999	Freehold	-	Nil
Industrial land	Plot No. 143 & 145 Rawang Industrial Park 48000 Rawang Selangor Darul Ehsan	18,210	6,269	1997	Freehold	-	Nil
4 storey shop office	Sub Lot 4, 5 & 6 HS(D) 49729 Lot PT 33487 Taman Kajang Utama Mukim Kajang District of Ulu Langat Selangor Darul Ehsan	1,485	985	1999	Freehold	16	Nil
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	175	2005	Leasehold 99 years expiring on 18.3.2102	13	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2015

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Several parcels of land for proposed mixed development	Lot 1210-1241 Lot 1271-1393 Lot 1399-1494 PT 721-763 PT 1008-1011 PT 1647-1719 PT 2997 PT 3030-3049 PT 3080 KM 36, Jalan Ipoh Lumut Bandar Seri Iskandar Bota, District of Perak Tengah Perak Darul Ridzuan	211,936	38,678	2001, 2002, 2009 & 2010	Leasehold 99 years expiring between 13.3.2100 to 18.10.2109	-	Nil
Sooka Sentral - 6 storey clubhouse	GRN 75826 Lot No. 20005 Sek 70 Bandar Kuala Lumpur District of Kuala Lumpur Kuala Lumpur Wilayah Persekutuan	7,154	49,560	2007	Freehold	8	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	2,174	2008	Freehold	9	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
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	118,232	428,528	2007	Freehold	3	Yes
Ascott Sentral - 21 storey block of service residence apartments	Geran 40094 Lot 348 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	27,896	90,358	2007	Freehold	2	Yes
Land for proposed mixed development	Lot 200360, 200361 and 200362 Along Jalan Sultan Yahya Petra (Jalan Semarak) Mukim of Setapak District of Kuala Lumpur	110,977	193,361	2011	Leasehold 99 years expiring on 4.7.2110	-	Yes
Land for proposed condominium development	PN No: 27016 Lot 82, Seksyen 63 Bandar and Mukim of Kuala Lumpur Wilayah Persekutuan	4,072	65,702	2011	Leasehold 99 years expiring on 9.8.2113	-	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	217,480	2013	Leasehold 99 years expiring on 10.11.2110	-	Yes

PROPERTIES OF THE GROUP

31 DECEMBER 2015

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed commercial building	Geran 803 Lot 19 Precint 2 Bandar Putrajaya District of Putrajaya Federal Territory of Putrajaya	7,450	69,389	2013	Freehold	-	Nil
Land for proposed development	GRN 163848 Lot 50700 Town of Subang Jaya District of Petaling Selangor Darul Ehsan	12,947	60,187	2013	Freehold	-	Nil
Land for proposed mixed development	PT 86-87 & PT 9382 Section 98 Off Jalan Klang Lama Town of Kuala Lumpur Wilayah Persekutuan	37,503	64,204	2013	Leasehold 99 years expiring on 11.5.2113	-	Yes
Land for proposed mixed development	Lot 12 Section 26 Town of Petaling Jaya District of Petaling Selangor Darul Ehsan	18,468	208,688	2010	Leasehold 99 years expiring on 09.02.2108	-	Nil
Land for proposed development of two blocks of four and five storey residential buildings	391, 393-399 Burwood Highway 59 & 61 Middleborough Road Burwood 3125, Melbourne Australia	5,025	48,208	2009	Freehold	-	Yes

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed commercial office and serviced apartment with car park	HS(D) 93833 PT 27759 Bukit Rahman Putra Mukim Sungai Buloh District of Petaling Selangor Darul Ehsan	18,421	46,048	2014	Freehold	-	Yes
Land for proposed residential development – Terrace house	HS(D) 95375 PT 29301 Mukim Sungai Buloh District of Petaling Selangor Darul Ehsan	22,293	23,830	2014	Freehold	-	Nil
Land for proposed residential development - Condominium	HS(D) 93832 PT 27758 Mukim Sungai Buloh District of Petaling Selangor Darul Ehsan	16,647	17,074	2014	Freehold	-	Yes
Land for proposed residential development – Service apartment	Geran 34211 Lot 94 Seksyen 58 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan	7,552	266,958	2015	Freehold	-	Yes
Land for proposed mixed development	HS(M) 463, PTD 18877 HS(M) 464, PTD 18878 HS(M) 466, PTD 18879 HS(M) 467, PTD 18880 GM793, Lot 799 Mukim Pulau District of Johor Bahru, Johor	273,244	77,358	2015	Freehold	-	Nil
2 units of single storey warehouse	Plot No. 143 Rawang Industrial Park 48000 Rawang Selangor Darul Ehsan	1,490	906	2014	Freehold	2	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2015

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2015 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed development of service apartment	PT 712 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang	56,924	187,810	2013/2014	Freehold	-	Yes
Land under development for bus terminal, retail mall & hotel	Lot 235-238 Lot 389-391 Lot 776-789, 2211 Holding No.1020 Holding No.1052 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang				Freehold	-	Yes
	PT 711 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang				Freehold	-	Nil
	Lot 692 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang				Leasehold 60 years expiring on 15.07.2070	-	Yes
	PT 698 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang				Leasehold 60 years expiring on 27.09.2069	-	Yes
	PT 709 Seksyen 4 Bandar Butterworth Daerah Seberang Perai Utara Pulau Pinang				Leasehold 99 years expiring on 26.02.2111	-	Yes

CYBERJAYA CITY CENTRE

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FINANCIAL REPORT 2015

Directors' Report	158
Statements by Directors	164
Statutory Declaration	164
Independent Auditors' Report	165
Statements of Comprehensive Income	168
Statements of Financial Position	170
Consolidated Statement of Changes in Equity	172
Company Statement of Changes in Equity	176
Statements of Cash Flows	179
Notes to the Financial Statements	183

KWASA SENTRAL

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of the future

DIRECTORS' REPORT

The Directors are pleased to 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 2015.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development, property investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development, property investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Equity holders of the Company	330,392	234,391
Non-controlling interests	33,637	–
	364,029	234,391

DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2014 of 2.5% or 2.5 sen per ordinary share, amounting to RM44,664,573 on 24 July 2015.

The Directors on 18 December 2015 declared a single tier interim dividend in respect of the financial year ended 31 December 2015 of 2.5% or 2.5 sen per ordinary share, amounted to RM44,664,823. The dividend was paid on 24 February 2016 to shareholders whose names appeared in the record of Depositors on 26 January 2016.

The Directors do not recommend the payment of final dividend for the financial year ended 31 December 2015.

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)	
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)	
Mohd Imran Tan Sri Mohamad Salim (Executive Director)	
Datuk Shahril Ridza Ridzuan	
Rohaya Mohammad Yusof	
Jamaludin Zakaria	
Chuah Mei Lin	(Appointed on 4 September 2015)
Hasman Yusri Yusoff	(Appointed on 26 January 2016)
Dato' Ahmad Johari Tun Abdul Razak	(Resigned on 13 May 2015)
Dato' Abdul Rahman Ahmad	(Resigned on 24 August 2015)
Dato' Chong Pah Aung	(Resigned on 31 January 2016)

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, Chuah Mei Lin and Hasman Yusri Yusoff 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 (CONTINUED)

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 1.1.2015	Acquired	Sold	At 31.12.2015
Direct				
Tan Sri Azlan Mohd Zainol	-	120,000	-	120,000
Datuk Shahril Ridza Ridzuan	500,000	-	-	500,000
Indirect				
Tan Sri Azlan Mohd Zainol*	-	30,000	-	30,000
Tan Sri Mohamad Salim Fateh Din**	271,920,023	26,402,558	-	298,322,581

Company	No. of warrants over ordinary shares of RM1.00 each			
	At 1.1.2015	Granted	Sold	At 31.12.2015
Direct				
Datuk Shahril Ridza Ridzuan	166,667	-	-	166,667
Indirect				
Tan Sri Mohamad Salim Fateh Din**	77,691,435	7,543,588	-	85,235,023

* Deemed interest by virtue of his shareholding in Edenvue Projects Sdn. Bhd.

** Deemed interest by virtue of his shareholding in Gapurna Sdn. Bhd. which in turn holds an equity interest of 16.70% (2014: 15.45%) in the Company.

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 AND WARRANTS

During the financial year, 26,402,558 new ordinary shares of RM1.00 each and 7,543,588 free detachable warrants were issued by the Company pursuant to the acquisition of an intangible asset ("Order Book") from Gapurna Sdn. Bhd. as reflected in Note 49(a) 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.

The salient terms of the free warrants are set out in Note 32 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 of the Company had approved the extension 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 32 to the financial statements.

On 27 October 2015, the ESOS Committee of the Company had approved the granting of 88,721,250 options under the Scheme of which 85,103,750 options were granted and vested.

On 23 February 2016, 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 306,250 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 306,250 options and in excess are as follows:

Name	Number of options over ordinary shares of RM1.00 each
Ann Wan Tee	875,000
Kwan Joon Hoe	875,000
Dato' Ishak Bin Haji Mohamed	525,000
Datuk Dell Akbar Bin Hyder Khan	525,000
Hwang Chee Leong	525,000
Wong Hong Yeong	387,500
Lok Ngai Hey	350,000
Aeren Bukhairi Bin Mohammad	306,250
Cheong Yi Pui	306,250
Gong Lu Kew	306,250
Johan Aly Bin Abdul Rais	306,250
Lee Chee Choong, Lawrence	306,250
Mohamed Zain Bin Puteh	306,250
Mohd Yusuf Ali Bin Abdulah	306,250
Neoh Phaik Hoon	306,250
Ridzuan Bin Zakaria	306,250
Samarasam A/L Krishnan	306,250
Tan Hui Long, Dennis	306,250
Tan Hui Sheng, Vincent	306,250
Tan Kui Choo	306,250
Tee Joon Lee	306,250
Tee Leong Yen	306,250
Wendy Liew Foong Kuan	306,250
Zetty Juyanty Binti A. Rahim	306,250

There were no options being held by the Directors as at the date of 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 including 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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 of the Group and of the Company misleading.

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 49 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 50 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 15 March 2016.



TAN SRI MOHAMAD SALIM FATEH DIN
Group Managing Director



HASMAN YUSRI YUSOFF
Director

STATEMENTS BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Mohamad Salim Fateh Din and Hasman Yusri Yusoff, two of the Directors of Malaysian Resources Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 168 to 319 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 2015 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 Financial Reporting Standards and the requirements of the Companies Act, 1965 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 15 March 2016.



TAN SRI MOHAMAD SALIM FATEH DIN

Group Managing Director



HASMAN YUSRI YUSOFF

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 168 to 320 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 15 March 2016.

Before me,



COMMISSIONER FOR OATHS

208, Bangunan
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur (N.P.)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD
(Incorporated in Malaysia)(Company No. 7994 D)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Malaysian Resources Corporation Berhad on pages 168 to 319, which comprise the statements of financial position as at 31 December 2015 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 financial 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 so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

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

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 of subsidiaries of which we have not acted as auditors, which are indicated in Note 47 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

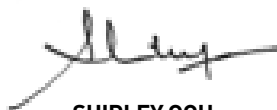
The supplementary information set out in Note 53 on page 320 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special 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**SHIRLEY GOH**

(No. 1778/08/16 (J))

Chartered Accountant

Kuala Lumpur

15 March 2016

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CONTINUING OPERATIONS					
Revenue	6	1,696,727	1,514,767	455,623	284,152
Cost of sales	7	(1,242,899)	(1,145,012)	(97,918)	(82,278)
Gross profit		453,828	369,755	357,705	201,874
Other income	8	347,809	219,009	11,472	132,217
Selling and distribution costs		(50,332)	(39,689)	(2,052)	(1,123)
Administrative expenses		(175,856)	(109,799)	(87,181)	(50,219)
Other operating expenses		(67,705)	(61,570)	(8,559)	(9,309)
Finance income	8	39,329	38,409	3,863	6,985
Finance costs	12	(184,843)	(171,193)	(38,804)	(29,236)
Share of results of associates	20	16,007	12,252	-	-
Share of results of joint ventures	21	(8,125)	(36,556)	-	-
Profit before income tax	9	370,112	220,618	236,444	251,189
Income tax expense	13	(6,083)	(53,276)	(2,053)	(6,035)
Profit from continuing operations		364,029	167,342	234,391	245,154
DISCONTINUING OPERATIONS					
Profit from discontinuing operations (net of tax)	52	-	16,177	-	-
Profit for the financial year		364,029	183,519	234,391	245,154

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the financial year		364,029	183,519	234,391	245,154
Other comprehensive income/(loss) for the financial year, net of tax:					
Item that may be reclassified subsequently to comprehensive income					
– currency translation differences		448	(148)	-	-
– share of associate's gain on re-measurement of financial derivatives		502	-	-	-
Item that will not be reclassified subsequently to comprehensive income					
– re-measurement of post-employment benefit obligations	37	-	(2,242)	-	(2,151)
Total comprehensive income for the financial year, net of tax		364,979	181,129	234,391	243,003
Profit for the financial year attributable to:					
Equity holders of the Company					
– from continuing operations		330,392	136,457	234,391	245,154
– from discontinuing operations	52	-	16,177	-	-
Non-controlling interests	19	330,392 33,637	152,634 30,885	234,391 -	245,154 -
		364,029	183,519	234,391	245,154
Total comprehensive income for the financial year attributable to:					
Equity holders of the Company					
– from continuing operations		331,342	133,944	234,391	243,003
– from discontinuing operations	52	-	16,177	-	-
Non-controlling interests	19	331,342 33,637	150,121 31,008	234,391 -	243,003 -
		364,979	181,129	234,391	243,003
Earnings per share attributable to the ordinary equity holders of the Company during the financial year (sen)					
Basic and diluted earnings	14				
– from continuing operations		18.50	7.99		
– from discontinuing operations		-	0.94		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
ASSETS					
Non current assets					
Property, plant and equipment	15	337,465	228,586	2,393	1,581
Investment properties	16	413,517	812,958	-	55,095
Land held for property development	17(a)	1,786,892	1,041,962	-	-
Service concession asset	18	1,209,992	1,237,295	-	-
Subsidiaries	19	-	-	2,032,636	1,518,760
Associates	20	241,905	84,240	335,763	78,255
Joint ventures	21	6,162	58,432	-	102,000
Long term loan and receivables	22	5,253	5,924	-	15,000
Available for sale financial assets	23	577	577	577	577
Intangible assets	24	317,073	271,787	-	-
Deferred tax assets	25	76,705	35,784	-	-
		4,395,541	3,777,545	2,371,369	1,771,268
CURRENT ASSETS					
Inventories	26	63,103	42,626	7,220	7,220
Property development costs	17(b)	488,610	831,524	-	-
Trade and other receivables	27	1,095,102	1,314,032	231,251	165,703
Amounts due from subsidiaries	27	-	-	585,529	1,031,638
Amounts due from associates and joint ventures	27	18,702	5,813	17,282	14,736
Tax recoverable		26,762	4,649	-	-
Financial assets at fair value through profit or loss	29	2,381	3,229	2,381	3,229
Deposits, cash and bank balances	30	521,508	660,688	92,525	123,877
		2,216,168	2,862,561	936,188	1,346,403
Assets held for sale	31	478,088	401,817	54,576	-
Total assets		7,089,797	7,041,923	3,362,133	3,117,671

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
EQUITY					
Equity attributable to the equity holders of the Company					
Share capital	32	1,786,591	1,760,178	1,786,591	1,760,178
Share premium	33	327,950	323,986	327,950	323,986
Retained earnings/(accumulated losses)		83,153	(154,845)	184,121	38,771
Other reserves		62,453	55,937	32,186	26,285
		2,260,147	1,985,256	2,330,848	2,149,220
Non-controlling interests	19	52,624	79,253	-	-
Total equity		2,312,771	2,064,509	2,330,848	2,149,220
LIABILITIES					
Non current liabilities					
Loan stocks at cost	34	-	7,000	-	-
Senior and Junior Sukuk	36	1,058,464	1,058,459	-	-
Post-employment benefit obligations	37	16,307	16,539	6,537	6,895
Long term borrowings	38	1,286,785	1,234,681	432,275	510,186
Long term liabilities	39	622	3	-	-
Government grant	40	33,024	-	-	-
Deferred tax liabilities	25	85,293	90,219	-	-
		2,480,495	2,406,901	438,812	517,081
Current liabilities					
Loan stock at cost	34	7,000	-	-	-
Provisions for other liabilities and charges	35	10,510	43,734	-	-
Trade and other payables	41	1,177,904	1,114,979	73,774	88,188
Amounts due to subsidiaries	41	-	-	134,435	137,565
Current tax liabilities		3,100	14,674	-	617
Short term borrowings	43	1,042,126	1,390,521	339,600	225,000
Dividend payable	51	44,664	-	44,664	-
		2,285,304	2,563,908	592,473	451,370
Liabilities associated with assets held for sale	31	11,227	6,605	-	-
Total liabilities		4,777,026	4,977,414	1,031,285	968,451
Total equity and liabilities		7,089,797	7,041,923	3,362,133	3,117,671

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Attributable to equity holders of the Company									
Share capital (Note 32) RM'000	Share premium (Note 33) RM'000	Revaluation reserve RM'000	[Accumulated		Other reserve (Note 34) RM'000	Retained earnings RM'000	Non controlling interests		Total equity RM'000
1,760,178	323,986	28,090	27,847	(154,845)	1,985,256	79,253	2,064,509		
-	-	-	-	330,392	330,392	33,637	364,029		
-	-	-	448	-	448	-	448		
-	-	-	502	-	502	-	502		
-	-	-	(335)	335	-	-	-		
-	-	-	615	330,727	331,342	33,637	364,979		
26,403	3,960	-	-	-	30,363	-	30,363		
-	-	-	1,320	-	1,320	-	1,320		
-	-	-	-	(3,688)	(3,688)	4,358	670		
-	-	-	-	-	-	(82)	(82)		
-	-	-	4,869	-	4,869	-	4,869		
10	4	-	(1)	-	13	-	13		
-	-	-	(287)	287	-	-	-		
26,413	3,964	-	5,901	(92,729)	(56,451)	(60,266)	(116,717)		
1,786,591	327,950	28,090	34,363	83,153	2,260,147	52,624	2,312,771		

At 1 January 2015

Comprehensive profit

- Profit for the financial year

Other comprehensive income/(loss)

- Currency translation differences
- Share of associate's gain on re-measurement of financial derivatives
- Reclassified to retained earnings

Total comprehensive income

Transactions with owners

Issuance of: (Note 49(a))

- ordinary shares
- warrants

Acquisition of additional equity interest in subsidiaries

Disposal of a subsidiary (Note 49(c))

Employees' share option scheme (Note 32)

- options granted
- options exercised
- options lapsed

Dividends paid and declared

for financial year ended (Note 51)

- 31 December 2014
- 31 December 2015

Total transactions with owners

At 31 December 2015

	Attributable to equity holders of the Company						
	Share capital (Note 32) RM'000	Share premium (Note 33) RM'000	Revaluation reserve RM'000	Other reserve (Note 1a) RM'000	Accumulated retained earnings RM'000	Non controlling interests RM'000	Total equity RM'000
At 1 January 2014	1,651,311	247,780	28,090	23,291	(275,056)	61,318	1,736,734
Comprehensive profit							
- Profit for the financial year	-	-	-	-	152,634	30,885	183,519
Other comprehensive income/(loss)							
- Currency translation differences	-	-	-	(257)	-	109	(148)
- Actuarial loss on post-employment benefit obligations	-	-	-	(2,256)	-	14	(2,242)
Total comprehensive income/(loss)	-	-	-	(2,513)	152,634	31,008	181,129
Transactions with owners							
Issued upon acquisition of a subsidiary							
- ordinary shares	108,807	76,165	-	-	-	95,478	280,450
- warrants	-	-	-	7,461	-	-	7,461
Issue of share							
- exercise ESOS options	60	37	-	-	-	-	97
Acquisition of additional equity interest in subsidiaries							
	-	-	-	-	(15,210)	(107,894)	(123,104)
Employees' share option scheme (Note 32)							
- options exercised	-	4	-	(4)	-	-	-
- options lapsed	-	-	-	(388)	388	-	-
Dividends (Note 51)							
- financial year ended 31 December 2013	-	-	-	-	(17,601)	-	(17,601)
Profit distribution							
- financial year ended 31 December 2014	-	-	-	-	-	(657)	(657)
Total transactions with owners	108,867	76,206	-	7,069	(32,423)	(13,073)	146,646
At 31 December 2014	1,760,178	323,986	28,090	27,847	(154,845)	79,253	2,064,509

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2015	1,666	188	1,485	27,035	(2,527)	27,847
Other comprehensive income/(loss)						
- Currency translation differences	-	448	-	-	-	448
- Share of associate's gain on re-measurement of financial derivatives	502	-	-	-	-	502
- Reclassified to retained earnings	-	-	-	-	(335)	(335)
Total other comprehensive income/(loss)	502	448	-	-	(335)	615
Transactions with owners						
Issuance of new warrants	-	-	-	1,320	-	1,320
Employees' share option scheme (Note 32)						
- options granted	-	-	4,869	-	-	4,869
- options exercised	-	-	(1)	-	-	(1)
- options lapsed	-	-	(287)	-	-	(287)
Total transactions with owners	-	-	4,581	1,320	-	5,901
At 31 December 2015	2,168	636	6,066	28,355	(2,862)	34,363

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 2014	1,666	445	1,877	19,574	(271)	23,291
Other comprehensive loss						
- Currency translation differences	-	(257)	-	-	-	(257)
- Actuarial loss on post-employment benefit obligations	-	-	-	-	(2,256)	(2,256)
Total other comprehensive loss	-	(257)	-	-	(2,256)	(2,513)
Transactions with owners						
Issued upon acquisition of a subsidiary (Note 5)	-	-	-	7,461	-	7,461
Employees' share option scheme (Note 32)						
- options exercised	-	-	(4)	-	-	(4)
- options lapsed	-	-	(388)	-	-	(388)
Total transactions with owners	-	-	(392)	7,461	-	7,069
At 31 December 2014	1,666	188	1,485	27,035	(2,527)	27,847

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Share capital (Note 32) RM'000	Share premium (Note 33) RM'000	Other reserve (Note(b)) RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2015	1,760,178	323,986	26,285	38,771	2,149,220
Comprehensive income					
- Profit for the financial year	-	-	-	234,391	234,391
Total other comprehensive income	-	-	-	234,391	234,391
Transactions with owners					
Issuance of: (Note 49(a))					
- ordinary shares	26,403	3,960	-	-	30,363
- warrants	-	-	1,320	-	1,320
Employees' share option scheme (Note 32)					
- options granted	-	-	4,869	-	4,869
- options exercised	10	4	(1)	-	13
- options lapsed	-	-	(287)	287	-
Dividends paid and declared for financial year ended (Note 51)					
- 31 December 2014	-	-	-	(44,664)	(44,664)
- 31 December 2015	-	-	-	(44,664)	(44,664)
Total transactions with owners	26,413	3,964	5,901	(89,041)	(52,763)
At 31 December 2015	1,786,591	327,950	32,186	184,121	2,330,848

	Share capital (Note 32) RM'000	Share premium (Note 33) RM'000	Other reserve (Note(b)) RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2014	1,651,311	247,780	21,367	(189,170)	1,731,288
Comprehensive income					
- Profit for the financial year	-	-	-	245,154	245,154
Other comprehensive loss					
- Actuarial loss on post-employment benefit obligations	-	-	(2,151)	-	(2,151)
Total comprehensive income/(loss)	-	-	(2,151)	245,154	243,003
Transactions with owners					
Issued upon acquisition of a subsidiary (Note 5)					
- ordinary shares	108,807	76,165	-	-	184,972
- warrants	-	-	7,461	-	7,461
Issue of ordinary shares					
- exercise ESOS options	60	37	-	-	97
Employees' share option scheme (Note 32)					
- options exercised	-	4	(4)	-	-
- options lapsed	-	-	(388)	388	-
Dividend paid for financial year ended (Note 51)					
- 31 December 2013	-	-	-	(17,601)	(17,601)
Total transactions with owners	108,867	76,206	7,069	(17,213)	174,929
At 31 December 2014	1,760,178	323,986	26,285	38,771	2,149,220

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Note (b)

Other reserves

	Share option reserve RM'000	Warrant reserve RM'000	Retirement benefit reserves RM'000	Total RM'000
At 1 January 2015	1,485	27,035	(2,235)	26,285
Transactions with owners				
Issuance of new warrants:	-	1,320	-	1,320
Employees' share option scheme (Note 32)				
- options granted	4,869	-	-	4,869
- options exercised	(1)	-	-	(1)
- options lapsed	(287)	-	-	(287)
Total transactions with owners	4,581	1,320	-	5,901
At 31 December 2015	6,066	28,355	(2,235)	32,186
At 1 January 2014	1,877	19,574	(84)	21,367
Other comprehensive loss				
- Actuarial loss on post-employment benefit obligations	-	-	(2,151)	(2,151)
Total other comprehensive loss	-	-	(2,151)	(2,151)
Transactions with owners				
Issued upon acquisition of a subsidiary (Note 5)	-	7,461	-	7,461
Employees' share option scheme (Note 32)				
- options exercised	(4)	-	-	(4)
- options lapsed	(388)	-	-	(388)
Total transactions with owners	(392)	7,461	-	7,069
At 31 December 2014	1,485	27,035	(2,235)	26,285

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
OPERATING ACTIVITIES					
Profit from continuing operations attributable to equity holders of the Company		330,392	136,457	234,391	245,154
Adjustments for:					
Tax		6,083	53,276	2,053	6,035
Non-controlling interests		33,637	30,885	-	-
Share of results of					
- associates		(16,007)	(12,252)	-	-
- joint ventures		8,125	36,556	-	-
Dividend income	6	(289)	(279)	(304,761)	(142,139)
Finance income	8	(39,329)	(38,409)	(3,863)	(6,985)
(Gain)/loss on disposal					
- a subsidiary	8	(38,904)	(236)	8,868	(1,310)
- a joint venture	8	(70,121)	-	(17,776)	-
- an associate	8	-	(94,868)	-	(94,868)
- an investment property	8	(220,531)	-	-	-
Re-measurement gain arising from step acquisition of a subsidiary	8	-	(7,326)	-	-
Employees' share option scheme					
- value of service provided	10	4,869	-	1,723	-
Finance costs	12	184,843	171,193	38,804	29,236
Fair value adjustment to financial assets at inception		188	929	(5,707)	6,020
Impairment/(write back) on investments in					
- subsidiaries	19	-	-	65,498	(4,245)
- goodwill	24	862	1,309	-	-
Fair value gain on financial assets at fair value through profit or loss		848	1,387	848	1,387
Provision for/(write back) of receivables and amount due from subsidiaries		4,134	816	(79,956)	(6,019)
Property, plant and equipment					
- depreciation		20,892	12,592	1,746	1,278
- written off		1,759	666	377	0
- net gain on disposal		(54)	(71)	(4)	-
Depreciation of investment properties		9,432	13,689	519	890
Amortisation of intangible assets					
- service concession asset	31	30,303	21,422	-	-
- order book	24	3,534	4,736	-	-
Provision for					
- liabilities and charges	35	(29,485)	(15,971)	-	(18,200)
- post-employment benefits	37	1,879	2,141	772	729

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Note	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
OPERATING ACTIVITIES (CONTINUED)				
Unrealised (gain)/loss on currency translation differences	(2,087)	198	(1,414)	272
Realised gain on transactions with an associate	(1,164)	(905)	-	-
Operating profit/(loss) from operations before changes in working capital	223,809	317,935	(57,882)	17,235
Changes in working capital:				
Property development costs	20,383	110,437	-	-
Inventories	(20,475)	(34,228)	-	-
Receivables	147,464	(273,989)	27,526	(87,208)
Amounts due from subsidiaries (net)	-	-	(75,797)	1,449
Amounts due from associates and joint ventures (net)	(12,890)	(5,276)	(2,546)	64
Amounts due to related parties (net)	-	-	98	(121)
Payables	59,185	120,089	(14,524)	7,393
Net cash flow from operations	417,476	234,968	(123,125)	(61,188)
Interest income received	10,595	7,494	3,863	2,701
Dividends received from				
- subsidiaries	-	-	72,270	2,245
- financial assets at fair value through profit or loss	303	229	303	229
Tax refunded	564	10,666	-	2,384
Tax paid	(81,257)	(63,615)	(2,670)	(5,562)
Interest expenses paid	(198,241)	(180,605)	(37,589)	(26,644)
Credit facilities arrangement fees paid	(3,178)	(7,294)	-	(5,450)
Retirement benefits paid	(2,111)	(3,719)	(1,130)	(1,087)
Liability and charges paid	(3,739)	(16,822)	-	(10,000)
Payment of guaranteed return to a non-controlling interest	-	(115,000)	-	(115,000)
Net cash flow from operations	140,412	(133,698)	(88,078)	(217,372)
Net cash flow from discontinuing operations	-	13,527	-	-
Net cash flow generated from/(used in) operating activities	140,412	(120,171)	(88,078)	(217,372)

52

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
INVESTING ACTIVITIES					
Redemption of preference shares in a subsidiary		-	-	-	14,700
Proceeds from disposal of a joint venture		119,776	-	119,776	-
Net cash inflow from disposal of a subsidiary		-	3,749	-	3,749
Proceeds from disposal of asset held for sale	A	96,000	228,000	-	228,000
Proceeds from disposal of property, plant and equipment		2,530	77	6	-
Purchase of property, plant and equipment		(75,616)	(44,130)	(2,937)	(130)
Purchase of investment properties		(118,053)	(38,375)	-	-
Purchase of land held for property development		(449,930)	(85,968)	-	-
Balance of payment for disposal of a subsidiary in prior year		-	45,000	-	-
Subscription of shares in					
- subsidiaries		-	(22,733)	(20,000)	(28,719)
- associate		(5,883)	(21,560)	(5,883)	(21,560)
- joint ventures		(5,510)	-	-	-
Dividends received from associates		14,379	-	14,379	-
Acquisition of available for sale financial assets		-	(83)	-	(83)
Repayment of advances by subsidiaries		-	-	175,016	139,112
Advances to subsidiaries		-	-	(214,579)	(267,159)
Acquisition of order book		(20,000)	-	-	-
Proceed from Government grant		33,024	-	-	-
Net cash flow (used in)/generated from investing activities		(409,283)	63,977	65,778	67,910

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
FINANCING ACTIVITIES					
Proceeds from term loans		701,253	669,840	162,000	328,000
Repayment of term loans		(488,679)	(489,364)	(126,400)	(107,000)
Proceeds from share options exercised		13	97	13	97
Dividend paid to shareholders		(44,664)	(17,601)	(44,664)	(17,601)
Dividend paid to non-controlling interest		(37,730)	-	-	-
Profit distribution by a joint venture		-	(657)	-	-
Released/(pledged) of bank balances and fixed deposits as security for financing		170,199	(57,953)	45,867	(50,510)
Net payment for additional equity interest in subsidiaries		(502)	(48,478)	-	(67,711)
Net cash flow generated from financing activities		299,890	55,884	36,816	85,275
CHANGES IN CASH AND CASH EQUIVALENTS					
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		308,210	308,520	41,144	105,331
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR	30	339,229	308,210	55,660	41,144

Note

"0" denotes as amount less than RM1,000.

A. Non-cash transactions other than those disclosed elsewhere in the financial statements

INVESTING ACTIVITIES

Gross proceeds from disposal of assets held for sale (Note 31(B))
Less: cash directly repaid to bank term loan (Note 38)

Net proceeds from disposal of assets held for sale

Group	
2015 RM'000	2014 RM'000
476,000	-
(380,000)	-
96,000	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

1. GENERAL INFORMATION

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development, property investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development, property investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

The principal activities of the subsidiaries, joint ventures and associates are described in Note 47 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 33A, Menara NU 2
No. 203, Jalan Tun Sambanthan
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 15 March 2016.

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 financial 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 Financial Reporting Standards (FRS) and the requirements of the Companies Act, 1965 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 2018. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

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 2015 are as follows:

- Annual Improvement to FRSs 2010 - 2012 Cycle
- Annual Improvement to FRSs 2011 – 2013 Cycle
- Amendments to FRS 119 “Defined Benefit Plans: Employee Contributions”

The adoption of the Annual Improvements to FRSs 2010-2012 Cycle has required additional disclosures about the aggregation of segments.

Other than the above, the adoption of the above standards, amendments to published standards and interpretations to existing standards did not have material financial impact on the results of the Group and of the Company for the current and any prior financial year and are not likely to affect future periods.

(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

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2016. None of these is expected to have a significant effect on the consolidated financial statements of the Group and of the Company, except the following set out below:

Financial year beginning on/after 1 January 2016

- Amendment to FRS 11 “Joint Arrangements” requires an investor to apply the principles of FRS 3 “Business Combination” when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.
- Amendments to FRS 116 “Property, Plant and Equipment” and FRS 138 “Intangible Assets” clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to FRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

Financial year beginning on/after 1 January 2016 (continued)

- Amendments to FRS 10 and FRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture resolve a current inconsistency between FRS 10 and FRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

Financial year beginning on/after 1 January 2018

- MFRS 15 'Revenue From Contracts With Customers' replaces MFRS 118 'Revenue' and MFRS 111 'Construction Contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- MFRS 9 'Financial Instruments' will replace FRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. 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.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

Financial year beginning on/after 1 January 2018 (continued)

The Group and the Company are in the process of making an assessment on the potential impact of these standards on the financial statements.

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 to direct the relevant activity of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated 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.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to the fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

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 interests' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

All earnings and losses of the subsidiaries 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 financial year is not restated.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

The Group had adopted FRS 10 "Consolidated Financial Statements" with effective for financial year beginning 1 January 2013 and 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

The change in accounting policy had been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 had no significant impact to the financial statements of the Group.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when the control is lost, with the change in carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or 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 and liabilities. This may mean that amount previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries disposed.

(b) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(c) Associates (continued)

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is 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.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in the profit or loss.

(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 had adopted FRS 11 "Joint Arrangements" with effect from 1 January 2013. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(d) Joint arrangements (continued)

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

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 ("RM"), 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	31.12.2015 RM	31.12.2014 RM
100 Thai Baht	11.83	10.63
1 Australian Dollar	3.12	2.86
1 UK Pound	6.36	5.44
1 Singapore Dollar	3.03	2.64
1 US Dollar	4.29	3.49

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCIES (CONTINUED)

(c) Group companies (continued)

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.

2.4 INVESTMENTS

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

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. The initial cost of property, plant and equipment is net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the property, plant and equipment.

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 the end of each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.

2.6 INVESTMENT PROPERTIES

Investment properties, comprising land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

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. Cost of investment property is net of the amount of GST, except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the investment property.

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.

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 arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill (continued)

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.

(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 based on the percentage of completion over the development period. 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

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Accounting by lessee

Finance Lease

Leases of property, plant and equipment where the Group and the Company assume substantially all the risks and rewards 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 LEASES (CONTINUED)

Accounting by lessee (continued)

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.

Accounting by lessor

Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

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.

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

(b) Property development costs (continued)

When the outcome of the development activity can be estimated reliably and the sale of the development unit is effected (i.e. upon the signing of the individual sales and purchase agreements), property development revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of development activity at the reporting date in accordance with FRS 201 "Property Development Activities". The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense when incurred.

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:

Cumulative traffic volume to-date	
-----	X SCA
Projected total traffic volume for the entire concession period	

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Costs of purchased inventory is determined after deducting rebates, discounts and the amount of GST, except where the amount of GST incurred is not recoverable from the government and valued using weighted average cost method. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of purchased inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.12 RECEIVABLES

Receivables are recognised initially at fair value, with the amount of GST included. The net amount of GST recoverable from the government is presented as other receivables in the statement of financial position. Receivables is 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 September 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 16 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 EMPLOYEE BENEFITS (CONTINUED)

(b) Post-employment benefits (continued)

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 initially recognised at fair value with the amount of GST included. The net amount of GST payable to the government is presented as other payables in the statement of financial position. Payables is 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

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 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(a) Construction contracts

Contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date as stated in Note 2.13 to the financial statements.

(b) Property development activities

Property development revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of development activity at the reporting date in accordance with FRS 201 "Property Development Activities" as stated in Note 2.9 (b) to the financial statements.

(c) Concession revenue

Concession revenue from the operation of toll roads and port operations is recognised as and when the services are performed.

(d) Hotel operations revenue

Hotel revenue represents income derived from room rentals, sales of food and beverage and other hotel related income. Room rental income is accrued on a daily basis on customer-occupied rooms. Sales of food and beverage are recognised upon delivery to customers. Hotel revenue is recognised net of sales tax and discounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 REVENUE RECOGNITION (CONTINUED)

(e) Other revenue

Dividend income is recognised when the Group's right to receive payment is established.

Interest income is recognised using the effective interest method, taking into account the principal outstanding and the effective rate over the period to maturity, unless collectibility is in doubt, in which case it is recognised on a cash receipt basis.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Rental income is recognised on an accrual and straight-line basis unless collectibility is in doubt, in which case the recognition of such income is suspended.

Revenue from building maintenance and management services are recognised upon performance of services.

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.

2.25 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets

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.

Subsequent measurement - gains 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)

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 assets original effective interest rate. The asset's carrying amount 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)

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.

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

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 profit or loss 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(d) Warrants reserve

Proceed from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to share premium reserve upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Issuance of free warrants is not recognised in the financial statements, except for the warrants issued in a business combination in which case the warrants are fair valued as part of the purchase consideration.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.31 GOVERNMENT GRANT

Grant from the Government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant relating to the acquisition of assets are classified as non-current are credited to the profit or loss over the expected lives of the related assets, on basis consistent with the depreciation of the related assets.

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 (CONTINUED)

Critical accounting estimates

(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 profit or loss 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.

Critical accounting judgements

(a) Impairment of goodwill and other intangible assets with indefinite useful lives

The Group tests at least annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Notes 2.7 and 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.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

4 FINANCIAL RISK MANAGEMENT

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, foreign currency 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 (2014: 1%) with all other variables including tax rate being held constant, the result after tax will be lower/higher by 3.7% (2014: 6.6% %) 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 risks

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 (CONTINUED)

(iii) Liquidity and cash flow risks (continued)

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
The Group				
At 31 December 2015				
Trade and other payables	1,126,407	650	-	1,127,057
Borrowings	1,149,058	1,344,717	83,800	2,577,575
Sukuk	81,843	278,417	1,254,437	1,614,697
Loan stocks	16,800	-	-	16,800
Dividend payable	44,664	-	-	44,664
	2,418,772	1,623,784	1,338,237	5,380,793
At 31 December 2014				
Trade and other payables	1,087,031	5	-	1,087,036
Borrowings	1,474,620	1,368,174	39,304	2,882,098
Sukuk	98,333	389,345	1,289,616	1,777,294
Loan stocks	-	16,800	-	16,800
	2,659,984	1,774,324	1,328,920	5,763,228
The Company				
At 31 December 2015				
Trade and other payables	73,774	-	-	73,774
Amounts due to subsidiaries	134,435	-	-	134,435
Borrowings	381,406	486,713	-	868,119
Dividend payable	44,664	-	-	44,664
Financial guarantee contract	547,815	788,433	83,800	1,420,048
	1,182,094	1,275,146	83,800	2,541,040
At 31 December 2014				
Trade and other payables	77,604	-	-	77,604
Amounts due to subsidiaries	137,565	-	-	137,565
Borrowings	262,888	587,202	-	850,090
Financial guarantee contract	953,278	552,049	39,303	1,544,630
	1,431,335	1,139,251	39,303	2,609,889

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

31 DECEMBER 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Credit risk

Credit risk, or the risk of counterparties defaulting, is 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 27 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 customer, Uptown Skyline Sdn. Bhd. totalling RM366,755,424 (2014: RM351,473,948), of which the Group considers the risk of default is low, as the payment of the outstanding amount had been recovered subsequent to the financial year.

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 equity. Total debts is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statements of financial position).

The gearing ratios at 31 December 2015 and 31 December 2014 were as follows;

	Group	
	2015	2014
	RM'000	RM'000
Total debt	3,394,375	3,690,661
Total equity	2,260,147	1,985,256
Total capital	5,654,522	5,675,917
Gearing ratio	1.50	1.86

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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), loan stocks 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).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 December 2015.

Assets

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Level 1				
Available for sale financial assets	268	268	268	268
Financial assets at fair value through profit or loss	2,381	3,229	2,381	3,229
Level 2				
Available for sale financial assets	309	309	309	309

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair values (continued)

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 of the Company's assets and liabilities that are not measured at fair value as at 31 December 2015 are disclosed in the respective notes to the financial statements.

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Financial year ended 31 December 2015

Paradigma Berkat Sdn. Bhd.

The Company had on 31 March 2015 entered into a Share Sale Agreement with DMIA (M) Sdn. Bhd. ("DMIA") to dispose its entire 70% equity interest in Paradigma Berkat Sdn. Bhd., represented by 210,000 ordinary shares of RM1.00 each for a cash consideration of RM39,010,808.

The disposal was completed on 1 June 2015 with a disposal gain of RM38,823,119 recognised in the profit or loss (Note 8).

The effects of the above disposal to the financial position of the Group as at the date of disposal were as follows:

	As at 1.6.2015 RM'000
Land held for property development	1,113
Bank balance	6
Trade and other payables	(161)
Amount due to ultimate holding company	(688)
Non-controlling interest	(82)
Gain on disposal	38,823
Total consideration received from disposal	39,011
Less:	
Bank balance	(6)
Amount due from DMIA	(39,011)
Net cash outflow from disposal	(6)

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014

(i) P.J Sentral Development Sdn. Bhd.

During the financial year ended 31 December 2014, the Company completed the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. ("P.J Sentral") in accordance with the terms and conditions of the Share Sale Agreement with Nusa Gapurna Development Sdn. Bhd. ("NGD SSA"), signed on 8 February 2013 and amended and varied by the Supplementary NGD SSA dated 3 June 2013 and Supplementary NGD letter dated 19 August 2013.

On 24 June 2014, the Company paid the cash consideration of RM30,348,584 and allotted 108,807,365 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 development property market.

The following table summarises the consideration paid for P.J Sentral and the fair value of assets and liabilities assumed at the acquisition date.

Consideration at 24 June 2014

	RM'000
Cash	30,349
Ordinary shares issued (108,807,365 @ RM1.70/share)	184,972
Free detachable warrants issued (31,087,819 @ RM0.24/warrant)	7,461
	222,782

The fair value of the 108,807,365 ordinary shares issued as part of the consideration paid for P.J Sentral was based on the published share price of RM1.70 per share on 24 June 2014. The fair value of 31,087,819 free detachable warrants issued as part of the purchase consideration paid for P.J Sentral was RM0.24 per warrant based on the published warrants price on 24 June 2014.

Fair value of identifiable assets acquired and liabilities assumed

	RM'000
Property, plant and equipment (Note 15)	166
Property development costs (Note 17(b))	
- land, at cost	304,371
- development costs	35,783
Other receivables	11
Cash and bank balances	27,642
Other payables	(49,713)
Non-controlling interest	(95,478)
Purchase consideration	222,782
Cash consideration paid	(30,349)
Less: cash and cash equivalent of a subsidiary acquired	
- cash and bank balances	27,642
Cash outflow on acquisition	(2,707)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(i) P.J Sentral Development Sdn. Bhd. (continued)

In addition to the above, the Company had on 20 June 2014, together with NGD entered into a settlement agreement with PKNS Holding Sdn. Bhd. ("PKNS"), a non-controlling interest of P.J Sentral to resolve all disputes, conflict, differences, claims and complaints against each other. On the same day, the Company also entered into a Share Sale Agreement with PKNS for the acquisition of the remaining 30% equity interest in P.J Sentral held by PKNS for a cash consideration of RM85,300,000.

Simultaneous with the execution of the settlement agreement, P.J Sentral and PKNS had entered into a development agreement for the purpose of granting development rights to PKNS over the development of a building identified as Tower 2 which is to be constructed/developed on a parcel of development land held by P.J Sentral. Consequently, Tower 2 land valued at RM91,119,462 was sold to PKNS by P.J Sentral.

Along with the Tower 2 land, the Group had also transferred its right to construct on Tower 2 land valued at RM15,525,600 to PKNS (Note 24).

Upon obtaining shareholders' approval at the Company's Extraordinary General Meeting held on 23 September 2014, the acquisition of the remaining 30% equity interest in P.J Sentral was completed. The 30% equity interest acquisition was accounted for as a transaction with a non-controlling interest, resulting in a net loss of RM5,305,389 recognised in the equity of the Group.

The effects of the above to the financial results of the Group from the date of the acquisitions are as follows:

	2014 RM'000
Revenue	161,681
Cost of sales	(145,623)
Gross profit	16,058
Other operating income	421
Operating costs	(3,526)
Profit from operations	12,953
Finance income	362
Profit before taxation	13,315
Taxation	(8,899)
Profit after taxation	4,416
Non-controlling interest	(42)
Net profit attributable to shareholders	4,374

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(i) P.J Sentral Development Sdn. Bhd. (continued)

The effects of the above to the financial position of the Group as at 31 December 2014 are as follows:

	As at 31.12.2014 RM'000
Property, plant and equipment	65
Property development costs	243,773
Trade and other receivables	114,537
Tax recoverable	601
Deposits, cash and bank balances	20,577
Trade and other payables	(56,876)
	322,677

(ii) Penang Sentral Sdn. Bhd.

The Company had on 24 July 2014 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad ("PHB") to acquire PHB's 51% equity interest in Penang Sentral Sdn. Bhd. ("PSSB"), consisting 12,750,000 ordinary shares of RM1.00 each and 30,600,000 redeemable non-cumulative preference shares of RM0.10 each for a total cash consideration of RM50,750,000.

The acquisition was completed on 8 August 2014. Following the acquisition, the Company increased its shareholding from 49% to 100% in PSSB and the later became a wholly owned subsidiary of the Company.

In accordance with the requirements of FRS 3 (revised) "Business Combinations", a re-measurement gain of RM7,325,637 was recognised on the Company's existing 49% equity interest in PSSB in the Group's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(ii) Penang Sentral Sdn. Bhd. (continued)

The details of the provisional fair value of PSSB's identifiable assets and liabilities assumed at the date of acquisition are as follows:

	RM'000
Property, plant and equipment (Note 15)	46,548
Investment property (Note 16)	24,007
Land held for property development (Note 17(a))	22,361
Trade and other receivables	13,100
Cash and bank balances	643
Trade and other payables	(4,430)
Amount due to related companies	(2,052)
Deferred tax liabilities (Note 25)	(3,589)
	96,588
Goodwill on consolidation (Note 24)	2,922
Fair value of 100% equity interest	99,510
Less: fair value of 49% existing equity interest at the date of acquisition	(48,760)
Purchase consideration	50,750
Cash and cash equivalent of the subsidiary acquired	
- cash and bank balances	(643)
Cash outflow on acquisition	50,107

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(ii) Penang Sentral Sdn. Bhd. (continued)

The effects of the above acquisition to the financial results of the Group from the date of the acquisitions are as follows:

	2014 RM'000
Revenue	588
Cost of sales	(1,457)
Gross loss	(869)
Other operating income	71
Operating costs	(617)
Loss on operations	(1,415)
Finance income	1
Loss before taxation	(1,414)
Taxation	-
Net loss attributable to shareholders	(1,414)

The effects of the above acquisition to the financial position of the Group as at 31 December 2014 are as follows:

	As at 31.12.2014 RM'000
Property, plant and equipment	80,700
Investment property	34,666
Land held for property development	26,417
Trade and other receivables	4,543
Cash and bank balances	35
Trade and other payables	(47,597)
Deferred tax liabilities	(3,589)
	95,175
Goodwill on consolidation	2,922
	98,097

Had P.J Sentral and PSSB been consolidated from 1 January 2014, the consolidated statements of comprehensive income would show pro-forma revenue of RM1,508,746,258 and profit after taxation of RM175,521,549.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(iii) MRCB Technologies Sdn. Bhd.

The Company had on 18 September 2014 entered into a Conditional Share Sale Agreement with XMT Technologies Holdings Sdn. Bhd. for the disposal of the Company's entire equity interest in MRCB Technologies Sdn. Bhd., a wholly owned subsidiary, for cash consideration of RM7,810,000.

The disposal was completed on 16 October 2014 with a disposal gain of RM235,807 recognised in the profit or loss (Note 8).

The effects of the above disposal to the financial position of the Group as at the date of disposal were as follows:

	As at 16.10.2014 RM'000
Property, plant and equipment	468
Trade and other receivables	11,787
Amount due to related companies	5,767
Tax recoverable	21
Cash and bank balances	4,061
Trade and other payables	(14,538)
Retained earnings	244
Total consideration received from disposal	7,810
Less: cash and bank balances	(4,061)
Net cash inflow from disposal	3,749

6 REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development	589,945	771,133	-	-
Construction contracts	774,525	518,989	89,964	95,833
Rental income	130,683	93,985	18,129	16,499
Building services	74,595	77,522	-	-
Toll concession	112,783	48,992	-	-
Rendering of other services	4,428	2,239	-	-
Dividend income (gross)	289	279	304,761	142,139
Management fees	2,843	840	41,556	28,468
Others	6,636	788	1,213	1,213
	1,696,727	1,514,767	455,623	284,152

7 COST OF SALES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development	385,273	562,569	-	-
Construction contracts	674,392	434,882	86,032	71,502
Rental income	66,445	59,209	11,886	10,776
Building services	57,736	58,796	-	-
Toll concession	52,036	28,795	-	-
Rendering of other services	7,017	761	-	-
	1,242,899	1,145,012	97,918	82,278

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

8 OTHER INCOME AND FINANCE INCOME

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Gain/(loss) on disposal of:				
- subsidiaries (Notes 49(c) & 49(d))	38,904	236	(8,868)	1,310
- joint venture (Note 49(f))	70,121	-	17,776	-
- an associate (Note 31)	-	94,868	-	94,868
- investment property (Note 49(b))	220,531	-	-	-
Building maintenance services	10,606	13,221	-	-
Rental income from land and buildings	2,486	2,734	2,442	2,319
Re-measurement gain arising from step acquisition of a subsidiary (Note 5)	-	7,326	-	-
Interim payment from Government of Malaysia (Note 31)	-	62,872	-	-
Settlement payment for termination of construction contract (Note 31)	-	33,700	-	33,700
Others	5,161	4,052	122	20
	347,809	219,009	11,472	132,217
Finance income from				
- unwinding of discount for financial assets	25,518	28,434	-	4,284
- fixed deposits	10,672	8,525	3,815	2,701
- others	3,139	1,450	48	-
	39,329	38,409	3,863	6,985

9 PROFIT BEFORE INCOME TAX

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit	919	850	139	125
- other services				
- audit related	151	208	23	208
- non audit related	2,705	2,361	1,883	1,791
Other auditors				
- statutory audit	-	2	-	-
Staff costs (including remuneration of Executive Directors) (Note 10)	143,171	105,931	48,545	32,176
Depreciation of investment properties	9,432	13,689	519	890

9 PROFIT BEFORE INCOME TAX (CONTINUED)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after charging/(crediting): (continued)				
Property, plant and equipment				
- depreciation	20,892	12,592	1,746	1,278
- written off	1,759	666	377	-
- net gain on disposal	(54)	(71)	(4)	-
Amortisation of:				
- service concession asset	30,303	21,422*	-	-
- order book	3,534	4,736	-	-
Impairment losses/(write back) on				
- subsidiaries	-	-	65,498	(4,245)
- goodwill	862	1,309	-	-
Provision for/(write back) of receivable and amount due from subsidiaries	4,134	816	(79,956)	(6,019)
(Gain)/loss on disposal of				
- subsidiaries	(38,904)	(236)	8,868	(1,310)
- an associate	-	(94,868)	-	(94,868)
- a joint venture	(70,121)	-	(17,776)	-
Re-measurement gain arising from step acquisition of a subsidiary	-	(7,326)	-	-
Fair value loss of financial assets at fair value through profit or loss	848	1,387	848	1,387
Rental of				
- premises	14,279	17,378	17,279	12,572
- motor vehicles	39	12	39	12
- office equipment	483	540	32	119
Provision for liabilities and charges	(29,485)	(15,971)	-	(18,200)
Unrealised loss/(gain) on foreign exchange	(2,087)	198	(1,414)	272

* Represents amortisation of service concession asset of RM84,377,504 (Note 18) net of RM62,955,148 received from Government of Malaysia ("GoM") for the delay in gazetting the toll collection pursuant to the Concession Agreement between the Group and the GoM in relation to the Eastern Dispersal Link Expressway ("EDL").

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 which amounted to RM36,749,250 (2014: RM31,771,719) and RM1,265,569 (2014: RM1,215,956) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

10 STAFF COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	104,322	83,754	34,963	24,830
Defined contribution plan	15,055	10,164	5,232	3,428
Defined benefit plan (Note 37)	1,879	2,141	772	729
Share options (Note 32)	4,869	-	1,723	-
Other employee benefits	17,046	9,872	5,855	3,189
	143,171	105,931	48,545	32,176

The number of persons employed by the Group and the Company at the end of the financial year were 1,721 (2014: 1,449) and 279 (2014: 259) respectively.

11 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

Non-executive Directors

Tan Sri Azlan Mohd Zainol (Chairman)

Datuk Shahril Ridza Ridzuan

Rohaya Mohammad Yusof

Jamaludin Zakaria

Chuah Mei Lin

Hasman Yusri Yusoff

Datuk Ahmad Johari Tun Abdul Razak

Dato' Abdul Rahman Ahmad

Dato' Chong Pah Aung

(Appointed on 4 September 2015)

(Appointed on 26 January 2016)

(Resigned on 13 May 2015)

(Resigned on 24 August 2015)

(Resigned on 31 January 2016)

Executive Directors

Tan Sri Mohamad Salim Fateh Din (Group Managing Director)

Mohd Imran Tan Sri Mohamad Salim (Executive Director)

11 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year were as follows:

	Group and Company	
	2015	2014
	RM'000	RM'000
Non-executive Directors		
- fees	1,001	895
- emoluments	309	180
	1,310	1,075
Executive Directors		
- salaries and bonus	3,756	1,600
- defined contribution plan	796	345
- other employee benefits	260	120
	4,812	2,065
	6,122	3,140
Benefits-in-kind		
Non-Executive Director	78	7
Executive Directors	85	24
	163	31

12 FINANCE COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Arrangement fees for borrowings	1,302	1,284	168	583
Interest expense on				
- Senior and Junior Sukuk	81,844	82,425	-	-
- term loans	97,179	82,968	37,546	28,093
- hire purchase	8	20	-	-
- loan stock	490	490	-	-
Amortisation of loan issuance cost	4,020	4,006	1,090	560
	184,843	171,193	38,804	29,236

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

13 INCOME TAX EXPENSE

(a) Tax charged/(credited) for the financial year

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
In Malaysia				
Current tax	45,473	68,135	-	6,180
Under/(over) provision in prior years	1,532	(4,150)	2,053	(145)
	47,005	63,985	2,053	6,035
Deferred tax	(40,922)	(10,709)	-	-
Income tax expense	6,083	53,276	2,053	6,035
Current tax:				
Current year	45,473	68,135	-	6,180
Under/(over) provision in prior years	1,532	(4,150)	2,053	(145)
	47,005	63,985	2,053	6,035
Deferred tax:				
Origination net of reversal of temporary differences (Note 25)	(45,847)	(10,709)	-	-
Reversal arising from disposal of asset held for sale (Note 31)	4,925	-	-	-
	(40,922)	(10,709)	-	-
Income tax expense	6,083	53,276	2,053	6,035

13 INCOME TAX EXPENSE (CONTINUED)

(b) Numerical reconciliation of taxation and the product of accounting profit multiplied by the Malaysia tax rate.

The explanation of the relationship between income tax expense and profit before income tax is as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before income tax	370,112	220,618	236,444	251,189
Tax calculated at the Malaysian tax rate of 25% (2014: 25%)	92,528	55,155	59,111	62,797
Tax effects of:				
Income not subject to tax	(88,879)	(38,181)	(89,382)	(60,910)
Expenses not deductible for tax purposes	16,818	37,775	26,452	7,950
Utilisation of tax losses not recognised in previous year	(2,407)	(804)	-	-
Movement of unrecognised deductible temporary differences	(1,842)	(6,992)	3,244	(3,657)
Under/(over) provision of tax in prior years	1,532	(4,150)	2,053	(145)
Reversal arising from disposal of asset held for sale*	4,925	-	-	-
Unabsorbed tax losses and temporary differences previously not recognised	(23,389)	-	-	-
Current year tax losses not recognised	6,797	10,473	575	-
Income tax expense	6,083	53,276	2,053	6,035

* Represents reversal of deferred tax assets upon the disposal of asset held for sale to a tax exempt entity.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

14 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the 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	
	2015	2014
Profit for the financial year attributable to the equity holders of the Company (RM'000)		
- from continuing operations	330,392	136,457
- from discontinuing operations	-	16,177
	330,392	152,634
Weighted average number of ordinary shares in issue ('000)	1,785,714	1,708,565
Basic earnings per share (sen)		
- from continuing operations	18.50	7.99
- from discontinuing operations	-	0.94
	18.50	8.93

(b) Diluted earnings per share

Profit attributable to the equity holders of the Company (RM'000)		
- from continuing operations	330,392	136,457
- from discontinuing operations	-	16,177
	330,392	152,634
Weighted average number of ordinary shares in issue ('000)	1,785,714	1,708,565
Adjustment for share options ('000)	7	5
Adjusted weighted average number of ordinary shares in issue ('000)	1,785,721	1,708,570

14 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (continued)

	Group	
	2015	2014
Diluted earnings per share (sen)		
- from continuing operations	18.50	7.99
- from discontinuing operations	-	0.94
	18.50	8.93

For the purpose of calculating diluted 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.

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 2015 was lower than the said option's and warrant's exercise prices. Accordingly, there is no bonus element in the outstanding shares for the purpose of computing the dilution.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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	Construction in progress RM'000	Total RM'000
Group						
2015						
Cost/valuation						
At 1.1.2015	180,448	24,959	61,080	7,547	20,061	294,095
Additions	4,336	270	21,575	1,767	47,668	75,616
Disposals	(526)	-	(3,633)	(66)	-	(4,225)
Written off	(4,454)	(51)	(21,543)	-	-	(26,048)
Reclassification	14,737	-	125	-	(14,862)	-
Transferred from investment properties (Note 16)	26,104	-	-	-	5,869	31,973
Transferred from land held for property development (Note 17(a))	22,361	-	-	-	4,056	26,417
At 31.12.2015	243,006	25,178	57,604	9,248	62,792	397,828
Accumulated depreciation						
At 1.1.2015	7,656	10,501	38,922	6,716	-	63,795
Charge for the financial year	8,138	2,493	9,804	457	-	20,892
Release on disposals	(462)	-	(1,253)	(34)	-	(1,749)
Written off	(3,865)	(34)	(18,676)	-	-	(22,575)
At 31.12.2015	11,467	12,960	28,797	7,139	-	60,363
Accumulated impairment losses						
At 1.1.2015	-	-	1,714	-	-	1,714
Written off	-	-	(1,714)	-	-	(1,714)
At 31.12.2015	-	-	-	-	-	-

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
Group						
2014						
Cost/valuation						
At 1.1.2014	15,684	20,592	68,790	7,474	-	112,540
Additions	19,139	4,471	13,833	221	20,061	57,725
Acquisition of subsidiaries (Note 5)	46,533	6	175	-	-	46,714
Disposal of subsidiary (Note 5)	-	-	(1,769)	-	-	(1,769)
Disposals	-	(126)	(5,184)	(148)	-	(5,458)
Written off	-	-	(15,657)	-	-	(15,657)
Reclassification	-	16	(16)	-	-	-
Transferred from investment properties (Note 16)	99,092	-	908	-	-	100,000
At 31.12.2014	180,448	24,959	61,080	7,547	20,061	294,095
Accumulated depreciation						
At 1.1.2014	2,904	8,252	54,652	6,422	-	72,230
Charge for the financial year	4,780	2,375	4,995	442	-	12,592
Disposal of subsidiary (Note 5)	-	-	(1,301)	-	-	(1,301)
Release on disposals	-	(126)	(5,178)	(148)	-	(5,452)
Written off	(28)	-	(14,246)	-	-	(14,274)
At 31.12.2014	7,656	10,501	38,922	6,716	-	63,795
Accumulated impairment losses						
At 1.1.2014	-	-	2,431	-	-	2,431
Written off	-	-	(717)	-	-	(717)
At 31.12.2014	-	-	1,714	-	-	1,714
Net book value						
At 31.12.2015	231,539	12,218	28,807	2,109	62,792	337,465
At 31.12.2014	172,792	14,458	20,444	831	20,061	228,586

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of the freehold land and buildings of the Group are as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
2015			
Cost			
At 1.1.2015	81,336	99,112	180,448
Additions	173	4,163	4,336
Disposals	-	(526)	(526)
Written off	-	(4,454)	(4,454)
Reclassification	10,500	4,237	14,737
Transferred from/(to) investment properties (Note 16)	28,797	(2,693)	26,104
Transferred from land held for property development (Note 17(a))	22,361	-	22,361
At 31.12.2015	143,167	99,839	243,006
Accumulated depreciation			
At 1.1.2015	-	7,656	7,656
Charge for the financial year	-	8,138	8,138
Released on disposals	-	(462)	(462)
Written off	-	(3,865)	(3,865)
At 31.12.2015	-	11,467	11,467
2014			
Cost			
At 1.1.2014	6,269	9,415	15,684
Additions	13,752	5,387	19,139
Acquisition of subsidiary (Note 5)	46,533	-	46,533
Reclassification	14,782	84,310	99,092
At 31.12.2014	81,336	99,112	180,448
Accumulated depreciation			
At 1.1.2014	-	2,904	2,904
Charge for the financial year	-	4,780	4,780
Written off	-	(28)	(28)
At 31.12.2014	-	7,656	7,656

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of the freehold land and buildings of the Group are as follows: (continued)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Net book value			
At 31.12.2015	143,167	88,372	231,539
At 31.12.2014	81,336	91,456	172,792

	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
Company 2015			
Cost			
At 1.1.2015	8,660	172	8,832
Additions	2,937	-	2,937
Disposals	[633]	-	[633]
Written off	[5,187]	-	[5,187]
At 31.12.2015	5,777	172	5,949
Accumulated depreciation			
At 1.1.2015	7,079	172	7,251
Charge for the financial year	1,746	-	1,746
Disposals	[631]	-	[631]
Written off	[4,810]	-	[4,810]
At 31.12.2015	3,384	172	3,556

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
Company			
2014			
Cost			
At 1.1.2014	11,701	172	11,873
Additions	130	-	130
Written off	(3,171)	-	(3,171)
At 31.12.2014	8,660	172	8,832
Accumulated depreciation			
At 1.1.2014	8,972	172	9,144
Charge for the financial year	1,278	-	1,278
Written off	(3,171)	-	(3,171)
At 31.12.2014	7,079	172	7,251
Net book value			
At 31.12.2015	2,393	-	2,393
At 31.12.2014	1,581	-	1,581

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	
	2015 RM'000	2014 RM'000
Group		
Motor vehicles	1,144	49

No borrowings costs for the Group have been capitalised to the construction of a hotel that has been completed during the financial year (2014: RM644,978).

16 INVESTMENT PROPERTIES

	Land & building RM'000	Construction in progress RM'000	Total RM'000
Group			
2015			
Cost			
At 1.1.2015	861,132	78,817	939,949
Additions	39,267	80,785	120,052
Transfer to property, plant and equipment (Note 15)	(26,104)	(5,869)	(31,973)
Transfer to assets held for sale (Note 31)	(502,364)	-	(502,364)
At 31.12.2015	371,931	153,733	525,664
Accumulated depreciation			
At 1.1.2015	83,152	-	83,152
Charge for the financial year	9,432	-	9,432
Transfer to assets held for sale (Note 31)	(24,276)	-	(24,276)
At 31.12.2015	68,308	-	68,308
Accumulated impairment loss			
At 1.1.2015/31.12.2015	43,839	-	43,839

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

16 INVESTMENT PROPERTIES (CONTINUED)

	Land & building RM'000	Construction in progress RM'000	Total RM'000
Group			
2014			
Cost			
At 1.1.2014	841,511	129,272	970,783
Additions	4,791	40,368	45,159
Acquisition of subsidiary (Note 5)	24,007	-	24,007
Transfer to property, plant and equipment (Note 15)	(100,000)	-	(100,000)
Reclassification	90,823	(90,823)	-
At 31.12.2014	861,132	78,817	939,949
Accumulated depreciation			
At 1.1.2014	69,463	-	69,463
Charge for the financial year	13,689	-	13,689
At 31.12.2014	83,152	-	83,152
Accumulated impairment loss			
At 1.1.2014/31.12.2014	43,839	-	43,839
Net book value			
At 31.12.2015	259,784	153,733	413,517
At 31.12.2014	734,141	78,817	812,958

16 INVESTMENT PROPERTIES (CONTINUED)

	Land & building RM'000	Total RM'000
Company		
2015		
Cost		
At 1.1.2015	60,510	60,510
Transfer to asset held for sale (Note 31)	(60,510)	(60,510)
At 31.12.2015	-	-
Accumulated depreciation		
At 1.1.2015	5,415	5,415
Charge for the financial year	519	519
Transfer to asset held for sale (Note 31)	(5,934)	(5,934)
At 31.12.2015	-	-
2014		
Cost		
At 1.1.2014/31.12.2014	60,510	60,510
Accumulated depreciation		
At 1.1.2014	4,525	4,525
Charge for the financial year	890	890
At 31.12.2014	5,415	5,415
Net book value		
At 31.12.2015	-	-
At 31.12.2014	55,095	55,095

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

16 INVESTMENT PROPERTIES (CONTINUED)

The investment properties of the Group and of the Company with net book value of RM331,817,730 and RM Nil respectively (2014: RM749,126,966 and RM55,095,073) have been charged as security for term loan facilities of the Group and of the Company (Notes 38 and 43).

Borrowings costs of RM5,269,987 (2014: RM2,494,657) for the Group has been capitalised in the construction in progress for the investment properties during the financial year.

At 31 December 2015, there were no contractual obligations for future repairs and maintenance (2014: Nil).

The leasehold land have unexpired periods of leases ranging from 29 years to 77 years.

Fair value information

The fair value of the investment properties excluding those being constructed as at financial year end are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2015				
Land and Building	-	-	281,013	281,013
2014				
Land and Building	-	75,000	936,983	1,011,983
Company				
2015				
Land and Building	-	-	-	-
2014				
Land and Building	-	75,000	-	75,000

16 INVESTMENT PROPERTIES (CONTINUED)

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.

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 building 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.

The following table shows a reconciliation of Level 2 fair value:

	2015 RM'000	2014 RM'000
Group and Company		
At 1 January	75,000	75,000
Transfer to asset held for sale (Note 31)	(75,000)	-
At 31 December	-	75,000

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 for investment properties excluding those being constructed as at financial year end.

	2015 RM'000	2014 RM'000
Group		
At 1 January	936,983	934,674
Additions	44,030	166,309
Transfer to assets held for sale (Note 31)	(700,000)	-
Transfer to property, plant and equipment (Note 15)	-	(164,000)
At 31 December	281,013	936,983

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

16 INVESTMENT PROPERTIES (CONTINUED)

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
		The estimated fair value would increase/(decrease) if
Discounted cash flow	<ul style="list-style-type: none"> - Expected market rental growth : 3% - Yield: 7.5% - Discount rate: 5% to 6.4% 	<ul style="list-style-type: none"> - Expected market rental growth were higher/(lower) - Yield rate were higher/(lower) - Discount rates were lower/(higher)

Valuation process applied by the Group for Level 3 fair value

The fair value of the properties as at the statements 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	
	2015	2014
	RM'000	RM'000
Freehold land, at cost	871,500	321,326
Freehold land, at valuation	3,058	3,058
Leasehold land, at cost	367,014	275,653
Leasehold land, at valuation	42,356	42,356
Development expenditure	534,090	430,695
	1,818,018	1,073,088
Less: Accumulated impairment losses	(31,126)	(31,126)
	1,786,892	1,041,962
At start of financial year	1,041,962	818,996
Development expenditure incurred	95,408	42,667
Transfer from property development costs (Note 17(b))	322,531	71,970
Acquisition of freehold land	343,865	84,314
Acquisition of leasehold land	10,656	1,654
Transfer to property, plant and equipment (Note 15)	(26,417)	-
Upon acquisition of a subsidiary		
- freehold land, at cost	-	22,361
Upon disposal of a subsidiary		
- development costs	(1,113)	-
At end of the financial year	1,786,892	1,041,962

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

17 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

17(b) Property development costs

	Group	
	2015	2014
	RM'000	RM'000
At start of the financial year		
- land, at cost	621,631	437,739
- development costs	1,096,269	743,367
- accumulated costs charged to profit or loss	(886,376)	(464,663)
	831,524	716,443
Costs incurred during the financial year		
- transfer from land held for property development (Note 17(a))		
- land, at cost	30,482	367
- development costs	18,697	-
	49,179	367
- land, at cost	68	1,362
- development costs	388,749	398,896
	437,996	400,625
Foreign currency translation		
- land, at cost	2,669	(344)
- development costs	(718)	(21)
	1,951	(365)
Transfer to land held for property development (Note 17(a))		
- land, at cost	(335,684)	(52,730)
- development costs	(36,026)	(19,607)
	(371,710)	(72,337)
Transfer to inventories		
- land, at cost	(4,165)	-
- development costs	(20,100)	-
	(24,265)	-
Upon acquisition of subsidiaries (Note 5)		
- land, at cost	-	304,371
- development costs	-	35,783
	-	340,154
Costs charged to profit or loss	(386,886)	(552,996)
Balance carry forward	488,610	831,524

17 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

17(b) Property development costs (continued)

	Group	
	2015	2014
	RM'000	RM'000
Balance brought forward	488,610	831,524
Reversal upon completion of projects		
- land, at cost	(130,070)	(69,134)
- development costs	(740,502)	(62,149)
- accumulated costs charged to profit or loss	870,572	131,283
At end of the financial year	488,610	831,524
Analysed as follows		
- land, at cost	184,931	621,631
- development costs	706,369	1,096,269
- accumulated costs charged to profit or loss	(402,690)	(886,376)
	488,610	831,524

Included in development expenditure are the following charges made during the financial year:

	Group	
	2015	2014
	RM'000	RM'000
Interest capitalised	16,797	17,698

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 38 and 43).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

18 SERVICE CONCESSION ASSET

	Group	
	2015 RM'000	2014 RM'000
Cost		
At start of the financial year	1,321,672	-
Additions	3,000	-
Transferred from asset held for sale (Note 31)	-	1,321,672
At end of the financial year	1,324,672	1,321,672
Less: Accumulated amortisation		
- At start of the financial year	(84,377)	-
- Charge for the financial year (Note 9)	(30,303)	(84,377)
- At end of the financial year	(114,680)	(84,377)
As at 31 December	1,209,992	1,237,295

19 SUBSIDIARIES

	Company	
	2015	2014
	RM'000	RM'000
Cost of investment	2,337,183	1,757,809
Less: Accumulated impairment losses		
- At start of financial year	(239,049)	(243,294)
- (Charge)/write back for the financial year*	(65,498)	4,245
	(304,547)	(239,049)
	2,032,636	1,518,760
Loan stocks	17,333	17,333
Less: Accumulated impairment losses	(17,333)	(17,333)
	-	-
At 31 December	2,032,636	1,518,760

Cost of investment 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 further profits distribution by the subsidiary.

In addition, the cost of investment is net of the disposal effects of subsidiaries reflected in Note 49(c) and Note 49(d) to the financial statements and the conversion of receivables to cost of investment in subsidiaries in the form of redeemable preference shares of RM564,352,200.

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.

* The impairment losses in the current financial year were primarily recognised pursuant to the Company's decision to cease the operation of a subsidiary. The recoverable amount of the subsidiary is based on the value in use method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows. (Note: Certain comparative disclosures have been restated to conform with the current year presentation.)

	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Seri Iskandar Development Corporation Sdn Bhd RM'000	MRCB Putra Sdn Bhd * RM'000	Rukun Juang Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group 2015							
NCI percentage of ownership interest and voting interest	34.3%	49.0%	30.0%	30.0%	15.0%		
Accumulated NCI as at 31 December	16,990	33,189	1,326	445	674	-	52,624
Profit/(loss) allocated to NCI during the financial year	20,762	13,963	144	(475)	(76)	(681)	33,637
Other comprehensive income	-	-	-	-	-	-	-
	20,762	13,963	144	(475)	(76)	(681)	33,637
Summarised financial information before intra-group elimination							
As at 31 December							
Non current assets	-	626	43,920	-	10,656	-	55,202
Current assets	197,680	285,689	40,496	76,029	1,391	2,363	603,648
Non current liabilities	-	-	(719)	-	-	-	(719)
Current liabilities	(148,146)	(221,141)	(98,033)	(48,302)	(7,689)	(2,363)	(525,674)
Net assets/(liabilities)	49,534	65,174	(14,336)	27,727	4,358	-	132,457

* Non-controlling interest has been derived subsequent to considering RM26.235 million equity instrument subscribed by the Company.

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Seri Iskandar Development Corporation Sdn Bhd RM'000	MRCB Putra Sdn Bhd RM'000	Rukun Juang Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group 2015							
Year ended 31 December							
Revenue	328,859	204,146	15,490	-	-	-	548,495
Profit/(loss) for the financial year	60,531	28,495	482	(1,582)	(507)	(2,046)	85,373
Total comprehensive income/(loss)	60,531	28,495	482	(1,582)	(507)	(2,046)	85,373
Net cash generated from/(used in) operating activities	238,231	88,256	(2,138)	(21,251)	(8,957)	(768)	293,373
Net cash used in investing activities	-	-	(33)	-	-	-	(33)
Net cash (used in)/generated from financing activities	(150,439)	(122,434)	-	26,979	10,293	-	(235,601)
Net cash arising from acquisition of NCI	-	-	-	-	-	(8,080)	(8,080)
Dividend paid to NCI	(37,730)	-	-	-	-	-	(37,730)
Net increase/(decrease) in cash and cash equivalents	50,062	(34,178)	(2,171)	5,728	1,336	(8,848)	11,929
Cash and cash equivalents							
- at beginning of the financial year	36,479	50,630	29,597	227	-	8,850	125,783
- at end of the financial year	86,541	16,452	27,426	5,955	1,336	2	137,712

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Seri Iskandar Development Corporation Sdn Bhd RM'000	MRCB Putra Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group 2014						
NCI percentage of ownership interest and voting interest	34.3%	49.0%	30.0%	30.0%		
Accumulated NCI as at 31 December	60,770	19,227	1,181	919	(2,844)	79,253
Profit/(loss) allocated to NCI during the financial year	32,204	7,740	(3,796)	(571)	(4,692)	30,885
Other comprehensive income	-	-	14	-	109	123
	32,204	7,740	(3,782)	(571)	(4,583)	31,008
Summarised financial information before intra-group elimination						
As at 31 December						
Non current assets	-	2,004	31,478	37,209	168,901	239,592
Current assets	332,695	385,198	52,398	242	36,203	806,736
Non current liabilities	-	(62,712)	(714)	-	-	(63,426)
Current liabilities	(155,523)	(287,811)	(97,980)	(34,377)	(214,602)	(790,293)
Net assets/(liabilities)	177,172	36,679	(14,818)	3,074	(9,498)	192,609

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Seri Iskandar Development Corporation Sdn Bhd RM'000	MRCB Putra Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group 2014						
Year ended 31 December						
Revenue	436,570	116,683	30,057	-	14,498	597,808
Profit/(loss) for the financial year	93,889	15,796	(12,654)	(1,904)	(14,184)	80,943
Total comprehensive income/(loss)	93,889	15,796	(12,608)	(1,904)	(13,820)	81,353
Net cash generated from/(used in) operating activities	217,825	(43,968)	6,548	(5,767)	(1,833)	172,805
Net cash used in investing activities	-	(282)	(14)	-	1	(295)
Net cash (used in)/generated from financing activities	(195,059)	69,649	-	1,470	8,605	(115,335)
Net cash arising from acquisition of NCI	-	-	-	-	(1,530)	(1,530)
Net increase/(decrease) in cash and cash equivalents	22,766	25,399	6,534	(4,297)	5,243	55,645
Cash and cash equivalents						
- at beginning of the year	13,713	25,231	23,063	4,524	3,607	70,138
- at end of the year	36,479	50,630	29,597	227	8,850	125,783

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

20 ASSOCIATES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
In Malaysia				
Quoted investment at cost*	251,625	-	251,625	-
Unquoted investments at cost	84,138	78,255	84,138	78,255
Share of post-acquisition accumulated profit	21,397	19,268	-	-
Unrealised gains**	(115,255)	(13,283)	-	-
	241,905	84,240	335,763	78,255
Analysis of associates are as follows:				
Group's share of tangible assets	241,904	84,239		
Goodwill of acquisition	1	1		
	241,905	84,240		

* Quoted investment at cost represents the Company's equity interest of 31.18% in MRCB-Quill REIT ("MQ REIT") (formerly known as Quill Capita Trust), a real estate investment trust listed on the main market of Bursa Malaysia Securities Berhad. The Company acquired an interest in MQ REIT during the financial year in conjunction with the completion of the disposal of the Group's investment property, Platinum Sentral as disclosed in Note 31(B) to the financial statements.

** Unrealised gains includes RM103,138,451 restricted profits arising from the disposal of Platinum Sentral to MQ REIT, an associate company as disclosed in Note 31(B) to the financial statements.

The fair value of the quoted investment as at 31 December 2015 is RM222,750,000, based on quoted market prices at the reporting date included within Level 1 of the fair value hierarchy.

20 ASSOCIATES (CONTINUED)

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.

	MRCB- Quill REIT RM'000	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB Construction Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
Group 2015							
Summarised financial information							
Percentage of ownership interest and voting interest	31.2%	30.0%	49.0%	40.0%	40.0%		
As at 31 December							
Non current assets	1,551,792	279,270	3,769	154	139	428	1,835,552
Current assets	51,675	179,025	135,916	13,198	19,784	13,445	413,043
Non current liabilities	(705,294)	(133,231)	(1,224)	(14)	-	-	(839,763)
Current liabilities	(16,022)	(77,092)	(109,533)	(5,712)	(15,859)	(4,528)	(228,746)
Net assets	882,151	247,972	28,928	7,626	4,064	9,345	1,180,086
Year ended 31 December							
Profit/(loss) from operations	30,580	(8,970)	14,317	1,466	1,234	1,673	40,300
Other comprehensive income	1,610	-	-	-	-	-	1,610
Total comprehensive income/(loss)	32,190	(8,970)	14,317	1,466	1,234	1,673	41,910
Included in total comprehensive income is:							
Revenue	96,565	79,040	422,754	3,262	19,472	7,146	628,239

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

20 ASSOCIATES (CONTINUED)

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. (continued)

	MRCB- Quill REIT RM'000	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB Construction Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
Group							
2015							
Reconciliation of net assets to carrying amount							
As at 31 December							
Group's share of net assets	257,084	74,392	14,175	3,051	1,626	3,753	354,081
Goodwill	-	-	1	-	-	3,078	3,079
Elimination of unrealised profit	(103,138)	(12,117)	-	-	-	-	(115,255)
Carrying amount in the statements of financial position	153,946	62,275	14,176	3,051	1,626	6,831	241,905
Group's share of results							
Year ended 31 December							
Group's share of profit or loss from operations							
- current year	9,536	(2,691)	7,015	587	494	700	15,641
- under recognition in prior year	-	-	367	-	-	(1)	366
	9,536	(2,691)	7,382	587	494	699	16,007
Group's share of associate's other comprehensive income	502	-	-	-	-	-	502
Group's share of total comprehensive income/(loss)	10,038	(2,691)	7,382	587	494	699	16,509

20 ASSOCIATES (CONTINUED)

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 (continued)

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB Construction Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
Group 2014							
Summarised financial information							
Percentage of ownership interest and voting interest	30.0%	49.0%	40.0%	40.0%	0%		
As at 31 December							
Non current assets	228,527	6,921	184	174	-	61	235,867
Current assets	166,765	306,231	6,355	21,476	-	1,100	501,927
Non current liabilities	(70,902)	(3,708)	-	-	-	-	(74,610)
Current liabilities	(67,448)	(275,581)	(379)	(18,819)	-	(326)	(362,553)
Net assets	256,942	33,863	6,160	2,831	-	835	300,631
Year ended 31 December							
(Loss)/profit from operations	(453)	21,260	5,722	843	(477)	(102)	26,793
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss)/income	(453)	21,260	5,722	843	(477)	(102)	26,793
Included in total comprehensive income is:							
Revenue	61,034	545,519	11,379	7,673	470	-	626,075

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

20 ASSOCIATES (CONTINUED)

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. (continued)

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB Construction Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
Group							
2014							
Reconciliation of net assets to carrying amount							
As at 31 December							
Group's share of net assets	77,082	16,593	2,464	1,132	-	251	97,522
Goodwill	-	1	-	-	-	-	1
Elimination of unrealised profit	(13,283)	-	-	-	-	-	(13,283)
Carrying amount in the statements of financial position	63,799	16,594	2,464	1,132	-	251	84,240
Group's share of results							
Year ended 31 December							
Group's share of profit or loss from operations							
- current year	(136)	10,417	2,289	337	(234)	(30)	12,643
- over recognition in prior year	-	(293)	-	-	(97)	(1)	(391)
Group's share of total comprehensive (loss)/income	(136)	10,124	2,289	337	(331)	(31)	12,252

20 ASSOCIATES (CONTINUED)

One IFC Sdn. Bhd. ("One IFC") is involved in the development of St. Regis Hotel and Residences in Kuala Lumpur Sentral. One IFC is a strategic partnership for the Group, enhancing the Group's involvement in the property development and property investment business.

MRCB-Quill REIT ("MQ REIT") is a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of MQ REIT includes the acquisition of and investment in commercial properties, primarily in Malaysia. The Group's 41% equity interest associate, MRCB Quill Management Sdn. Bhd. is the Manager of MQ REIT.

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.

Ekovest-MRCB JV Sdn. Bhd. is engaged as the Project Delivery Partner for the River of Life Entry Point Project. The project is involved in upstream river cleaning and beautification works. Ekovest-MRCB Construction Sdn. Bhd. is the appointed contractor for River of Life project.

The results of associates are accounted for by using equity method.

The Group and the Company received dividend of RM9,800,000 and RM4,578,750 from associates, UEM-MRCB JV Sdn. Bhd. and MQ REIT respectively, during the financial year (2014: Nil).

The Group and the Company does not have any capital commitments or contingent liabilities in relation to its interest in the associates as at 31 December 2015 (2014: Nil).

21 JOINT VENTURES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
In Malaysia				
Unquoted investments at cost*	5,510	102,000	-	102,000
Share of post-acquisition reserves	652	(43,568)	-	-
	6,162	58,432	-	102,000

The following table summarises the information of the Group's joint ventures and reconcile the information to the carrying amount of the Group's interest in the joint ventures.

- * The Company disposed its 51% equity interest in Nu Sentral Sdn. Bhd., a joint venture entity to Pelaburan Hartanah Berhad for a consideration of RM119,776,136 as disclosed in Note 49(f) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

21 JOINT VENTURES (CONTINUED)

Summarised financial information

2015

	MRCB George Kent Sdn Bhd RM'000	Dekad Kaliber Sdn Bhd RM'000	Nu Sentral Sdn Bhd RM'000	Total RM'000
Percentage of ownership interest and voting interest	50%	51%	51%	
As at 31 December				
Non current assets	32	36	-	68
Current assets	11,922	11,097	-	23,019
Current liabilities	(1,379)	(9,418)	-	(10,797)
Net assets	10,575	1,715	-	12,290
Year ended 31 December				
Profit/(loss) from operations	575	715	(14,916)	(13,626)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	575	715	(14,916)	(13,626)
Included in total comprehensive income/(loss) are as follows:				
Revenue	2,378	14,196	18,485	35,059
Depreciation	(1)	(6)	(106)	(113)
Interest income	2	-	223	225
Interest expenses	-	-	(10,122)	(10,122)
Income tax expenses	(192)	(315)	(5)	(512)
Reconciliation of net assets to carrying amount				
As at 31 December				
Group's share of net assets	5,287	875	-	6,162
Carrying amount in statements of financial position	5,287	875	-	6,162
Group's share of results				
Year ended 31 December				
Group's share of profit/(loss) from operations				
- current year	287	365	(7,607)	(6,955)
- under recognition in prior year	-	-	(1,170)	(1,170)
	287	365	(8,777)	(8,125)
Group's share of other comprehensive income	-	-	-	-
Group's share of total comprehensive income/(loss)	287	365	(8,777)	(8,125)

21 JOINT VENTURES (CONTINUED)**Summarised financial information (continued)****2014**

	Nu Sentral Sdn Bhd RM'000
Percentage of ownership interest and voting interest	51%
As at 31 December	
Non current assets	781,568
Current assets	42,656
Non current liabilities	(598,501)
Current liabilities(111,149)	
Net assets	114,574
Year ended 31 December	
Loss from operations	(71,678)
Other comprehensive income	-
Total comprehensive loss	(71,678)
Included in total comprehensive income/(loss) are as follows:	
Revenue	28,459
Depreciation	(236)
Interest income	1,231
Interest expenses	(28,435)
Income tax credit	3
Reconciliation of net assets to carrying amount	
As at 31 December	
Group's share of net assets	58,432
Carrying amount in statement of financial position	58,432
Group's share of results	
Year ended 31 December	
Group's share of loss from operations	(36,556)
Group's share of other comprehensive income	-
Group's share of total comprehensive loss	(36,556)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

21 JOINT VENTURES (CONTINUED)

MRCB George Kent Sdn. Bhd. is a 50%:50% joint venture between MRCB Builders Sdn. Bhd. (formerly known as Gelanggang Harapan Construction Sdn. Bhd.), a wholly owned subsidiary of the Company and George Kent (Malaysia) Berhad ("The JV"). The JV is a Project Delivery Partner for the construction and completion of the Light Rail Transit Line 3 from Bandar Utama to Johan Setia.

Dekad Kaliber Sdn. Bhd. is a 51%:49% joint venture between MRCB Engineering Sdn. Bhd., a wholly owned subsidiary of the Company and Hicom Builders Sdn. Bhd.. The purpose of setting up the joint venture is to undertake the construction of the Integrated Immigration, Customs, Quarantine and Security Complex at Bukit Kayu Hitam, Kedah Darul Aman.

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 ventures are accounted for by using equity method.

No dividends were received from joint venture during the financial year (2014: Nil).

The Group does not have any capital commitments or performance guarantee extended to third party in relation to its interest in the joint ventures as at 31 December 2015 (2014: RM1,311,000).

22 LONG TERM LOAN AND RECEIVABLES

		Group	
		2015	2014
		RM'000	RM'000
In Malaysia			
Trade receivables		5,253	5,924
		Company	
		2015	2014
		RM'000	RM'000
In Malaysia			
Non Convertible Redeemable Preference Shares		-	15,000
		-	15,000

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.

The Non Convertible Redeemable Preference Shares ("NCRPS") of RM15,000,000 were held in Country Annexe Sdn. Bhd. ("CASB"), a 70% equity owned subsidiary. During the financial year, upon the acquisition of the remaining 30% shareholding in CASB as indicated in the Note 49(c) of the financial statements, the NCRPS was designated as a capital contribution from the Company to CASB.

23 AVAILABLE FOR SALE FINANCIAL ASSETS

	Group and Company 2015 RM'000	2014 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

Available for sale financial assets are denominated in the following currencies:

	Group and Company 2015 RM'000	2014 RM'000
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 based on inputs of comparable investments. The fair value are within Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

24 INTANGIBLE ASSETS

The carrying amount of goodwill, development rights and order book on consolidation are as follows:

	Group	
	2015 RM'000	2014 RM'000
Goodwill		
At 1 January	154,101	151,179
Arising on consolidation (Note 5(ii))	-	2,922
At 31 December	154,101	154,101
Accumulated impairment loss		
At 1 January	(14,969)	(13,660)
Addition	(862)	(1,309)
At 31 December	(15,831)	(14,969)
	138,270	139,132
Development rights		
At 1 January/31 December	18,017	18,017
Order Book		
At 1 January	114,638	135,564
Addition (Note 49(a))	51,683	-
Amortisation charge	(3,534)	(4,736)
Amortisation charge capitalised in investment properties under construction	(2,001)	(664)
Transferred to accumulated losses upon the acquisition of non-controlling interest of a subsidiary (Note 5(i))	-	(15,526)
At 31 December	160,786	114,638
Total	317,073	271,787

Goodwill – 348 Sentral Sdn. Bhd. (RM53,118,877)

The goodwill of RM53,118,877 arising from the acquisition of 348 Sentral Sdn. Bhd., was tested for impairment using the fair value less cost to sell (2014: fair value less cost to sell).

24 INTANGIBLE ASSETS (CONTINUED)

Goodwill – 348 Sentral Sdn. Bhd. (RM53,118,877) (CONTINUED)

Key assumptions used in the fair value less cost to sell calculation is as follows:

	2015 RM	2014 RM
Average selling price per square feet of its investment property	1,156	1,200

The average selling price per square feet which is determined based on the Heads of Agreement entered by the Group as disclosed in Note 49 (I).

Goodwill – Gapurna group of companies (RM81,969,755)

The goodwill of RM81,969,755 arising from the acquisition of Gapurna group of companies which are allocated to the engineering & construction and property development business segments (i.e. Cash generating units) was tested for impairment using the value in use ("VIU") method.

Based on the impairment assessment performed by the Group, no impairment is required for the goodwill.

The recoverable amount of the CGUs in respect of the goodwill was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by the Board of Directors covering a five (5) year period (financial years 2016 to 2020).

Key assumptions used in the VIU calculations for the goodwill impairment assessment is as follows:

	2015	2014
Revenue	Based on cost plus 10% to 12% mark-up	
Discount rate (pre-tax)	8.96%	7.57%
Terminal growth rate	2.00%	2.00%

A reasonable possible change in the key assumptions would not result in any impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

24 INTANGIBLE ASSETS (CONTINUED)

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:

	2015 %	2014 %
Discount rate (pre-tax)	13.57	12.00

Based on the impairment test, no impairment is required for the development rights attributable to 59 INC Sdn. Bhd..

A reasonable possible change in the key assumptions would not result in any impairment.

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 statements of financial position:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets	76,705	35,784	-	-
Deferred tax liabilities	(85,293)	(90,219)	-	-
	(8,588)	(54,435)	-	-

The movements during the financial year relating to deferred tax are as follows:

At start of the financial year	(54,435)	(61,555)	-	-
Credit/(charged) to statement of comprehensive income (Note 13)				
Property, plant and equipment	12,588	340	(190)	257
Investment properties	2,441	(43)	2,702	(43)
Property development cost	17,471	(2,532)	-	-
Provisions	(14,744)	(1,288)	(2,512)	(214)
Order book	848	4,863	-	-
Tax losses	409	4,866	-	-
Service concession asset	22,300	4,503	-	-
Others	4,534	-	-	-
	45,847	10,709	-	-
Acquisition of subsidiaries (Note 5)	-	(3,589)	-	-
At end of the financial year	(8,588)	(54,435)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

25 DEFERRED TAX (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment	10,947	138	-	-
Property development cost	17,335	15,673	-	-
Provisions	12,447	27,191	490	3,002
Tax losses	18,700	18,291	-	-
Service concession asset	26,803	4,503	-	-
Others	4,534	-	-	-
	90,766	65,796	490	3,002
Offsetting	(14,061)	(30,012)	(490)	(3,002)
Deferred tax assets (after offsetting)	76,705	35,784	-	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(6,695)	(8,474)	(490)	(300)
Investment property	(9,431)	(11,872)	-	(2,702)
Property development cost	(56,082)	(71,891)	-	-
Order book	(27,146)	(27,994)	-	-
	(99,354)	(120,231)	(490)	(3,002)
Offsetting	14,061	30,012	490	3,002
Deferred tax liabilities (after offsetting)	(85,293)	(90,219)	-	-

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 statements of financial position are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deductible temporary differences	41,638	49,009	14,700	1,723
Tax losses	198,839	181,282	2,299	-

26 INVENTORIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Completed properties for sale	32,504	8,238	7,220	7,220
Raw materials	30,599	34,388	-	-
	63,103	42,626	7,220	7,220

The carrying value of inventories included RM626,397 (2014: RM626,397) stated at net realisable values.

Inventories where the net realisable values are expected to be below the carrying value have been written down.

27 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade receivables	587,304	764,709	11,216	150
Less: Provision for impairment of trade receivables	(19,179)	(16,362)	-	-
	568,125	748,347	11,216	150
Amounts due from customers on contracts (Note 28)	225,013	174,059	4,844	30,457
Accrued billings in respect of property development	38,155	230,991	-	-
Amounts due from related parties	1,848	589	264	377
Deposits	24,891	16,681	4,158	4,125
Prepayments	13,127	12,644	-	-
Other receivables	257,580	163,146	223,603	143,428
Less: Provision for impairment of other receivables	(33,637)	(32,425)	(12,834)	(12,834)
	261,961	160,046	214,927	134,719
	1,095,102	1,314,032	231,251	165,703

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Company	
	2015	2014
	RM'000	RM'000
Amounts due from subsidiaries*	651,188	1,223,605
Less: Provision for impairment of amounts due from subsidiaries	(65,659)	(191,967)
	585,529	1,031,638

* Amounts due from subsidiaries include Redeemable Cumulative Preference Shares of RM30,000,000 held by the Company in MRCB Putra Sdn. Bhd., a 70% equity owned subsidiary.

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts due from associates	17,282	-	17,282	-
Amounts due from joint ventures	1,420	5,813	-	14,736
	18,702	5,813	17,282	14,736

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 (2014: 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.

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables that are past due but not impaired

As at 31 December 2015, the Group's and the Company's trade receivables of RM69,625,542 (2014: RM93,529,939) and RM2,481,979 (2014: RM149,610) respectively 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables				
Less than three months	50,513	33,582	2,438	-
Between three to six months	5,012	10,079	-	-
Between six months and one year	10,248	23,004	-	-
More than one year	3,853	26,865	44	150
	69,626	93,530	2,482	150

As at 31 December 2015, the Group's and the Company's other receivables of RM62,511,730 (2014: RM3,865,934) and RM40,164,624 (2014: RM885,271) respectively 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables				
Less than three months	52,125	380	39,280	1
Between three to six months	5,453	1,183	-	-
Between six months and one year	3,486	25	-	-
More than one year	1,448	2,278	885	884
	62,512	3,866	40,165	885

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables that are impaired

As at 31 December 2015, the Group's and the Company's trade and other receivables were individually impaired either because of difficulties in collecting promptly or the debtors are in financial difficulty. The aging of these receivables is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables				
Within 6 months	-	-	-	-
More than 6 months	19,179	16,362	-	-
	19,179	16,362	-	-
Other receivables				
Within 6 months	-	-	-	-
More than 6 months	33,637	32,425	12,834	12,834
	33,637	32,425	12,834	12,834

Movements of the provision for impairment of trade and other receivables during the financial year are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables				
At start of the financial year	16,362	18,656	-	2,340
Provision for impairment of receivables	3,332	742	-	-
Reversal of impairment	(420)	(24)	-	(2,340)
Written off	(95)	(2,526)	-	-
Reversal upon disposal of a subsidiary	-	(486)	-	-
At end of the financial year	19,179	16,362	-	-
Other receivables				
At start of the financial year	32,425	47,412	12,834	27,915
Provision for impairment of receivables	1,778	150	-	3
Reversal of impairment	(556)	(52)	-	-
Written off	(10)	(15,085)	-	(15,084)
At end of the financial year	33,637	32,425	12,834	12,834

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the profit or loss. 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 2015 is the carrying value of each class of receivables mentioned above.

Amounts due from subsidiaries, associates, joint ventures 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.

The Group does not have 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 customer in respect of amounts due from Uptown Skyline Sdn. Bhd. of RM366,755,424 (2014: RM351,473,948). The Group has carried out an assessment on the recoverability of this balance and the Directors have concluded that no impairment is required, as the payment of the outstanding amount had been recovered subsequent to the financial year.

28 CONSTRUCTION CONTRACTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Aggregate costs incurred to date	4,450,153	4,509,774	599,453	533,342
Attributable profits on contract works performed to date	230,627	220,083	13,763	11,386
Less: Provision for foreseeable losses	(80)	(37,448)	-	-
	4,680,700	4,692,409	613,216	544,728
Less: Progress billings	(4,467,854)	(4,534,733)	(608,983)	(524,855)
	212,846	157,676	4,233	19,873
Amounts due from customers on contracts (Note 27)	225,013	174,059	4,844	30,457
Amounts due to customers on contracts (Note 41)	(12,167)	(16,383)	(611)	(10,584)
	212,846	157,676	4,233	19,873
Retention sum on contracts, included under trade receivables	73,526	58,880	3,136	-

The borrowing costs capitalised in construction contracts during the financial year was RM891,976 (2014: RM438,318).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Shares in corporations, quoted in Malaysia	2,381	3,229	2,381	3,229

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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	80,776	133,582	17,642	22,542
Deposits with licensed financial institutions	1,159	22,389	494	22,389
Cash held under Housing Development Accounts	77,944	81,466	-	-
Cash and bank balances	361,629	423,251	74,389	78,946
	521,508	660,688	92,525	123,877

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 RM182,278,722 (2014: RM352,477,979) and RM36,865,274 (2014: RM82,732,669) 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 36).

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.

30 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

Cash and cash equivalents of the Group and of the Company comprise:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits, cash and bank balances	521,508	660,688	92,525	123,877
Less:				
Cash and bank balances and fixed deposits held as security value	(182,279)	(352,478)	(36,865)	(82,733)
	339,229	308,210	55,660	41,144

The currency denomination of the deposits, cash and bank balances of the Group and of the Company are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	507,805	659,733	92,492	123,847
Australian Dollar	12,816	165	33	30
Thai Baht	887	790	-	-
	521,508	660,688	92,525	123,877

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	
	2015 %	2014 %	2015 %	2014 %
Deposits with licensed banks	3.16	3.01	3.23	3.19
Deposits with licensed financial institutions	3.18	3.39	3.40	3.39

The maturity periods of deposits with licensed banks and licensed financial institutions as at the financial year end were as follows:

	Group		Company	
	2015 days	2014 days	2015 days	2014 days
Deposits with licensed banks	3 - 365	2 - 365	7 - 365	7 - 365
Deposits with licensed financial institutions	6 - 90	2 - 7	6	2 - 7

Bank balances are held at call except for the restricted monies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

31 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non current assets held for sale				
Investment property	478,088	396,892	54,576	-
Deferred tax asset in relation to investment property	-	4,925	-	-
	478,088	401,817	54,576	-
Liabilities associated with assets held for sale				
Other payables	(11,227)	(6,605)	-	-
Net assets held for sale	466,861	395,212	54,576	-

The movement during the financial year relating to net assets held for sale are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	395,212	1,845,593	-	128,848
Transfer to SCA (Note A)	-	(1,321,672)	-	-
Disposal of investment property and other payables (Note B)	(395,212)	-	-	-
Transfer from investment properties (Note C)	478,088	-	54,576	-
Disposal of long term receivables (Note D)	-	(128,848)	-	(128,848)
(Reduction in)/transfer from other payables (Note C)	(11,227)	139	-	-
At 31 December	466,861	395,212	54,576	-

31 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONTINUED)

Note A

The service concession asset ("SCA") is in relation to the Concession Agreement between MRCB Lingkaran Selatan Sdn. Bhd. ("MLSSB"), 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. Upon completion of the construction of the EDL, the toll collection rights with a carrying value of RM1,321,672,431 was recognised as SCA.

Following the confirmation received from the Malaysian Highway Authority on the Government's intention to take over the expressway via an Interim Agreement, the SCA was classified as asset held for sale.

Pending conclusion of the settlement terms of the take-over, the GoM approved interim payments to reimburse the operating and maintenance expenses inclusive of finance cost in relation to the expressway incurred by MLSSB.

On 31 July 2014, MLSSB entered into a Termination Agreement with GoM to terminate the Interim Agreement followed by a Supplementary Agreement to amend and vary the relevant provisions of the principal Concession Agreement, whereby, the rights to the toll collection commencing from 1 August 2014 was granted to MLSSB.

Accordingly the EDL was transferred from assets held for sale to SCA (intangible asset) (Note 18).

Upon the transfer, the carrying amount of the SCA was adjusted for the amortisation that would have been recognised, had the SCA not been classified as asset held for sale.

Note B

The investment property represents Platinum Sentral, a property 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 30 March 2015, the disposal of Platinum Sentral to MRCB-Quill REIT ("MQ REIT") was completed. In exchange of the disposal, the Group received RM476,000,000 cash and 206,250,000 units in MQ REIT. The completion of the disposal resulted in the Group having a significant influence via its equity interest of 31.18% in MQ REIT. The disposal proceeds which comprised MQ REIT units was measured based on the published units price of MQ REIT of RM1.22 per Unit on 30 March 2015, resulting in a total disposal proceeds of RM727,625,000.

As the disposal of Platinum Sentral was made to an associate company, the gain from the disposal of RM103,138,451 was restricted by the Group, as disclosed in Note 20 to the financial statements.

Note C

The investment properties represent Sooka Sentral and Menara Shell, properties owned by the Company and 348 Sentral Sdn. Bhd., a wholly owned subsidiary of the Company. The investment properties and its related tenants deposit have been presented as assets held for sale and liabilities associated with asset held for sale following the Group's decision to dispose the investment properties as indicated in Note 49(g) and 49(l) to the financial statements.

The completion dates of the transactions are expected to be within the next twelve (12) month from the financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

31 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONTINUED)

Note D

The long term loan and receivables was in relation 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 the Company's associate, Nuzen Corporation Sdn. Bhd. (collectively known as "Investment in DUKE"). The Investment in DUKE was presented as asset held for sale following the Company's decision to dispose of the investment in the previous financial year.

The disposal was completed on 30 June 2014 for a total cash consideration of RM228,000,000, resulting in a disposal gain recognised by the Group of RM94,868,238 and a settlement payment received from Ekovest Berhad, the holding company of Nuzen Corporation Sdn. Bhd. for the construction contract termination of DUKE 2 highway of RM33,700,000 (Note 8).

32 SHARE CAPITAL

	Group and Company	
	2015	2014
	RM'000	RM'000
Authorised:		
Ordinary shares of RM1.00 each		
At 1 January	5,000,000	5,000,000
Increase during the year	-	-
At 31 December	5,000,000	5,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At 1 January	1,760,178	1,651,311
Issuance of new shares *	26,403	-
Allotment of shares pursuant to the acquisition of P.J Sentral Development Sdn. Bhd. (Note 5(i))	-	108,807
Exercise of option under 2007/2017 ESOS	10	60
At 31 December	1,786,591	1,760,178

* The issuance of new shares is pursuant to the acquisition of an intangible asset ("Order Book") from Gapurna Sdn. Bhd. as disclosed in Note 49(a) to the financial statements.

32 SHARE CAPITAL (CONTINUED)

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 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 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.
- (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.

On 27 October 2015, the ESOS Committee of the Company had approved the granting of 88,721,250 options under the Scheme and 85,103,750 options were granted and vested.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

32 SHARE CAPITAL (CONTINUED)

Employees' Share Option Scheme (continued)

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 31.12.2015
			At 1.1.2015	Granted	Exercised	Lapsed	
1	21 Dec 2007	RM2.79	499,410	-	-	-	499,410
2	28 Apr 2009	RM1.14	72,669	-	-	(4,946)	67,723
3	24 Aug 2010	RM2.00	416,000	-	-	(47,500)	368,500
4	27 June 2011	RM2.48	13,000	-	-	-	13,000
5	28 Feb 2013	RM1.61	20,157,319	-	-	(4,348,951)	15,808,368
6	27 Oct 2015	RM1.30	-	85,103,750	(10,000)	-	85,093,750
			21,158,398	85,103,750	(10,000)	(4,401,397)	101,850,751

* 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 101,850,751 units which are exercisable.

10,000 options were exercised during the financial year and the options outstanding at financial year end have remaining contractual life of 22 months.

All options granted during the option period will expire on 30 October 2017.

32 SHARE CAPITAL (CONTINUED)

Warrants

During the financial year ended 31 December 2015, 7,543,588 warrants of the Company were issued pursuant to the acquisition of an intangible asset ("Order Book") from Gapurna Sdn. Bhd. as reflected in Note 49(a) to the financial statements.

The warrants of the Company are constituted by a deed poll dated 22 August 2013.

At financial year end, the outstanding warrants included 576,519,012 units which are exercisable.

No warrants were exercised during the financial year and the warrants outstanding at the financial year end have remaining contractual life until 16 September 2018.

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 1.1.2015	Granted	Exercised	At 31.12.2015
Number of unexercised warrants	568,975,424	7,543,588*	-	576,519,012

- * The issuance of new shares is pursuant to the acquisition of an intangible asset ("Order Book") from Gapurna Sdn. Bhd. as disclosed in Note 49(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

33 SHARE PREMIUM

	Group and Company	
	2015	2014
	RM'000	RM'000
At 1 January	323,986	247,780
Issuance of new shares *	3,960	-
Allotment of shares pursuant to the acquisition of P.J Sentral Development Sdn. Bhd. (Note 5(i))	-	76,165
Exercise of options under 2007/2017 ESOS	3	37
Transferred from share options reserve	1	4
At 31 December	327,950	323,986

* The issuance of new shares is pursuant to the acquisition of an intangible asset ("Order Book") from Gapurna Sdn. Bhd. as disclosed in Note 49(a) to the financial statements.

34 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 value of the loan stocks approximate their fair values.

35 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 2015	-	43,734	-	43,734
Charged to profit or loss	-	4,826	-	4,826
Utilised during the financial year	-	(3,739)	-	(3,739)
Unutilised amounts reversed	-	(34,311)	-	(34,311)
At 31 December 2015	-	10,510	-	10,510
Current	-	10,510	-	10,510
At 31 December 2015	-	10,510	-	10,510
At 1 January 2014	14,914	67,058	10,000	91,972
Charged to profit or loss	531	2,092	4,983	7,606
Utilised during the financial year	-	(1,839)	(14,983)	(16,822)
Unutilised amounts reversed	-	(23,577)	-	(23,577)
Reclassified to trade and other payables	(15,445)	-	-	(15,445)
At 31 December 2014	-	43,734	-	43,734
Current	-	43,734	-	43,734
At 31 December 2014	-	43,734	-	43,734

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

36 SENIOR AND JUNIOR SUKUK

Group

Senior Sukuk

	2015 RM'000	2014 RM'000
Nominal value	845,000	845,000
Less: Unamortised cost of issue	(10,309)	(11,698)
	834,691	833,302
Senior Sukuk	845,000	845,000
Less: Issuance expenses	(20,805)	(20,805)
Net proceeds	824,195	824,195
Accumulated amortisation of issuance expenses	10,496	9,107
	834,691	833,302

Junior Sukuk

	2015 RM'000	2014 RM'000
Nominal value	230,000	230,000
Less: Issuance expenses	(300)	(300)
Net proceeds	229,700	229,700
Accumulated amortisation of issuance expenses	461	334
Less: Accumulated unwinding of premium	(6,388)	(4,877)
	223,773	225,157
Total Senior and Junior Sukuk	1,058,464	1,058,459

36 SENIOR AND JUNIOR SUKUK (CONTINUED)

- (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) 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.
- (iv) Both Sukuk are denominated in Ringgit Malaysia.
- (v) The carrying amounts of the Senior and Junior Sukuk approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

37 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group and the Company provide for unfunded retirement benefits to eligible employees, those permanent employees who joined before 1 September 2002, and 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 statements 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 16 December 2014.

The defined benefit plan exposed the Group and the Company to actuarial risk such as interest rate risk and salary inflation risk.

	Group	
	2015	2014
	RM'000	RM'000
Defined benefit plan		
At 1 January	16,539	16,396
Charged to profit or loss	1,879	2,141
Utilised during the financial year	(2,111)	(3,719)
Re-measurement of post employment benefit obligations recognised in other comprehensive income		
- current year	-	2,242
- disposal of subsidiary	-	8
Reversal upon disposal of a subsidiary (Note 5(iii))	-	(529)
At 31 December	16,307	16,539

	Company	
	2015	2014
	RM'000	RM'000
Defined benefit plan		
At 1 January	6,895	5,102
Charged to profit or loss	772	729
Utilised during the financial year	(1,130)	(1,087)
Re-measurement of post employment benefit obligations recognised in other comprehensive income	-	2,151
At 31 December	6,537	6,895

37 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

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 16 December 2014:

	Group RM'000	Company RM'000
Present value of unfunded obligations – Non current		
At 31 December 2015	16,307	6,537
At 31 December 2014	16,539	6,895
At 31 December 2013	16,396	5,102
At 31 December 2012	17,081	5,325
At 31 December 2011	16,893	5,953

The expenses recognised in the Group's and the Company's profit or loss are analysed as follows:

	Group	
	2015 RM'000	2014 RM'000
Current service cost	1,037	1,310
Interest cost	842	831
At 31 December	1,879	2,141

	Company	
	2015 RM'000	2014 RM'000
Current service cost	414	475
Interest cost	358	254
At 31 December	772	729

The above charge to the profit or loss was included in administrative expenses of the year.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 8.7 years (2014: 9.7 years).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

37 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used by the valuers in the valuation carried out on 16 December 2014 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	6.0

There is no material effect to the defined benefit obligations should there be a 1% movement in the above assumed discounted rate.

38 LONG TERM BORROWINGS

(a)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Term loans	2,026,928	2,473,782	525,600	590,000
Less: Unamortised cost of issue	(6,529)	(7,155)	(3,725)	(4,814)
	2,020,399	2,466,627	521,875	585,186
Less: Due within 12 months (Note 43)	(733,614)	(1,231,946)	(89,600)	(75,000)
	1,286,785	1,234,681	432,275	510,186
Term loans	2,026,928	2,473,782	525,600	590,000
Less: Issuance expenses	(15,212)	(13,335)	(5,450)	(5,450)
Net proceeds	2,011,716	2,460,447	520,150	584,550
Accumulated amortisation of issuance expenses	8,683	6,180	1,725	636
	2,020,399	2,466,627	521,875	585,186
Less: Due within 12 months (Note 43)	(733,614)	(1,231,946)	(89,600)	(75,000)
	1,286,785	1,234,681	432,275	510,186

38 LONG TERM BORROWINGS (CONTINUED)

(b) The repayment period of the term loans (before issuance cost) are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Analysis of term loans:				
Payable within one year	734,653	1,233,248	89,600	75,000
Payable between one and two years	571,968	280,556	100,000	100,000
Payable between two and five years	647,897	922,688	336,000	415,000
Payable after five years	72,410	37,290	-	-
	2,026,928	2,473,782	525,600	590,000
Representing term loans:				
Due within 12 months	734,653	1,233,248	89,600	75,000
Due after 12 months	1,292,275	1,240,534	436,000	515,000
	2,026,928	2,473,782	525,600	590,000
	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
(c) Weighted average year end effective interest rates per annum	5.70	5.10	5.67	5.35

(d) All borrowings are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

38 LONG TERM BORROWINGS (CONTINUED)

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
Floating interest rate						
2015						
Secured						
Revolving credit 1	4.94	37,197	37,197	-	-	-
Revolving credit 2	5.22	11,735	11,735	-	-	-
Unsecured						
Revolving credit 3	4.97	250,000	250,000	-	-	-
Trust receipts	7.85	9,580	9,580	-	-	-
		308,512	308,512	-	-	-
Floating interest rate						
Term loan 1	5.27	148,720	81,752	66,968	-	-
Term loan 2	5.49	115,353	115,353	-	-	-
Term loan 3	4.74	250,508	250,508	-	-	-
Term loan 4	5.48	256,600	89,600	100,000	67,000	-
Term loan 5	5.85	265,276	-	-	265,276	-
Term loan 6	5.25	134,989	134,989	-	-	-
Term loan 7	5.21	428,961	23,961	405,000	-	-
Term loan 8	4.94	123,670	-	-	51,261	72,409
Term loan 9	6.49	205,994	-	-	205,994	-
Term loan 10	5.33	56,338	37,451	-	18,887	-
Term loan 11	5.40	27,561	-	-	27,561	-
Term loan 12	4.88	6,429	-	-	6,429	-
		2,020,399	733,614	571,968	642,408	72,409
		2,328,911	1,042,126	571,968	642,408	72,409

38 LONG TERM BORROWINGS (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows:
(continued)

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
Floating interest rate						
2014						
Secured						
Revolving credit 1	4.63	1,225	1,225	-	-	-
Revolving credit 2	5.08	7,350	7,350	-	-	-
Unsecured						
Revolving credit 3	4.51	150,000	150,000	-	-	-
		158,575	158,575	-	-	-
Floating interest rate						
Term loan 1	5.29	194,568	45,848	52,844	95,876	-
Term loan 2	5.20	265,122	202,411	62,711	-	-
Term loan 3	4.95	380,000	380,000	-	-	-
Term loan 4	5.17	342,000	75,000	100,000	167,000	-
Term loan 5	5.60	243,186	-	-	243,186	-
Term loan 6	4.88	134,726	134,726	-	-	-
Term loan 7	4.81	442,923	13,961	25,000	403,962	-
Term loan 8	4.63	84,102	-	40,000	6,812	37,290
		2,086,627	851,946	280,555	916,836	37,290
Fixed interest rate						
Secured						
Term loan 13	4.92	380,000	380,000	-	-	-
		2,625,202	1,390,521	280,555	916,836	37,290

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

38 LONG TERM BORROWINGS (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows:
(continued)

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
2015						
Unsecured						
Revolving credit 3	4.97	250,000	250,000	-	-	-
Secured						
Term loan 4	5.48	256,600	89,600	100,000	67,000	-
Term loan 5	5.85	265,275	-	-	265,275	-
		521,875	89,600	100,000	332,275	-
		771,875	339,600	100,000	332,275	-
2014						
Unsecured						
Revolving credit 3	4.51	150,000	150,000	-	-	-
Secured						
Term loan 4	5.17	342,000	75,000	100,000	167,000	-
Term loan 5	5.60	243,186	-	-	243,186	-
		585,186	75,000	100,000	410,186	-
		735,186	225,000	100,000	410,186	-

38 LONG TERM BORROWINGS (CONTINUED)

B. Principal features borrowings

Term Loan 1

Term loan 1 of RM148,720,000 (2014: RM194,568,000) is secured by way of:

- (i) Fixed charge over the Group's service concession asset amounting to RM1,209,991,527 (2014: RM1,237,294,907) (Note 18); and
- (ii) First charge over Debt Service Reserve Account and second charge over the Redemption Account.

Term Loan 2

Term loan 2 of RM115,352,674 (2014: RM265,122,468) is secured by way of a freehold land of the Group held for development with a carrying value amount of RM140,000,000 (Note 17(b)).

Term Loan 3

Term loan 3 of RM250,508,540 (2014: RM380,000,000) is secured over trade receivables in respect of the sale of an office tower by the Group (Note 27).

Term Loan 4

Term loan 4 of RM256,600,000 (2014: RM342,000,000) is secured by way of:

- (i) First and third parties legal charge over the Group's investment properties with a carrying value of RM151,005,797 (2014: RM154,417,567) (Note 16);
- (ii) Assignment of rental income from the investment properties above;
- (iii) Assignment of the Company's beneficial rights arising from certain investments; and
- (iv) Power of Attorney to initiate disposal of the pledged properties/investments upon occurrence of Trigger Events or Event of Fault.

Term Loan 5

Term loan 5 (Sukuk Murabahah Programme) of RM265,275,832 (2014: RM243,185,833) is secured by way of:

- (i) Third party legal charge over the Group's wholly owned leasehold and freehold land of RM155,388,000 and RM61,342,232 respectively;
- (ii) A minimum Security Cover Ratio of 0.7 time;
- (iii) Any other lands and properties to be identified subject to the agreement between the issuer, the lead Arranger and the Sukuk holder of first issuance, if required in order to maintain the Security Cover Ratio; and
- (iv) A charge over the Designated Accounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

38 LONG TERM BORROWINGS (CONTINUED)

B. Principal features borrowings (continued)

Term Loan 6

Term loan 6 of RM134,989,318 [2014: RM134,725,990] 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 RM135,000,000 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 7

Term loan 7 of RM428,961,242 [2014: RM442,922,486] is secured by way of:

- (i) Fixed charge over a freehold land, an investment property and a hotel with a carrying amount of RM518,886,118 [2014: RM528,524,731] (Note 31 and Note 15 respectively);
- (ii) Finance Service Reserve Account with carrying amount of RM18,343,112 [2014: RM19,768,822]; and
- (iii) A corporate guarantee by the Company.

Term Loan 8

Term loan 8 of RM123,670,208 [2014: RM84,102,411] is secured by way of:

- (i) Fixed charge over a leasehold land and the investment property with total carrying amount of RM217,480,065 [2014: RM137,148,194] (Note 16);
- (ii) Master Deed of Assignment in respect of Assigned property as follows:
 - (a) The Agreement to Build and Lease;
 - (b) The Lease Agreement or the Tenancy Agreement;
 - (c) The Construction Contract;
 - (d) The Performance Bond; and
 - (e) The Insurances
- (iii) Memorandum of Deposit of the shares of the subsidiary;
- (iv) Assignment and charge over Shared Designated Accounts;
- (v) Debentures by the subsidiary;
- (vi) Corporate Guarantee and undertaking by the Company; and
- (vii) Priority and Security Sharing Agreement.

Term Loan 9

Term loan 9 of RM 205,993,799 is secured by way of:

- (i) Freehold land of the Group held for development with a carrying value of RM266,924,382 [Note 17(a)]; and
- (ii) A corporate guarantee by the Company.

38 LONG TERM BORROWINGS (CONTINUED)

B. Principal features borrowings (continued)

Term Loan 10

Term loan 10 of RM56,338,384 is secured by way of:

- (i) Fixed charge over a freehold land of the Group held for development with carrying value of RM58,409,605 (Note 17(a));
- (ii) Fixed charge over the leasehold lands of the Group with total carrying amount of RM96,200,956 (Note 17(a) and Note 17(b));
- (iii) Master Deed of Assignment over all rights, interests and benefits as contained in the following:
 - (a) The Management Agreement to be executed with the car park operator;
 - (b) The Tenancy/Rental Agreement to be executed with the tenants;
 - (c) The Performance Bonds or Guarantee from the contractor(s);
 - (d) The Insurances; and
 - (e) The other proceeds in relation to the mixed commercial development on Plot C (including but not limited to the rental proceeds from car park and proceeds from the sale of the development units).
- (iv) Assignment and charge over Designated Accounts;
- (v) Debenture by the Group; and
- (vi) A corporate guarantee by the Company.

Term Loan 11

Term loan 11 of RM27,560,692 is secured by way of:

- (i) Freehold land of the Group held for development with a carrying value of RM24,852,130 (Note 17(b));
- (ii) Assignment of all insurances;
- (iii) Assignment by way of security of the Revenue Account, sales proceeds and the retention sums;
- (iv) Assignment over rights, benefits, interest over the Contract Agreement executed between the Group and the contractor;
- (v) Assignment by way of security of all rights, titles, benefits and interest including but not limited to any sales agreement(s) and sales proceeds (deposit, payments or otherwise), all permits and licences of the Group;
- (vi) Charge over but no limited to the Interest Service Reserve Account; and
- (vii) Corporate Guarantee and undertaking by the Company.

Term Loan 12

Term loan 12 of RM6,428,911 is secured by way of:

- (i) Assignment of the Group's rights, title and interest in material construction contracts in respect of a Group's project;
- (ii) Assignment of the insurance/Takaful policies;
- (iii) Security Agreement over Designated Accounts;
- (iv) A corporate guarantee by the Company;
- (v) Letter of Negative Pledge by the Group in favour of the bank; and
- (vi) Subordination of shareholders' loan/financing.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

38 LONG TERM BORROWINGS (CONTINUED)

B. Principal features borrowings (continued)

Term Loan 13

Term loan 13 of Nil (2014: RM380,000,000) was secured by way of:

- (i) Fixed and floating charge over the investment property amounting to RM396,891,365 held for sale (Note 31); and
- (ii) A corporate guarantee by the Company.

39 LONG TERM LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Hire purchase creditors due after 12 months (Note 42)	662	3

40 GOVERNMENT GRANT

	Group	
	2015 RM'000	2014 RM'000
Facilitation fund	33,024	-

The facilitation fund represent grant received from the Malaysian Government for the planning, designing, financing, development, construction, equipping, installation, completion, testing and commissioning of the Penang Sentral transport terminal currently being constructed by a subsidiary of the Company.

41 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables	685,725	652,638	41,219	58,769
Amounts due to customers on contracts (Note 28)	12,167	16,383	611	10,584
Progress billings in respect of property development	29,530	1,765	-	-
Amounts due to related parties	1,271	14	-	14
Hire purchase creditors due within 12 months (Note 42)	335	38	-	-
Other payables	343,687	288,583	10,616	3,157
Accruals	105,189	155,558	21,328	15,664
	1,177,904	1,114,979	73,774	88,188

	Company	
	2015	2014
	RM'000	RM'000
Amounts due to subsidiaries	134,435	137,565

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 and the Company range from 14 days to 90 days (2014: 14 days to 90 days).

Credit terms of other payables for the Group and the Company range from 14 days to 90 days (2014: 30 days to 90 days).

The above trade and other payables balances are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

42 HIRE PURCHASE CREDITORS

	Group	
	2015 RM'000	2014 RM'000
Analysis of hire purchase creditors:		
Payable within one year	376	45
Payable between one and two years	650	5
	1,026	50
Less: Finance charges	(69)	(9)
	957	41
Present value of hire purchase creditors:		
Payable within one year	335	38
Payable between one and two years	622	3
	957	41
Representing hire purchase creditors:		
Due within 12 months (Note 41)	335	38
Due after 12 months (Note 39)	622	3
	957	41

- (a) The weighted average year end effective interest rates of hire purchase creditors range from 3.40% to 4.99% (2014: 3.40% to 6.01%) 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.

43 SHORT TERM BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Secured short term borrowings and other credit facilities	48,932	8,575	-	-
Secured term loans due within 12 months (Note 38)	733,614	1,231,946	89,600	75,000
Unsecured short term borrowings (Note 38)	259,580	150,000	250,000	150,000
Total	1,042,126	1,390,521	339,600	225,000

The principal features for the short term borrowings (term loan) of the Group and the Company have been disclosed in Note 38 to the financial statements.

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Weighted average year end effective interest rates				
Secured short term borrowings and other credit facilities	5.01	5.02	-	-
Secured term loans	5.15	5.00	5.48	5.17
Unsecured short term borrowings	5.08	4.51	4.97	4.51

All short term borrowings were denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

44 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")	A subsidiary of MPB and related by virtue of Datuk Shahril Ridza Ridzuan being common Director of both MPB and the Company.
Kumpulan Wang Simpanan Berhad ("KWSP")	Significant shareholder of the Company and related by virtue of Datuk Shahril Ridza Ridzuan being common Board member of both KWSP and the Company and Tan Sri Azlan Mohd Zainol and Puan Rohaya Mohammad Yusof are nominees of KWSP. KWSP is also an Agency of Government of Malaysia.
Gapurna Sdn. Bhd. ("GSB")	GSB is a major shareholders of the Company and Tan Sri Mohamad Salim Fateh Din and Mohd Imran Tan Sri Mohamad Salim being common Board members of both GSB and the Company.
Gapurna Retail Sdn. Bhd. ("GRSB")	Related by virtue of Tan Sri Mohamad Salim Fateh Din and Mohd Imran Tan Sri Mohamad Salim being common Board members of both GRSB and the Company. GRSB is wholly owned by GSB, a major shareholder of the Company.
Bisraya Acres Sdn. Bhd. ("BASB")	Related by virtue of Tan Sri Mohamad Salim Fateh Din being a common Board member of both BASB and the Company. BASB is wholly owned by GSB, a major shareholder of the Company.

44 RELATED PARTY DISCLOSURES (CONTINUED)

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Rental income from STMB	1,783	1,559	1,783	1,559
Legal fees charged by a legal firm of which its partner also a director of the Company	2,769	3,504	1,996	307
Purchase of advertisement from NSTP and STMB	171	30	52	5
Management fees from subsidiaries	-	-	39,343	28,468
Management fees charged to an associate	2,213	-	2,213	-
Provision of building maintenance services to KWSP and GRSB	5,823	7,218	-	-
Purchase of intangible asset ("Order Book") from GSB	51,683	-	-	-
Purchase of land from BASB	-	83,000	-	-
Progress billings charged to GSB	19,125	-	-	-
Progress billings charged to the Directors and key management of the Group and of the Company	6,111	3,987	-	-
Progress billings charged by subsidiaries				
- MRCB Builders Sdn. Bhd. (formerly known as Gelanggang Harapan Construction Sdn. Bhd.)	-	-	43,963	-
- MRCB Engineering Sdn. Bhd.	-	-	-	7,827
Repayment of advances by subsidiaries	-	-	175,016	139,112
Advances to subsidiaries	-	-	(214,579)	(267,159)

As at 31 December 2015, the outstanding amount arising from the progress billings to the Directors and key management was RM218,216 (2014: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

44 RELATED PARTY DISCLOSURES (CONTINUED)

- (b) Key management compensation
(including Executive Directors)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Salaries and other short term employee benefits	11,802	7,050	8,580	5,325
Post employment benefits	1,822	989	1,321	731
Share based payments	249	-	132	-

- (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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Progress billings charged to customers on contracts:				
- Desaru Convention Centre Sdn. Bhd.	2,124	-	2,124	-
- Desaru Carniche Hotel Sdn. Bhd.	4,402	-	4,402	-
- Desaru Estate Sdn. Bhd.	5,276	-	5,276	-
- Desaru Peace Holdings Club Sdn. Bhd.	5,429	-	5,429	-
- Desaru Peace Holdings Villas Sdn. Bhd.	5,333	-	5,333	-
- Jabatan Kerja Raya Malaysia	-	9,252	-	9,252
- Jabatan Pengairan Dan Saliran Malaysia	24,889	90,051	24,889	90,051
- Johor Land Berhad	15,793	-	15,793	-
- MASS Rapid Transit Corporation Sdn. Bhd.	1,635	1,576	-	-
- Pelaburan Hartanah Berhad	-	46,876	-	-
- Syarikat Prasarana Negara Berhad	445,034	246,360	-	-
- Tenaga Nasional Berhad	62,658	41,913	-	-
- TH Universal Builders Sdn. Bhd.	-	2,729	-	-
- UDA Holdings Bhd.	-	4,146	-	-
Progress billings charged to purchasers				
- Malaysia Building Society Berhad	10,953	21,625	-	-
- Perbadanan Harta Intelek Berhad	13,273	46,297	-	-

44 RELATED PARTY DISCLOSURES (CONTINUED)

- (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: (continued)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Rental income received from:				
- Jabatan Penilaian dan Perkhidmatan Harta	2,490	2,490	2,490	2,490
- Jabatan Insolvency Malaysia	1,733	1,733	-	-
- Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	1,360	1,699	-	-
- Small and Medium Enterprises Corporation Malaysia	5,870	18,291	-	-
- Suruhanjaya Pengangkutan Awam Darat	1,656	6,623	-	-
Project management and building maintenance service fees received from:				
- Keretapi Tanah Melayu Berhad	4,406	4,846	-	-
- Lembaga Tabung Haji	5,439	5,138	-	-
- Malaysia Investment Development Authority	3,127	5,889	-	-
- Suruhanjaya Syarikat Malaysia	2,504	1,521	-	-
Rental charged by:				
- Bank Kerjasama Rakyat Malaysia Berhad	5,250	5,250	-	-
- Lembaga Tabung Haji	12,671	12,664	11,188	11,188

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

45 CONTINGENT LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Performance guarantees extended to third parties	221,284	135,855	221,284	135,855
Disputed claims from sub-contractor arising from business transaction	-	4,681	-	-
Litigations arising from business transactions	1,480	33,898	-	32,418

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.

46 CAPITAL COMMITMENT

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Authorised capital expenditure not contracted for				
- property, plant and equipment	107,781	36,286	4,644	20,927

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Group's effective equity interest in the subsidiaries, joint ventures and associates as at 31 December 2015, their respective principal activities and country of incorporation are as follows:

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
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
59 INC Sdn. Bhd.	Property development and property investment	Malaysia	100.00	100.00
MRCB Putra Sdn. Bhd.	Property development, property management and investment holding	Malaysia	70.00	70.00
Country Annexe Sdn. Bhd.	Construction and property development	Malaysia	100.00	70.00
Cosy Bonanza Sdn. Bhd.	Property development	Malaysia	65.70	65.70
Excellent Bonanza Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Gapurna Builders Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00
Gapurna Global Solutions Sdn. Bhd.	Property and investment holding	Malaysia	100.00	100.00
Gapurna Land Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
MRCB Builders Sdn. Bhd. (formerly known as Gelanggang Harapan Construction Sdn. Bhd.)	Engineering and construction services	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Builders Sdn. Bhd.				
- Transmission Technology Sdn. Bhd.	Engineering and construction services to power transmission systems and buildings	Malaysia	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
Held through 100% ownership by MRCB Environmental Services Sdn. Bhd.				
- MRCB Environment Sdn. Bhd.	Infrastructure and environmental engineering	Malaysia	100.00	100.00
Kuala Lumpur Sentral Sdn. Bhd.	Property development	Malaysia	74.00	74.00
Held through 100% ownership by Kuala Lumpur Sentral Sdn. Bhd.				
- 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

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Held through 100% ownership by MRCB Engineering Sdn. Bhd.				
- MRCB (Thailand) Ltd. β	Pre-operating	Thailand	100.00	100.00
MRCB Prasarana Sdn. Bhd.	Project management and investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Prasarana Sdn. Bhd.				
- MRCB Lingkaran Selatan Sdn. Bhd.	Design, development, construction, project management, operations and maintenance of EDL	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.				
- MRCB Southern Link Berhad	Design, development, construction, project management and financing of expressway and infrastructure related project	Malaysia	100.00	100.00
Malaysian Resources Development Sdn. Bhd.	Property development and investment holding	Malaysia	100.00	100.00
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- MRCB International Sdn. Bhd.	Property development and investment holding	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Held through 100% ownership by MRCB International Sdn. Bhd.				
- MRCB Land (Australia) Pty. Ltd. β	Property development	Australia	100.00	100.00
Held through 100% ownership by MRCB Land (Australia) Pty. Ltd.				
- MRCB Project Incorporated Pty. Ltd.*	Property development	Australia	100.00	100.00
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- Golden East Corporation Sdn. Bhd.*	Property development and management	Malaysia	100.00	100.00
- Sunrise Properties Sdn. Bhd.*	Property development	Malaysia	100.00	100.00
- Taiyee Development Sdn. Bhd.#	Property development	Malaysia	100.00	100.00
- MRCB Property Development Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Held through 70% ownership by Malaysian Resources Development Sdn. Bhd.				
- 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
Onesentral Park Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Penang Sentral Sdn. Bhd.	Property development	Malaysia	100.00	100.00
P.J Sentral Development Sdn. Bhd.	Property development	Malaysia	100.00	100.00

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Prema Bonanza Sdn. Bhd.	Property development	Malaysia	51.00	51.00
Puncak Wangi Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00
Region Resources Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
Sanjung Sepang Sdn. Bhd.	Trading in construction material	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.	Renting of office space and machinery	100.00	100.00	
Landas Utama Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Mafira Holdings Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Held through 38.6% ownership by Mafira Holdings Sdn. Bhd.				
- Zen Concrete Industries Sdn. Bhd. ~	Manufacturing and sale of pre-stressed spun concrete poles	Malaysia	38.60	38.60

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
MRCB Ceramics Sdn. Bhd.*	Manufacturing, distribution and sale of ceramic tiles	Malaysia	100.00	100.00
MRCB Green Energy Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
MRCB Land Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Land Sdn. Bhd.				
- Efficient Class Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Esquire Moments Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- Crystal Hallmark Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Legasi Azam Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- MRCB Rasma JV Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- Pinnacle Paradise Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Stigma Tiara Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- Subang Sentral Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- Metro Spectacular Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
Held through 85% ownership by MRCB Land Sdn. Bhd.				
- Rukun Juang Sdn. Bhd.	Construction and property development	Malaysia	85.00	100.00
MRCB Property Management Sdn. Bhd.*	Property investment and management	Malaysia	100.00	100.00
MR Securities Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Held through 100% ownership by MR Securities Sdn. Bhd.				
- Semasa Security Sdn. Bhd.*	Security guard services	Malaysia	100.00	100.00
Semasa District Cooling Sdn. Bhd.	Own and operate chilled water plant to supply chilled water	Malaysia	100.00	100.00
Seleksi Untung Sdn. Bhd.	Modular building design system	Malaysia	100.00	100.00
MRCB Tekad Sdn. Bhd. (formerly known as MRCB DMIA JV Sdn. Bhd.)	Pre-operating	Malaysia	100.00	100.00
MRCB DCS Holding Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
Held through 100% ownership by MRCB DCS Holding Sdn. Bhd.				
- DCS Operation & Maintenance Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- KL Sentral DCS Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- PJ Sentral DCS Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- Penang Sentral DCS Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- KD District Cooling System Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
Bisraya Construction-MRCB Engineering Consortium @	Engineering services and construction	Unincorporated	30.00	30.00
KONSORTIUM KOP-HG-MRCB-ISOPLAS	Design and build transmission line and substation	Unincorporated	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
Lotus Terrain Sdn. Bhd.	Pre-operating	Malaysia	-	100.00
Paradigma Berkat Sdn. Bhd.	Property development	Malaysia	-	70.00
Sibexlink Sdn. Bhd. α	Sale of business information and website development	Malaysia	100.00	100.00
MRCB Dotcom Sdn. Bhd.^	Planning and management services	Malaysia	-	100.00
MR Construction Sdn. Bhd.^	Construction	Malaysia	-	50.80
ASSOCIATES:				
One IFC Sdn. Bhd. β	Investment holding	Malaysia	30.00	30.00
Suasana Sentral Two Sdn. Bhd.	Property development	Malaysia	30.00	30.00
Ekovest-MRCB Construction Sdn. Bhd. β	Contractor for 'River of Life' project	Malaysia	40.00	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
MRCB-Quill REIT β (formerly known as Quill Capita Trust)	Acquisition of land investment in commercial properties	Malaysia	31.18	-
MRCB Quill Management Sdn. Bhd. β (formerly known as Quill Capita Management Sdn. Bhd.)	Manage real estate investment trust	Malaysia	41.00	-
Kota Francais (M) Sdn. Bhd.* β	Franchising property management and consultancy	Malaysia	20.00	20.00

47 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2015 %	2014 %
JOINT VENTURES:				
Held through 50% ownership by MRCB Builders Sdn. Bhd.				
- MRCB George Kent Sdn. Bhd.	Project delivery partner	Malaysia	50.00	-
Held through 51% ownership by MRCB Engineering Sdn. Bhd.				
- Dekad Kaliber Sdn. Bhd.	Engineering and construction services	Malaysia	51.00	-
Nu Sentral Sdn. Bhd.	Property investment and management	Malaysia	-	51.00

* Dormant

@ The Group has full control on this consortium

~ 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

β Companies not audited by PricewaterhouseCoopers

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

48 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 and investment, infrastructure, facilities management and parking and investment holding divisions.

Segment results are defined as operating income before finance income, finance cost and share of results from joint venture and associates for continuing operations.

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 RM1,696,727,376 (2014: RM1,514,767,327) and the total of revenue from external customers from other countries is Nil (2014: Nil).

Inclusive in the Group's non current assets is RM56,892 (2014: RM130,260) 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 RM447,956,229, approximately 26.4% to the Group's revenue. These revenue were derived from the construction of facilities works for the LRT Ampang Line extension (2014: RM258,863,275, 17.1%).

48 SEGMENT REPORTING (CONTINUED)

	Property development & investment RM'000	Engineering, construction & environment RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Others RM'000	Total RM'000
Year ended 31 December 2015						
Revenue						
Total revenue	784,460	1,141,233	115,681	92,406	92,772	2,226,552
Inter-segment revenue	(60,487)	(367,508)	(731)	(17,811)	(83,288)	(529,825)
External revenue	723,973	773,725	114,950	74,595	9,484	1,696,727
Results						
Segment results	442,973	35,402	58,633	9,901	6,767	553,676
Unallocated corporate expenses						(45,932)
Finance income						39,329
Finance costs						(184,843)
Share of results of joint ventures and associates	(1,232)	8,034	1,080	-	-	7,882
Profit before income tax						370,112
Income tax expense						(6,083)
Profit after tax						364,029
Non-controlling interests						(33,637)
Net profit for the financial year attributable to the equity holders of the Company						330,392

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

48 SEGMENT REPORTING (CONTINUED)

	Property development & investment RM'000	Engineering, construction & environment RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Others RM'000	Total RM'000
At 31 December 2015						
Assets						
Segment assets	3,887,016	695,531	1,291,077	82,756	303,795	6,260,175
Joint ventures and associates	223,054	20,337	4,676	-	-	248,067
Assets held for sale (Note 31)	478,088	-	-	-	-	478,088
Tax recoverable and deferred tax assets						103,467
Total assets						7,089,797
Liabilities						
Segment liabilities	554,052	541,654	28,877	36,357	132,361	1,293,301
Interest bearing instruments						3,395,332
Current and deferred tax liabilities						88,393
Total liabilities						4,777,026
Other disclosures						
Capital expenditure	135,734	3,137	3,046	42,022	14,729	198,668
Depreciation and amortisation	19,728	6,256	30,858	3,120	4,199	64,161
Impairment loss	862	-	-	-	848	1,710

48 SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2014	Property development & investment		Engineering, construction & environment		Infrastructure		Facilities management & parking		Others		Group		Discontinuing operations		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue																
Total revenue	887,042	790,031	51,651	95,146	171,511	1,995,381	54,432	2,049,813								
Inter-segment revenue	(10,599)	(279,288)	(2,659)	(17,624)	(170,444)	(480,614)	(1,800)	(482,414)								
External revenue	876,443	510,743	48,992	77,522	1,067	1,514,767	52,632	1,567,399								
Results																
Segment results	160,260	42,559	20,313	9,681	82,021	314,834	34,744	349,578								
Interim payment from Government						62,872	-	62,872								
Finance income						38,409	910	39,319								
Finance costs						(171,193)	(19,667)	(190,860)								
Share of results of joint ventures and associates	(37,054)	10,124	2,626	-	-	(24,304)	-	(24,304)								
Profit before income tax						220,618	15,987	236,605								
Income tax expense						(53,276)	190	(53,086)								
Profit after tax						167,342	16,177	183,519								
Non-controlling interests						(30,885)	-	(30,885)								
Net profit for the financial year attributable to the equity holders of the Company						136,457	16,177	152,634								

Included in segment others was gain on disposal of an associate amounted to RM94.9 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

48 SEGMENT REPORTING (CONTINUED)

	Property development & investment RM'000	Engineering, construction & environment RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Others RM'000	Group RM'000
At 31 December 2014						
Assets						
Segment assets	4,116,878	643,195	1,336,084	45,534	315,310	6,457,001
Joint ventures and associates	122,482	16,594	3,596	-	-	142,672
Assets held for sale (Note 31)	401,817	-	-	-	-	401,817
Tax recoverable and deferred tax assets						40,433
Total assets						7,041,923
Liabilities						
Segment liabilities	511,601	534,969	13,434	32,314	89,500	1,181,818
Interest bearing instruments						3,690,703
Current and deferred tax liabilities						104,893
Total liabilities						4,977,414
Other disclosures						
Capital expenditure	90,900	4,500	13	7,341	130	102,884
Depreciation and amortisation	18,639	7,540	22,027	2,157	2,075	52,438
Impairment loss	1,309	-	-	-	1,387	2,696

Capital expenditure consists of additions to property, plant and equipment, investment properties and service concession asset (Notes 15, 16 and 18).

The Group's business segments operate in Malaysia only.

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 6 January 2015, the Group had been notified by the previous owners of MRCB Builders Sdn. Bhd. ("MBSB") (formerly known as Gelanggang Harapan Construction Sdn. Bhd.) the following:
- (i) The approval for the grant of projects on Lot 1 Section 26, Petaling Jaya ("Lot 1") and Lot 2 Section 26, Petaling Jaya ("Lot 2") has been issued to a subsidiary of Nusa Gapurna Sdn. Bhd., namely Project Maju Sdn. Bhd.; and
 - (ii) MBSB, a wholly owned subsidiary of the Group, has been approved as the main contractor in respect of the construction and development of Lot 1 and Lot 2.

In view of the above and in accordance with Clause 5.2(a) of the MBSB Share Sale Agreement (as amended by way of exchange of letters between the Company and the previous owners of MBSB on 19 August 2013 and 22 August 2013), the Group completed the acquisition of the construction rights over Lot 1 and Lot 2.

In this regard, the Company paid the cash consideration amounting to RM20,000,000 and allotted 26,402,558 of the Company's shares at an issue price of RM1.55 per share together with 7,543,588 Free Detachable Warrants to Gapurna Sdn. Bhd., being the party nominated by the previous owners of MBSB to receive the consideration on 13 January 2015.

The above transaction has been reflected for as an acquisition of an intangible asset ("Order Book") by the Group. The purchase consideration of the Order book was measured based on the followings:

Consideration at 13 January 2015

	RM'000
Cash	20,000
Ordinary shares issued (26,402,558 @ RM1.15/share)	30,363
Free detachable warrants issued (7,543,588 @ RM0.175/warrant)	1,320
Total (Note 24)	51,683

- (b) The Company's wholly owned subsidiary, MRCB Sentral Properties Sdn. Bhd. had on 30 March 2015 completed its sale of Platinum Sentral to Maybank Trustees Berhad, acting as trustee for MRCB-Quill REIT ("MQ REIT") (formerly known as Quill Capita Trust), a real estate investment trust for a total consideration of RM727,625,000, satisfied by cash of RM476,000,000 and issuance of 206,250,000 units in MQ REIT ("Unit") at market price of RM1.22 per Unit. The sale had generated a gain of RM220.5 million to the Group. With this, MQ REIT became 31.18% equity associate of the Group.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

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

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

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

- (d) The Company had on 31 March 2015 entered into a Share Sale Agreement with DMIA (M) Sdn. Bhd. to dispose its entire 70% equity interest in Paradigma Berkas Sdn. Bhd., represented by 210,000 ordinary share of RM1.00 each for a cash consideration of RM39,010,808.

The disposal was completed on 1 June 2015 and generated a gain of RM38.8million.

- (e) The Company's wholly owned subsidiary, Legasi Azam Sdn. Bhd. had on 7 April 2015 entered into a Sale and Purchase Agreement with the Government of The Federal Republic of Germany for the acquisition of a parcel of land together with buildings erected held under Geran 34211, Lot 94, Seksyen 58, Bandar and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a total cash consideration of RM259,155,708 ("German Embassy Land").

The proposed acquisition was completed on 23 December 2015.

- (f) The Company had on 22 April 2015 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad ("PHB") to dispose its entire 51% equity interest in Nu Sentral Sdn. Bhd., a jointly controlled entity, comprising 10,200,000 ordinary shares of RM1.00 and 91,800,000 redeemable non-convertible preference shares of RM0.01 each to PHB for a cash consideration of RM119,776,136.

The disposal was completed on 6 October 2015 and generated a gain of RM70.1 million.

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

As at date of this report, the above disposal remains uncompleted.

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (h) On 28 October 2015, Rukun Juang Sdn. Bhd., a 85% owned subsidiary of MRCB Land Sdn. Bhd., which in turn is a wholly owned subsidiary of the Company, entered into a Privatization Agreement with the Government of Malaysia, represented by the Minister of Youth and Sports and Syarikat Tanah dan Harta Sdn Bhd relating to the refurbishment and upgrading of facilities located at the National Sport Complex in Bukit Jalil, Kuala Lumpur for a total contract value of RM1,631,880,000 ("Proposed Privatization").

In accordance with the terms of the Privatization Agreement, Phase 1 of the Proposed Privatization is expected to be completed within 17 months from the construction commencement date and Phase 2 construction works is expected to be completed within 36 months from Phase 2 construction commencement date.

The Proposed Privatization had been approved by the shareholders of the Company at the Extraordinary General Meeting held on 21 December 2015 and all the conditions precedent for the above Proposed Privatization have been fulfilled and become unconditional on 5 February 2016.

- (i) The Company had on 28 October 2015, entered into a management contract with Kwasa Utama Sdn. Bhd. ("KUSB") (formerly known as Kwasa Development (1) Sdn. Bhd.) whereby KUSB has appointed the Company as the Management Contractor to provide services in connection with the development and construction of a commercial development named Kwasa Utama on a piece of land owned by KUSB measuring 29.82 acres know as Plot C8 (part of lot 85112) Kwasa Damansara, Mukim Sungai Buloh, Daerah Petaling, Seksyen U4, 40160 Shah Alam, Selangor Darul Ehsan for a provision total contract sum of RM3,145,493,294.

The proposal had been approved by the Company's shareholders at the Extraordinary General Meeting held on 21 December 2015, in view of it being a related party transaction.

- (j) MRCB Land Sdn. Bhd., the Company's wholly owned subsidiary had on 28 October 2015, entered into a joint venture agreement with Cyberview Sdn. Bhd. for the proposed subscription of 700,000 new ordinary shares of RM1.00 each and 2,688,000 preference shares of RM1.00 each at a premium of RM99.00 each, representing 70% equity interest in CSB Development Sdn. Bhd., being the joint venture company to purchase and undertake the development of Cyberjaya City Centre, for a total subscription payment of RM269.5 million.

The Proposed Subscription remains uncompleted as at the date of this report.

- (k) The Company had on 16 November 2015 announced to undertake a private placement of up to 493,610,683 new ordinary shares of RM1.00 each in the Company, representing up to twenty percent (20%) of the issued and paid up share capital of the Company ("Proposed Private Placement"). The indicative issue price for the Proposed Private Placement is RM1.24 per Placement Share.

The Proposed Private Placement had been approved by the Company's shareholders at the Extraordinary General Meeting held on 21 December 2015 and remains uncompleted as at the date of this report.

- (l) The Company's wholly own subsidiary, 348 Sentral Sdn. Bhd. had on 3 December 2015 entered into a Heads of Agreement ("HoA") with Maybank Trustee Berhad, acting as trustee for MRCB-Quill REIT ("MQ REIT") for the disposal of a 33-storey office tower known as "Menara Shell" together with a 5-storey podium and 4-storey basement car park for sale consideration of RM640 million via a combination of cash and issuance of new units in MQ REIT.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

50 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

The Company had on 5 February 2016 entered into a Share Sale Agreement with Ekovest Berhad ("Ekovest") to dispose its entire 40% equity interest in the following companies to Ekovest for a total cash consideration of RM8.5 million ("Proposed Disposal");

- (a) Ekovest-MRCB JV Sdn. Bhd. represented by 40,000 ordinary shares of RM1.00 each and 2,160,000 redeemable preference shares of RM0.01 at premium of RM0.99 each; and
- (b) Ekovest-MRCB Construction Sdn. Bhd. represented by 800,000 ordinary shares of RM1.00 each.

As at date of this report, the completion of the Proposed Disposal is still pending.

51 DIVIDENDS

	2015		2014	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
Declared single tier interim dividend	2.5	44,664	-	-
Proposed first and final single tier dividend	-	-	2.5	44,664

The Directors on 18 December 2015 declared a single tier dividend in respect of the financial year ended 31 December 2015 of 2.5% or 2.5 sen per ordinary share, amounting to RM44,664,823. The dividend was paid on 24 February 2016 to shareholders whose names appeared in the record of Depositors on 26 January 2016.

The Directors do not recommend the payment of final dividend for the financial year ended 31 December 2015.

52 DISCONTINUING OPERATIONS

a. Results

	2014 RM'000
Rental income	49,744
Direct operating expenses	(10,630)
Other income	457
Administrative expenses	(4,661)
Other operating expenses	(166)
Finance income	910
Finance costs	(19,667)
Profit before income tax	15,987
Income tax expense	
- current tax	(3,634)
- over provided in prior year	3,824
	190
Profit from discontinuing operations	16,177

b. Cash flows

	2014 RM'000
OPERATING ACTIVITIES	
Profit from operating activities	16,177
Adjustments for:	
Income tax expense	(190)
Finance income	(910)
Finance costs	19,672
Cash flow from operating activities	34,749
Changes in working capital:	
Payables	833
	35,582
Tax paid	(3,014)
Finance income	910
Interest expenses paid	(19,951)
Net cash flow from operating activities	13,527

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

53 BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

The following analysis of realised and unrealised accumulated profits/(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	
	2015 RM'000	2014 RM'000
Total accumulated profits/(losses)		
- realised	308,052	187,985
- unrealised	(8,828)	(53,827)
Total share of accumulated profits from associates		
- realised	61,106	45,099
Total share of accumulated losses from joint venture		
- realised	(51,693)	(43,568)
Add: Consolidation adjustments	(225,484)	(290,534)
Total accumulated profits/(losses)	83,153	(154,845)
	Company	
	2015 RM'000	2014 RM'000
Total accumulated profits/(losses)		
- realised	184,361	38,163
- unrealised	(240)	608
Total accumulated profits	184,121	38,771

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.

NOTICE OF 45TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 45th Annual General Meeting of Malaysian Resources Corporation Berhad ("MRCB" or "the Company") will be held at Ruby Ballroom (Level G), One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor on Tuesday, 31 May 2016 at 10.30 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon.
2. 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) Chuah Mei Lin
 - ii) Hasman Yusri Yusoff
3. 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
 - ii) Datuk Shahril Ridza Ridzuan
4. To approve the Directors' Fees of RM1,000,548 for the financial year ended 31 December 2015. (2014: RM895,205)
5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 1
Resolution 2

Resolution 3
Resolution 4

Resolution 5

Resolution 6

Special Business

To consider and if thought fit, to pass with or without any modification the following ordinary resolutions:

6. Grant of Options to Tan Sri Mohamad Salim Fateh Din

Resolution 7

"THAT the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and grant to Tan Sri Mohamad Salim Fateh Din, the Group Managing Director of the Company, new options to subscribe for up to 1,750,000 new ordinary shares of the Company under the Employees' Share Option Scheme ("ESOS") subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provision of the Bye-Laws of MRCB Group ESOS ("the Bye-Laws").

7. Grant of Options to Mohd Imran Tan Sri Mohamad Salim

Resolution 8

"THAT the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and to grant to Mohd Imran Tan Sri Mohamad Salim, the Executive Director of the Company, new options to subscribe for up to 1,312,500 new ordinary shares of the Company under the ESOS subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provision of the Bye-Laws."

8. Grant of Options to Nor Izzati Tan Sri Mohamad Salim

Resolution 9

THAT the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and to grant to Nor Izzati Tan Sri Mohamad Salim, a person related to the Group Managing Director and Executive Director, new options to subscribe for up to 306,250 new ordinary shares of the Company under the ESOS subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provision of the Bye-Laws."

NOTICE OF 45TH ANNUAL GENERAL MEETING

9. Proposed Renewal of Share Buy-Back Authority

Resolution 10

"THAT, subject to the provisions of the Companies Act, 1965, the Articles of Association of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant government and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital for the time being of the Company and an amount not exceeding the Company's retained profits and/or share premium of the Company be allocated by the Company for the Proposed Share Buy-Back;

THAT at the discretion of the Directors, upon such purchase by the Company of its own shares, the purchased shares will be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities;

THAT the directors be and are hereby empowered to do all acts and things and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by any relevant authorities and/or any amendments, variations and/or modifications in the interest of the Company as may be approved by any relevant authorities if such approvals are required;

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities."

10. To transact any other ordinary business for which due notice has been received.

BY ORDER OF THE BOARD

MOHD NOOR RAHIM YAHAYA

(MAICSA 0866820)

Company Secretary

Kuala Lumpur

29 April 2016

Notes:

1. Only members whose names appear in the Record of Depositors on 23 May 2016 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 authorised 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 authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the 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 authorised 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, 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.

Explanatory Notes:**1. Audited Financial Statements for the financial year ended 31 December 2015**

The Audited Financial Statements under Agenda 1, is meant for discussion only as it does not require shareholders' approval pursuant to the provision of Section 169(1) and (3) of the Companies Act, 1965 and therefore, it will not be put for voting.

2. Resolution 7, 8 and 9 on the Proposed Grant of Options to Tan Sri Mohamad Salim Fateh Din, Mohd Imran Tan Sri Mohamad Salim and Nor Izzati Tan Sri Mohamad Salim ("Proposed Grant")

The Proposed Grant is made pursuant to the Company's Employees Share Option Scheme ("ESOS") which was approved by the shareholders at the Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of 5 years. On 25 October 2012, the ESOS was extended for another 5 years and the expiry date is revised from 30 October 2012 to 30 October 2017.

- i) Tan Sri Mohamad Salim Fateh Din was appointed as the Group Managing Director on 2 September 2013 and he is entitled to participate in the ESOS;
- ii) Mohd Imran Tan Sri Mohamad Salim was appointed as the Executive Director on 1 March 2015 and he is entitled to participate in the ESOS; and
- iii) Nor Izzati Tan Sri Mohamad Salim, a person related to the Group Managing Director and the Executive Director, is the Project Director of MRCB Sentral Properties Sdn Bhd, a wholly owned subsidiary of the Company and she is entitled to participate in the ESOS.

Accordingly, Tan Sri Mohamad Salim Fateh Din and Mohd Imran Tan Sri Mohamad Salim have abstained and will continue to abstain from deliberating and voting on the Proposed Grant and will also ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on Resolutions 7, 8 and 9 approving the Proposed Grant.

3. Resolution 10

The proposed ordinary resolution, if passed, will empower the Directors of the Company to buy back and/or hold from time to time shares of the Company not exceeding ten (10) percent of the issued and paid-up share capital of the Company being quoted on Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company.

For further information, please refer to the Share Buy-Back Statement dated 29 April 2016, which is dispatched together with the Annual Report 2015.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for re-election at the 45th Annual General Meeting of the Company.

a) Pursuant to Article 106 of the Articles of Association:

- i) Chuah Mei Lin
- ii) Hasman Yusri Yusoff

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 45th Annual General Meeting are set out on pages 46 to 53. Their shareholdings in the Company are set out on page 66.

NOTIS MESYUARAT AGUNG TAHUNAN KE-45

ADALAH DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan Malaysian Resources Corporation Berhad ("MRCB" atau "Syarikat") yang ke-45 akan diadakan di Ruby Ballroom (Level G), One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor pada hari Selasa, 31 Mei 2016 pukul 10.30 pagi untuk melaksanakan perkara-perkara berikut:

AGENDA

Urusan Biasa

1. Untuk menerima Penyata Kewangan Beraudit Syarikat bagi tahun kewangan berakhir 31 Disember 2015 dan Laporan Lembaga Pengarah dan Juruaudit mengenainya. **Resolusi 1**
2. 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:- **Resolusi 2**
 - i) Chuah Mei Lin
 - ii) Hasman Yusri Yusoff
3. 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 pelantikan semula:- **Resolusi 3**
 - i) Tan Sri Azlan Zainol
 - ii) Datuk Shahril Ridza Ridzuan**Resolusi 4**
4. Untuk meluluskan yuran Pengarah-pengarah sebanyak RM1,000,548 bagi tahun kewangan berakhir 31 Disember 2015. (2014: RM895,205). **Resolusi 5**
5. Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menetapkan imbuhan mereka. **Resolusi 6**

Urusan Khas

Untuk mempertimbangkan dan jika difikirkan sesuai, meluluskan dengan atau tanpa sebarang pengubahsuaian resolusi-resolusi biasa berikut:

6. Pemberian Opsyen kepada Tan Sri Mohamad Salim Fateh Din **Resolusi 7**

"BAHAWA Lembaga Pengarah Syarikat dengan ini diberi kuasa pada bila-bila masa dan dari semasa ke semasa untuk menawarkan dan memberi kepada Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan Syarikat, opsyen baharu untuk melanggan sehingga 1,750,000 saham biasa baharu Syarikat di bawah Skim Opsyen Saham Kakitangan ("ESOS") dengan sentiasa tertakluk kepada terma dan syarat dan/atau sebarang pelarasan yang mungkin dibuat menurut peruntukan Undang-Undang Kecil ESOS Kumpulan MRCB ("Undang-Undang Kecil")."
7. Pemberian Opsyen kepada Mohd Imran Tan Sri Mohamad Salim **Resolusi 8**

"BAHAWA Lembaga Pengarah Syarikat dengan ini diberi kuasa pada bila-bila masa dan dari semasa ke semasa untuk menawarkan dan memberi kepada Mohd Imran Tan Sri Mohamad Salim, Pengarah Eksekutif Syarikat, opsyen baharu untuk melanggan sehingga 1,312,500 saham biasa baharu Syarikat di bawah ESOS dengan sentiasa tertakluk kepada terma dan syarat dan/atau sebarang pelarasan yang mungkin dibuat menurut peruntukan Undang-Undang Kecil."
8. Pemberian Opsyen kepada Nor Izzati Tan Sri Mohamad Salim **Resolusi 9**

"BAHAWA Lembaga Pengarah Syarikat dengan ini diberi kuasa pada bila-bila masa dan dari semasa ke semasa untuk menawarkan dan memberi kepada Nor Izzati Tan Sri Mohamad Salim, individu yang berkaitan dengan Pengarah Urusan Kumpulan dan Pengarah Eksekutif, opsyen baharu untuk melanggan 306,250 saham biasa baharu Syarikat di bawah ESOS dengan sentiasa tertakluk kepada terma dan syarat dan/atau sebarang pelarasan yang mungkin dibuat menurut peruntukan Undang-Undang Kecil."

NOTIS MESYUARAT AGUNG TAHUNAN KE-45

9. Cadangan Pembaharuan Kuasa Membeli Balik Saham

Resolusi 10

“BAHAWA, tertakluk kepada peruntukan Akta Syarikat, 1965, Tataurusan Syarikat, Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad (“Bursa Securities”) dan kelulusan daripada pihak berkuasa kerajaan dan/atau lain-lain pihak berkuasa yang lain, Syarikat adalah dengan dengan ini diberikuasa untuk membeli bilangan tertentu saham biasa berharga RM1.00 sesaham Syarikat (“Cadangan Pembelian Balik Saham”) seperti yang ditentukan oleh Lembaga Pengarah dari semasa ke semasa melalui Bursa Securities tertakluk kepada terma dan syarat tertentu yang mungkin sesuai menurut pandangan Lembaga Pengarah untuk kepentingan Syarikat dengan syarat bilangan agregat saham yang akan dibeli menurut resolusi ini tidak melebihi sepuluh peratus (10%) daripada jumlah saham diterbitkan dan dibayar Syarikat pada masa ini dan jumlah yang tidak lebih daripada keuntungan tersimpan Syarikat dan/atau premium saham Syarikat yang diperuntukkan oleh Syarikat bagi Cadangan Pembelian Balik Saham ini;

BAHAWA menurut pertimbangan Lembaga Pengarah, selepas Syarikat membeli sahamnya sendiri, saham tersebut boleh dibatalkan dan/atau dikekalkan sebagai saham perbendaharaan dan selepas itu dibatalkan, diagihkan sebagai dividen atau dijual semula di Bursa Securities;

BAHAWA Lembaga Pengarah adalah dan dengan ini diberikuasa untuk melaksanakan semua tindakan dan perkara dan untuk memeterai serta menandatangani semua komitmen, urusaniaga, akujanji, perjanjian, pengaturan, usahaniaga, indemniti, pemindahan, pindah milik dan/atau jaminan yang sesuai dan perlu menurut pandangan Lembaga Pengarah bagi melaksanakan, memuktamadkan dan memberi kesan sepenuhnya kepada Cadangan Pembelian Balik Saham dengan kuasa penuh untuk mematuhi sebarang syarat, pengubahsuaian, penilaian semula, variasi, dan/atau pindaan yang mungkin diperlukan atau dikenakan oleh mana-mana pihak berkuasa berkaitan dan/atau sebarang pindaan, pembelbagaian dan/atau pengubahsuaian untuk kepentingan Syarikat seperti yang mungkin diluluskan oleh pihak berkuasa berkenaan jika kelulusan sedemikian diperlukan;

DAN BAHAWA kelulusan tersebut akan bermula serta-merta setelah resolusi ini diluluskan dan akan terus berkuatkuasa sehingga:

- i) tamat mesyuarat agung tahunan Syarikat yang akan datang, di mana mandat tersebut akan luput melainkan kuasa tersebut diperbaharui melalui satu resolusi yang diluluskan dalam mesyuarat tersebut; atau
- ii) tamat tempoh di mana mesyuarat agung tahunan Syarikat yang berikutnya perlu diadakan menurut undang-undang; atau
- iii) dibatalkan atau dipinda melalui resolusi biasa yang diluluskan oleh pemegang saham dalam mesyuarat agung.

Yang mana lebih dahulu tetapi tidak menggugat penyelesaian pembelian sahamnya sendiri oleh Syarikat sebelum tamat tempoh yang disebutkan dan dalam apa jua keadaan, menurut peruntukan Keperluan Penyenaraian Pasaran Utama Bursa Securities atau lain-lain pihak berkuasa yang lain.”

10. Untuk melaksanakan sebarang urusan biasa lain yang mana notis sewajarnya telah diterima.

DENGAN PERINTAH LEMBAGA

MOHD NOOR RAHIM YAHAYA

(MAICSA 0866820)

Setiausaha Syarikat

Kuala Lumpur

29 April 2016

Nota-Nota:

1. Hanya ahli yang berdaftar dalam Rekod Pendeposit pada 23 Mei 2016 yang layak menghadiri atau melantik proksi untuk menghadiri dan/atau mengundi bagi pihaknya di Mesyuarat Agung Tahunan ini.
2. 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 adalah tidak terpakai.
3. Jika seorang ahli melantik dua (2) proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi telah ditetapkan.
4. Jika ahli Syarikat merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada beberapa pemilik benefisial dalam satu akaun sekuriti ("akaun omnibus"), tiada sebarang had dikenakan kepada bilangan proksi yang boleh dilantik, di mana wakil berkecuali yang telah diberi kuasa berhak melantik mengikut setiap akaun omnibus yang dipegang.
5. Instrumen pelantikan proksi perlu dibuat secara bertulis dan ditandatangani oleh orang yang melantik atau peguam yang dilantik di bawah surat kuasa wakil. Sekiranya instrumen pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat itu hendaklah dimeterai atau ditandatangani oleh seorang pegawai atau peguam cara yang dilantik di bawah surat kuasa wakil.
6. Borang Pelantikan Proksi yang telah lengkap hendaklah diserahkan kepada Symphony Share Registrars Sdn Bhd, Aras 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia tidak kurang dari 48 jam sebelum waktu yang ditetapkan bagi mesyuarat atau sebarang penundaannya.

Nota Penjelasan :

1. **Penyata Kewangan Beraudit bagi tahun kewangan berakhir 31 Disember 2015**
 Penyata Kewangan Beraudit di bawah Agenda 1, bermaksud untuk perbincangan sahaja dan tidak memerlukan kelulusan pemegang saham menurut peruntukan Seksyen 169(1) dan (3) Akta Syarikat, 1965 dan oleh itu, ia tidak dikemukakan untuk undian.
2. **Resolusi 7, 8 dan 9 mengenai Cadangan Pemberian Opsyen kepada Tan Sri Mohamad Salim Fateh Din, Mohd Imran Tan Sri Mohamad Salim dan Nor Izzati Tan Sri Mohamad Salim ("Cadangan Pemberian")**
 Cadangan Pemberian ini dibuat menurut Skim Opsyen Saham Kakitangan ("ESOS") yang telah diluluskan oleh pemegang saham di Mesyuarat Agung Luar Biasa yang diadakan pada 29 Mei 2007 dan telah dilaksanakan pada 31 Oktober 2007 untuk tempoh 5 tahun. Pada 25 Oktober 2012, tempoh ESOS berkenaan telah dilanjutkan 5 tahun lagi dan tarikh tamatnya telah ditukar dari 30 Oktober 2012 kepada 30 Oktober 2017:
 - i) Tan Sri Mohamad Salim Fateh Din telah dilantik sebagai Pengarah Urusan Kumpulan pada 2 September 2013 dan layak untuk menyertai ESOS;
 - ii) Mohd Imran Tan Sri Mohamad Salim telah dilantik sebagai Pengarah Eksekutif pada 1 Mac 2015 dan layak untuk menyertai ESOS; dan
 - iii) Nor Izzati Tan Sri Mohamad Salim, individu yang berkaitan dengan Pengarah Urusan Kumpulan dan Pengarah Eksekutif, adalah Pengarah Projek di MRCB Sentral Properties Sdn Bhd yang merupakan subsidiari kepada Syarikat dan layak menyertai ESOS.

Tan Sri Mohamad Salim Fateh Din dan Mohd Imran Tan Sri Mohamad Salim telah dan akan sentiasa mengecualikan diri daripada sebarang perbincangan dan pengundian berkaitan dengan Cadangan Pemberian dan juga memastikan bahawa individu yang berkaitan dengan mereka berhubung pegangan saham langsung/tidak langsung dalam Syarikat (jika ada) akan mengecualikan diri daripada mengundi Resolusi 7, 8 dan 9 untuk meluluskan Cadangan Pemberian.

3. Resolusi 10

Resolusi biasa yang dicadangkan, jika diluluskan, akan memberi kuasa kepada Pengarah-Pengarah Syarikat untuk membeli balik dan/atau memegang dari semasa ke semasa saham Syarikat tidak melebihi sepuluh (10) peratus modal terbitan dan berbayar Syarikat dari semasa ke semasa yang disebut harga di Bursa Securities berasaskan terma dan syarat tertentu yang menurut pandangan Pengarah bersesuaian dan perlu demi kepentingan Syarikat.

Untuk maklumat lanjut, sila rujuk kepada Penyata Pembelian Balik Saham bertarikh 29 April 2016, yang dihantar bersama-sama Laporan Tahunan 2015.

PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG

Pengarah-pengarah yang bersedia untuk pemilihan semula di Mesyuarat Agung Tahunan Syarikat Ke-45.

(a) Menurut Artikel 106 Tataurusan Syarikat:

- i) Chuah Mei Lin
- ii) Hasman Yusri Yusoff

(b) Menurut Artikel 101 dan 102 Tataurusan Syarikat:

- i) Tan Sri Azlan Zainol
- ii) Datuk Shahril Ridza Ridzuan

Profil Pengarah-pengarah termasuk mereka yang bersedia untuk pemilihan semula di Mesyuarat Agung Tahunan Syarikat Ke-45 dibentangkan di muka surat 46 hingga 53. Pegangan saham mereka dalam Syarikat ditunjukkan di muka surat 67.

PROXY FORM

(Please see the notes below before completing the form)

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

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 45th Annual General Meeting of the Company to be held on Tuesday, 31 May 2016 at 10.30 a.m and at any adjournment thereof. My/Our proxy is to vote as indicated below:

NO	RESOLUTION	FOR	AGAINST
	To re-elect the following Directors under Article 106:		
1	Chuah Mei Lin		
2	Hasman Yusri Yusoff		
	To re-elect the following Directors under Articles 101 and 102:		
3	Tan Sri Azlan Zainol		
4	Datuk Sharil Ridza Ridzuan		
5	To approve the Directors' Fees of RM1,000,548 for the financial year ended 31 December 2015		
6	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
	To grant options under the ESOS to the following officers:		
7	Tan Sri Mohamad Salim Fateh Din		
8	Mohd Imran Tan Sri Mohamad Salim		
9	Nor Izzati Tan Sri Mohamad Salim		
10	To approve the Proposed Renewal of Share Buy-Back Authority		

Please indicate with an "X" in the appropriate space as to how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Dated this _____ day of _____ 2016

Signature of Shareholders

* DELETE IF NOT APPLICABLE

Notes :

- Only members whose names appear in the Record of Depositors on 23 May 2016 shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the Annual General Meeting.
- 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 authorised 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 authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the 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 authorised 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, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Fold here

STAMP

SYMPHONY SHARE REGISTRARS SDN BHD (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Fold here

BORANG PROKSI

(Sila lihat nota-nota di bawah sebelum mengisi borang ini)

No Akaun CDS.	
Bil. Saham Biasa Dipegang	

Saya/Kami (NAMA PENUH DALAM HURUF BESAR) _____

No. Kad Pengenalan / No. Paspot. / No. Syarikat _____

yang beralamat (ALAMAT PENUH) _____

adalah ahli/ahli-ahli Malaysian Resources Corporation Berhad, dengan ini melantik

Proksi Pertama

Nama Penuh Proksi dalam huruf besar		Bahagian pegangan saham	
		Bilangan saham	Peratus [%]
No. Kad Pengenalan			

dan/atau sebagai penggantinya,

Proksi Kedua

Nama Penuh Proksi dalam huruf besar		Bahagian 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-45 yang akan diadakan pada hari Selasa, 31 Mei 2016 pada pukul 10.30 pagi dan pada sebarang penangguhannya. Proksi saya/kami akan mengundi seperti berikut:

NO	RESOLUSI	MENYOKONG	MENENTANG
	Untuk memilih Pengarah-Pengarah berikut di bawah Artikel 106:		
1	Chuah Mei Lin		
2	Hasman Yusri Yusoff		
	Untuk memilih Pengarah-Pengarah berikut di bawah Artikel 101 dan 102:		
3	Tan Sri Azlan Zainol		
4	Datuk Sharil Ridza Ridzuan		
5	Untuk meluluskan Yuran Pengarah sebanyak RM1,000,548 bagi tahun kewangan berakhir 31 Disember 2015		
6	Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menetapkan imbuhan mereka		
	Untuk memberi opsyen di bawah ESOS kepada pegawai-pegawai berikut:		
7	Tan Sri Mohamad Salim Fateh Din		
8	Mohd Imran Tan Sri Mohamad Salim		
9	Nor Izzati Tan Sri Mohamad Salim		
10	Untuk meluluskan Cadangan Pembaharuan Kuasa Pembelian Balik Saham		

Sila tandakan "X" di dalam ruang yang sesuai sepertimana anda ingin mengundi untuk resolusi-resolusi tersebut. Sekiranya tiada arahan-arahan tertentu, proksi anda akan mengundi atau tidak mengundi sepertimana yang dia anggap patut.

Bertarikh pada _____ haribulan _____ 2016

Tandatangan Pemegang Saham

* POTONG JIKA TIDAK BERKENAAN

Nota-Nota :

- Hanya ahli yang berdaftar dalam Rekod Pendeposit pada 23 Mei 2016 yang layak menghadiri atau melantik proksi untuk menghadiri dan/atau mengundi bagi pihaknya di Mesyuarat Agung Tahunan ini.
- 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 adalah tidak terpakai.
- Jika seorang ahli melantik dua (2) proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi telah ditetapkan.
- Jika ahli Syarikat merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada beberapa pemilik benefisial dalam satu akaun sekuriti ("akaun omnibus"), tiada sebarang had dikenakan kepada 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. Sekiranya instrumen pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat itu 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, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** tidak kurang dari 48 jam sebelum waktu yang ditetapkan bagi mesyuarat ini atau sebarang penundaannya.

Lipat sini

SETEM

SYMPHONY SHARE REGISTRARS SDN BHD (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Lipat sini

DIRECTORY

MALAYSIAN RESOURCES CORPORATION BERHAD

(HEAD OFFICE)

LEVEL 30, MENARA ALLIANZ SENTRAL

NO. 203, JALAN TUN SAMBANTHAN

KUALA LUMPUR SENTRAL

50470 KUALA LUMPUR, MALAYSIA

TEL: 603 2786 8080 / 603 2859 7070

FAX: 603 2780 7988

www.mrcb.com.my

<https://twitter.com/MRCBTweet>

<https://www.facebook.com/MRCBGroup>

<http://www.linkedin.com/company/mrcb>

PROPERTY DEVELOPMENT

Kuala Lumpur Sentral Development

Tel: 603 2786 8080

Fax: 603 2780 7988

Nu Sentral Sdn Bhd

Tel: 603 2859 7177

Fax: 603 2780 7988

Plaza Alam Sentral

Tel: 603 2859 7095

Fax: 603 5032 0023

PJ Sentral Development Sdn Bhd

Tel: 603 2786 8080

Fax: 603 27807988

Kompleks Sentral

Tel: 603 6251 9696 / 6250 0827

Fax: 603 6251 9697

Bandar Seri Iskandar

Tel: 605 371 2188

Fax: 605 371 2189

Taman Kajang Utama

MRCB Utama Sdn Bhd

Tel: 603 8733 4254

Penang Projects

Penang Sentral Sdn Bhd

Tel: 604 323 2353

Fax: 604 323 2553

FACILITIES MANAGEMENT DEPARTMENT

Semasa Sentral Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2260 3306

Semasa Parking Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2260 3306

Semasa Services Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2260 3306

Engineering & Construction

MRCB Engineering Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2780 2071/2073

Gelanggang Harapan Sdn Bhd

Tel: 603 2786 8080

Fax: 603 5031 8175

INFRASTRUCTURE & CONCESSION

MRCB Prasarana Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2780 2037

MRCB Environmental Services Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2780 2037

MRCB Environment Sdn Bhd

Tel: 603 2786 8080

Fax: 603 2780 2037



MALAYSIAN RESOURCES CORPORATION BERHAD (7994-D)
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