

Kuala Lumpur Sentral Central Business District



A DYNAMIC CITY **WITHIN** A CITY

KL SENTRAL
CBD
24/7



9,200,000 sq. ft. of commercial space 3,256,000 sq. ft. of residential space

Day or night, for business or work, living or commuting, dining, entertainment or shopping, KL SENTRAL CBD is the dynamic heart and hub of the city.



3,799,000 sq. ft. of lifestyle space **RM11.2** billion of GDV upon completion

KL SENTRAL
CBD
24/7

7.30^{am}

GO SEAMLESS

Getting on track wherever you're going is a breeze from KL's transportation hub: Stesen Sentral Kuala Lumpur multi-road, multi-rail, across town or across continents, you're always good to go.



Stesen Sentral Kuala Lumpur





KL SENTRAL
CBD
24/7



Plaza Sentral

10.20^{am}

WORK SMART

Plaza Sentral offers stimulating work environment that's right in the centre of the action. Easy access, smart and eco-friendly design and expansive views for a corporate address that says you've arrived.



12.30^{pm}

MAKE CONNECTIONS

Whether it's a flight overseas, or a deal clinched over lunch, at KL Sentral CBD, business is always on the move.

KL SENTRAL
CBD
24/7



6.40^{pm}

PLAY HARD

Just imagine: being in the heart of the city – and at the same time, being able to get away from it all! A sanctuary, several in fact, where you can go to work out or chill out.



Nu Sentral



7.30^{pm}

SHOP CHIC

For a whole “Nu” level of retail therapy and excitement, Nu Sentral is set to be the hub for shopping, movies, bowling, coffee and alfresco eats.

KL SENTRAL
CBD
24/7

9.30 pm

LIVING FABULOUSLY

The luxury of throwing exclusive parties, having an intimate dinner beneath the stars, or dancing with a loved one against a backdrop of twinkling city lights. The pinnacle of sophisticated urban living.



The Sentral Residences



Suasana Sentral Loft

12.30^{am} GET EASY

Living, working, enjoying a day of shopping or a night out entertaining, you're in good hands. With state-of-the-art security features, and professional staff, you enjoy peace of mind 24/7.



A DYNAMIC CITY WITHIN A CITY – KL SENTRAL CENTRAL BUSINESS DISTRICT (CBD)

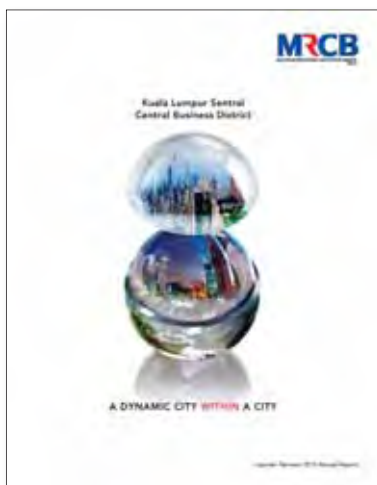
The cover of this year's annual report "reflects" the round-the-clock convenience and connectivity of Kuala Lumpur's Central Business District (CBD). MRCB's landmark KL Sentral CBD project has rapidly and dramatically evolved within a few short years, from a "transportation hub" to a "transformation hub". By day, a business venue, a work place and the city's main transportation nexus. After hours it transforms into a place of leisure, of shopping, dining, fitness and more. It is also home for an increasing number of urban sophisticates, who also enjoy round the-clock peace of mind.

Truly, a 24/7 CBD for living, for work, for play, for travel and as the new paradigm for enlightened city renewal and growth.

"BANDARAYA DI DALAM BANDARAYA" YANG DINAMIK – KL SENTRAL CENTRAL BUSINESS DISTRICT (CBD)

Kulit luar laporan tahunan tahun ini "mencerminkan" keselesaan dan sambungtara sepanjang masa di Central Business District (CBD) Kuala Lumpur. Sebagai mercu tanda MRCB, KL Sentral CBD telah membangun dengan pesat dan mengagumkan daripada sebuah "hab pengangkutan" kepada "hab transformasi" dalam tempoh beberapa tahun sahaja. Menjelang siang, ia merupakan sebuah pusat perniagaan, tempat kerja dan nadi pengangkutan utama kotaraya. Selepas waktu bekerja ia bertukar menjadi tempat beristirahat, membeli-belah, menjamu selera, mengekalkan tahap kecergasan dan bermacam-macam lagi. Warga kota yang tinggal di sini juga berlapang hati kerana semua yang mereka kehendaki boleh didapati di sini.

CBD 24/7 yang hebat ini memang sesuai sebagai tempat penginapan, bekerja, bersantai, berkembara dan merupakan paradigma baharu yang menyuntik pembaharuan dan pertumbuhan pesat kotaraya.



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Proxy Form

Borang Proksi

VISION VISI

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

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

MISSION MISI

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

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

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

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

CORPORATE INFORMATION

MAKLUMAT KORPORAT

BOARD OF DIRECTORS/ LEMBAGA PENGARAH

TAN SRI AZLAN ZAINOL

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

DATUK SHAHRIL RIDZA RIDZUAN

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

DATO' ABDUL RAHMAN AHMAD

*Independent Director/
Pengarah Bebas*

DATO' AHMAD IBNIHAJAR

*Independent Director/
Pengarah Bebas*

CHE KING TOW

*Independent Director/
Pengarah Bebas*

DATO' CHONG PAH AUNG

*Independent Director/
Pengarah Bebas*

JAMALUDIN ZAKARIA

*Independent Director/
Pengarah Bebas*

COMPANY SECRETARY/ SETIAUSAHA SYARIKAT

Mohd Noor Rahim Yahaya
(MAICSA 0866820)

AUDIT COMMITTEE/ JAWATANKUASA AUDIT

Dato' Ahmad Ibnihajar
Chairman/Pengerusi

Dato' Abdul Rahman Ahmad
Che King Tow
Jamaludin Zakaria

REGISTERED OFFICE/ PEJABAT BERDAFTAR

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

SHARE REGISTRAR/ PENDAFTAR SAHAM

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

AUDITORS/JURUAUDIT

PricewaterhouseCoopers

PRINCIPAL BANKERS/BANK-BANK UTAMA

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

STOCK EXCHANGE LISTING/ PENYENARAIAH BURSA SAHAM

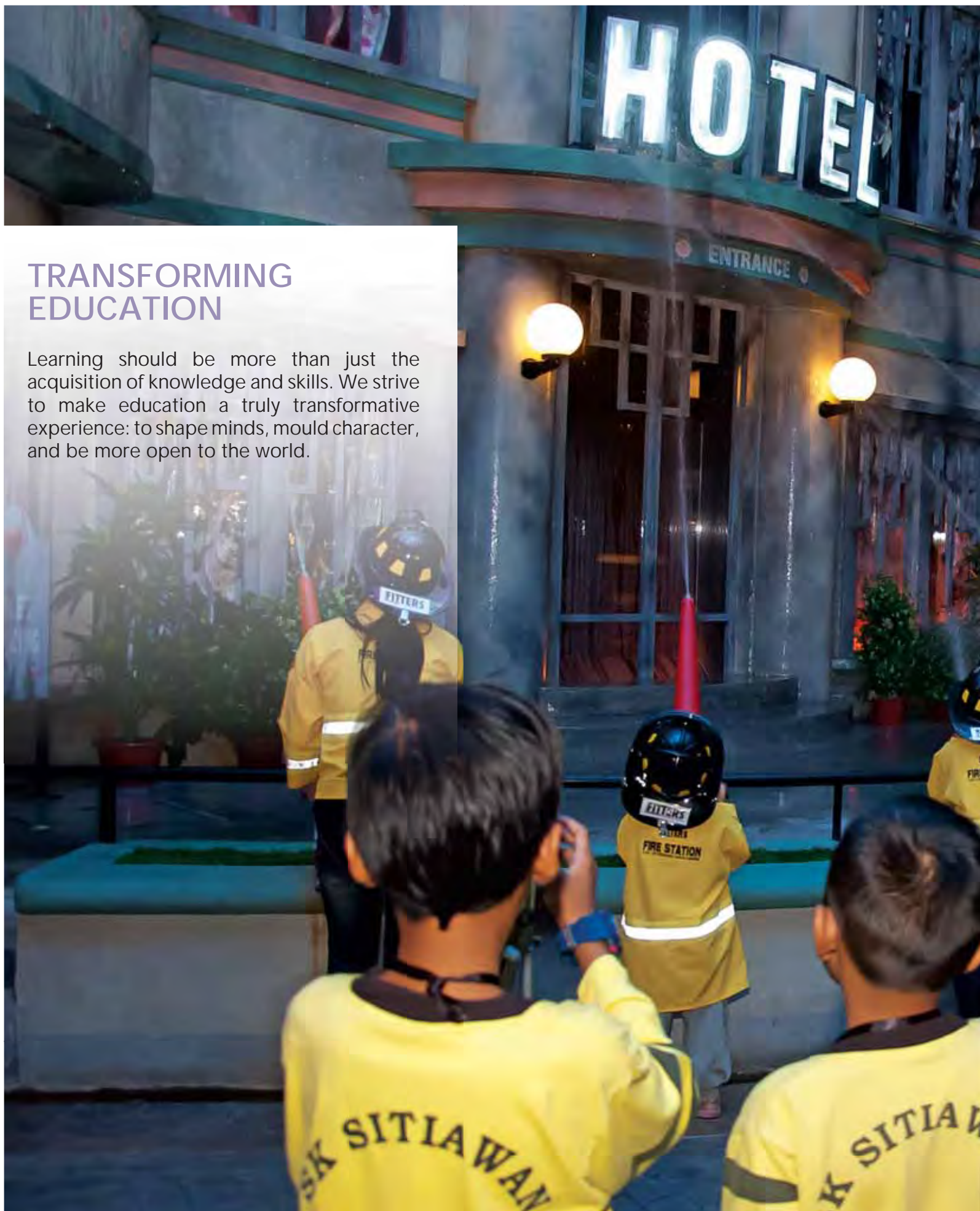
Listed on Main Market of Bursa Malaysia
Securities Berhad
Tersenarai di Pasaran Utama Bursa Malaysia
Securities Berhad

DATE OF LISTING/ TARIKH PENYENARAIAH

22 March 1971
22 Mac 1971

TRANSFORMING EDUCATION

Learning should be more than just the acquisition of knowledge and skills. We strive to make education a truly transformative experience: to shape minds, mould character, and be more open to the world.





CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

At MRCB, Corporate Responsibility underpins the responsible and sustainable delivery of our key business drivers; as such it is an integral part of achieving our overall strategy. We place great emphasis on creating value for all our stakeholders – our customers, investors, employees and suppliers. Our respect for all stakeholders has presented us with key elements in formulating our CSR programmes. In 2012, the Company continues to actively pursue numerous CSR projects under five key CSR programmes: Education, Environment, Employee Welfare, the Community and Philanthropy. During 2012, we continue to maintain high standards of Quality, Safety, Environment and Value Engineering in our projects for the benefit of our customers, society and the nation. Our team strives for excellence against the ever-increasing challenges of the industry. We devote our full attention to exceeding our customers' expectations.

Our Commitment to Transparent Disclosure

MRCB remains fully committed to its corporate social obligation in 2012. We comply fully with the framework outlined in the "Silver Book – Achieving Value Through Social Responsibility", which was adopted in 2007.

We continue to improve our disclosure and the dissemination of transparent, credible and accurate information to our stakeholders. Year 2012 marked the sixth year in which MRCB has produced a detailed stand-alone Sustainability Report. The Report adheres to the internationally-recognised reporting framework, the Global Reporting Initiative (GRI) and has been audited by an internationally-recognised sustainability verification body.

Our Commitment to a Sustainable Environment

At KL Sentral CBD, the Central Business District of Kuala Lumpur, we recognise the footprint of our operations. To date, we are proud to lead Malaysia's green building initiatives by committing to abide by Malaysia's Green Building Index for all current and future developments. Our green building projects feature characteristics which contribute to Malaysia's green objectives through:

- enhancing and synergising government transportation mode and connectivity issues
- increasing control of building thermal comfort and utilising daylight
- minimising and structuring energy use and consumption
- reducing building contribution to heat island effect
- controlling and reducing light pollution in Kuala Lumpur
- educating and promoting waste management and green materials



PINTAR workshop



Regular staff training



Little India fountain

Platinum Sentral, which was completed in 2012, is Malaysia's first Platinum-rated Building with Singapore's BCA Green Mark. The project has also been certified with Malaysia's Green Building Index (GBI) and is one of the first commercial buildings to utilise CISCO's Smart+Connected Real Estate (S+CRE) solution in Malaysia. It features 980,000 sq. ft. of office campus which incorporates green features such as natural ventilation, efficient lighting control, rainwater harvesting, solar energy, automated waste disposal system and green landscaping. These innovations are estimated to result in an overall operational savings of 33.8%.

As part of MRCB's resource efficiency, we continue to support the 10th Malaysia Plan which emphasises the use of renewable energy to meet the country's growing energy demands, in particular hydro power for electricity generation and blending of biofuels for the transport sector. We are looking forward to working with the government to develop renewable energy in Malaysia and keen to explore the opportunities ahead in this field.

In 2012, MRCB entered its fourth year of participation in the global Earth Hour movement by switching off all non-essential lights for one hour, in buildings and property under its management. This includes the iconic KL Sentral CBD development, comprising landmark office tower 1 Sentral - MRCB's Headquarters and Malaysia's largest and busiest transport hub, the Stesen Sentral Kuala Lumpur, Sooka Sentral as well as its Shah Alam property - Plaza Alam Sentral.

Our Commitment to a Sustainable Community

In focusing on opening up possibilities at KL Sentral CBD as the Central Business District of Kuala Lumpur, we continue to develop the local community in which we operate. MRCB goes beyond its core business operations through concerted efforts in education, community building, welfare and nurturing heritage.

MRCB continues to beautify and manage the Brickfields area which is the closest community to where we are. We have adopted the Little India fountain since 2010 and we take full responsibility for the maintenance and cleaning of the fountain as part of the Group's contribution to the Brickfields community. Considering the busy traffic in the area, MRCB recognises that public safety remains a priority. We have constructed pedestrian crossings and improved the traffic flow in the Brickfields area. We hope that these facilities, including the pedestrian crossing and elevators, will help ensure the safety of road users and pedestrians especially the blind and elderly. In 2012, we witnessed the official launch of Little India's multi-storey car park project. We hope to resolve the lack of parking space in the Brickfields area, reduce congestion and encourage additional business opportunities in the community. This is in line with the concept of the 'Little India Project' which aims to increase the income of the local community as well as promote Indian cultural heritage.

CORPORATE SOCIAL RESPONSIBILITY



Earth Hour, contributing to global awareness



PINTAR students at KidZania



MRCB FT Parade marching team



Breaking of fast session with orphans by SPARC

Education remains at the forefront of our CSR activities. We have been supporting the PINTAR project by adopting nine schools surrounding our operations in Malaysia. PINTAR - Promoting Intelligence, Nurturing Talent and Advocating Responsibility - is a collaborative social responsibility initiative by PINTAR Foundation, working in collaboration with Government Linked Companies (GLCs) and private corporations in Malaysia. Through this programme MRCB continues to foster academic and non-academic excellence particularly for the underserved students. In 2012, we continue to provide school supplies to help ease the economic burden of these children's parents. We also provided motivational, educational and academic assistance in the form of educational materials, tutoring and monetary incentives for high achievers. During the year, MRCB introduced a fun and exciting programme as part of its PINTAR agenda. A total of 100 students from MRCB's PINTAR schools were treated to an educational trip to KidZania as part of its extracurricular programme.

MRCB also took a more proactive role in educational and community-based social activity in 2012. This is in-line with the Skim Latihan 1Malaysia (SL1M) programme initiated by Khazanah Nasional Berhad. This programme provides on-the-job training for graduates in a live business environment.

MRCB is also actively promoting healthy living by championing various events including a blood donation drive, supporting the Association For The Blind and the Global Poverty Project.

In promoting the colourful culture and heritage of our country, we support various festivals being celebrated in Malaysia. In 2012, these included the Federal Territory Day, Chinese New Year, Hari Raya Open House, Deepavali and Kembara Mahkota Johor. In 1Malaysia spirit, we participated in the Federal Territory Day parade themed '*Rakyat Bersatu Wilayah Persekutuan Maju*' by sending a contingent of 54 marchers to the Federal Territory Day parade.

Our recently completed project, the Eastern Dispersal Link Expressway (EDL) in Johor Bahru was successfully opened to traffic on 1 April 2012. Unfortunately, in view of the Government's decision to buy over the project, the toll collection operation from the EDL concession was halted. Pending finalisation of the agreement, the Government approved an interim payment to MRCB commencing on 1 May 2012 to defray operating and maintenance expenses inclusive of finance cost of the expressway.

The Expressway is a dual three-lane carriageway that stretches from the Pandan interchange at the North-South Highway to the new Customs, Immigration and Quarantine (CIQ) complex. It is officially known as the Bangunan Sultan Iskandar, located in Bukit Chagar.

At MRCB, we are driven by a passion to improve people's everyday lives. As a responsible corporate citizen, supporting humanitarian efforts is core to our commitment in developing social and economic change. We continue providing financial and non-financial aid to less privileged communities including Persatuan Kebajikan Anak Melayu Pulau Pinang, orphanages



and a group of less fortunate people at the Federal Territories and Urban Wellbeing Hari Raya Open House gathering. We donated cash to 150 people. In addition, the Sports and Recreation Club of MRCB, also known as SPARC raised funds for the Silaturrahim Nurul Qana'ah Orphanage House. The donation was held in conjunction with its Majlis Berbuka Puasa held at Platinum Sentral.

As we value lives and are committed to saving lives, MRCB in collaboration with Cisco Systems Malaysia Sdn Bhd (Cisco) held a "Donate Blood. Save Lives" campaign at Sooka Sentral for the KL Sentral CBD community. We managed to obtain a total of 94 donors, exceeding the initial target of 50 units of blood.

Our commitment to a Sustainable Workplace

At MRCB we offer our employees an attractive benefits package in addition to their basic salary. The health and wellbeing of our employees is a chief concern for us. We provide comprehensive benefits for our employees. These include, but are not limited to, free medical consultations, treatment and medicines prescribed by our panel clinics; sick leave; maternity leave; compassionate leave; examination leave; pilgrimage leave and festival subsidies.

At MRCB, we provide not just a job but also career development opportunities. Our workplace practices are committed to investing in our employees' training and career development. These programmes are designed to develop individual initiatives, interpersonal skills and the technical competence of employees. A performance review is held annually to help set work standards and assess employees' actual performance relative to these standards. The review process provides feedback to motivate employees thereby eliminating performance gaps and continuing to perform above average.

As part of our responsibility to our employees, we also conduct a survey to gauge employee job satisfaction and the level to which their training and career development programmes fulfill their needs.

MRCB's Career Ladder Programme is based on individual competency and contributions. Progression up the Career Ladder is based on experience levels, skills demonstrated, performance level and growth potential. The higher the demonstration of these attributes by the employee, the faster the progression rate up the Career Ladder.

Our Commitment to a Safe Workplace

MRCB's Health and Safety Policy has been developed to ensure business activities are conducted with full concern for the safety of its facilities. This protects the safety and health of employees, communities in the vicinity of our operations and the general public.

We are committed to providing a safe and conducive work environment. We deliver appropriate safety and health training and require strict adherence to safety rules and procedures. MRCB also provides qualified safety and health personnel with appropriate equipment to support management in carrying out its objectives and goals.

MRCB has established a committee that promotes compliance with these regulations to secure the safety, health and welfare of all employees and workers. The committee:

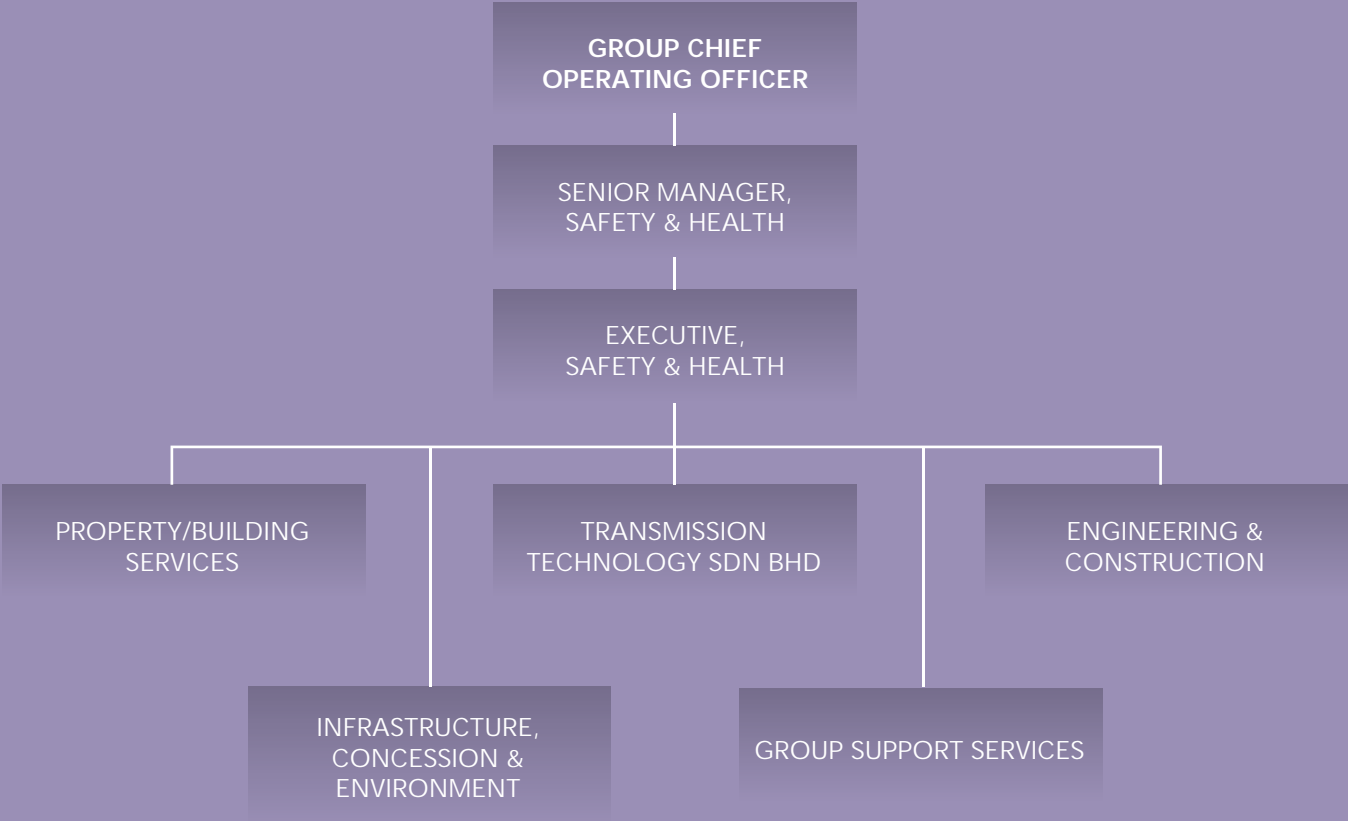
- assists in the development of Safety and Health rules and safe systems of work;
- reviews the effectiveness of Safety and Health programmes;
- carries out studies on the trends of accidents, near-miss incidents, dangerous occurrences, occupational poisoning or occupational diseases that occur at the place of work. It reports any unsafe acts or unhealthy conditions or practices at the place of work to the employer together with recommendations for corrective actions;
- reviews the Safety and Health policies at the place of work, and makes recommendations to the employer for any revision of such policies.

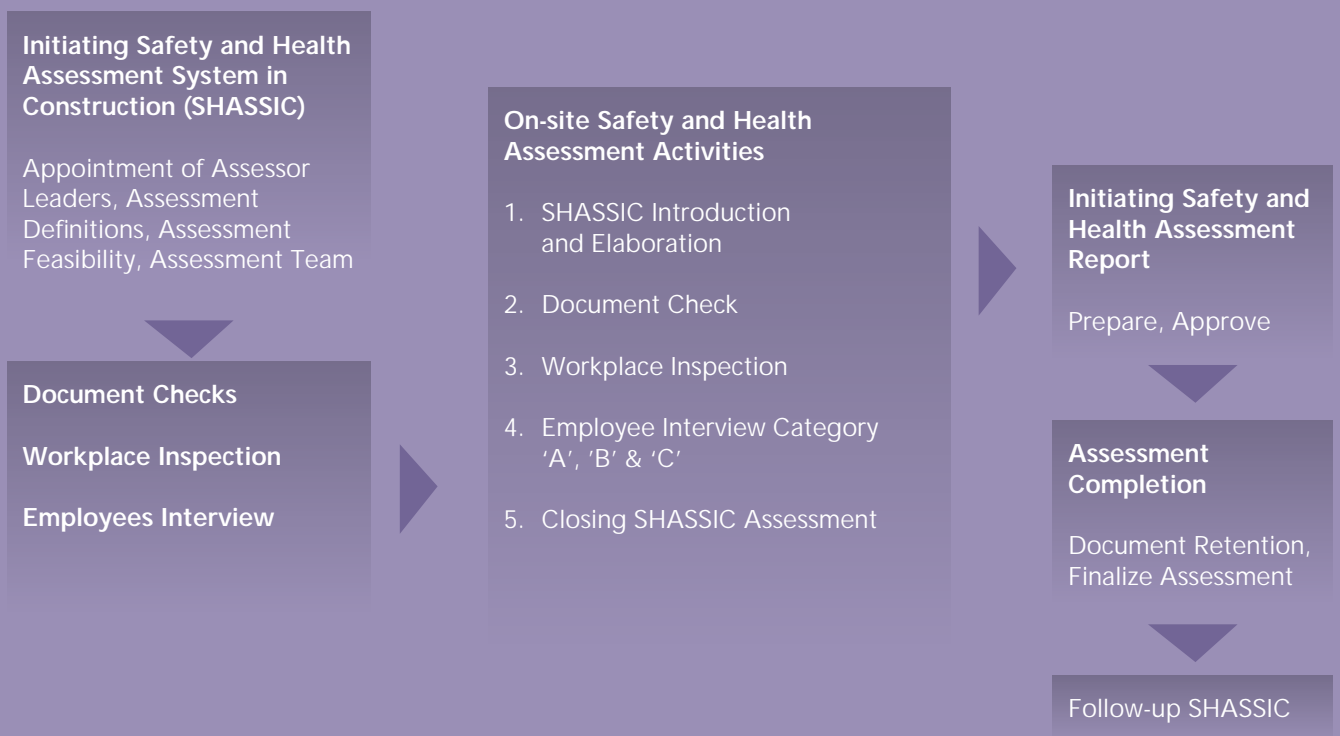
The committee conducts at least quarterly scheduled inspection to ensure that there is nothing prejudicial to the Safety and Health personnel at the work place. Observations made by members of the committee are discussed as soon as is practical and necessary. Rectifications and recommendations are recorded.

CORPORATE SOCIAL RESPONSIBILITY

MRCB operates in a high-risk environment. It is our responsibility to practice high standards of safety control to safeguard our employees and other people that may be affected by our operations. The structure of our Occupational Safety, Health and Environment Team for each project is illustrated below.

At MRCB, Safety and Health auditing examines worksite activities and conditions. Particular notes of safe and at-risk behaviours and situations present are made. It is essentially a Safety and Health snapshot of the worksite that can be used for a variety of purposes.





Our commitment to a Sustainable Marketplace

MRCB recognises that sustainable operations involve sustainable relationships with customers and suppliers. We ensure that the highest ethical standards are demonstrated throughout our operations.

MRCB conducts Customer Satisfaction Surveys (CSS) on residential and commercial properties that it develops and manages. A CSS is also conducted six months after a residential or commercial project is completed. This includes other MRCB business units using the parking and security services, offices and a shopping complex. Aggregate data has been compiled from Semasa Sentral, Semasa Services, Semasa Parking, and Semasa Security. The CSS results obtained in 2012 for building services was 90.3%, which has exceeded our target of 85%. We continue to provide information to our customers and the public on our residential and commercial properties through various publications.

A tender process is encouraged at all times at MRCB to ensure a fair procurement process. Policies and processes involved in our tendering aim to promote transparency and prevent any conflict of interest. We conduct our major construction works entirely through subcontractors. This is part of our effort to contribute to local social and economic development. We allocate all subcontract work to local suppliers in all significant locations. Our common practice is to source all materials locally if possible before procuring them overseas. Operating contractors and suppliers must comply with our safety standards and specifications. Our myCRM software is developed in-house by the Group to monitor every stage of our process life-cycle. This helps to rectify and monitor any defects on regular basis.

Sustainability Awards and Recognition

MRCB continued to receive recognition and accolades in 2012. MRCB was awarded the Edge-PAM Green Excellence Awards 2012 for its green development, Platinum Sentral. It also received three of the Editors Choice Property Awards 2012. Platinum Sentral received the Best Green Office Development Award and Best Green Initiative Award. Our KL Sentral CBD development was accorded the Best Integrated Development for the year 2012.

MRCB was honoured with a certificate of merit for being selected as one of the top finalists (Overall) at the National Corporate Reporting Awards (NACRA) under the Bursa Malaysia's Annual Report award category. This is the first time MRCB was selected as the finalist in the overall category. We won three times for the Best CSR category in 2008, 2009 and 2010.

MRCB is a member of the UN Global Compact and continues to serve as a committee member of the Malaysian chapter. This is in keeping with our aim of adopting international standards for our CSR programmes and vision. Our goal is to incorporate all 10 UNGC principles on human rights, labour rights, environmental sustainability and anti-corruption into the Company's operations, strategies and to report regularly on their implementation.

**Full details of the Group's CSR activities are available in the stand alone MRCB CSR Sustainability Report 2012.*

CORPORATE EVENTS 2012

PERISTIWA KORPORAT 2012

JANUARY



19 JAN

MRCB CONTRIBUTES RM30,000.00 TO PERSATUAN KEBAJIKAN ANAK MELAYU PULAU PINANG

Tuan Yang Terutama Tun Dato' Seri Utama (Dr.) Haji Abdul Rahman bin Haji Abbas, Yang Di-Pertua of Pulau Pinang, accepts a RM30,000.00 donation from MRCB on behalf of Persatuan Kebajikan Anak Melayu Pulau Pinang at the Malam Seri Mutiara 2012 charity event.

The event, held at Hotel Royale Chulan, Kuala Lumpur, was also attended by YABhg. Tun Abdullah Ahmad Badawi, YB Tan Sri Nor Mohamed Yakcop and YB Dato' Raja Nong Chik Dato' Raja Zainal Abidin.

MRCB MENYUMBANG RM30,000.00 KEPADA PERSATUAN KEBAJIKAN ANAK MELAYU PULAU PINANG

Tuan Yang Terutama Tun Dato' Seri Utama (Dr.) Haji Abdul Rahman bin Haji Abbas, Yang Di-Pertua Negeri Pulau Pinang, menerima cek sumbangan MRCB berjumlah RM30,000.00 untuk Persatuan Kebajikan Anak Melayu Pulau Pinang pada Malam Seri Mutiara 2012.

Majlis yang berlangsung di Hotel Royale Chulan, Kuala Lumpur turut dihadiri YABhg. Tun Abdullah Ahmad Badawi, YB Tan Sri Nor Mohamed Yakcop dan YB Dato' Raja Nong Chik Dato' Raja Zainal Abidin.



28 JAN

MRCB SENDS CONTINGENT TO FEDERAL DAY PARADE 2012

A contingent of 54 MRCB marchers participated in the Federal Territory Day Parade with their corporate uniforms reflecting the message of unity and togetherness in the 2012 theme of 'Rakyat Bersatu, Wilayah Persekutuan Maju' (People's Unity, Federal Territory Progress).

MRCB MENGAMBIL BAHAGIAN DALAM PERARAKAN HARI WILAYAH PERSEKUTUAN 2012

Satu kontingen MRCB seramai 54 orang menyertai perbarisan bersempena sambutan Hari Wilayah Persekutuan dengan pakaian seragam korporat mereka mencerminkan tema sambutan 2012, iaitu 'Rakyat Bersatu, Wilayah Persekutuan Maju'.



30 JAN

MRCB HANDS OVER PERMAI PSYCHIATRIC HOSPITAL TO MINISTRY OF HEALTH

The newly completed Permai Psychiatric Hospital, is officially handed over by MRCB to representatives of the Ministry of Health in a special ceremony in Johor Bahru.

The event marked the successful development of Malaysia's second largest psychiatric hospital worth RM556 million.

MAJLIS PENYERAHAN PROJEK HOSPITAL PERMAI JOHOR BAHRU KEPADA KEMENTERIAN KESIHATAN

Bangunan baru Hospital Permai diserahkan secara rasmi oleh MRCB kepada wakil Kementerian Kesihatan di dalam satu majlis khas di Johor Bahru.

Majlis tersebut menandakan kejayaan pembangunan hospital bernilai RM556 juta tersebut yang merupakan hospital psikiatrik kedua terbesar di Malaysia.



02 FEB

MRCB USHERS THE COMING OF CHINESE NEW YEAR WITH LION DANCES AT KL SENTRAL CBD

MRCB sponsored two Lion Dances to usher in another year of prosperity for the Chinese community at KL Sentral CBD.

The lion dance celebrations were conducted at Sooka Sentral and 1 Sentral building, signifying the bringing of wealth and prosperity for both businesses and people alike. Senior management personnel from MRCB were on hand to witness and usher in the coming year with the throwing of "Ang Pow" or red packet containing money to guests of the event.

MRCB MERIAHKAN SAMBUTAN TAHUN BARU CINA DENGAN PERSEMBAHAN TARIAN SINGA DI KL SENTRAL CBD

MRCB menganjurkan dua tarian singa bagi menyambut Tahun Baru Cina khusus untuk masyarakat Cina di KL Sentral CBD.

Tahun ini tarian singa yang simbolik bagi kemakmuran dan kemewahan untuk perniagaan dan masyarakat telah diadakan di 1 Sentral dan Sooka Sentral. Tarian singa itu turut dimeriahkan dengan pemberian wang 'Ang Pow' daripada wakil-wakil pengurusan kanan MRCB.



04 FEB

CIMB CEO VISITS MENARA CIMB

CIMB Chief Executive Officer (CEO), YBhg. Dato' Seri Nazir Razak paid a working visit to KL Sentral CBD to inspect the work in progress at the construction of CIMB Investment Bank's headquarters, Menara CIMB.

He was briefed by the MRCB project team on the progress of the construction work.

KETUA PEGAWAI EKSEKUTIF CIMB MELAWAT MENARA CIMB

YBhg. Dato' Seri Nazir Razak, Ketua Pegawai Eksekutif CIMB mengadakan lawatan ke KL Sentral CBD untuk meninjau perkembangan kerja-kerja pembinaan ibu pejabat CIMB Investment Bank yang baru dikenali sebagai Menara CIMB.

Beliau telah diberi taklimat tentang kemajuan kerja-kerja pembinaan oleh kumpulan projek MRCB.

23 FEB



MRCB WINS 'SPECIAL ORGANIZATION ACHIEVEMENT CATEGORY AWARD' AT MACA 2012

MRCB won the 'Special Organization Achievement Category Award' at the Malaysia Achievement Summit & Awards (MACA) 2012, presented by YBhg. Datuk Jamil Salleh, Deputy Secretary General of Ministry of Youth and Sports in a gala ceremony award at Double Tree by Hilton Hotel, Kuala Lumpur.

MRCB RAIH ANUGERAH 'SPECIAL ORGANISATION ACHIEVEMENT CATEGORY AWARD' DI MACA 2012

MRCB telah memenangi 'Special Organisation Achievement Category Award' di MACA 2012. Anugerah telah disampaikan oleh YBhg. Datuk Jamil Salleh, Timbalan Ketua Setiausaha, Kementerian Belia dan Sukan di upacara yang gilang-gemilang di Double Tree by Hilton Hotel, Kuala Lumpur.

MARCH

19 MAR



GROUND BREAKING OF PINES BAZAAR PROJECT AND LAUNCHES OF PUBLIC FACILITIES AT LITTLE INDIA, BRICKFIELDS

Minister of Federal Territories and Urban Wellbeing, officially launched the development of the Little India multi-storey car park project in a ground breaking ceremony at the Pines Bazaar site in Brickfields.

The project is part of the Little India project aimed at resolving the lack of parking space in the area, while providing additional business opportunities for the community.

MAJLIS PECAH TANAH PROJEK PINES BAZAAR DAN PELANCARAN KEMUDAHAN AWAM DI LITTLE INDIA, BRICKFIELDS

Menteri Wilayah Persekutuan dan Kesejahteraan Bandar melancarkan projek pembinaan tempat letak kereta bertingkat Little India semasa majlis pecah tanah di tapak projek Pines Bazaar, Brickfields.

Projek ini bertujuan bagi menyelesaikan masalah kekurangan kawasan meletak kenderaan di Little India di samping menyediakan peluang perniagaan tambahan bagi masyarakat setempat.



22 MAR

NOTTINGHAM UNIVERSITY MALAYSIA CAMPUS STUDENTS VISIT KL SENTRAL CBD'S NU SENTRAL & AMPANG LRT SITE

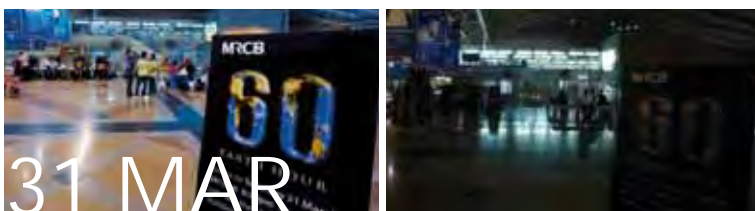
A group of students from the University of Nottingham, Malaysia Campus, visited KL Sentral CBD's Nu Sentral retail mall site to learn about works on construction sites and the sustainability aspect as well as the environmental concerns of the construction industry.

The students were also brought to the Ampang LRT extension project (Package B) in Puchong, Selangor where they gained insight on the safety aspects of a construction site.

PELAJAR-PELAJAR UNIVERSITI NOTTINGHAM, KAMPUS MALAYSIA MENGADAKAN LAWATAN SAMBIL BELAJAR KE PROJEK NU SENTRAL DI KL SENTRAL CBD & LRT AMPANG

Sekumpulan pelajar dari Universiti Nottingham, Kampus Malaysia, telah melawat pembangunan pusat membeli-belah terbaru Nu Sentral di KL Sentral CBD untuk mempelajari tentang kerja-kerja pembinaan, aspek-aspek keselamatan dan keperihatinan terhadap alam sekitar di dalam industri pembinaan.

Pelajar-pelajar tersebut juga dibawa melawat projek sambungan laluan LRT Ampang (Pakej B) di Puchong, Selangor di mana mereka dapat mempelajari dan melihat sendiri ciri-ciri keselamatan di kawasan pembinaan.



MRCB SWITCHES OFF LIGHTS IN ITS PROPERTY DEVELOPMENT FOR EARTH HOUR 2012

Entering its fourth year of participation in the global Earth Hour movement, MRCB turned off all non-essential lighting for one hour in buildings and property under its management to enhance awareness on global warming.

The exercise includes the iconic KL Sentral CBD comprising Menara 1 Sentral, Stesen Sentral Kuala Lumpur, Sooka Sentral and its Shah Alam property - Plaza Alam Sentral.

MRCB MEMADAMKAN LAMPU SEMPENA EARTH HOUR 2012

Untuk tahun keempat berturut-turut, MRCB menyokong kempen global Earth Hour dengan memadamkan lampu yang tidak penting selama satu jam di semua bangunan dan hartanah kendaliannya bagi meningkatkan kesedaran terhadap pemanasan global.

Kempen tersebut termasuk pembangunan ikonik KL Sentral CBD merangkumi Menara 1 Sentral, Stesen Sentral Kuala Lumpur, Sooka Sentral dan Plaza Alam Sentral di Shah Alam.

APRIL



01 APR

EASTERN DISPERSAL LINK (EDL) EXPRESSWAY OPENS TO TRAFFIC

The Eastern Dispersal Traffic (EDL) Expressway was officially opened to traffic by Puan Haryati Rofik, the Director of South Malaysian Highway Authority at the EDL Administration Office.

The expressway is a dual three-lane carriageway that stretches from the Pandan interchange at the North-South Highway to the new Customs, Immigration and Quarantine (CIQ) complex, which is also officially known as the Bangunan Sultan Iskandar, located in Bukit Cagar.

LEBUHRAYA PENYURAIAN TIMUR (EDL) DIBUKA KEPADA PENGGUNA JALANRAYA

Lebuhraya EDL telah dibuka secara rasmi kepada pengguna jalanraya oleh Puan Haryati Rofik, Pengarah, Wilayah Selatan, Lembaga Lebuhraya Malaysia di pejabat urusan EDL.

Lebuhraya tiga lorong ini menghubungkan terus Lebuhraya Utara-Selatan melalui Persimpangan Bertingkat Pandan dengan Kompleks Kastam, Imigresen dan Kuarantin (CIQ) baru yang juga dikenali sebagai Bangunan Sultan Iskandar terletak di Bukit Cagar.



03 APR

MRCB HOLDS 41ST AGM

MRCB held its 41st Annual General Meeting (AGM) at Hotel Istana, Kuala Lumpur, with more than 2,000 shareholders attending the meeting.

MESYUARAT AGUNG TAHUNAN MRCB YANG KE-41

MRCB telah mengadakan Mesyuarat Agung Tahunan (AGM) yang ke-41 di Hotel Istana Kuala Lumpur yang dihadiri oleh lebih 2,000 orang pemegang saham.



24 APR

STESEN SENTRAL KUALA LUMPUR (SSKL) 11TH ANNIVERSARY

SSKL celebrated its 11th anniversary and in conjunction with the commemorative event, held a staff recognition day as appreciation for its frontline staffs who were honoured with a Staff Excellence Awards ceremony.

MAJLIS ULANGTAHUN KE-11 SSKL

SSKL menyambut Ulangtahun ke-11 dan bersempena dengan acara ini, satu program Anugerah Kakitangan Cemerlang turut diadakan bagi menghargai perkhidmatan cemerlang kakitangan barisan hadapan.

MAY



07 MAY

CHINA DELEGATES VISITS KL SENTRAL CBD

MRCB welcomed 30 delegates from the People's Republic of China to KL Sentral CBD. The delegates were briefed by personnel from MRCB before they were taken on a walking tour of the development.

The visit is part of MRCB's networking programme aimed at establishing affiliation with an international network for mutual exchange of property planning and construction knowledge.

LAWATAN OLEH DELEGASI DARI REPUBLIK CHINA KE KL SENTRAL CBD

MRCB menyambut kedatangan seramai 30 orang delegasi dari Republik China ke KL Sentral CBD. Mereka diberi taklimat penerangan tentang perkembangan pembangunan di KL Sentral CBD.

Lawatan ini juga adalah sebahagian daripada program MRCB untuk mengeratkan usahasama serta bertukar-tukar kepakaran mengenai perancangan hartanah dan pembinaan dengan negara luar.



24 MAY

MRCB OFFICIALLY OPENS PLATINUM SENTRAL

Platinum Sentral, the first Platinum-rated BCA Green Mark (Singapore) building in Malaysia, was officially opened by YBhg. Tan Sri Ahmad Fuad Ismail, the Mayor of Kuala Lumpur.

Also certified with Malaysia's Green Building Index (GBI), Platinum Sentral is also one of the first commercial buildings to utilise CISCO's Smart+Connected Real Estate (S+CRE) solution in Malaysia, making it a truly unique, state-of-the-art, distinctive green office campus, offering seamless connectivity, a creative working environment and contemporary business lifestyle.

PERASMIAN PLATINUM SENTRAL

Platinum Sentral, bangunan pertama di Malaysia yang menerima pengiktirafan Platinum mengikut standard BCA Green Mark (Singapore) telah buka secara rasmi oleh YBhg. Tan Sri Ahmad Fuad Ismail, Datuk Bandar Kuala Lumpur.

Bangunan ini yang turut memenuhi piawaian Indeks Bangunan Hijau (GBI) Malaysia. Ia adalah salah satu bangunan komersil pertama di Malaysia yang menggunakan sistem Smart+Connected Real Estate (S+CRE) oleh CISCO. Sistem ini menawarkan rangkaian hubungan tanpa sempadan yang moden dan unik di dalam persekitaran kerja pejabat ala kampus yang hijau dan berasaskan gaya perniagaan kontemporari.

JUNE

12 JUNE



JABATAN KERJA RAYA VISITS PLATINUM SENTRAL

Representatives from the Public Works Ministry (PWD) visited Platinum Sentral as part of their study visit to MRCB's KL Sentral CBD.

The PWD representatives were briefed about the building's features and special characteristics namely the CISCO's Smart+Connected Real Estate (S+CRE) solution and a variety of sustainable green features during the tour.

JABATAN KERJA RAYA MELAWAT PLATINUM SENTRAL

Jabatan Kerja Raya (JKR) telah mengadakan lawatan ke Platinum Sentral di KL Sentral CBD.

Mereka telah diberi taklimat mengenai Platinum Sentral terutamanya ciri-ciri istimewa bangunan ini, khususnya penggunaan sistem Smart+Connected Real Estate (S+CRE) oleh CISCO serta lain-lain aspek keselamatan yang diterapkan.



15 JUNE

KOREAN PLANNERS CONDUCTS STUDY TOUR OF KL SENTRAL CBD

MRCB welcomed a delegation comprising town planners from South Korea, students and professors from the Korea University. They were briefed by personnel from MRCB and followed by a walking tour around KL Sentral CBD.

DELEGASI DARI KOREA SELATAN MELAWAT KL SENTRAL CBD

MRCB menyambut kunjungan delegasi terdiri daripada para perancang bandar Korea Selatan, professor dan pelajar Universiti Korea yang diberi taklimat sebelum dibawa melawat di sekitar KL Sentral CBD.

20 JUNE

MRCB AND CISCO BLOOD DONATION DRIVE 2012

Together with Cisco Systems Malaysia Sdn Bhd (Cisco), MRCB conducted a successful blood donation drive with the theme "Donate Blood. Save Lives" at Sooka Sentral for the KL Sentral CBD community.

The campaign managed to attract 94 people to donate their blood, surpassing the campaign's target of 50 units of blood.

KEMPEN DERMA DARAH MRCB DAN CISCO 2012

Bersama-sama dengan Cisco, MRCB telah berjaya menganjurkan kempen derma darah bertema "Derma Darah. Selamatkan Nyawa" di Sooka Sentral untuk komuniti KL Sentral CBD.

Kempen ini berjaya menarik 94 orang penderma melebihi sasaran MRCB untuk mengumpul 50 unit darah.



CORPORATE EVENTS 2012

PERISTIWA
KORPORAT 2012

JULY

16 JUL

FIRE AND RESCUE DEPARTMENT MALAYSIA VISITS SSKL

The Fire and Rescue Department of Malaysia (Bomba) visited SSKL as part of its inspection visit and familiarisation study. Personnel from Semasa Sentral Sdn Bhd, the station manager of SSKL, were on hand to brief the Bomba team.

The visit was to ensure that premises in SSKL complied with fire safety regulations and to familiarise the Bomba team with the design and layout of SSKL.

LAWATAN JABATAN BOMBA DAN PENYELAMAT MALAYSIA KE SSKL

Jabatan Bomba dan Penyelamat Malaysia (Bomba) telah mengadakan lawatan pemeriksaan ke SSKL. Kakitangan daripada Semasa Sentral Sdn Bhd, selaku pengurus stesen SSKL, telah menyampaikan taklimat kepada ahli-ahli Bomba yang hadir.

Lawatan tersebut bertujuan memastikan premis-premis perniagaan di SSKL mematuhi peraturan mencegah kebakaran serta bagi ahli-ahli pasukan Bomba membiasakan diri dengan rekabentuk dan susunatur SSKL.



AUGUST

15 AUG

MRCB'S SPORTS AND RECREATIONAL CLUB DONATES RM8,000.00 TO ORPHANAGE

The Sport and Recreation Club of MRCB, also known as SPARC, collected and donated RM8,000.00 as part of its contribution to the Silaturrahim Nurul Qana'ah Orphanage Home. The donation was held in conjunction with its breaking of fast event at Platinum Sentral.

KELAB SUKAN & REKREASI MRCB MENYUMBANG RM8,000.00 KEPADA RUMAH ANAK YATIM

Kelab Sukan dan Rekreasi MRCB (SPARC) telah menghulurkan sumbangan melalui kutipan sebanyak RM8,000.00 kepada Rumah Silaturrahim Nurul Qana'ah sempena Majlis Berbuka Puasa di Platinum Sentral.



SEPTEMBER



15 SEPT

MRCB DONATES RM15,000.00 TO THE LESS FORTUNATE AT FEDERAL TERRITORY HARI RAYA OPEN HOUSE CELEBRATION 2012

MRCB donates RM15,000.00 “duit raya” to 150 people at the Federal Territory Hari Raya Open House Celebration.

MRCB MENYUMBANG RM15,000.00 SEMPERNA MAJLIS RUMAH TERBUKA HARI RAYA PERINGKAT WILAYAH PERSEKUTUAN 2012

MRCB menyumbang RM15,000.00 “duit raya” kepada 150 orang kurang berkemampuan sempena Majlis Rumah Terbuka Hari Raya Peringkat Wilayah Persekutuan 2012.

OCTOBER



15 OCT

MRCB'S PINTAR SCHOOLS VISIT KIDZANIA AS PART OF EDUCATIONAL TRIP

A total of 100 students from MRCB's PINTAR schools were treated to an educational trip to KidZania as part of their extracurricular programme for motivation and academic enhancement.

The PINTAR students were treated to the “Playing Grown-Up” activity that enabled the students to experience real life activities that adults would normally go through i.e. going to work, using money and learning to be independent individuals.

MRCB MENGADAKAN LAWATAN SAMBIL BELAJAR UNTUK PARA PELAJAR PROGRAM PINTAR KE KIDZANIA

Seramai 100 orang pelajar dari sekolah angkat MRCB dibawah program PINTAR berpeluang untuk berkunjung ke KidZania sebagai sebahagian daripada aktiviti luar kelas yang meningkatkan motivasi serta tahap pencapaian akademik.

Para pelajar ini telah berpeluang menyertai aktiviti “Playing Grown-Up” yang membolehkan mereka mengalami kehidupan sebenar sebagai seorang dewasa seperti bekerja, menggunakan wang serta belajar menjadi individu berdikari.

18 OCT

PLATINUM SENTRAL WINS THE EDGE-PAM GREEN EXCELLENCE AWARDS 2012

Platinum Sentral, a green building development located in the KL Sentral CBD became the 2012 winner of The Edge-PAM Green Excellence Award at an award ceremony held at Hilton Kuala Lumpur.

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

PLATINUM SENTRAL MENANG ANUGERAH “THE EDGE-PAM GREEN EXCELLENCE AWARD 2012”

Platinum Sentral, bangunan berasaskan teknologi hijau yang terletak di bawah pembangunan KL Sentral CBD telah muncul sebagai pemenang “The Edge-PAM Green Excellence Award 2012” dalam satu majlis anugerah yang diadakan di Hilton Kuala Lumpur.

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



NOVEMBER

01 NOV



MRCB IS FINALIST FOR NACRA 2012 AWARDS

MRCB was honoured with a certificate of merit by virtue of its being selected as one of the top finalists at the National Corporate Reporting Awards (NACRA) under the Bursa Malaysia's Annual Report category. This is the first time MRCB was selected as the finalist in the overall category. Previously, MRCB had won three times under the Best CSR category in 2008, 2009 and 2010.

MRCB KE PERINGKAT AKHIR DALAM ANUGERAH NACRA 2012

MRCB berjaya dipilih sebagai salah satu calon peringkat akhir bagi Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA) 2012 di bawah kategori Laporan Tahunan Bursa Malaysia.

Ini merupakan kali pertama MRCB tersenarai ke peringkat akhir bagi kategori keseluruhan ini. Sebelum ini MRCB telah memenangi anugerah Kategori Tanggungjawab Sosial Korporat (CSR) Terbaik untuk tiga kali berturut-turut sejak tahun 2008 hingga 2010.



21 NOV

MAYOR OF IPSWICH VISITS MRCB

MRCB welcomed a guest of honour, Paul Pisasale the Mayor of Ipswich, Australia to KL Sentral CBD. The Mayor was accompanied by Cameron Price, a property journalist and they were briefed on the development of KL Sentral CBD by representatives of MRCB's senior management team.

The visit is part of MRCB's networking programme aimed at establishing affiliation with an international network for mutual exchange of property planning and construction knowledge.

LAWATAN OLEH DATUK BANDAR IPSWICH, AUSTRALIA KE MRCB

MRCB menyambut kedatangan Paul Pisasale, Datuk Bandar Ipswich, Australia ke KL Sentral CBD. Datuk Bandar tersebut dengan disertai oleh Cameron Price, seorang wartawan hartanah, telah diberi taklimat berkenaan pembangunan KL Sentral CBD oleh wakil pengurusan kanan MRCB.

Lawatan ini juga adalah sebahagian daripada program MRCB untuk mengeratkan usahasama serta bertukar-tukar kepakaran mengenai perancangan hartanah dan pembinaan dengan negara luar.

23 NOV

MRCB PREVAILS WITH THREE AWARDS AT THE EDITORS CHOICE PROPERTY AWARDS 2012

MRCB was announced the winner of three categories at the Editors Choice Property Awards 2012 at a dinner organized by Malaysian Reserve and Property Times at Sunway Resort Hotel and Spa, Selangor.

MRCB won 'Best Green Office Development', 'Best Green Initiative' for Platinum Sentral and the 'Best Integrated Development' for KL Sentral CBD.

MRCB RAIH TIGA ANUGERAH DI "EDITORS CHOICE PROPERTY AWARDS 2012"

MRCB telah meraih tiga anugerah berprestij di 'Editors Choice Property Award 2012' anjuran Malaysian Reserve dan Property Times di Hotel Sunway Resort & Spa, Selangor.

MRCB menang dalam kategori 'Best Green Office Development', 'Best Green Initiative' untuk Platinum Sentral dan 'Best Integrated Development' untuk KL Sentral CBD.



23 NOV

INDONESIAN FIRE AND RESCUE DEPARTMENT VISITS KL SENTRAL CBD

The Fire and Rescue Department of Indonesia (FRDI) visited SSKL and Platinum Sentral as part of its fire prevention, safety development and familiarisation study. Peter Placious Petrus, Chief of FRDI and his team were briefed by Mohd Sabri Md Shariff, Project Director, Property.

The visit was to study the modern and intelligent fire safety technology at SSKL that is based on code of standards practised by MRCB.

JABATAN KEBAKARAN DAN PENYELAMAT INDONESIA MENGADAKAN LAWATAN KE KL SENTRAL CBD

Jabatan Kebakaran dan Penyelamat Indonesia telah melawat SSKL dan Platinum Sentral sebagai sebahagian daripada usaha jabatan ini meningkatkan pengetahuan mencegah kebakaran dan keselamatan. Peter Placious Petrus, Ketua Kebakaran dan Keselamatan Indonesia dan kumpulannya telah menerima taklimat daripada Mohd Sabri Md Shariff, Pengarah Projek, Hartanah.

Lawatan tersebut bertujuan untuk mempelajari sistem teknologi kebakaran dan keselamatan moden di SSKL yang berasaskan kod piawaian yang diaplikasikan oleh MRCB.

NOTICE OF 42ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting of Malaysian Resources Corporation Berhad ("MRCB" or "the Company") will be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 20 June 2013 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1. To receive and adopt the Statutory Financial Statements of the Company for the financial year ended 31 December 2012 and the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To approve a first and final dividend comprising 0.4% or 0.4 sen per ordinary share less income tax of 25% and single tier dividend of 1.6% or 1.6 sen per ordinary share for the financial year ended 31 December 2012 | Resolution 2 |
| 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) Dato' Abdul Rahman Ahmad
(ii) Che King Tow | Resolution 3
Resolution 4 |
| 4. To approve the Directors' Fees of RM750,000 for the financial year ended 31 December 2012. (2011: RM398,713) | Resolution 5 |
| 5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS

To consider and, if though fit, to pass with or without modification, the following Resolutions:-

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 6. Proposed Increase in the Authorised Share Capital (Ordinary Resolution) | |
| "THAT approval be and is hereby given to increase the authorised share capital of the Company from RM2,000,000,000 comprising 2,000,000,000 Ordinary Shares of RM1.00 each to RM5,000,000,000 comprising 5,000,000,000 Ordinary Shares of RM1.00 each by the creation of an additional 3,000,000,000 new Ordinary Shares of RM1.00 each." | Resolution 7 |
| 7. Proposed Amendments to the Memorandum and Articles of Association (Special Resolution) | |
| "THAT in consequence of the passing of Resolution 7, Clause 5 of the Memorandum of Association of the Company and Article 4 of the Articles of Association of the Company be amended accordingly." | Resolution 8 |
| 8. Proposed Amendments to the Articles of Association (Special Resolution) | |
| "THAT the proposed amendments to the Articles of Association of the Company as contained in Appendix I of the Annual Report be hereby approved and in consequence thereof, the new set of Articles of Association incorporating the amendments be adopted AND THAT the Directors and Secretary be hereby authorised to carry out the necessary steps to give effect to the amendments." | Resolution 9 |
| 9. To transact any other ordinary business for which due notice has been given. | |

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 42nd Annual General Meeting, a first and final dividend of 0.4% or 0.4 sen per ordinary share less income tax of 25% and single tier dividend of 1.6% or 1.6 sen per ordinary share for the financial year ended 31 December 2012 will be paid on 3 July 2013 to Depositors whose names appear in the Record of Depositors on 13 June 2013.

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

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 13 June 2013 in respect of transfers;
- b. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 11 June 2013 in respect of shares exempted from mandatory deposit; and
- c. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

MOHD NOOR RAHIM YAHAYA

(MAICSA 0866820)

Company Secretary

Kuala Lumpur

29 May 2013

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
3. The instrument appointing the proxy must be deposited at the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Explanatory notes on Special Business:
Resolutions 7 and 8, if passed, will enable the Company to increase its Authorised Share Capital to RM5,000,000,000 to accommodate the issuance of new Ordinary Shares.
Resolution 8, if passed, will enable the Company to update the Articles to be in line with the Listing Requirements of Bursa Malaysia Securities Berhad and also to be in consistent with the prevailing laws, guidelines or requirements of the relevant authorities as well as to enhance administrative efficiency of the Company.

General Meeting Record of Depositors

For the purpose of determining a member who shall be entitled to attend the 42nd Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 13 June 2013. Only a depositor whose name appears on the Record of Depositors as at 13 June 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for re-election at the 42nd Annual General Meeting of the Company:

- (a) Directors retiring pursuant to Articles 101 and 102 of the Articles of Association:
 - (i) Dato' Abdul Rahman Ahmad
 - (ii) Che King Tow

The profiles of Directors including those seeking re-election at the 42nd Annual General Meeting are set out on pages 30 to 36. Their shareholdings in the Company are set out on page 135.

NOTIS MESYUARAT AGUNG TAHUNAN KE-42

DENGAN INI DIMAKLUMKAN BAHAWA Mesyuarat Agung Tahunan Malaysian Resources Corporation Berhad ("MRCB" atau "Syarikat") yang Ke-42 akan diadakan di Pusat Konvensyen Sime Darby, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur pada hari Khamis, 20 Jun 2013 pada pukul 10.00 pagi untuk melaksanakan urusan-urusan berikut:

AGENDA

URUSAN BIASA

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| 1. Untuk menerima dan meluluskan Penyata Kewangan Syarikat bagi tahun kewangan berakhir 31 Disember 2012 bersama Laporan Lembaga Pengarah dan Juruaudit. | Resolusi 1 |
| 2. Untuk meluluskan bayaran dividen pertama dan terakhir sebanyak 0.4% atau 0.4 sen sesaham biasa yang ditolak cukai pendapatan sebanyak 25% dan dividen "single tier" sebanyak 1.6% atau 1.6 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2012. | Resolusi 2 |
| 3. Untuk melantik semula Pengarah-pengarah berikut yang akan bersara menurut Artikel 101 dan 102 Tataurus Syarikat dan oleh kerana layak, telah menawarkan diri mereka untuk perlantikan semula:
(i) Dato' Abdul Rahman Ahmad
(ii) Che King Tow | Resolusi 3
Resolusi 4 |
| 4. Untuk meluluskan yuran Pengarah-Pengarah sebanyak RM750,000 bagi tahun kewangan berakhir 31 Disember 2012. (2011: RM398,713) | Resolusi 5 |
| 5. Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah untuk menetapkan ganjaran mereka. | Resolusi 6 |

URUSAN KHAS

Untuk memberi pertimbangan dan sekiranya difikirkan wajar, meluluskan dengan atau tanpa sebarang pindaan resolusi berikut:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 6. Cadangan Menaikkan Modal Yang Dibenarkan (Resolusi Biasa)

"BAHAWA dengan ini kelulusan diberikan kepada Syarikat untuk menaikkan modal yang dibenarkan daripada RM2,000,000,000 terdiri daripada 2,000,000,000 Saham Biasa yang bernilai RM1.00 sesaham kepada RM5,000,000,000 terdiri daripada 5,000,000,000 Saham Biasa yang bernilai RM1.00 sesaham dengan mewujudkan 3,000,000,000 Saham Biasa baru bernilai RM1.00 sesaham. | Resolusi 7 |
| 7. Cadangan Pindaan kepada Tataujud dan Tataurus Syarikat (Resolusi Khas)

"BAHAWA sekiranya Resolusi 7 diluluskan, Klausula 5 Tataujud Syarikat dan Artikel 4 Tataurus Syarikat akan dipinda sewajarnya." | Resolusi 8 |
| 8. Cadangan Pindaan kepada Tataurus Syarikat (Resolusi Khas)

"BAHAWA cadangan pindaan ke atas Tataurus Syarikat seperti yang terkandung di dalam Appendix 1, Laporan Tahunan Syarikat adalah diluluskan dan sehubungan dengan itu Tataurus Syarikat yang baharu setelah mengambilkira pindaan-pindaan tersebut akan digunapakai. BAHAWA dengan ini kelulusan diberikan kepada Pengarah-pengarah dan Setiausaha Syarikat untuk mengambil langkah-langkah yang perlu bagi melaksanakan perintah pindaan-pindaan tersebut." | Resolusi 9 |
| 9. Untuk melaksanakan sebarang urusan biasa lain di mana notis yang sewajarnya telah diterima. | |

NOTIS PEMBAYARAN DIVIDEN

DENGAN INI JUGA DIMAKLUMKAN BAHAWA tertakluk kepada kelulusan daripada pemegang-pemegang saham di Mesyuarat Agung Tahunan yang Ke-42, dividen pertama dan terakhir sebanyak 0.4% atau 0.4 sen sesaham biasa yang ditolak cukai pendapatan sebanyak 25% dan dividen "single tier" sebanyak 1.6% atau 1.6 sesaham biasa bagi tahun kewangan berakhir 31 Disember 2012, akan dibayar pada 3 Julai 2013 kepada Pendeposit yang tersenarai dalam Rekod Pendeposit pada 13 Jun 2013.

Seorang Pendeposit akan layak untuk menerima dividen hanya bagi:

- Saham-saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum 4.00 petang pada 13 Jun 2013, bagi pindahan biasa;
- Saham-saham yang didepositkan ke Akaun Sekuriti Pendeposit sebelum 12.30 petang pada 11 Jun 2013, bagi saham-saham yang dikecualikan dari deposit mandatori; dan
- Saham-saham yang dibeli di Bursa Malaysia Securities Berhad atas dasar kelayakan mengikut peraturan-peraturan Bursa Malaysia Securities Berhad.

DENGAN PERINTAH LEMBAGA PENGARAH

MOHD NOOR RAHIM YAHAYA

(MAICSA 0866820)

Setiausaha Syarikat

Kuala Lumpur

29 Mei 2013

NOTA:

- Ahli Syarikat yang berhak menghadiri dan mengundi di mesyuarat ini, berhak melantik seorang atau lebih proksi (atau melantik seorang wakil, bagi syarikat yang diperbadankan) untuk menghadiri dan mengundi bagi pihaknya. Seorang proksi tidak semestinya seorang ahli Syarikat ini.
- Borang Proksi mestilah ditandatangani oleh orang yang melantiknya atau wakilnya yang diberi kuasa secara bertulis. Bagi syarikat yang diperbadankan, ia hendaklah dilaksanakan dengan menggunakan Cop Mohor atau ditandatangani oleh wakilnya yang diberi kuasa secara bertulis atau oleh pegawainya, bagi pihak syarikat tersebut.
- Surat perlantikan seorang proksi hendaklah dikemukakan ke 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, Malaysia tidak kurang dari 48 jam sebelum waktu yang telah ditetapkan bagi mesyuarat tersebut atau sebarang penangguhannya.
- Nota tambahan bagi Urusan Khas:
Resolusi 7 dan 8, sekiranya diluluskan, akan membolehkan Syarikat untuk menaikkan modal yang dibenarkan kepada RM5,000,000,000 untuk memenuhi keperluan terbitan Saham Biasa yang baru.
- Nota tambahan bagi Urusan Khas:

Resolusi Khas sekiranya diterima akan membolehkan Syarikat untuk mengemaskini Artikel-Artikel di dalam Tataurus Syarikat bagi mematuhi syarat-syarat penyenaraian oleh Bursa Malaysia Securities Berhad.

Rekod Depositori Mesyuarat Agung

Bagi tujuan menentukan sama ada seseorang ahli layak untuk menghadiri Mesyuarat Agung Tahunan ke-42, Syarikat akan meminta Bursa Malaysia Depository Sdn Bhd mengeluarkan satu Rekod Pendeposit Mesyuarat Agung pada tarikh 13 Jun 2013. Hanya pendeposit yang namanya tersenarai di dalam Rekod Pendeposit pada 13 Jun 2013 sahaja layak menghadiri mesyuarat tersebut atau melantik proksi untuk menghadiri dan/atau mengundi bagi pihak beliau.

PENYATA BERSAMA NOTIS MESYUARAT AGUNG TAHUNAN

Para pengarah yang menawarkan diri untuk perlantikan semula di Mesyuarat Agung Tahunan yang Ke-42:

- (a) menurut Artikel 101 dan 102 adalah:
- Dato' Abdul Rahman Ahmad
 - Che King Tow

Profil para Pengarah termasuk yang menawarkan diri untuk perlantikan semula di Mesyuarat Agung Tahunan Syarikat yang Ke-42 terdapat di muka surat 30 hingga 36. Butiran mengenai pegangan saham para Pengarah di dalam Syarikat terdapat di muka surat 136.

TRANSFORMING ENVIRONMENTS

At MRCB, we believe more than just blueprints should go green. Our approach to the environment is holistic, comprising an overall strategy – from design, materials, and technology, to management, to ensure a cleaner and healthier environment, and a greener future for all.





BOARD OF DIRECTORS

DATUK SHAHRIL RIDZA RIDZUAN

*Non-Independent,
Non-Executive Director*

TAN SRI AZLAN ZAINOL

*Non-Independent,
Non-Executive Chairman*

DATO' AHMAD IBNIHAJAR

Independent Director



**DATO' ABDUL
RAHMAN AHMAD**
Independent Director

CHE KING TOW
Independent Director

DATO' CHONG PAH AUNG
Independent Director

JAMALUDIN ZAKARIA
Independent Director



DIRECTORS' PROFILE

PROFIL PENGARAH

TAN SRI AZLAN ZAINOL

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



Tan Sri Azlan Zainol, 63, a Malaysian, was appointed to the Board of MRCB on 12 January 2005. He is a Fellow of the Institute of Chartered Accountants (England & Wales), Certified Public Accountants Malaysia and a member of the Malaysian Institute of Accountants.

Tan Sri Azlan was the Chief Executive Officer of Employees Provident Fund (EPF) before his retirement on 16 April 2013. Prior to EPF, he was the Managing Director of AmBank Berhad from 1994 to 2001, AmFinance Berhad from 1982 to 1994, and director for several subsidiaries of AmBank Group from 1996 to 2001. Prior to that, he was a partner with Messrs BDO Binder.

He is the Chairman of RHB Bank Berhad, member of the Board of RHB Capital Berhad, RHB Investment Bank Berhad and Jardine Cycle & Carriage 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, 63, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 12 Januari 2005. Beliau merupakan seorang Felo di Institute of Chartered Accountants (England & Wales), Akauntan Awam Bertauliah Malaysia dan ahli Institut Akauntan Malaysia.

Tan Sri Azlan merupakan bekas Ketua Pegawai Eksekutif Kumpulan Wang Simpanan Pekerja (KWSP) sebelum persaraan beliau pada 16 April 2013. Sebelum KWSP, beliau memegang jawatan Pengarah Urusan AmBank Berhad dari tahun 1994 hingga 2001, AmFinance Berhad dari tahun 1982 hingga 1994 dan pengarah beberapa syarikat subsidiari Kumpulan AmBank dari tahun 1996 hingga 2001. Sebelum itu, beliau juga merupakan rakan kongsi Tetuan BDO Binder.

Beliau adalah Pengerusi RHB Bank Berhad, ahli Lembaga Pengarah RHB Capital Berhad, RHB Investment Bank Berhad dan Jardine Cycle & Carriage 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 urusan 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*

Datuk Shahril Ridza Ridzuan, 43, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Executive Committee and also a member of 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 the Chief Executive Officer of the Employees Provident Fund.

Datuk Shahril also sits on the Boards of Media Prima Berhad, Pengurusan Danaharta Nasional Berhad, Malaysia Building Society Berhad and Felda Global Ventures Holdings 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, 43, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau adalah Pengerusi Jawatankuasa Eksekutif dan juga ahli Jawatankuasa ESOS.

Beliau berkelulusan Ijazah Sarjana Muda Undang-Undang Sipil (Kelas Pertama) dari Universiti Oxford, United Kingdom, Ijazah Sarjana Sastera (Kelas Pertama) dari Universiti Cambridge, United Kingdom dan diterima masuk ke Badan Peguam Malaysia dan Bar of England and Wales.

Datuk Shahril merupakan seorang Pembantu Guaman di Zain & Co dari tahun 1994 hingga 1996. Beliau menjadi Pembantu Khas kepada Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd dari tahun 1997 hingga 1998. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad dari tahun 1998 hingga 1999. Beliau menjadi Pengarah Eksekutif SSR Associates Sdn Bhd dari tahun 1999 hingga bulan Ogos 2001.

Beliau adalah Pengarah Urusan Syarikat dari 1 September 2003 hingga 1 Disember 2009 dan kini merupakan Ketua Pegawai Eksekutif, Kumpulan Wang Simpanan Pekerja.

Datuk Shahril turut menganggotai Lembaga Pengarah Media Prima Berhad, Pengurusan Danaharta Nasional Berhad, Malaysia Building Society Berhad dan Felda Global Ventures Holdings 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 urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

DIRECTORS' PROFILE

PROFIL PENGARAH

DATO' ABDUL RAHMAN AHMAD
Independent Director
Pengarah Bebas



Dato' Abdul Rahman Ahmad, 44, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Remuneration Committee and member of Audit Committee and Nomination Committee.

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

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

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

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

Dato' Abdul Rahman Ahmad, 44, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau adalah Pengerusi Jawatankuasa Imbuhan dan ahli Jawatankuasa Audit dan Jawatankuasa Pencalonan.

Beliau berkelulusan Ijazah Sarjana Ekonomi dari Cambridge University, United Kingdom dan ahli Institute of Chartered Accountants, England & Wales.

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

Dato' Abdul Rahman merupakan Pengarah Urusan/Ketua Pegawai Eksekutif MRCB dan selepas itu, Media Prima Berhad, sebuah kumpulan pelaburan media bersepadu yang terkemuka di Malaysia. Kini, beliau merupakan Pengarah dan Ketua Pegawai Eksekutif Ekuiti Nasional Berhad dan turut berkhidmat sebagai Pengarah di Axiata Berhad dan Konsortium Logistik 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 urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



DATO' AHMAD IBNIHAJAR
Independent Director
Pengarah Bebas

Dato' Ahmad Ibni Hajar, 63, a Malaysian, was appointed to the Board of MRCB on 27 September 2000. He is the Chairman of Audit Committee and ESOS Committee and member of Remuneration Committee and Nomination Committee.

He holds a Bachelor of Economics (Business Administration) from University of Malaya in 1975 and is a Fellow of The Chartered Institute of Logistics & Transport, Malaysia.

Dato' Ahmad was a Forex Dealer and Portfolio Manager of Malayan Banking Berhad, London from 1976 to 1979. From 1980 to 1984, he was a Manager of Malayan Banking Berhad, Genting Highlands Branch and Balik Pulau Branch. He was a Director of United Traders Securities Sdn Bhd from 1984 to 1991 and was an Executive Director of WM Svane-Nor JV Sdn Bhd from 1991 to 1993 and Managing Director of Taiping Securities Sdn Bhd from 1995 to 1998.

Dato' Ahmad is currently the Managing Director of Penang Port Sdn Bhd and Chairman of D'Nonce Technology Berhad.

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

Dato' Ahmad Ibni Hajar, 63, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 27 September 2000. Beliau adalah Pengerusi Jawatankuasa Audit dan Jawatankuasa ESOS serta ahli Jawatankuasa Imbuhan dan Jawatankuasa Pencalonan.

Beliau berkelulusan Ijazah Sarjana Muda Ekonomi (Pentadbiran Perniagaan) dari Universiti Malaya pada tahun 1975 dan seorang Felo di Institut Logistik & Pengangkutan Bertauliah, Malaysia.

Dato' Ahmad pernah berkhidmat sebagai Wakil Penjual Forex dan Pengurus Portfolio Malayan Banking Berhad, London dari tahun 1976 hingga 1979. Mulai 1980 hingga 1984, beliau bertugas sebagai Pengurus Malayan Banking Berhad, cawangan Genting Highlands dan Balik Pulau. Beliau juga pernah menyandang jawatan sebagai Pengarah di United Traders Securities Sdn Bhd dari 1984 hingga 1991 dan Pengarah Eksekutif WM Svane-Nor JV Sdn Bhd dari 1991 hingga 1993 serta Pengarah Urusan Taiping Securities Sdn Bhd dari 1995 hingga 1998.

Dato' Ahmad pada masa ini merupakan Pengarah Urusan Penang Port Sdn Bhd dan Pengerusi D'nonce Technology 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 urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.

DIRECTORS' PROFILE

PROFIL PENGARAH

CHE KING TOW
Independent Director
Pengarah Bebas



Che King Tow, 59, a Malaysian, was appointed to the Board of MRCB on 24 June 2009. He is the Chairman of Nomination Committee and is also a member of the Audit Committee, Executive Committee and Remuneration Committee.

He is a registered Real Estate Agent (Board of Valuers and Real Estate Agents) and is a Committee Member of the Selangor Branch of the Real Estate and Housing Developers' Association of Malaysia.

From the period of 1993 to 2002, he built a total of 4,500 units of mostly affordable housing units in Johor, Penang and Selangor for TPPT Sdn Bhd, a subsidiary of Bank Negara Malaysia. He was also the Managing Director and major shareholder of Bukit Rimau Development Sdn Bhd, the developer of the premier housing development in Bukit Rimau, Shah Alam until the company was sold to Malton Berhad in 2002.

He is currently the Managing Director of Tecna Resources Sdn Bhd, Plaza 33 Sdn Bhd, Jaya 33 Sdn Bhd and the Principal of Tecna Properties Sdn Bhd. Cumulatively, he has 33 years of experience in all spectrum of the Real Estate industry ranging from marketing, project management, development, investment and rehabilitation of abandoned housing projects.

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.

Che King Tow, 59, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 24 Jun 2009. Beliau adalah Pengerusi Jawatankuasa Pencalonan dan juga ahli Jawatankuasa Audit, Jawatankuasa Eksekutif dan Jawatankuasa Imbuhan.

Beliau adalah Ejen Hartanah Berdaftar (Lembaga Jurunilai dan Ejen Hartanah) dan merupakan Ahli Jawatankuasa Persatuan Pemaju Hartanah dan Perumahan Malaysia, cawangan Selangor.

Sepanjang tempoh 1993 hingga 2002, beliau bertanggungjawab membina sebanyak 4,500 unit rumah di Johor, Pulau Pinang dan Selangor yang kebanyakannya terdiri daripada rumah mampu milik untuk TPPT Sdn. Bhd., sebuah syarikat subsidiari Bank Negara Malaysia. Beliau dahulu merupakan Pengarah Urusan dan pemegang saham utama Bukit Rimau Development Sdn Bhd, pemaju projek perumahan bertaraf perdana di Bukit Rimau, Shah Alam sehingga syarikat tersebut dijual kepada Malton Berhad pada tahun 2002.

Pada masa ini, beliau merupakan Pengarah Urusan Tecna Resources Sdn Bhd, Plaza 33 Sdn Bhd, Jaya 33 Sdn Bhd dan Prinsipal Tecna Properties Sdn Bhd. Secara keseluruhan, beliau mempunyai 33 tahun pengalaman dalam semua spektrum industri Hartanah yang meliputi bidang pemasaran, pengurusan projek, pembangunan, pelaburan dan pemulihan semula projek perumahan terbengkalai.

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 urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



DATO' CHONG PAH AUNG
Independent Director
Pengarah Bebas

Dato' Chong Pah Aung, 59, a Malaysian, was appointed to the Board of MRCB on 21 June 2011. He is a member of Executive Committee, Nomination Committee and Remuneration Committee.

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

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

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

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

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

Dato' Chong Pah Aung, 59, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 21 Jun 2011. Beliau merupakan ahli Jawatankuasa Eksekutif, Jawatankuasa Pencalonan dan Jawatankuasa Imbuhan.

Beliau berkelulusan Ijazah Sarjana Muda Sains Pengurusan Hartanah dan merupakan Felo Royal Institution of Chartered Surveyors dan Institut Jurukur DiRaja Malaysia. Beliau juga adalah Jurunilai dan Ejen Hartanah berdaftar.

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

Beliau kini merupakan Pengarah Urusan Compass Real Estate Sdn Bhd dan Compass Property Management Sdn Bhd.

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

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

DIRECTORS' PROFILE

PROFIL PENGARAH

JAMALUDIN ZAKARIA
Independent Director
Pengarah Bebas



Jamaludin Zakaria, 47, a Malaysian, was appointed to the Board of MRCB on 24 August 2011. He is a member of the Audit Committee and ESOS Committee.

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

He has more than 15 years experience in investment banking and corporate finance, having been attached with domestic and international investment banks. He is currently a 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, 47, warganegara Malaysia, telah dilantik sebagai ahli Lembaga Pengarah MRCB pada 24 Ogos 2011. Beliau merupakan ahli Jawatankuasa Audit dan Jawatankuasa ESOS.

Beliau berkelulusan Ijazah Sarjana Muda Perakaunan dengan minor Hartanah dan Insurans dari Arkansas State University.

Beliau memiliki pengalaman selama lebih 15 tahun dalam perbankan pelaburan dan kewangan korporat hasil perkhidmatan beliau di beberapa bank pelaburan tempatan dan antarabangsa. Beliau kini merupakan 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 urusan perniagaan yang melibatkan MRCB dan tidak pernah disabitkan dengan sebarang kesalahan dalam tempoh 10 tahun lepas.



AWARDS & RECOGNITIONS

ANUGERAH & PENGIKTIRAFAN



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

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

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

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

MRCB GROUP KUMPULAN MRCB

Malaysia Achievement Awards 2012
Special Organisation Achievement Category

National Annual Corporate Report Awards 2012
Finalist (Overall)

BrandLaureate Awards 2011
• Conglomerate Awards

ACCA Masra 2011
• Shortlisted

Stevie International Business Awards 2011
• Distinguished Honoree for Best Corporate Social Responsibility Programme of the Year in Asia (subcontinent, Australia and New Zealand) for PINTAR programme

The Edge Billion Ringgit Club 2011
• Member





NACRA Award 2010

- Best Corporate Social Responsibility Reporting Award – Silver Award

ACCA MaSRA 2010

- Shortlisted

Asean Business Awards (Innovation) 2010

- 1st Runner Up

Stevie International Business Awards 2010

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

PM CSR Award 2009

- Honourable Mention – Culture & Heritage

ACCA MaSRA 2009

- Winner – Environmental Performance Report

ACCA MaSRA 2009

- Special Mention – Assurance Approach

NACRA Award 2009

- Best Corporate Social Responsibility Reporting Award – Silver Award

Member

- The Edge Billion Ringgit Club 2010

StarBIZ ICR Malaysia Corporate Responsibility Awards 2009

- Finalist – Marketplace Category

NACRA Award 2008

- Best Corporate Social Responsibility Reporting Award – Platinum Award

StarBIZ – ICR Malaysia Corporate Responsibility Awards 2008

- Finalist – Community Category

AWARDS & RECOGNITIONS

ANUGERAH & PENGIKTIRAFAN

PROPERTY HARTANAH

KUALA LUMPUR SENTRAL SDN BHD

The Edge-PAM Green Excellence Awards 2012
Green Building – Platinum Sentral

Editors Choice Property Awards 2012

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

Stevie International Business Awards 2011

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

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

- 1st Runner-up – Sooka Sentral Lifestyle Centre

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

- Winner – Sooka Sentral Lifestyle Centre

2009 FIABCI Malaysia Property CEO of the Year Award

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

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

- 1st Runner-up – 1 Sentral

FIABCI Malaysia Chapter Property Awards for Office Development 2008

- Winner – 1 Sentral

Islamic Finance News Award Musyarakah Deal of the Year 2007

- KL Sentral CBD

Malaysia's First MSC Cybercentre in 2006

- KL Sentral CBD

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

- Finalist – Stesen Sentral Kuala Lumpur

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

- Stesen Sentral Kuala Lumpur

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

- Stesen Sentral Kuala Lumpur

PAM 2002 Awards for Excellence in Architecture

- Stesen Sentral Kuala Lumpur

MRCB Sentral Properties Sdn Bhd

- MS ISO 9001:2000





INFRASTRUCTURE, CONCESSION & ENVIRONMENT INFRASTRUKTUR, KONSESI & ALAM SEKITAR

MRCB Lingkaran Selatan Sdn Bhd

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

MRCB Prasarana Sdn Bhd License

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

MRCB Environment Sdn Bhd

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

License

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

BUILDING SERVICES PERKHIDMATAN PENGURUSAN BANGUNAN

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

Semasa Sentral Sdn Bhd

- Building Gemilang Decoration Competition 2011 – 1st place
- “Best Facilities Management Company in Asia Pacific”: Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- “Best Operation Driver of The Year”: Mohamed Roslan Mohamed Shariff, Chief Operating Officer, SSSB – Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- Human Resource Development Award 2008; Medium and Small Service Industry by the Human Resource Development in October 2008
- Re-certification to MS ISO 9001:2000 QMS in March 2006

- Transportation Project Award by Eastern Asia Society of Transportation Studies
- Public Toilet Cleanliness Competition organised by Dewan Bandaraya Kuala Lumpur (DBKL) – 1st prize for Year 2004 and 2005
- Shortlist for QMEA 2004 Award for Category 1 (Local Company With Annual Sales Not Exceeding RM10 Million) organised by Ministry of International Trade & Industry (MITI)
- Special Award for Quality Management Excellence 2005 organised by MITI

Semasa Services Sdn Bhd

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

Semasa Security Sdn Bhd

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



AWARDS & RECOGNITIONS

ANUGERAH & PENGIKTIRAFAN

MRCB Technologies Sdn Bhd Accreditation

- MS ISO 9001:2000
- MSC Status Incubator

Licenses

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

ENGINEERING & CONSTRUCTION KEJURUTERAAN & PEMBINAAN

Transmission Technology Sdn Bhd Accreditation

- MS ISO 9001:2000

Licenses

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

MILMIX Sdn Bhd Accreditation

- MS ISO 9001:2000 License
- CIDB G7

MRCB Engineering Sdn Bhd Accreditation

- MS ISO 9001:2000

Licenses

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





CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

During the financial year ended 31 December 2012 Malaysian Resources Corporation Berhad (MRCB) further enhanced its financial performance despite global economic instability and a sluggish construction market.

In 2012, Group revenue climbed to RM1,283 million from the RM1,227 million posted the year before, while profit before taxation advanced to RM134 million from the RM123 million recorded for the year ended 31 December 2011.

For the first time, Property and Property Investment activities took over from Engineering & Construction business as the Group's main revenue driver – a trend which we expect to continue in the year ahead. The healthy growth in the Group's Property Division during the year derived mainly from on-going property development projects at KL Sentral CBD, particularly the Lot G office towers and the Q Sentral office tower.

Revenue was further boosted by the flow of rental income from Platinum Sentral, and the successful launch and revenue recognition of The Sentral Residences that commenced in the third quarter of 2012. Underpinned by our sustainable revenue growth model, The Sentral Residences and the Q Sentral office developments should continue to provide a strong revenue contribution for the next couple of years.

While most of the Engineering & Construction Division's contracts have been progressing under relatively stable conditions, the Group made provisions for remedial works and write downs on receivables from certain on-going and completed projects. Although the Division consequently registered losses for the year, looking ahead we are confident that in future it will deliver profitable returns on the back of its on-going projects.



CHAIRMAN'S STATEMENT

In 2012, the Environment Division continued work on projects in hand but did not secure any new awards. Nevertheless, we are satisfied with the work in progress, and the management is actively pursuing potential new projects.

The results achieved by the Building Services Division during the financial year were commendable and we are optimistic that it will continue to fare well as new buildings in KL Sentral CBD are completed, thereby providing fresh sources of contracts and income.

In line with this sterling performance, the Board recommends the payment of a first and final dividend which, if approved at the Annual General Meeting, will comprise 0.4% or 0.4 sen per ordinary share less income tax of 25% plus a single tier dividend of 1.6% or 1.6 sen per ordinary share.

CORPORATE HIGHLIGHTS

In 2012, the Group completed two significant projects in Johor.

The first project was the construction of the RM115 million Marlborough College in Nusajaya New Town, Iskandar Malaysia Development. The garden landscaped college includes an impressive array of classrooms, residences, sports fields and other facilities.

The second project is the Eastern Dispersal Link (EDL) Expressway in Johor Bahru, which was opened to traffic on 1 April 2012. Unfortunately, in view of the Government's decision to buy over the project, the toll collection operation from the EDL concession was halted. Pending finalisation of the agreement, the Government approved an interim payment to MRCB commencing on 1 May 2012 to defray operating and maintenance expenses inclusive of finance cost of the expressway.

In March 2012, the Minister of Federal Territories and Urban Wellbeing, officially launched the development of a multi-storey carpark at a ground breaking ceremony conducted at the Pines Bazaar site in Little India, Brickfields. The government-initiated project aims to resolve the lack of car parking in the area as well as to enhance the community's business opportunities.

During the year, MRCB structured a deal to expand its development land and entered into a 70:30 joint venture with DMIA Sdn Bhd to develop two parcels of adjoining land in Brickfields, with a total area of five acres into a mixed property development. Located at the junction of Jalan Travers, the project will feature a landmark high rise residential tower with spectacular views of the Kuala Lumpur skyline.

Meanwhile, in the KL Sentral CBD, all new buildings under construction are designed to comply with Malaysia's Green Building Index (GBI) rating. The recently completed award-winning Platinum Sentral is KL Sentral CBD's first Green Office and also the first building in Malaysia to receive Singapore's Building and Construction Authority (BCA) Green Mark (Platinum rating) as well as GBI certification.

MRCB continues with its commitment of promoting employee share ownership and, in October 2012, the Company approved a final extension of its Employees' Share Option Scheme (ESOS) for a further five years until 31 October 2017.

OPERATIONAL REVIEW

Property Division

2012 was an outstanding year for the Property Division, which saw considerable progress across developments especially at KL Sentral CBD.

Officially opened in May 2012, Platinum Sentral is one of MRCB's signature projects and winner of a Green Excellence Award 2012 from The Edge-PAM and a Green Office Development Award at the 2012 Editor's Choice Property Awards. The development includes contemporary office buildings, high-end retail outlets, state-of-the-art business centres, hospitality zones and green spaces as well as offering seamless connectivity and a creative working environment. Wholly owned by MRCB, Platinum Sentral has an overall Gross Development Value (GDV) of RM700 million and has secured 100% office tenancy.

As part of Lot G, MRCB and its partner, Aseana Properties Ltd, UK, have jointly developed a new 482-room business class hotel known as Aloft Hotel and two office towers known as Nu Tower 1 & 2. The development was completed in 2012. The Nu Tower 1 & 2 commenced operation at the end of the year, and the Aloft hotel will open in March 2013. Both office towers have been sold to foreign investors, but will continue to be managed by MRCB. With the total GDV of RM843 million, Lot G will support the Group's strategy of building recurring income from development and management services.

KL Sentral CBD's Nu Sentral retail mall in Lot G is the first integrated 'green' lifestyle retail mall in Malaysia, and complies with both Singapore's BCA Green Mark and Malaysia's GBI standards. With 287 shops for lease, the eight-storey mall has so far secured six anchor tenants, the two largest being Parkson and Golden Screen Cinema (GSC) which, between them, account for more than 186,000 sq. ft. Other new tenants are now taking up approximately 116,000 sq. ft. of floor space. The mall features a 1.8 acre roof garden and has a direct link to the Aloft hotel via an air-conditioned bridge. Construction of Nu Sentral is scheduled for completion in the fourth quarter of 2013. The GDV of the project is over RM1 billion.

Another part of Lot G is the 1 Sentrum office tower. The tower has been pre-certified as a Leadership in Energy and Environmental Design (LEED) Silver by the United States Green Building Council, thus reinforcing MRCB's leadership in sustainable development. Lot G will also incorporate a further 2,000 car parking spaces for the KL Sentral CBD development.

348 Sentral comprises a Grade A commercial office tower known as Menara Shell and a 157-unit serviced residences block above a five-storey retail podium called Ascott Sentral. Shell People Services is the commercial anchor tenant, while Ascott Sentral serviced residences will be managed by Ascott International. Menara Shell has qualified for LEED Platinum standard certification and GBI Gold certification. The GDV of the development is almost RM1 billion and construction is scheduled for completion in the second quarter of 2013.

The division expects to complete the construction of Menara CIMB in early 2013, the new corporate headquarters of CIMB Investment Bank, designed to act as the anchor for the development of a new financial hub for Kuala Lumpur.

MRCB is part of a joint venture which invested about RM1.2 billion to develop and operate a St. Regis Hotel and Residences tower comprising 208 rooms and 160 luxury residences. This high-end hospitality development will be managed by six-star luxury hospitality brand St. Regis and will create a new benchmark for the hospitality industry in Malaysia. Completion is expected by 2014.

Next to the St. Regis Hotel and Residences, MRCB and its joint venture partner, the Quill Group of Companies, are developing The Sentral Residences – two spectacular luxury condominium towers which will complement the Suasana Sentral and Suasana Sentral Loft condominiums. With a GDV of RM1.4 billion, the development has recorded 70% sales and is expected to be completed in 2016.

Designed as an iconic landmark, Q Sentral is a key component in the Group's overall vision for KL Sentral CBD. It is a state-of-the-art, 45-storey, Grade A strata office tower that offers unsurpassed global connectivity. Targeted for completion in 2015, Q Sentral has a GDV of around RM1.2 billion. Since its launch in September 2011, has already achieved sales of 84%.

Outside the Klang Valley, the Group's property developments made equally impressive headway.

CHAIRMAN'S STATEMENT

Penang Sentral is the largest integrated transportation hub in Malaysia's northern region and will provide connectivity for ferries, buses, taxis and trains as well as a projected monorail station. Part of the Northern Corridor Economic Region, the hub will also be integrated with approximately 24 acres of commercial and residential components in Butterworth, Penang. The project is being developed by Penang Sentral Sdn Bhd; a 49:51 joint venture between MRCB and Pelaburan Hartanah Berhad. With a potential GDV of about RM2.3 billion, the transport hub and retail component are scheduled to commence in 2013.

Seri Iskandar Development Corporation Sdn Bhd (SIDEK), MRCB's 70:30 joint venture with the Perak State Development Corporation, continues to progress with its first township project at Bandar Seri Iskandar (BSI) in the heart of the Kinta-Pangkor Corridor. Planned over 5,000 acres, BSI is a self-sustained township that offers a modern lifestyle via a perfectly balanced integration of residential, commercial, industrial and recreational elements. SIDEK has already completed the RM151 million Phase 1 development. Phase 2, known as Puncak Iskandar, covers about 250 acres, and is a high-end, low density development set amid lush greenery. The development is worth RM342 million and is on track for completion by 2017.

Meanwhile, the Division is going to launch the Kajang Utama Phase 7, the last phase of Taman Kajang Utama in 2014. Located in Kajang, Selangor, this matured 300-acre township features freehold commercial, residential and industrial components and provides a population of over 20,000 with outstanding connectivity via the North-South Highway, the Cheras Highway and the SILK Highway.

Engineering & Construction Division

In 2012, Engineering & Construction (E&C) Division generated a revenue of RM855 million. Within KL Sentral CBD, the division has contracts worth RM2.8 billion for the construction of various Grade A office buildings, a retail mall, residential buildings and infrastructure packages.

At KL Sentral CBD, the division completed Platinum Sentral as well as two office towers of 26 and 36 storeys each, known as Nu Tower 1 & 2, which are connected to the Aloft business hotel. The 41-storey Menara CIMB is scheduled to complete in early 2013.

Further progress was also made in the construction of both the new headquarters of Shell Malaysia and, within the same Lot, Ascott Sentral, a 27-storey serviced apartment block that will be managed by The Ascott International. The project should be completed by the second quarter of 2013. Meanwhile, E&C expects to complete the Lot G shopping mall, known as Nu Sentral by end of 2013.

During the year, E&C started work on two new projects within KL Sentral CBD. Q Sentral is an eco-friendly 45-storey Grade A strata office building, while The Sentral Residences is an upscale condominium comprising two ultramodern 55-storey towers overlooking the Lake Gardens.

Elsewhere, in 2012, as reported, the division has completed the RM1.3 billion Eastern Dispersal Link (EDL) Expressway in Johor Bahru, which links the new Customs, Immigration and Quarantine Complex at Bukit Cagar to the North-South Expressway. In a similar development, a joint venture company – UEMB-MRCB JV Sdn Bhd, which is 49% owned by MRCB was awarded a RM1.4 billion PLUS contract to construct a fourth lane from Shah Alam to the Rawang/Jalan Duta Toll Plaza interchanges and from Nilai Utara to Seremban.

In the southern region, E&C also completed the Marlborough College campus in Nusajaya, Iskandar Malaysia development, Johor. The division is actively involved in the Engineering, Procurement and Construction (EPC) of high voltage transmission projects. It has also completed the relocation of a TNB High Voltage Transmission Line for the Kelana Jaya LRT Line Extension Project. Construction of Facilities Works (Package B) for the LRT Ampang Line Extension also made good progress during the year. Meanwhile, E&C also participated in several power substations and transmission tenders worth more than RM790 million.

E&C will also implement both the ISO 9001 and ISO 14001 Quality Management Systems and the OHSAS 18001 Occupational Health and Safety Management System next year. It will also enhance existing construction practices by applying for Industrialised Building System (IBS) certification from the Construction Industry Development Board Malaysia. These initiatives will significantly boost the division's expertise in the design and construction of Green Buildings.

E&C also plans to send its staff for training in both Quality Assessment System in Construction (QLASSIC) and Safety and Health Assessment System in Construction (SHASSIC), and to enrol them on a course organised by Green Building Index.

Infrastructure, Concession & Environment Division

In 2012, the Infrastructure, Concession & Environment (ICE) Division made good progress with its two main projects whose combined value amounts to RM86.8 million. Both contracts were awarded by the Department of Irrigation and Drainage (DID).

Phase 2 of the works to upgrade the Pahang river and estuary, worth RM46.5 million was completed ahead of schedule. The DID has now appointed ICE to undertake additional works to further deepen the river. MRCB is also currently negotiating with the DID to continue with Phase 3 of the works.

Meanwhile, the RM40.3 million contract to carry out Phase 3 of the coastal protection works at the Sungai Perai river mouth and nearby coastal areas is expected to complete in the first quarter of 2013 and the Group is in negotiation to forge ahead with Phase 4.

Leveraging on its proven capabilities in the rehabilitation and construction of breakwaters, the Division is in discussion with the DID about rehabilitating problematic areas in Tioman Island.

The division's other major project in 2012 was the completion of the 8.1 km EDL Expressway in Johor Bahru, which is designed to disperse traffic from the city's main arterial roads. Completed in March 2012 and opened to traffic on 1 April 2012, the EDL Expressway currently serves about 150,000 vehicles per day.

Building Services Division

The Building Services Division (BSD) complements the Property Division by offering a comprehensive service that seamlessly integrates not only the operation, maintenance and management of facilities but also the provision of information technology services for integrated transportation hubs and commercial, governmental, industrial and high-rise buildings. Major projects include the management of both Stesen Sentral Kuala Lumpur (SSKL) and Penang Sentral Temporary Terminal in Butterworth.

One new venture is Green Building Management, which is dedicated to enhancing the efficient use of energy, water and materials and to reduce a building's impact on human health and the environment. As part of this venture, during the year BSD deployed a state-of-the art Integrated Building Management System for the award-winning Platinum Sentral Green Building.

BSD also focuses on ICT services for highways, and in 2012 the division completed the deployment of an Electronic Toll Collection System and Traffic Control & Surveillance System for the EDL Expressway which includes the first Automatic Number Plate Recognition System in Malaysia.

As a Petronas-registered supplier of telecommunications services, BSD via MRCB Technologies Sdn Bhd has secured projects such as the installation of telecommunications systems, public address and general alarm systems, radio, microwave and satellite connectivity, and weather monitoring systems for several offshore oil and gas platforms and facilities.

RECOGNITION AND AWARDS

MRCB received an array of accolades in 2012, including The Edge-PAM 2012 Green Excellence Award for Platinum Sentral as well as three awards at the Editors Choice Property Awards 2012, namely the Best Green Office Development Award and Best Green Initiative Award for Platinum Sentral, and Best Integrated Development Award for KL Sentral CBD.

CHAIRMAN'S STATEMENT

The Company was also honoured with a Certificate of Merit at the National Corporate Reporting Awards (NACRA). This was the first time MRCB has been a finalist in the overall category. Previously, the Company has won three times in the Best CSR category.

CORPORATE SOCIAL RESPONSIBILITY

In 2012, MRCB was once again proactive in driving its Corporate Social Responsibility (CSR) programme which rests on the five pillars of Education, Arts, Community, Environment and Philanthropy.

The Company continued with its sponsorship of nine schools under the Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) programme. All nine schools are located within the Company's areas of operation. MRCB also welcomed study visits from students, Government bodies and foreign delegates to its KL Sentral CBD development and other project sites. These visits offer an outstanding opportunity to share expertise and know-how.

During the year, MRCB boosted its community-based social activities by supporting the Skim Latihan 1Malaysia (SL1M) initiated by Khazanah Nasional Berhad. This programme provides graduates with on-the-job training in a live business environment.

A commitment to sustainability is now one of the Group's key performance indicators. MRCB is currently developing various projects that adopt the US-based LEED and Singapore's BCA Green Mark as well as Malaysia's GBI standards for sustainability. To increase environmental awareness, on 31 March 2012, the Group also continued to participate in the global Earth Hour movement by switching off all non-essential lights for one hour in its buildings and the various properties under its management.

Philanthropy is another key element in the Group's CSR programme. In the year under review, MRCB donated RM30,000.00 to Persatuan Kebajikan Anak Melayu Pulau Pinang and also collaborated with Cisco Systems Malaysia Sdn Bhd to conduct a "Donate Blood. Save Lives" campaign at Sooka Sentral for the KL Sentral CBD community.

Our full CSR report is available on our website at www.mrcb.com.my and also in our stand-alone Sustainability Report 2012.

PROSPECTS

Despite the challenging economic backdrop, the Board remains optimistic that in 2013 the Group will continue to deliver growth in both revenue and profitability. In the coming years, the property development and property investment activities especially within KL Sentral CBD will continue to underpin the Group's plan to maintain sustainable, long-term expansion.

Meanwhile, to support its future development, the Group plans to further increase its land bank in strategic locations within the Klang Valley by entering into various share sale agreements with Nusa Gapurna Development Sdn Bhd – the key development being the PJ Sentral Garden City Development.

With the Group's proven urban regeneration track record, especially at KL Sentral CBD, coupled with newly acquired, development-ready land banks, the Group is confident of its future prospects.

Throughout 2012, by their skills, initiative and commitment, my fellow Board members, the entire management team and all the staff of MRCB once again achieved commendable results and I offer them all my warmest thanks. The support we received from our shareholders and customers, our associates and suppliers, our financiers and various Government authorities is also deeply appreciated.

TAN SRI AZLAN ZAINOL

Chairman

PARA PEMEGANG SAHAM SEKALIAN,

Sepanjang tahun kewangan yang berakhir pada 31 Disember 2012, MRCB telah mempertingkatkan lagi prestasi kewangannya di dalam persekitaran ekonomi global yang tidak stabil dan sektor pembinaan yang kurang bermaya.

Pada tahun 2012, hasil Kumpulan melonjak kepada RM1,283 juta berbanding RM1,227 juta yang dicatatkan pada tahun sebelumnya, sementara keuntungan sebelum cukai meningkat kepada RM134 juta berbanding RM123 juta yang dicapai pada tahun berakhir 31 Disember 2011.

Buat pertama kali, aktiviti Hartanah dan Pelaburan Hartanah mendahului perniagaan Kejuruteraan & Pembinaan sebagai penyumbang utama hasil Kumpulan – arah aliran yang kita jangka akan berterusan pada tahun depan. Pertumbuhan sihat yang dicapai oleh Bahagian Hartanah pada tahun ini yang dijana khususnya daripada beberapa projek pembangunan hartanah yang sedang dijalankan di KL Sentral CBD, terutamanya menara-menara pejabat di Lot G dan menara pejabat Q Sentral.

Hasil dipertingkatkan lagi melalui aliran pendapatan sewaan daripada Platinum Sentral dan kejayaan pelancaran serta hasil yang diperolehi daripada The Sentral Residences yang memulakan pembinaannya pada suku ketiga tahun 2012. Dengan sokongan model pertumbuhan hasil yang mapan, The Sentral Residences dan pembangunan pejabat Q Sentral dijangka akan terus menyediakan sumbangan hasil yang teguh dalam tempoh beberapa tahun akan datang.

Walaupun kebanyakan kontrak Bahagian Kejuruteraan & Pembinaan berjalan lancar dan dalam keadaan yang agak stabil, namun Kumpulan menyediakan peruntukan bagi kerja pembaikan dan pengurangan nilai ke atas penerimaan daripada beberapa projek tertentu yang sedang berjalan dan sudah disiapkan. Walaupun mengalami kerugian pada tahun ini, kami yakin Bahagian ini akan menyumbang pulangan menguntungkan pada masa hadapan daripada projek-projeknya yang sedang berjalan.

Pada tahun 2012, Bahagian Alam Sekitar meneruskan kerja untuk projek-projek yang diperolehinya, walaupun tidak mendapat sebarang projek baharu. Namun begitu, kami berpuas hati terhadap kemajuan kerja yang sedang dijalankan dan pengurusan sedang berusaha gigih untuk mendapatkan pelbagai projek baharu yang berpotensi.

Perolehan yang dicapai oleh Bahagian Perkhidmatan Pengurusan Bangunan pada tahun kewangan ini adalah memberangsangkan dan kami yakin bahawa ia akan terus menampilkan prestasi memuaskan apabila beberapa bangunan baharu di KL Sentral CBD yang disiapkan menjana sumber kontrak dan pendapatan baharu.

Sejajar dengan prestasi yang sangat memuaskan ini, Lembaga Pengarah mengesyorkan pembayaran dividen pertama dan akhir sebanyak 0.4% atau 0.4 sen sesaham biasa ditolak 25% cukai pendapatan serta dividen satu peringkat sebanyak 1.6% atau 1.6 sen sesaham biasa jika diluluskan di Mesyuarat Agung Tahunan yang akan diadakan.

MAKLUMAT KORPORAT

Pada tahun 2012, Kumpulan telah menyiapkan dua projek penting di Johor.

Projek pertama adalah pembinaan Kolej Marlborough bernilai RM115 juta di Bandar Baru Nusajaya, Pembangunan Iskandar Malaysia. Kolej berlandskap taman ini meliputi kelas, kediaman, padang sukan dan kemudahan lain yang menarik.

Projek kedua merupakan Lebuhraya Penyuraian Timur (EDL) di Johor Bahru yang dibuka kepada trafik pada 1 April 2012. Walau bagaimanapun, memandangkan Kerajaan membuat keputusan untuk membeli projek tersebut, operasi kutipan tol dari konsesi EDL tidak dilaksanakan. Sementara menunggu keputusan muktamad daripada perjanjian tersebut, Kerajaan telah meluluskan pembayaran interim kepada MRCB mulai 1 Mei 2012 untuk melunaskan kos operasi dan penyelenggaraan termasuk kos kewangan lebuhraya tersebut.

Pada bulan Mac 2012, Menteri Wilayah Persekutuan dan Kesejahteraan Bandar, telah melancarkan secara rasmi pembangunan sebuah tempat letak kereta berbilang tingkat di satu majlis pecah tanah yang dijalankan di tapak Pines Bazaar di Little India, Brickfields. Projek tajaan kerajaan ini bertujuan untuk menyelesaikan masalah kekurangan tempat letak kereta di kawasan tersebut dan mempertingkatkan peluang perniagaan komuniti di sana.

Dalam tahun ini, MRCB telah merangka satu persetujuan untuk meluaskan tanah pembangunannya dan memeterai satu usahasama 70:30 antara MRCB dengan DMIA Sdn Bhd untuk memajukan dua bidang tanah yang terletak bersebelahan di Brickfields, seluas lima ekar menjadi sebuah pembangunan hartanah berintegrasi. Projek yang terletak di simpang Jalan Travers ini akan memaparkan sebuah menara kediaman bertingkat tinggi yang menjadi mercutanda dengan pemandangan Kuala Lumpur yang sungguh indah.

Sementara itu, di KL Sentral CBD, semua bangunan baharu yang sedang dibina direka bentuk supaya mematuhi penarafan Indeks Bangunan Hijau (GBI) Malaysia. Platinum Sentral yang disiapkan baru-baru ini adalah penerima anugerah Pejabat Hijau KL Sentral CBD yang pertama dan juga bangunan pertama di Malaysia yang menerima Building and Construction Authority (BCA) Green Mark (Penarafan Platinum) dari Singapura dan pensijilan GBI.

MRCB meneruskan komitmennya untuk menggalakkan pemilikan saham warga kerja. Justeru itu, pada bulan Oktober 2012, Syarikat telah meluluskan lanjutan terakhir Skim Opsyen Saham Kakitangan (ESOS) untuk tempoh lima tahun lagi sehingga 31 Oktober 2017.

TINJAUAN OPERASI

Bahagian Hartanah

2012 merupakan satu tahun yang cemerlang bagi Bahagian Hartanah yang menampilkan kemajuan memberangsangkan di semua pembangunannya terutama sekali di KL Sentral CBD.

Platinum Sentral yang dibuka secara rasmi pada bulan Mei 2012 merupakan salah sebuah daripada projek utama MRCB dan pemenang Anugerah Kecemerlangan Hijau 2012 daripada The Edge-PAM Green Excellence Awards 2012 dan Anugerah Pembangunan Pejabat Hijau Terbaik di majlis penyampaian Editor's Choice Property Awards 2012. Pembangunan ini meliputi bangunan pejabat kontemporari, ruang runcit, pusat perniagaan, zon hospitaliti dan lanskap hijau. Ia turut menawarkan sambung-tara tiada batasan dan sebuah persekitaran kerja yang kreatif. Dimiliki sepenuhnya oleh MRCB, Platinum Sentral mempunyai Nilai Pembangunan Kasar (GDV) keseluruhan sebanyak RM700 juta dan telah memperoleh 100% kadar sewaan pejabat.

Sebagai sebahagian daripada Lot G, MRCB dan rakan kongsinya, Aseana Properties Ltd, UK, telah bersama-sama membangunkan sebuah hotel kelas bisnes baharu yang dikenali sebagai hotel Aloft yang mempunyai 482 bilik dan dua menara pejabat yang dikenali sebagai Nu Tower 1 & 2. Pembangunan ini siap pada tahun 2012. Nu Tower 1 & 2 telah memulakan operasi pada akhir tahun dan hotel Aloft pula dibuka pada bulan Mac 2013. Kedua-dua menara pejabat telah dijual kepada pelabur asing, tetapi akan terus diurus oleh MRCB. Lot G yang mempunyai Nilai Pembangunan Kasar (GDV) RM843 juta akan menyokong strategi menambah pendapatan berulang untuk Kumpulan daripada pembangunan dan perkhidmatan pengurusan yang dijalankan.

Pusat membeli-belah Nu Sentral di Lot G merupakan pusat membeli-belah gaya hidup 'hijau' bersepadu yang pertama di Malaysia, dan mematuhi BCA Green Mark dari Singapura dan piawaian GBI Malaysia. Pusat membeli-belah lapan tingkat dengan 287 buah kedai untuk disewa itu sehingga kini telah memperoleh enam penyewa utama, dua yang terbesar terdiri daripada Parkson dan Golden Screen Cinema (GSC) di mana kedua-duanya meliputi ruang seluas lebih 186,000 kaki persegi. Beberapa penyewa baharu dijangka akan menyewa ruang lantai seluas kira-kira 116,000 kaki persegi. Pusat membeli-belah ini memaparkan sebuah taman di atas bumbung seluas 1.8 ekar dan mempunyai sambungan terus ke hotel Aloft melalui sebuah jambatan berhawa dingin. Pembangunan Nu Sentral dijadual akan siap pada suku keempat tahun 2013. GDV projek ini melebihi RM1 bilion.

Sebahagian lagi dari Lot G ialah menara pejabat 1 Sentrum. Menara ini telah mendapat pra-pensijilan terlebih dahulu daripada Kepimpinan dalam Tenaga dan Reka Bentuk Alam Sekitar (LEED) penarafan Perak daripada United States of America's Green Building Council. Ini mengukuhkan kepimpinan MRCB dalam pembangunan mapan. Lot G akan memuatkan sebanyak 2,000 tempat letak kereta tambahan bagi pembangunan KL Sentral CBD.

348 Sentral mengandungi menara pejabat komersil Gred A yang dikenali sebagai Menara Shell dan sebuah blok kediaman 157 unit berserta perkhidmatan di atas podium runcit lima tingkat dikenali sebagai Ascott Sentral. Shell People Services merupakan penyewa utama komersil di Menara Shell, sementara Ascott Sentral akan diurus oleh Ascott International. Menara Shell telah mendapat kelayakan pensijilan piawaian LEED penarafan Platinum dan pensijilan GBI penarafan Emas. Pembangunan ini mempunyai Nilai Pembangunan Kasar hampir RM1 bilion dan pembinaannya dijadual siap pada suku kedua tahun 2013.

Bahagian ini menjangka akan menyiapkan pembinaan Menara CIMB pada awal tahun 2013. Bangunan yang akan menjadi ibu pejabat korporat baharu CIMB Investment Bank ini akan bertindak sebagai peneraju utama bagi pembangunan hab kewangan baharu untuk Kuala Lumpur.

MRCB merupakan sebahagian daripada usahasama yang melabur sebanyak kira-kira RM1.2 bilion untuk membangun dan menjalankan operasi St. Regis Hotel & Residences. Pembangunan hotel dan residensi ini mempunyai 208 bilik dan 160 kediaman mewah. Pembangunan hospitaliti mewah ini akan diurus oleh St. Regis jenama hospitaliti bertaraf 6-bintang dan akan menjadi tanda aras dalam industri hospitaliti di Malaysia. Ia dijangka siap menjelang tahun 2014.

Bersebelahan dengan St. Regis Hotel & Residences, MRCB dan rakan kongsinya, Kumpulan Quill, sedang membangunkan The Sentral Residences – dua menara kondominium mewah yang akan melengkapi kondominium Suasana Sentral dan Suasana Sentral Loft yang sedia ada. Pembangunan yang mempunyai Nilai Pembangunan Kasar RM1.4 bilion ini telah mencatatkan jualan sebanyak 70% dan dijangka akan siap pada tahun 2016.

Q Sentral yang direka bentuk sebagai sebuah mercu tanda ikonik merupakan komponen utama dalam wawasan keseluruhan Kumpulan untuk KL Sentral CBD. Ia merupakan sebuah menara pejabat berstrata Gred A setinggi 45 tingkat yang canggih menawarkan sambung-tara global yang tiada batasan. Disasar siap pada tahun 2015, Q Sentral mempunyai Nilai Pembangunan Kasar sebanyak lebih kurang RM1.2 bilion. Sejak pelancarannya pada bulan September 2011, ia telah mencapai jualan sebanyak 84%.

Di luar Lembah Klang, pembangunan hartanah Kumpulan turut mencatatkan prestasi yang tidak kurang hebatnya.

Penang Sentral merupakan hab pengangkutan terbesar di kawasan utara Semenanjung Malaysia dan akan menyediakan sambung-tara perkhidmatan feri, bas, teksi dan keretapi serta sebuah stesen monorel yang dirancang. Hab ini yang merupakan sebahagian daripada Wilayah Ekonomi Koridor Utara akan juga disepadukan dengan komponen komersil dan kediaman seluas lebih kurang 24 ekar di Butterworth, Pulau Pinang. Projek ini sedang dibangunkan oleh Penang Sentral Sdn Bhd; sebuah usahasama 49:51 antara MRCB dan Pelaburan Hartanah Berhad. Dengan memiliki potensi Nilai Pembangunan Kasar RM2.3 bilion, hab pengangkutan dan komponen perniagaan ini dijadualkan akan mula dibina pada tahun 2013.

Seri Iskandar Development Corporation Sdn Bhd (SIDEK), usahasama 70:30 MRCB dengan Perbadanan Kemajuan Negeri Perak, terus menampilkan kemajuan dalam projek perbandarannya yang pertama di Bandar Seri Iskandar (BSI), merupakan nadi Koridor Kinta-Pangkor. Pembangunan dirancang seluas lebih 5,000 ekar, BSI adalah sebuah perbandaran serba lengkap yang menawarkan gaya hidup moden melalui gabungan seimbang antara elemen kediaman, komersil, perindustrian dan rekreasi. SIDEK telahpun menyiapkan pembangunan Fasa 1 bernilai RM151 juta. Fasa 2, yang dikenali sebagai Puncak Iskandar, meliputi kawasan seluas lebih kurang 250 ekar pula adalah pembangunan mewah, berkepadatan rendah di tengah-tengah kehijauan alam. Pembangunan ini bernilai RM342 juta dan dijadualkan siap menjelang 2017.

Sementara itu, Bahagian Hartanah juga akan melancarkan Kajang Utama Fasa 7, peringkat akhir Taman Kajang Utama pada tahun 2014. Perbandaran matang seluas 300 ekar yang terletak di Kajang, Selangor, ini meliputi komponen komersil, kediaman dan perindustrian milik bebas yang didiami oleh lebih 20,000 orang penduduk. Ia juga disambung dengan hubungan jalanraya yang baik melalui Lebuhraya Utara-Selatan, Lebuhraya Cheras dan Lebuhraya SILK.

Bahagian Kejuruteraan & Pembinaan

Pada tahun 2012, Bahagian Kejuruteraan & Pembinaan (E&C) menjana hasil melebihi RM855 juta. Di KL Sentral CBD, Bahagian ini mempunyai kontrak bernilai RM2.8 bilion bagi pembinaan pelbagai bangunan pejabat Gred A, sebuah pusat membeli-belah, bangunan kediaman dan pakej infrastruktur.

Di KL Sentral CBD, pada tahun yang ditinjau, Bahagian ini telah menyiapkan Platinum Sentral dan dua menara pejabat setinggi 26 dan 36 tingkat yang dikenali sebagai Nu Tower 1 & 2, yang dihubungkan ke hotel Aloft. Menara CIMB setinggi 41 tingkat dijadualkan siap pada awal 2013.

Kemajuan pembinaan ibu pejabat Shell Malaysia yang baharu dan sebuah blok pangsapuri beserta perkhidmatan setinggi 27 tingkat dikenali sebagai Ascott Sentral yang terletak di lot yang sama, akan diuruskan oleh The Ascott International. Projek ini akan disiapkan menjelang suku kedua tahun 2013. Sementara itu, Bahagian E&C menjangka akan menyiapkan pusat membeli-belah Lot G yang dikenali sebagai Nu Sentral pada akhir tahun 2013.

Pada tahun ini, Bahagian E&C memulakan kerja di dua projek baharu di KL Sentral CBD. Q Sentral merupakan sebuah bangunan pejabat mesra alam berstrata Gred A setinggi 45 tingkat, sementara The Sentral Residences pula ialah sebuah kondominium mewah yang meliputi dua menara 55 tingkat serba moden yang berhadapan dengan Taman Botani Perdana.

Sepertimana dilaporkan di atas, di tempat lain, Bahagian ini telah menyiapkan Lebuhraya Eastern Dispersal Link (EDL) bernilai RM1.3 bilion di Johor Bahru yang menghubungkan Kompleks Kastam, Imigresen dan Kuarantin di Bukit Cagar ke Lebuhraya Utara-Selatan pada tahun 2012. Dalam perkembangan yang sama, sebuah syarikat usahasama – UEMB-MRCB JV Sdn Bhd, 49% dimiliki oleh MRCB telah diberi kontrak bernilai RM1.4 bilion oleh PLUS untuk membina lorong keempat dari Shah Alam ke persimpangan Plaza Tol Rawang/Jalan Duta dan dari Nilai Utara ke Seremban.

Di selatan Semenanjung, Bahagian E&C juga telah menyiapkan kampus Kolej Marlborough di pembangunan Nusajaya, Iskandar Malaysia, Johor. Bahagian ini terlibat secara aktif dalam Kejuruteraan, Pemerolehan dan Pembinaan (EPC) bagi projek penyaluran tenaga elektrik voltan tinggi. Ia juga telah menyiapkan pemindahan semula Talian Penghantaran Voltan Tinggi TNB untuk Projek Sambungan LRT Aliran Kelana Jaya. Pembinaan Kerja Kemudahan (Pakej B) untuk Sambungan LRT Aliran Ampang juga menunjukkan kemajuan memuaskan pada tahun ini. Sementara itu, Bahagian E&C juga mengambil bahagian dalam beberapa tender stesen janakuasa dan penyaluran tenaga elektrik bernilai lebih RM790 juta.

Bahagian E&C akan melaksanakan Sistem Pengurusan Kualiti ISO 9001 dan ISO 14001 Sistem Pengurusan Kualiti dan juga Sistem Pengurusan Kesihatan dan Keselamatan Pekerjaan OHSAS 18001 pada tahun hadapan. Ia juga akan mempertingkatkan amalan pembinaan sedia ada dengan menggunakan pensijilan Sistem Binaan Berindustri (IBS) daripada Lembaga Pembangunan Industri Pembinaan Malaysia. Semua usaha ini akan mempertingkatkan dengan ketara kepakaran Bahagian E&C dalam mereka bentuk dan membina Bangunan Hijau.

Bahagian E&C juga merancang untuk menghantar kakitangannya mengikuti latihan Quality Assessment System in Construction (QLASSIC) dan Safety and Health Assessment System in Construction (SHASSIC), dan menghantar mereka mengikuti kursus anjuran Green Building Index.

Bahagian Infrastruktur, Konsesi & Alam Sekitar

Pada tahun 2012, Bahagian Infrastruktur, Konsesi & Alam Sekitar (ICE) mencapai kemajuan memuaskan di mana ia memperoleh dua projek utama dengan nilai gabungan berjumlah RM86.8 juta. Kedua-dua kontrak ini telah diberikan oleh Jabatan Perparitan dan Saliran (JPS).

Fasa 2 kerja menaiktaraf sungai dan muara Sungai Pahang bernilai RM46.5 juta telah disiapkan mendahului jadual yang ditetapkan. Justeru itu, JPS telah melantik ICE untuk melaksanakan kerja tambahan bagi mendalamkan lagi sungai tersebut. MRCB juga sedang berunding dengan JPS bagi meneruskan kerja-kerja untuk Fasa 3.

Sementara itu, kontrak bernilai RM40.3 juta untuk melaksanakan Fasa 3 yang meliputi kerja melindungi pesisir pantai di muara Sungai Perai dan kawasan pesisir pantai berhampiran dijangka akan selesai menjelang suku pertama tahun 2013 dan Kumpulan sedang mengadakan rundingan bagi menjalankan kerja-kerja untuk Fasa 4.

Dengan memanfaatkan keupayaannya yang telah terbukti dalam kerja pemulihan dan pembinaan pemecah ombak, Kumpulan sedang berbincang dengan JPS mengenai pemulihan kawasan bermasalah di Pulau Tioman.

Projek utama lain Bahagian ini pada tahun 2012 adalah Lebuhraya EDL sejauh 8.1 km di Johor Bahru yang bertujuan untuk menyurai trafik dari jalan utama bandaraya ini. EDL yang kini tersedia untuk digunakan oleh kira-kira 150,000 kenderaan setiap hari, siap pada bulan Mac 2012 dan dibuka kepada trafik pada 1 April 2012.

Bahagian Perkhidmatan Pengurusan Bangunan

Bahagian Perkhidmatan Pengurusan Bangunan (BSD) melengkapi Bahagian Hartanah dengan menawarkan perkhidmatan komprehensif yang bersepadu untuk operasi, penyelenggaraan dan pengurusan kemudahan termasuk juga perkhidmatan teknologi maklumat untuk hab pengangkutan dan komersil, kerajaan, industri dan bangunan-bangunan tinggi. Projek-projek utama termasuk Stesen Sentral Kuala Lumpur dan Terminal Sementara Penang Sentral di Butterworth.

Penglibatan Pengurusan Bangunan Hijau sebagai usaha niaga baharu bertujuan untuk mempertingkatkan penggunaan tenaga, air dan bahan secara cekap dan untuk mengurangkan impak bangunan kepada kesihatan manusia serta alam sekitar. Sebagai sebahagian daripada usaha niaga tersebut, pada tahun ini Bahagian BSD memanfaatkan Sistem Pengurusan Bangunan Bersepadu yang canggih untuk Bangunan Hijau Platinum Sentral yang berjaya meraih anugerah.

Bahagian BSD juga memberi fokus kepada perkhidmatan ICT untuk lebuhraya dan pada tahun 2012, Bahagian ini berjaya menyiapkan penggunaan Sistem Kutipan Tol Secara Elektronik dan Sistem Kawalan & Pengawasan Trafik untuk Lebuhraya EDL yang meliputi Sistem Pengenalpastian Nombor Plet Automatik pertama di Malaysia.

Sebagai pembekal perkhidmatan telekomunikasi yang berdaftar dengan Petronas, Bahagian BSD melalui MRCB Technologies Sdn Bhd berjaya mendapatkan beberapa projek seperti pemasangan sistem telekomunikasi, sistem siar raya dan amaran umum, radio, sambungtara gelombang mikro dan satelit dan sistem pemantauan cuaca untuk beberapa pelantar serta kemudahan minyak dan gas luar pesisir.

PENGIKTIRAFAN DAN ANUGERAH

MRCB menerima pelbagai pengiktirafan sepanjang tahun 2012, termasuk Anugerah Kecemerlangan Hijau The Edge-PAM 2012 untuk projek Platinum Sentral dan tiga anugerah di majlis penyampaian anugerah Editors Choice Property Awards 2012. Anugerah yang diterima adalah Anugerah Pembangunan Pejabat Hijau Terbaik dan Anugerah Inisiatif Hijau Terbaik bagi Platinum Sentral serta Anugerah Pembangunan Bersepadu untuk KL Sentral CBD.

Syarikat turut menerima Sijil Merit Anugerah Laporan Korporat Tahunan Kebangsaan (NACRA). Ia merupakan kejayaan pertama MRCB untuk terpilih ke peringkat akhir dalam kategori keseluruhan. Sebelum ini, Syarikat pernah memenangi kategori CSR Terbaik sebanyak tiga kali.

TANGGUNGJAWAB SOSIAL KORPORAT

Pada tahun 2012, MRCB telah sekali lagi secara proaktif menggerakkan program Tanggungjawab Sosial Korporatnya (CSR) yang meliputi lima teras iaitu Pendidikan, Kesenian, Kemasyarakatan, Alam Sekitar dan Filantropi (Kedermawanan).

Syarikat meneruskan komitmennya menaja sembilan sekolah di bawah program Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR). Semua sekolah tersebut terletak di kawasan di mana Syarikat beroperasi. MRCB juga mengalu-alukan lawatan sambil belajar daripada para pelajar, badan Kerajaan dan delegasi asing ke pembangunan KL Sentral CBD dan beberapa tapak projek lain. Lawatan ini menawarkan peluang istimewa bagi mereka untuk berkongsi kepakaran dan pengetahuan.

Pada tahun ini, MRCB mempertingkatkan aktiviti sosial berasaskan kemasyarakatan dengan menyokong program Skim Latihan 1Malaysia (SL1M) yang dimulakan oleh Khazanah Nasional Berhad. Program ini menyediakan latihan sambil bekerja dalam persekitaran pekerjaan.

Kini komitmen terhadap kemapanan merupakan salah sebuah petunjuk prestasi utama Kumpulan. MRCB sedang membangunkan pelbagai projek yang mengamalkan pengiktirafan hijau LEED dari Amerika Syarikat dan BCA Green Mark dari Singapura serta piawaian GBI Malaysia untuk kemapanan. Untuk meningkatkan tahap kesedaran mengenai alam sekitar, pada 31 Mac 2012, Kumpulan meneruskan penyertaannya dalam gerakan global Earth Hour dengan memadamkan semua lampu yang kurang penting selama satu jam di beberapa bangunan di bawah pengurusannya.

Filantropi (Kedermawanan) merupakan satu lagi perkara yang terkandung dalam program CSR Kumpulan. Pada tahun yang ditinjau, MRCB menghulur derma sebanyak RM30,000.00 kepada Persatuan Kebajikan Anak Melayu Pulau Pinang dan bekerjasama dengan Cisco Systems Malaysia Sdn Bhd untuk menganjurkan kempen "Derma Darah. Selamatkan Nyawa" di Sooka Sentral untuk komuniti KL Sentral CBD.

Laporan lengkap CSR kita boleh didapati di laman web kita di www.mrcb.com.my dan juga dalam Laporan Kemapanan 2012 kita yang diterbitkan berasingan.

PROSPEK

Walaupun dilatari oleh suasana ekonomi yang mencabar, namun Lembaga Pengarah kekal optimistik bahawa Kumpulan akan terus menyumbang pertumbuhan hasil dan keuntungan pada tahun 2013. Dalam tempoh beberapa tahun akan datang, aktiviti pembangunan hartanah dan pelaburan hartanah terutamanya di sekitar KL Sentral CBD akan terus menyokong rancangan Kumpulan untuk mengekalkan pertumbuhan yang mapan untuk jangka masa panjang.

Sementara itu, bagi menyokong pembangunan masa depan, Kumpulan merancang untuk menambah lagi tanah simpanannya di beberapa lokasi strategik di sekitar Lembah Klang dengan memeterai beberapa perjanjian penjualan saham dengan Nusa Gapurna Development Sdn Bhd – pembangunan utamanya ialah pembangunan PJ Sentral Garden City.

Dengan rekod pencapaiannya yang terbukti berjaya mengubah wajah bandar, terutamanya di KL Sentral CBD, di samping tanah simpanan baru dibeli yang sedia untuk dibangunkan, Kumpulan yakin terhadap prospek masa depannya.

Sepanjang tahun 2012, melalui kemahiran, kegigihan usaha dan kesungguhan yang ditampilkan oleh rakan-rakan saya dalam Lembaga Pengarah serta keseluruhan pasukan pengurusan dan kakitangan MRCB, keputusan memberangsangkan telah sekali lagi berjaya dihasilkan dan saya dengan demikian ingin mengucapkan ribuan terima kasih kepada mereka semua. Sokongan yang kita terima daripada para pemegang saham dan para pelanggan, rakan dalam perniagaan dan pembekal, pembiayaan dan pelbagai pihak berkuasa Kerajaan dan agensi kerajaan adalah amat dihargai.

TAN SRI AZLAN ZAINOL

Pengerusi

GROUP FINANCIAL HIGHLIGHTS

	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000 (restated)	2012 RM'000
Revenue	788,552	921,616	1,067,579	1,226,705	1,283,204
Gross Profit Margin (%)	13	15	18	18	23
Profit/(Loss) Before Income Tax	(42,155)	46,492	97,575	123,313	134,002
Earnings/(Loss) *	(56,638)	34,624	67,268	93,524	60,122
Earnings/(Loss) Per Share (sen) **	(6)	4	5	7	4
Return On Average Shareholders' Funds (%)	(8)	5	7	7	4
Total Assets	2,916,011	3,118,752	4,388,340	5,408,484	5,954,817
Shareholders' Funds	635,167	671,919	1,286,225	1,376,185	1,418,201
Borrowings	1,607,723	1,633,419	1,996,888	2,728,404	3,309,452
Net Assets Backing Per Share (RM) ***	0.70	0.74	0.93	0.99	1.02

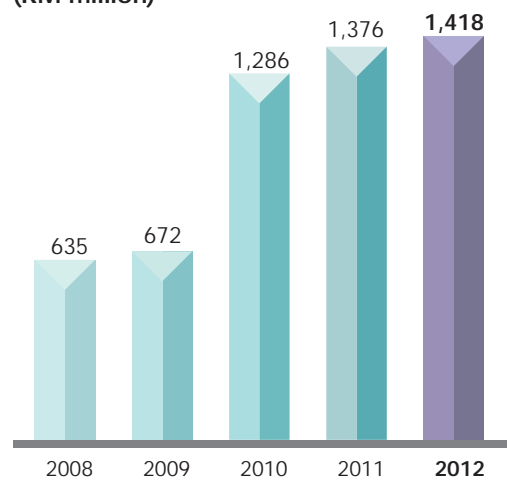
* Earnings/(Loss) : Profit/(Loss) attributable to the equity holders of the Company.

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

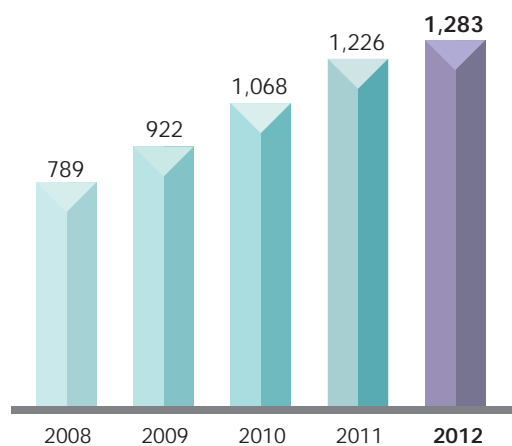
*** Based on number of shares issued as at year end.

CHARTS

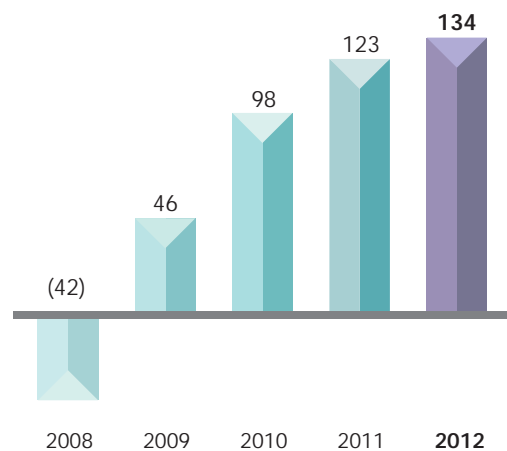
**Group Shareholders' Funds
(RM million)**



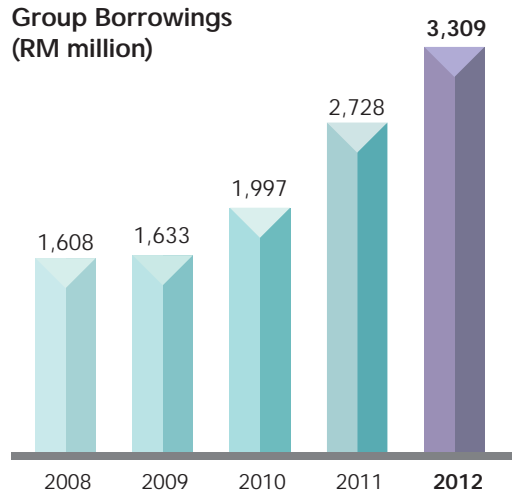
**Group Revenue
(RM million)**



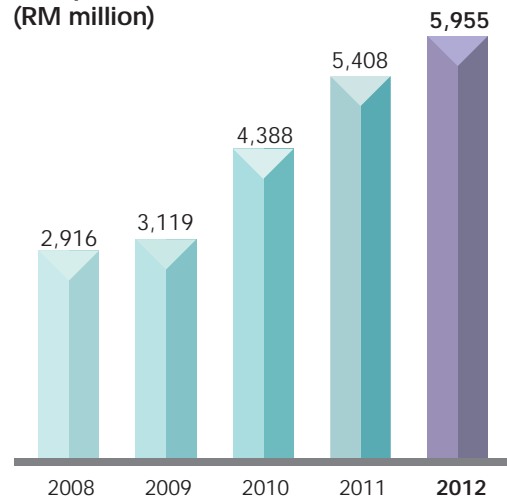
**Group Profit/(Loss)
Before Income Tax
(RM million)**



**Group Borrowings
(RM million)**

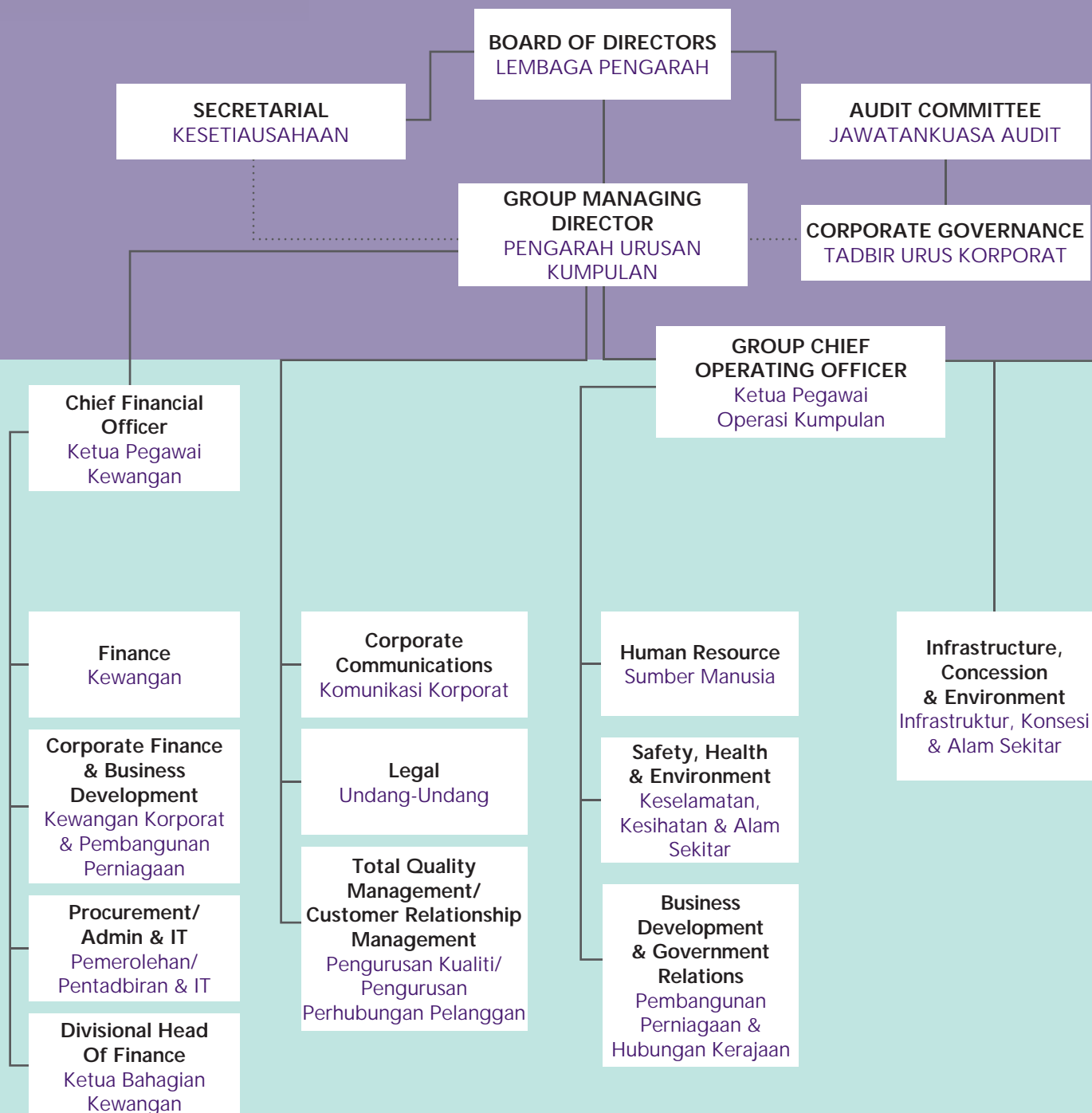


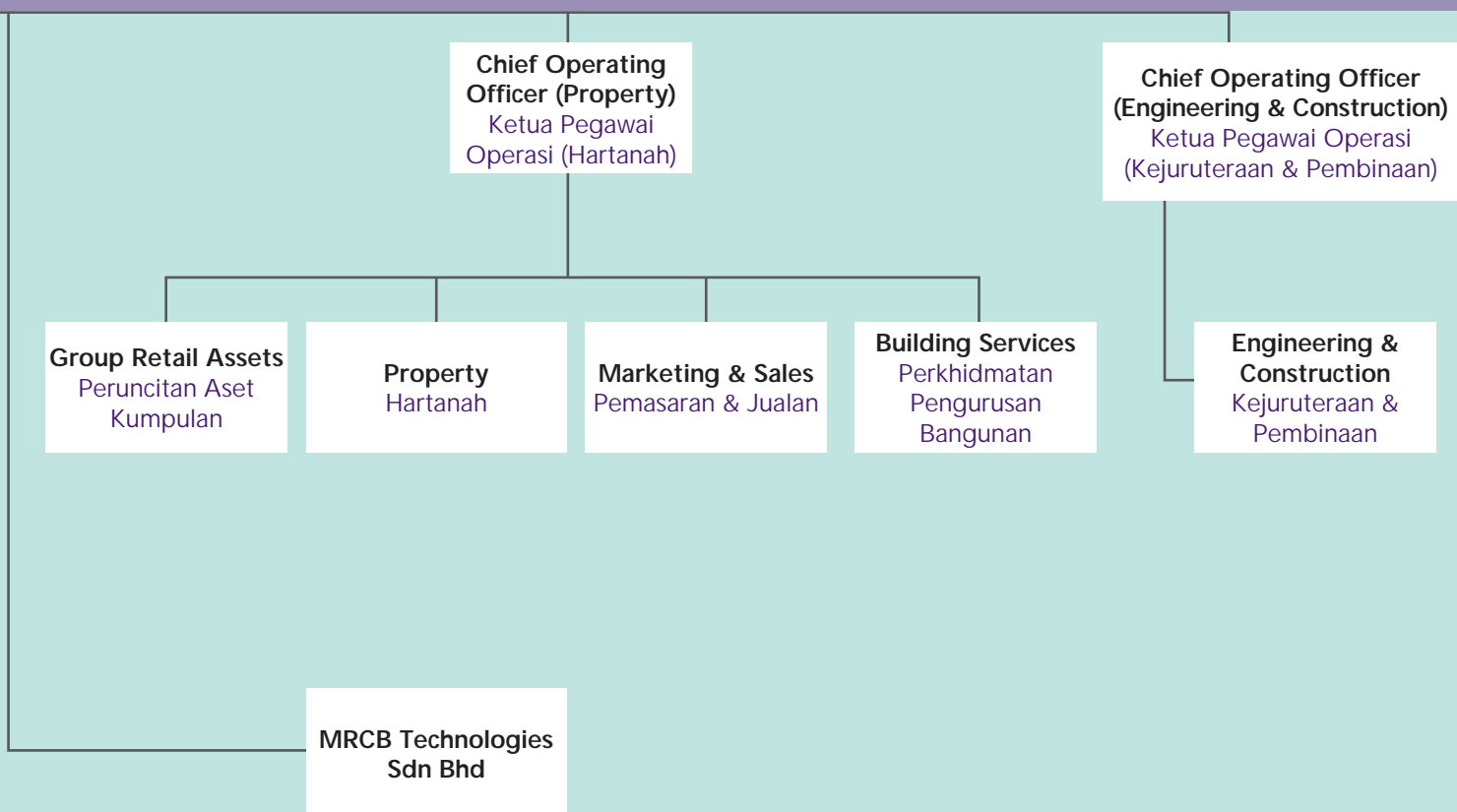
**Group Total Assets
(RM million)**



ORGANISATION CHART

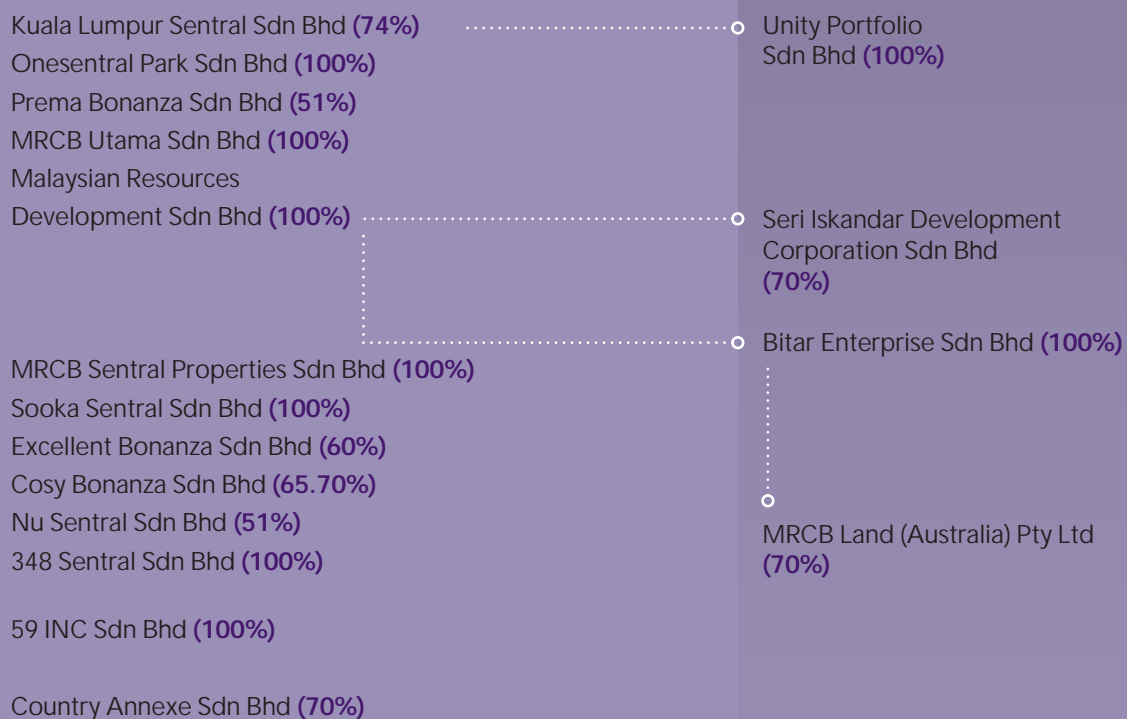
CARTA ORGANISASI





CORPORATE STRUCTURE STRUKTUR KORPORAT

PROPERTY HARTANAH



ENGINEERING & CONSTRUCTION KEJURUTERAAN & PEMBINAAN

MRCB Engineering Sdn Bhd (100%)

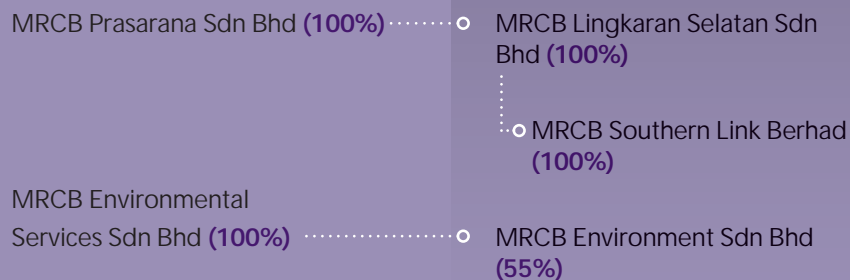
Milmix Sdn Bhd (100%)

Transmission Technology Sdn Bhd (100%)

Region Resources Sdn Bhd (100%)

INFRASTRUCTURE, CONCESSION & ENVIRONMENT

INFRASTRUKTUR, KONSESI & ALAM SEKITAR



BUILDING SERVICES

PERKHIDMATAN PENGURUSAN BANGUNAN

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

INFORMATION TECHNOLOGY

TEKNOLOGI MAKLUMAT

MRCB Technologies Sdn Bhd (100%)

GROUP COOs



Standing from left to right

ZURAIMI MUSTAPHA

Chief Operating Officer (COO), Property

MOHD IMRAN DATUK MOHD SALIM

Group Chief Operating Officer (GCOO)

BU TENG CHENG

Chief Operating Officer (COO), Engineering & Construction



PROPERTY DEVELOPMENT

Overview of KL Sentral CBD





Seated

ZURAIMI MUSTAPHA
COO, Property

Standing from left to right

ZULKEFLI IBRAHIM
General Manager,
Office Leasing

WONG HONG YEONG
General Manager,
Marketing & Sales

CHRISTOPHER MEARS
Director, Retail Asset

AMIR AZMAN YUSUF
General Manager, SIDEK

LOK NGAI HEY
Project Director

MOHD SABRI MD SHARIFF
Project Director,
MRCB Sentral Properties Sdn Bhd

CHAY SIEW MUN
General Manager,
Retail
Nu Sentral Sdn Bhd



Menara CIMB



The year 2012 saw the realisation of MRCB's commitment to sustainable development with the completion of the country's first BCA Green Mark Platinum-rated building in Platinum Sentral at Lot E, Kuala Lumpur Sentral Central Business District (KL Sentral CBD). The award winning Platinum Sentral has since garnered several green building awards, notably, The Edge-PAM Green Excellence Award and The Editor's Choice Awards for Green Office Development in 2012.

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

In 2012 MRCB Land's business activities progressed with excellent performance within the iconic KL Sentral CBD and were complemented with launches of commercial and residential products in Bandar Seri Iskandar Township in Perak and the 23-acre Senawang Sentral Business Park in Senawang, Negeri Sembilan.

KUALA LUMPUR SENTRAL CENTRAL BUSINESS DISTRICT (KL Sentral CBD) DEVELOPMENT

On-going Developments at KL Sentral CBD Menara CIMB

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

The development of Menara CIMB is 95% completed with interior finishing work to be completed by the first Quarter of 2013. Among others, this tower incorporates Islamic motifs in its architectural design and offers full-fledged international fine dining experience with a state-of-the-art 200-seat auditorium, apart from a full-service banking hall.

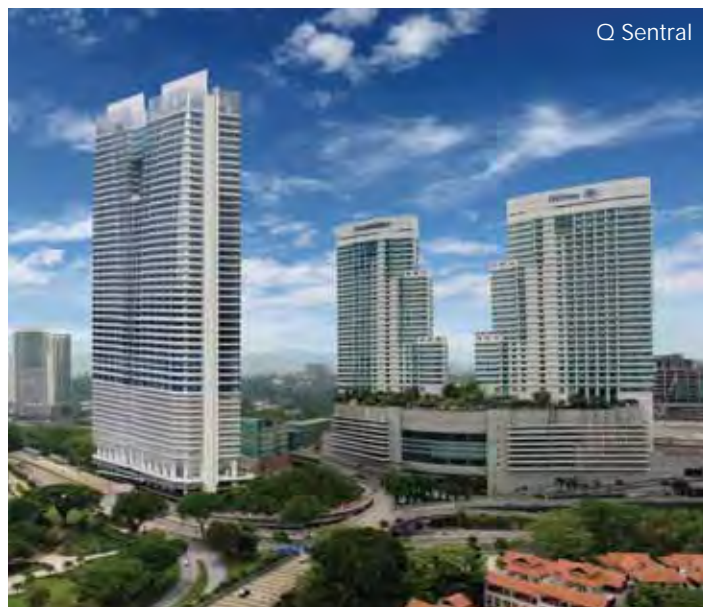
Menara CIMB, has a GFA of 834,000 sq. ft. and a GDV of RM404 million. Once completed, this new office tower will bring a major financial institution to KL Sentral CBD, and will act as the anchor for the development of a new financial hub for Kuala Lumpur.

Q Sentral

Q Sentral is destined to be an iconic landmark in the Kuala Lumpur skyline, as it is a stratified Grade A 45-storey office tower with a GBI Gold accreditation that carries one of the highest rating for Green Standards. The office tower will be one of the largest single floor plates at 40,000 sq. ft. compared to the average 15,000 sq. ft. for most offices.

The project is expected to be completed in 2015 and will have a GDV of around RM1.28 billion and since its launch in September 2011, sales of 84% have been achieved. Q Sentral is an important component in the realisation of the overall vision of KL Sentral CBD. This energy efficient building is at more than 25% completed by the end of 2012.

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



Q Sentral

Aloft Hotel and Nu Tower 1 & 2

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

The 26-storey Nu Tower 1 offers a total of 259,632 sq. ft. of nett lettable area while the Nu Tower 2 has 498,309 sq. ft. of nett lettable area. MRCB Land retains the management of both office towers upon their completion in 2012. With a combined GFA of 757,941 sq. ft. and GDV of RM843 million, Nu Tower 1 & 2 and Aloft Hotel will support the Group's strategy to enhance recurring income from development and management services.



Nu Tower

PROPERTY DEVELOPMENT

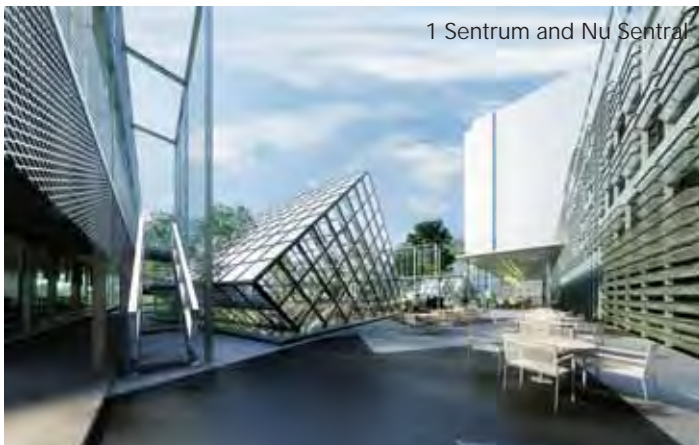
1 Sentrum and Nu Sentral

The Nu Sentral retail mall has secured two major anchor tenants, Parkson and Golden Screen Cinema (GSC), which has plans to build 12 screening halls. These two tenants occupy more than 186,000 sq. ft. Other well-known retail brands that have secured a space include Wesria Food Court, Wangsa Bowl, MPH Book Store and Amp Square Premium Karaoke. These new tenants will take up approximately 116,000 sq. ft. of floor space in this nine storey building with a GFA of 1.3 million sq. ft. and GDV of over RM1 billion that offers 287 retail lots for lease.

Food & beverage tenants are Tony Roma's, California Pizza Kitchen, TGI Friday's, McDonald's, Dubu Dubu, Nando's, Manhattan Fish Market, Sakae Sushi, Waroeng Penyet. Cream & Fudge, Sushi Tei, Starbucks, O'Briens and many more. Cotton On, Levi's, Dockers, Hush Puppies, La Senza, Crocs, The Executive and Bata are some of the confirmed brands under the fashion category.

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

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



Positioned as the first integrated 'green' lifestyle retail mall in Malaysia, Nu Sentral is designed in compliance with Singapore's BCA Green Mark and Malaysia's GBI certifications. Nu Sentral will be adopting sustainable and green building practices. The retail mall is owned by Nu Sentral Sdn Bhd, a joint venture between MRCB and PHB and operated by MRCB Land.

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

More importantly, Lot G will also provide additional 2,000 car parks to the existing car park space in KL Sentral CBD development.

The St. Regis Hotel and Residences Kuala Lumpur

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

This new high-end hospitality development will be managed by 6-star luxury hospitality brand St. Regis and will create a new benchmark in the hospitality industry as a new landmark in the country's international tourism promotion. The hotel is expected to tap into a market of high-income tourists as the St. Regis brand caters to heads of states, diplomats, dignitaries and captains of industries.

It will have 200,000 sq. ft. of convention facilities and will be one of the hotels with rooms that are among the largest in the world. The construction of the hotel and residences tower commenced in the fourth quarter of 2010 and completion is expected by 2014.

The Sentral Residences

Located next to the St. Regis Hotel and Residences, the development of Lot D undertaken by MRCB with the Quill Group of Companies, has recorded 70% sales secured for all 752 units of luxurious condominiums being offered under the brand The Sentral Residences. With a GFA of 1.4 million sq. ft. spread over two 55-storey towers and GDV of RM1.4 billion, The Sentral Residences will complement the existing Suasana Sentral and Suasana Sentral Loft Condominiums.

Overlooking the Lake Gardens, National Museum and the city centre, The Sentral Residences will have spectacular views and luxury amenities for both its towers that are connected at the rooftop by a sky bridge. The generous facilities include a garden deck at level 2, Sky Lounge at level 45 and Sky Club at the rooftop of level 55. In the topmost 8 levels, 80 of the most luxurious units are designed with extra volume ceiling heights to offer the best views of the fantastic Kuala Lumpur skyline panorama. The garden deck offers a whole range of facilities that include lush tropical garden landscape concept.

The Sky Club offers two rooftop salt water infinity pools, gymnasium, cafeteria surrounded with sun-shaded decks and verdant landscaping with tropical trees plus other recreational facilities to its residences as well as views of Lake Gardens and KL City Centre while working out in the gymnasium at the Sky Club. This rooftop facilities level is connected across both towers, creating an expansive relaxation area amongst the clouds.

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



On-going Residential and Commercial Developments Bandar Seri Iskandar, Malaysia

Seri Iskandar Development Corporation Sdn Bhd (SIDEK), a 70:30 joint venture between MRCB and the Perak State Development Corporation (PKNP) is progressing well with Puncak Iskandar, the Phase 2 development of Bandar Seri Iskandar (BSI) that is worth RM342 million and which is expected to be completed by 2017.

Covering an approximate area of 250 acres, Puncak Iskandar comprises 282 units of terrace houses, 298 units of semi-detached houses and 113 units of bungalows while the commercial development comprises 382 units of single and double-storey shop offices, 35 units of kiosks, 10 commercial plots and 1 petrol station.

Conceptualised as a high-end, low density development amidst lush greenery, Puncak Iskandar or BSI Phase 2 will continue to contribute immensely to the economic transformation of the Central Perak region. Phase 2A comprising 80 units of terrace houses, 96 units of semi-detached houses, 50 units of bungalows, 14 units of shops and four units of kiosks received overwhelming response, with all units offered sold. By end of 2012, the 80 units of terrace houses, 48 units of semi-detached Type A (Alpinia), 14 units of shops and four units of kiosks were delivered to purchasers.

PROPERTY DEVELOPMENT

Construction of 50 units of bungalow houses (Rafflesia/Areca) are on-going and expected to be completed and delivered by May 2013. A unique selling point of this development is the inclusion of swimming pools for all bungalow units and the incorporation of Islamic architecture in building designs.

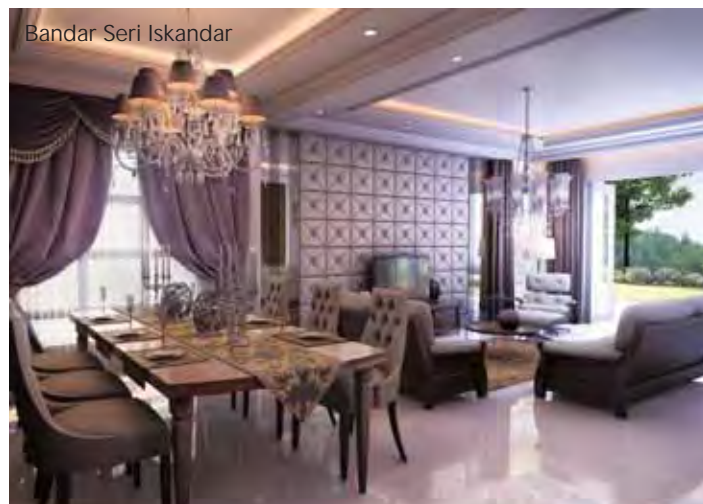
For Phase 2B Puncak Iskandar, work on the site has already commenced with 60 units single storey terrace and 72 units of semi-detached houses expected to be delivered by 2013 and 2014 respectively.

As a balanced and integrated development with a perfect mix of residential, commercial and industrial elements, BSI is ideally positioned as a self-sustained township by MRCB, which is spearheading the socio-economic development of Central Perak by promoting community living and creating value for its stakeholders.

Located in the heart of the Kinta-Pangkor Corridor, the BSI development is spread over 5,000 acres and constitutes commercial, residential, industrial and recreational components with full public amenities.

In line with it being an integrated township and providing facilities to the residents of BSI, the Ministry of Education has completed the construction of a primary school which is already in operation since June 2010. SIDEC has now embarked to secure support from the Ministry of Education to plan a secondary school, going forward.

SIDEC has successfully completed the RM151 million Phase 1 of BSI development with the last package of 73 units of Cendana 2-storey terraced houses. To-date, SIDEC has delivered to customers a total of 1,955 residential units and 113 units of shop lots.



Taman Kajang Utama

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

This development is strategically located in Kajang, Selangor. It is accessible to highways via the North-South Highway, Cheras Highway and SILK Highway. Residents are able to travel to Kajang, Sungai Besi, Cheras, Bangi, Kuala Lumpur, Putrajaya and Cyberjaya via the above highways. Public transportation like bus services is available within the township and KTM commuter station is located nearby in Kajang town.

Penang Sentral

Penang Sentral Sdn Bhd, is a joint venture between MRCB and Pelaburan Hartanah Berhad (PHB) to develop Penang Sentral, an integrated urban development with mixed commercial and residential features that is incorporated with a Transport Hub and "Park n Ride" facilities.

This development is a part of the Northern Corridor Economic Region (NCER), which was launched in 2007 and is designed to be the catalyst of growth for rejuvenating the economy in the northern region.

The Penang Sentral Transport Hub component provides the much needed connectivity for ferry, bus, taxi, train, and potentially monorail services in the future. With the completion of the KTMB's Electric Train Services (ETS) targeted by end 2014, trains journey between Penang Sentral and KL Sentral CBD would take approximately three hours, which inevitably enhance tourism and business growth between the two cities.

Penang Sentral development is strategically located between the ferry terminal and train station at Butterworth, Penang, occupying about 24 acres of land and has a potential GDV of RM2.3 billion upon completion. To kick off the project, Penang Sentral Temporary Terminal (PSTT) was constructed to replace the previous bus terminal to make way for the construction of Phase 1, which comprises the Transport Hub and Retail Complex with a GFA of approximately 1,303,000 sq. ft. and 566,830 sq. ft. respectively. Land alienation and securing of approvals from the relevant authorities are in progress and construction works are targeted to commence by the fourth quarter of 2013.

PROPERTY INVESTMENT

Kompleks Sentral

Kompleks Sentral has become the preferred choice of warehouses and storage centres after sustained and rigorous marketing efforts with occupancy rate reaching 90%. Formerly known as Resource Complex, Kompleks Sentral is another of the Group's investment assets and comprise 562,493 sq. ft. of flatted factory for lease in Segambut, at the fringe of Kuala Lumpur. The premise is managed and owned by Malaysian Resources Development Sdn Bhd, a wholly-owned subsidiary of MRCB.

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

348 Sentral – Menara Shell and Ascott Sentral

Scheduled for completion by the second quarter of 2013, Lot 348 is a 100% MRCB owned project with a GDV worth almost RM1 billion comprising the Grade A office tower Menara Shell and a 157-unit serviced residences block above a five-storey retail podium known as Ascott Sentral. The state-of-the-art Menara Shell showcases the latest Green Building features that include a unique daylight harvesting system utilising internal light shelves with glare control to extend daylight penetration within the work spaces inside the office floor, which is alternatively illuminated by efficient T5 fluorescent lights with perimeter daylight sensor. Other Green features include preferred parking for low-emission and fuel efficient vehicles and a provision of 5% of parking space for electric car charging and a Thermal Energy Storage System, which uses rain water and the environment's temperature to regulate the internal temperature of the building.

With these features installed, Menara Shell has qualified for a Leadership in Energy and Environmental Design (LEED) Platinum standard certification from the US Green Building Council and a Malaysian Green Building Index (GBI) Gold certification in recognition of the tower's expected 21% energy savings and 2,000 tonnes in carbon emission reduction.

Shell People Services, a regional company providing various services within the Shell group, has signed an agreement in 2009 to be the anchor tenant occupying 17 floors of the office tower with the rest of the floors occupied by other major tenants. The company will consolidate all Shell businesses and corporate functions in the Klang Valley that include real estate, finance and management consultancies and recruitment, learning and human resources information technology support.

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



PROPERTY DEVELOPMENT

Platinum Sentral

The KL Sentral Park is now known as the award winning Platinum Sentral, a unique green office offering seamless connectivity, a creative working environment and contemporary business lifestyle. With a central atrium connecting all five enclosed blocks of its built up area, Platinum Sentral is truly KL Sentral CBD's first Green Office Campus.

Platinum Sentral's GFA of approximately 980,000 sq. ft. includes contemporary office buildings, high-end retail, business centres, hospitality zones and green spaces worth an overall GDV of RM700 million.

Platinum Sentral is one of MRCB's signature projects, with contemporary and best-in-class office solutions, designed in compliance with Singapore's Building & Construction Authority BCA Green Mark Platinum rating.

Platinum Sentral is Malaysia's first commercial building that uses CISCO's Smart+Connected Real Estate (S+CRE) to enhance the tenants' experiences through better planning, construction and space configuration. It provides a truly unique state-of-the-art, distinctive smart green building that offers seamless connectivity and a creative working environment. One unique solution is its digital guidance system that autonomously manages the ample car parks within the building. This is in line with MRCB's agenda in promoting sustainable development, particularly in Energy Efficient and Green Design buildings.

Platinum Sentral is also the winner of the Edge-PAM Green Excellence Awards 2012. It was also selected as a recipient for the Best Green Office Development and also Best Green Initiative at the Editor's Choice Property Awards 2012.

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



Plaza Alam Sentral

Despite intense competition from shopping malls in its vicinity, Plaza Alam Sentral remains Shah Alam's favourite shopping destination. Its appeal lies in its mix of tenants and its wide variety of specialised products ranging from telecommunications gadgets and computers to textiles, books, and televised entertainment – not to mention its array of food and beverages outlets.

With a lettable area of more than 430,000 sq. ft. being taken up by tenants at 91% occupancy and ever growing visitors, Plaza Alam Sentral provides a wholesome retail experience for consumers in Shah Alam and the south of the Klang Valley, including Petaling Jaya, Subang, Puchong and Klang.

Vigorous marketing and promotion combined with frequent events and exhibitions have made Plaza Alam Sentral a centre for family fun and a popular weekend destination – pushing up visitor numbers every year.

The management team is now focusing on further improving the retail mix by attracting more locally renowned brands and targeting shoppers with higher purchasing power and also aims to boost the mall's income stream by balancing store sizes and sales revenue.

Sooka Sentral

Sooka Sentral was opened in 2007 with a GFA of 140,000 sq. ft. The GDV of Sooka Sentral is RM80 million with a total of 36 tenants.

To-date, we have secured Infiniti Gym which occupies 24,451 sq. ft. on Level 5 & 6. Food & beverage tenants are Starbucks, The Teh Tarik Place, Chillis, Olive's, Star Anise, Malones, Kelantan Delights, Meals Station, Hunan Cuisine and Noodle Shack. Food Court on Level 2 offers a wide variety of local and Asian cuisine to customers, mostly office workers.

Infiniti Fitness, Tanamera Tropical Spa, and The Shaker Cup are avenues for patrons to de-stress and relax their mind and body. Other tenants are Laika Realtors, Citra Melur Sdn Bhd, Ex-Print and Bakti Healthcare Sdn Bhd.

Sooka Sentral promises an experience of rejuvenate, refresh and relive that will appeal to discerning modern consumer's especially corporate office workers during and after work. The Stesen Sentral Kuala Lumpur will soon link directly to Sooka Sentral via a bridge accessible by the general public.



ENGINEERING & CONSTRUCTION

Nu Tower 1 & 2 and Aloft Hotel





Standing from left to right

SHAHARUDDIN MOHAMED

*Vice President,
Infrastructure, Concession
& Environment*

BU TENG CHENG

COO, Engineering & Construction

LAU TEONG HUAT

*Project Director,
MRCB Engineering Sdn Bhd*

ZAPRI JAYA

*General Manager, Technical,
Engineering & Construction*

AMIRUL ARIFF NORAN

*Project Director,
MRCB Environment Sdn Bhd*

AHMAD SHARIFUDDIN

ABDUL RAHMAN

*General Manager, Contracts,
Engineering & Construction*

ENGINEERING & CONSTRUCTION



The Nu Sentral sky bridge trusses being assembled

The year 2012 has been another busy year for the Engineering and Construction (E&C) Division with reported revenue of RM855 million from construction projects delivered during the financial year under review.

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

Another dedicated push to enhance existing construction practices within the Division is the application for an Industrialised Building System (IBS) certification from the Construction Industry Development Board Malaysia (CIDB). With CIDB's recognition of its IBS capabilities, the Division will increase the utilisation of pre-fabricated components during construction. Advantages of IBS such as increased productivity, waste reduction as well as completion of projects within the planned time and budget would help to improve the bottomline for E&C.

Furthermore, an IBS certification coupled with quality management systems will complement the Division's long term aim to leverage its expertise and knowledge in the design and build efforts of future Green Building projects undertaken by the Group. The E&C Division plays an important role as the main contractor for most of the Green Buildings within the KL Sentral CBD and high standards of construction methodology and deliverables are required to be fulfilled to qualify such buildings as Green certified.

The Division will enhance its expertise in delivering Green Buildings by enrolling its staff for the GBI Facilitator Course, a 3-day full-time course organized by Greenbuildingindex Sdn Bhd. They will be trained and accredited as GBI Facilitators who will be the frontliners in E&C's delivery of Green Buildings and enable these building projects to achieve GBI accreditation.

To further strengthen their competency, the Division's staff will also be trained in Quality Assessment System in Construction (QLASSIC), a Construction Industry Development Board (CIDB) programme for enhancing the standard on quality of workmanship for various construction components of building and infrastructure construction work.

Another CIDB training programme being planned for staff participation is the Safety and Health Assessment System in Construction (SHASSIC). SHASSIC covers three main components of assessment such as document check, site/workplace inspection and interviews on employees. This programme also covers topics such as OSH policy, OSH organization, HIRARC (Hazard Identification, Risk Assessment and Risk Control), emergency preparedness, accident investigation/reporting, records management, performance monitoring and management of machinery, equipment and materials.

Projects In KL Sentral CBD And Its Vicinity

The E&C Division has contracts worth RM2.8 billion. In KL Sentral CBD and its vicinity, representing construction works encompassing Grade A office buildings, retail mall, residential buildings and infrastructure packages.

The E&C Division is also progressing well in the construction of the LEED Gold certified office tower at Lot 348, the new headquarters of Shell Malaysia and Ascott Sentral, a 27-storey serviced residences to be managed by The Ascott International, the world's largest international serviced residences provider with properties spread across key cities in Asia-Pacific, Europe and the Gulf. We target to complete this project by the second quarter of 2013. The Lot 348 project was more than 77% completed as of end December 2012.

Another landmark project undertaken by the E&C Division is the construction of a 41-storey office tower, known as Menara CIMB in KL Sentral CBD. The project, targeted for completion by the first quarter of 2013, will be home to the CIMB Investment Bank, one of the largest financial institutions in South East Asia. The Menara CIMB will be handed over to Lot A Sentral Sdn Bhd (LASSB), a joint venture company between Maple Dextra Pte Ltd and CMREF1 Sdn Bhd, which acquired the land in 2007.

Menara CIMB has been awarded a provisional Gold rating by The Building and Construction Authority (BCA) Green Mark, Singapore. The BCA Green Mark is a Singapore green building rating system which promotes sustainability in the construction of buildings.

The E&C Division is also responsible for the construction of two other 26 and 36-storey office towers known as Nu Tower 1 & 2 that are connected to a 482-room business class hotel tower known as Aloft Hotel. This project, which has a combined GFA of 757,941 sq. ft., is located at Lot G in the KL Sentral CBD and is fully completed in 2012.

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

Another major on-going project for E&C Division in the Klang Valley is the delivery of Package B (Construction of Facilities Works) for the LRT Ampang Line Extension that started in October 2011. The project alignment begins from the existing Sri Petaling LRT Station and terminating at Putra Heights Integrated Terminal. The length of the line extension is approximately 17.7 km. The Division was also appointed as the nominated subcontractor to fabricate and deliver segmental box girders under Package B of the Kelana Jaya LRT Line Extension.

During the year under review, construction work on two new projects within the KL Sentral CBD has also started. Q Sentral, a 45-storey Grade A strata office building that has built-in green features. Part of the project includes an underground passenger tunnel, which links the Muzium Negara MRT Station and Stesen Sentral Kuala Lumpur. This project is scheduled for completion by 2015 and is 25% completed by the end of 2012. Set to be awarded the MSC status, Q Sentral will fully accommodate the requirements of MSC Status companies.

ENGINEERING & CONSTRUCTION

The Sentral Residences is an avant-garde premier residences, consisting of two blocks of 55-storey high-end condominium that offers panoramic views of the Lake Gardens, National Museum and KLCC. The concept of exclusivity and luxury is incorporated into all units of The Sentral Residences, which are designed with individual private lift lobby, attached bathroom to all bedrooms and a powder room for guests. As with all new buildings under construction in KL Sentral CBD, The Sentral Residences is designed for GBI Gold green rating. This project is expected to be completed in 2016 and is more than 5% completed as of December 2012.

Another landmark E&C Division construction project completed in 2012 is the Platinum Sentral. It is truly KL Sentral CBD's first Green Office Campus and the first Platinum BCA Green Mark certified building in Malaysia. This development won the Edge-PAM Green Excellence Awards 2012 and was selected as a recipient for the Best Green Office Development and Best Green Initiative by the Editor's Choice Property Awards 2012.

Southern Region

In Johor, the E&C Division has successfully completed and handed over the RM115 million Marlborough College project located in the Nusajaya New Town (Pembangunan Bandar Baru Nusajaya) in the Iskandar Malaysia Development. With a gross floor area of 40,900 sq. ft. the College embraces the beauty and character of a garden campus to deliver a suite of classrooms, facilities, residences and sport fields tailored to the particular requirements of the students and staff of the college.

The E&C Division has also successfully completed the Eastern Dispersal Link (EDL) Expressway in Johor Bahru. The expressway provides a direct linkage between the new Customs, Immigration and Quarantine (CIQ) Complex at Bukit Cagar to the North-South Expressway (NSE) via the new Pandan Interchange.

In a similar development, a joint venture company that is 49% owned by MRCB, UEMB-MRCB JV Sdn Bhd, was awarded a PLUS contract to construct a fourth lane from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and Nilai Utara to Seremban. The contract sum for this project is worth RM1.4 billion and the JV Company is contractually obligated to complete this project by January 2015.

Infinity Pool at The Sentral Residences



ENERGY SECTOR

The Division through its wholly-owned subsidiary, Transmission Technology Sdn Bhd (TTSB), has been actively involved in the Engineering, Procurement and Construction (EPC) of high voltage transmission projects comprising substations, overhead transmission lines and underground cabling works.

In 2012, TTSB has successfully completed and handed over to Syarikat Prasarana Negara Berhad the relocation work of a TNB High Voltage Transmission Line at Kelana Jaya LRT Line Extension. TTSB has also completed and made good defects for both Salak South Project under TNB and Bakun Switchyard under Sarawak Hidro Sdn Bhd.

TTSB was actively involved in securing more new projects in 2012. During the year, TTSB has participated in several transmission tenders and proposals worth approximately RM900 million at various locations in Peninsular Malaysia, Sabah and Sarawak, of which RM505 million was for Overhead Lines, RM380 million for Substations and RM11.6 million for Underground Cables.



INFRASTRUCTURE, CONCESSION & ENVIRONMENT

In 2012, the Division's two projects worth a combined value of RM86.8 million that was secured from the Department of Irrigation and Drainage (DID) in 2011 had progressed as scheduled.

The works for "Projek Fasa 2 Bagi Pembinaan Pemecah Ombak di Kuala Sungai Pahang" amounting to RM46.5 million was on-going and will be completed in the first quarter 2013. With works expected to finish ahead of schedule, the DID has awarded additional works of RM2.5 million to further deepen the river. MRCB is currently negotiating with the Government to continue with the works under Phase 3.

In addition, the works under "Projek Membaikpulih Muara Sungai Perai, Pulau Pinang Secara Menyeluruh Serta Kawasan Sekitar Yang Berkaitan (Fasa 3)" amounting to RM40.3 million is currently on-going and is also expected to be completed in the first quarter 2013. MRCB is currently negotiating with the Government to continue with the works under Phase 4.

MRCB's capability in the rehabilitation and construction of breakwaters is well recognised and proven in the many successful projects undertaken in Melaka, Penang and Pahang, including the award-winning Teluk Tekek project on Tioman Island involving beach and coastline rehabilitation. MRCB is currently in discussions with the DID to rehabilitate further problematic areas on the said island.

In 2012 the Division has another main project - the Eastern Dispersal Link (EDL) Expressway in Johor Bahru. EDL is an 8.1 km expressway designed to disperse traffic from the main arterial roads in Johor Bahru. It includes a 4.4 km elevated structure that links the new Customs, Immigration & Quarantine Complex, known as Bangunan Sultan Iskandar at Bukit Cagar, Johor with the North-South Expressway at the Pandan Interchange.

The concession period of the project is 34 years, inclusive of a four-year construction period which commenced in mid-2008. The EDL was completed in March 2012 and was opened to traffic on 1 April 2012. Currently, the EDL is serving about 150,000 vehicles per day. The south bound Rest and Service Area is still under construction and is expected to be opened to the public middle of 2013.





EDL Expressway



Breakwater at the Kuala Sungai Pahang rehabilitation project



BUILDING SERVICES

Dedicated MRCB building maintenance crew give 1 Sentral a smart shine





Standing from left to right

NUR ZAKRI ZAKARIA
General Manager,
MRCB Technologies Sdn Bhd

MAZLI SHAM MOHD ZAIN
Senior Manager, Operations
Semasa Sentral Sdn Bhd

MOHD ROZEMI ALIAS
Senior Manager,
Semasa Parking Sdn Bhd

MOHD NAJIB DATO' IBRAHIM
General Manager,
Semasa Services Sdn Bhd

HUSSIN MOHD ALI
Vice President,
Head of Building Services





Platinum Sentral is green inside and out

MRCB's Building Services Division (BSD) has successfully established its own brand as a major player in the country since 2005. With a strong performance and support from a capable workforce, BSD offers total integrated facilities management services such as the operation, maintenance and management of facilities and provision of information technology services for integrated transportation hubs, commercial, government, industrial and high-rise buildings that include Green Buildings.

These include total integration of building management, security services specialising in all aspects of building security, car park logistics and management as well as seamless integration of ICT with building and highway infrastructures. The Division fully complements the Property Development Operation.

NEW GREEN TECHNOLOGY VENTURES

A new venture for the Division under one of its companies, Semasa Services Sdn Bhd (Semasa Services), is Green Building Management. This new service focuses on increasing the efficiency of resource utilisation in energy, water and materials usage. A hallmark of this service is the concerted and dedicated effort to reduce a building's impact on human health and the environment during the structure's lifecycle through better design, construction, operation, maintenance and removal or demolition. Semasa Services facilitates the assessment process for buildings in order to ascertain the building's classification. To further expand its expertise in this field, Semasa Services is aiming to manage a wider scope of green rated buildings under various green certification bodies i.e. Malaysia's Green Building Index (GBI), Singapore's BCA Green Mark and USA's LEED. Amongst the prominent buildings under its supervision are Platinum Sentral, located in KL Sentral CBD and the Energy Commission's Diamond Building in Putrajaya.

Green buildings allow clients to benefit from the premium rental rate they command while attracting reputable tenants who are conscious of the need for sustainability. In addition, it also helps to incorporate energy and water efficient technologies. Best of all, it reduces building management costs and create value-added services.

Clients have benefited from the multiple initiatives of the energy efficient programmes carried out at several buildings by BSD i.e. Stesen Sentral Kuala Lumpur (SSKL), 1 Sentral and Plaza Sentral where promising results in the reduction of electricity cost, ranging from 11% to 15%, have been recorded. Programmes include energy assessments, building benchmarking, cost-effective energy efficiency improvements and green workforce training and education.

Apart from Semasa Services, MRCB Technologies Sdn Bhd (MRCBTech), another company under BSD, has also deployed a state-of-the-art Integrated Building Management System (IBMS) for the award winning Platinum Sentral Green Building, which is certified as Singapore's BCA Green Mark Platinum building. The IBMS integrates several systems such as the Building Control Systems, Security Management System, CCTV Systems, Power Management System, Data Centre, Internet and Telephony, Digital Signage and WiFi. This integration of services has improved the building's operational efficiency and effectiveness.

MRCBTech is also deploying similar initiatives for two new buildings under construction namely Menara Shell and Nu Sentral retail mall.

AWARDS AND RECOGNITION

The Division's operation adheres to well-established standard procedures aimed at delivering excellence. The Division is committed to its ISO certification and has ensured the ongoing validity of this certification for companies under the Division's umbrella, notably, Semasa Sentral Sdn Bhd (Semasa Sentral), Semasa Services, Semasa Parking Sdn Bhd (Semasa Parking) and MRCBTech. In 2012, Semasa Parking and MRCBTech, passed the recertification audit conducted by SIRIM Berhad and the surveillance audit by Lloyd's Register of Shipping (M) Bhd. In line with its new venture into green building management, Semasa Services is embarking into ISO50001:2011 Energy Management System and target to achieve certification by 2013.

The SSKL which is managed by Semasa Sentral also won first place in the private sector buildings category for Jalur Gemilang Decoration Competition, organised by Kuala Lumpur City Hall (DBKL) in 2011. The win reflects the Division's high spirit of patriotism in celebrating Malaysia's 54th Independence Day.

PROJECTS

Facilities Management Services

Since the inception of this service six years ago, it has evolved into a business that has been growing steadily over the years.

The Division's Facilities Management (FM) projects, managed by Semasa Services include services for Plaza Sentral Joint Management Body, YTR Harta Sdn Bhd and Employees Provident Fund (EPF), Companies Commission of Malaysia (CCM) and Malaysian Industrial Development Authority (MIDA) for their buildings in KL Sentral CBD.

Carpark Operations And Management

Semasa Parking is managing the Group's and external clients' car park operations and management involving different types of buildings such as clubhouses, open car parks, shopping complexes and office buildings. In 2012, Semasa Parking secured several new car park operations and management contracts and this include clients such as Menara Bumiputra Commerce, 1 Sentral, Quill 7, Menara Prisma, The Icon, Menara SSM and MIDA Sentral.

ICT Technologies

MRCBTech continues to spearhead the Division's new technologies and ICT Integration services by supporting tenants in Platinum Sentral to supply data centre services, installing audio-visual systems and Wi-Fi services.

In 2012 MRCBTech was constantly involved in the supply of Integrated Building Management System (IBMS), Telephone Structured Cabling, Extra Low Voltage and Integrated Security Management System (ISMS) for several buildings at KL Sentral CBD and always looking at various opportunities in and outside the country.

ICT Services

MRCBTech is also looking into providing cloud services as the next logical step in its technologies and ICT Integration services.

ICT Infrastructure

In 2012, MRCBTech completed the deployment of the Electronics Toll Collection System and Traffic Control & Surveillance System for EDL Expressway. One of the new innovations implemented in this project is the Automatic Number Plate Recognition System which is the first in Malaysia. This system can be expanded for vehicle detection, tracking and enforcement.

Oil & Gas

A registered supplier of telecommunications services with Petronas, MRCBTech has successfully secured projects that include the installation of telecommunications systems, PAGA system, radio, microwave and satellite connectivity and weather monitoring systems for several offshore oil and gas platforms and facilities.

Station Management

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

The SSKL has also evolved into not only a rail transportation hub but has become one of the city's bus hubs. Bus operators in the SSKL include RapidKL's revamped bus network and buses to KLIA – both the Main and Low-Cost Carrier terminals.

After 11 years of operation, SSKL continues to receive 150,000 passengers on a daily basis, thus proving its standing as a popular integrated transportation hub. In its quest for service excellence, several upgrading projects are in the pipeline to ensure customers' security, safety and sufficient comfort level. These include, among others, the installation of guiding blocks for the blind, refurbishment and renovation of its public toilets, grinding and polishing of the station's granite floor, upgrading of the public address system and overhaul of the air-conditioning chiller system which were completed in 2012.

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

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

ACTIVITIES IN THE DIVISION

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

In 2012, a table top Emergency Response Plan exercise was conducted on 26 to 29 September based on a scenario involving rioting and vandalism. Among the agencies and uniformed units that participated in the exercise were the National Security Council, the Royal Malaysian Police, the Fire and Rescue Department, the Emergency Department of University Malaya Medical Centre, SSKL rail operators and the Civil Defense Department.

The Division also organized a Quality & Safety Day on 2 October 2012 at the Concourse Area of SSKL. Given the theme of "Safety & Productivity towards Efficiency", the programme was aimed at raising awareness among the staffs and members of the public on safety aspects at the workplace. A treasure hunt was organized together with an exhibition, a blood donation drive, a crossword puzzle competition, games and a pop quiz contest. Apart from Building Services Division, local authorities and government agencies such as the Royal Malaysian Police, the Malaysian Red Crescent, the Civil Defense Department, the National Blood Centre and SIRIM as well as NGOs also joined in to spread the safety message as exhibitors.

The Division also helped to spread the message of caring and giving via a donation drive at SSKL by putting up a donation box for the public to donate to the victims of the Gaza conflict. We managed to collect RM30,000.00 from the public as well as from the management and staffs. The amount was handed over to the Malaysian Relief Agency on 20 December 2012.

In May 2012, the Division's annual charity sale was held at the SSKL Concourse Area. The charity sale event received support from donors comprising staffs and the general public at the station. The proceeds amounting to RM5,600.00 was donated to Irfan Qadri Sharul Azhar, a two-month-old baby from Sg. Petani, Kedah who was diagnosed with heart and intestinal complications.

During Ramadhan, the Division invited orphans from Rumah Titian Kasih to break fast with the management team. The children were also given "duit raya" and gifts, while tenants, business partners and staffs pooled together a cash amount of RM10,135.00 as contribution to the orphanage.



GROUP SUPPORT SERVICES





Seated from left to right

CHONG CHIN ANN
Chief Financial Officer

TEE JOON LEE
General Manager,
Head of Corporate Governance

NORSHAM ISHAK
General Manager,
Head of Legal

MOHD NOOR RAHIM YAHAYA
Company Secretary

HO CHEE SUN
General Manager,
Head of Procurement/
Administration & IT

Standing from left to right

VICTOR WONG TZE MENG
Head of Finance,
Property

ZULKIFLI MOHD
General Manager,
Head of Human Resource

MOHAINI MOHD YUSOF
General Manager,
Head of Corporate Communications

LEE SWEE KHENG
General Manager,
Head of Finance

TRANSFORMING COMMUNITIES

From environmental rehabilitation in East Malaysia, to a vital new highspeed road link in Johore; from a revitalised ethnic urban neighbourhood in Brickfields, to a world-class infrastructure in KL's new CBD, we take pride in helping pioneer the transformation of our communities, large and small.





STATEMENT ON CORPORATE GOVERNANCE

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

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

1. MRCB'S BOARD STRUCTURE

a. Composition of Members

As at 31 December 2012, the MRCB Board has 7 members, comprising the Chairman (Non-Independent Non-Executive), five (5) Independent Directors and one (1) Non-Independent Non-Executive Director. With the resignation of Datuk Mohamed Razeek Hussain, the Chief Executive Officer of the company, on 18 August 2012, there is no Executive Director on the MRCB Board as at 31 December 2012.

The profiles of each member of the Board, their designations and memberships on the Board Committees are set out on pages 30 to 36 of this report.

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

With its composition as at 31 December 2012, the Independent Directors constitute 71% of the Board and these Independent Directors provide effective debate and uphold the principles of objectivity and integrity during Board deliberations. The higher proportion of Independent to Non-Independent Directors ensure that no individual or group dominates the decision making process.

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 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 2012. 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. The Board also recognises the importance of gender diversity and is seeking for appropriate candidates to complement its present composition.

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

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

Following the resignation of Datuk Mohamed Razeek Hussain as Chief Executive Officer of the Company on 18 August 2012, the Nomination Committee has been in the process of evaluating suitable candidates to fill the position.

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 3 April 2012, Dato' Ahmad Ibnihajar and Datuk Shahril Ridza Ridzuan, 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, Dato' Chong Pah Aung and Jamaludin Zakaria, who were appointed in 2011, had retired pursuant to Article 106 of the Articles of Association of the Company. Both Dato' Chong Pah Aung and Jamaludin Zakaria had also been duly re-elected.

c. Roles and Responsibilities

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

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

The roles of the Chairman and Chief Executive Officer 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 Chief Executive Officer is responsible for making and implementing operational decisions and the day-to-day management of the Group. The Chief Executive Officer charts the overall business direction of the Group, reports and communicates key strategic matters and proposals to the Board, and implements decisions made by the Board.

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

d. Board of Directors Meetings

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

A total of ten (10) Board of Directors meetings were held between 1 January 2012 and 31 December 2012. All the Directors had attended more than 50% of the Board meetings during the period.

STATEMENT ON CORPORATE GOVERNANCE

Table 1: Details of attendance of the Directors at the Board Meetings held from 1 January 2012 to 31 December 2012

Date Of Meeting	Name of Director							
	Tan Sri Azlan Zainol (Chairman) Non-Independent Non-Executive Director	Datuk Mohamed Razeek Hussain Chief Executive Officer	Datuk Shahril Ridza Ridzuan Non-Independent Non-Executive Director	Dato' Ahmad Ibnihajjar Independent Director	Dato' Abdul Rahman Ahmad Independent Director	Che King Tow Independent Director	Dato' Chong Pah Aung Independent Director	Jamaludin Zakaria Independent Director
5 Jan 12	A	A	A	A	A	A	A	A
18 Jan 12	A	A	A	X	A	A	A	A
8 Feb 12*	A	A	A	A	A	A	A	A
14 Feb 12	A	A	A	A	A	A	A	A
2 Mac 12	A	A	A	A	A	A	A	A
22 May 12*	A	A	A	A	A	A	A	X
24 July 12	A	A	A	X	A	A	A	A
16 Aug 12*	A	A	A	A	A	A	A	A
25 Oct 12	A	Resigned on 18 Aug 2012	A	A	A	A	A	A
20 Nov 12*	A	–	A	A	A	A	A	A
Total (%)	10/10 (100%)	8/8 (100%)	10/10 (100%)	8/10 (80%)	10/10 (100%)	10/10 (100%)	10/10 (100%)	9/10 (90%)

* Scheduled Quarterly Board Meeting

Amongst the matters deliberated by the Board in 2012 were:

- Quarterly unaudited consolidated results;
- Announcements to Bursa Malaysia Securities Berhad;
- Group audited financial statements;
- Major business proposals and transactions;
- Renewal of the Group's Employee Share Option Scheme; and
- Group business plans and budget.

2. BOARD COMMITTEES

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

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

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

a. Audit Committee

A report of the Audit Committee, setting out its membership, roles and activities during the year is set out on pages 117 to 119.

b. Executive Committee of The Board

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

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

Three (3) members form the quorum for a meeting. For 2012, a total of eight (8) 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 2012 to 31 December 2012

Name of EXCO Member	Attendance
Datuk Shahril Ridza Ridzuan (Chairman)	8/8
Datuk Mohamed Razeek Hussain (resigned on 18 Aug 2012)	4/4
Che King Tow	8/8
Dato' Chong Pah Aung	8/8

Among the activities carried out by the EXCO in 2012 were:

- Reviewed the achievement of the budget for 2012;
- Reviewed the business plan and budget for 2013;
- Reviewed the progress of key projects; and
- Deliberated on major business proposals and transactions.

c. Nomination Committee

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

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

The Nomination Committee meets at least once a year and three (3) members form the quorum for a meeting. For 2012, four (4) Nomination Committee meetings were held.

Table 3: Details of attendance of members at the Nomination Committee meetings held from 1 January 2012 to 31 December 2012

Name of Nomination Committee Member	Attendance
Che King Tow (Chairman)	4/4
Dato' Abdul Rahman Ahmad	4/4
Dato' Ahmad Ibnihajar	3/4
Dato' Chong Pah Aung	4/4

Among the activities carried out by the Nomination Committee in 2012 were:

- Reviewed potential candidates to fill the position of Chief Executive Officer of the Group;
- Reviewed the organisation structure of the Group; and
- Deliberated on the appointment of an external consultant to conduct an evaluation of the Board's effectiveness.

STATEMENT ON CORPORATE GOVERNANCE

d. Remuneration Committee

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

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

The Remuneration Committee meets at least once a year and three (3) members form the quorum for a meeting. For 2012, three (3) Remuneration Committee meetings were held and these were fully attended by the members.

Table 4: Details of attendance of members at the Remuneration Committee meetings held from 1 January 2012 to 31 December 2012

Name of Remuneration Committee Member	Attendance
Dato' Abdul Rahman Ahmad (Chairman)	3/3
Dato' Ahmad Ibnihajjar	3/3
Che King Tow	3/3
Dato' Chong Pah Aung	3/3

Among the activities carried out by the Remuneration Committee in 2012 were:

- Reviewed the achievement of Key Performance Indicators for the financial year ended 31 December 2011;
- Reviewed the Group Key Performance Indicators for the financial year ending 31 December 2012; and
- Reviewed the performance bonus and remuneration structure for management personnel.

e. Employees' Share Option Scheme Committee

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

The ESOS Committee, which comprises four (4) members of the Board, meets as and when required and three (3) members form the quorum for a meeting. During the year under review, one ESOS Committee meeting was held to deliberate on the extension of the ESOS to the employees of the Group. This meeting was fully attended by the members.

Table 5: Details of attendance of members at the ESOS Committee meetings held from 1 January 2012 to 31 December 2012

Name of ESOS Member	Attendance
Dato' Ahmad Ibnihajjar (Chairman)	1/1
Datuk Shahril Ridza Ridzuan	1/1
Datuk Mohamed Razeek Hussain (resigned on 18 Aug 2012)	–
Jamaludin Zakaria (appointed on 9 Oct 2012)	1/1

3. BOARD REMUNERATION

a. Remuneration Policy for Directors and Senior Management

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

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

b. Directors' Remuneration

Details of the Directors' remuneration for financial year ended 31 December 2012 are set out in Tables 6 and 7 below.

The total Directors' remuneration for the financial year ended 31 December 2012 is approximately RM1.58 million, with the highest paid director being the Chief Executive Officer of the Company.

Table 6: Details of Aggregate Directors' Remuneration for 2012

Name Of Director	Fees RM'000	Salary And Bonus RM'000	EPF RM'000	Allowance RM'000	Leave Passage RM'000	Car Allowance RM'000	Benefits- in-Kind RM'000	Total RM'000
Tan Sri Azlan Zainol	90			60				150
Datuk Shahril Ridza Ridzuan	60			120			3	183
Dato' Ahmad Ibnihajar	60							60
Dato' Abdul Rahman Ahmad	60							60
Che King Tow	60							60
Dato' Chong Pah Aung	60							60
Jamaludin Zakaria	60							60
Datuk Mohamed Razeek Hussain [^]		739	125		38	38	11	951
Total	450	739	125	180	38	38	14	1,584

Note [^]: Datuk Mohamed Razeek Hussain's remuneration is from 1 Jan 2012 to 18 Aug 2012.

STATEMENT ON CORPORATE GOVERNANCE

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

Directors' Remuneration	Executive Directors	Non-executive Directors	Total
RM0 – RM50,000	–	–	–
RM50,001 – RM100,000	–	5	5
RM100,001 – RM150,000	–	1	1
RM150,001 – RM200,000	–	1	1
RM650,001 – RM700,000	–	–	–
RM800,000 – RM1,000,000	1	–	1
Total	1	7	8

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

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

b. Directors' Training and Continuing Education Programme

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

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

Table 8: Training Courses Attended by Directors in 2012

Name of Director	Training Course Attended
Tan Sri Azlan Zainol	Banking Technology Summit 2012 Date : 18 & 19 October 2012 Organiser : IBM Asean and Silverlake Axis
Datuk Shahril Ridza Ridzuan	Board of Directors' Workshop Date : 22 November 2012 Organiser : Media Prima Berhad
Dato' Ahmad Ibnihajar	Directors Forum 2012 – "Board Rising to the Challenges of Corporate Entrepreneurship" Date : 7 to 9 October 2012 Organiser : Malaysian Directors Academy (MINDA)
Dato' Abdul Rahman Ahmad	Board of Directors Retreat 2012 Date : 11 & 12 October 2012 Organiser : Ekuiti Nasional Berhad Private Equity & Venture Capital Executive Education Program Date : 28 October to 1 November 2012 Organiser : Harvard University, Boston, USA
Che King Tow	6th International Real Estate Research Symposium 2012 Date : 24 & 25 April 2012 Organiser : Valuation and Property Services Department (JPPH) and National Institute of Valuation (INSPEN)
Dato' Chong Pah Aung	4th Annual Corporate Governance Summit Kuala Lumpur Date : 5 & 6 March 2012 Organiser : Asian World Summit Sdn Bhd
Jamaludin Zakaria	Raising the Bar : The New Malaysian Code on Corporate Governance 2012 Date : 8 June 2012 Organiser : Securities Industry Development Corporation

c. Performance Evaluation

The Board, through the Nomination Committee, reviews and evaluates its performance, the performance of individual Directors and the various Committees regularly. In 2012, the Board engaged the services of a professional consulting firm to conduct a Board Effectiveness Evaluation. This evaluation, which was conducted through written questionnaires and interviews with the Directors, covered the effectiveness of the Board including the Chairman and Chief Executive Officer, the Board Committees and individual Board members.

d. Relationship of the Board with Management

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

e. Full Access to Information

In the course of discharging their duties, the Directors always 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 enough 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

STATEMENT ON CORPORATE GOVERNANCE

- iii) unrestricted advice and services of external and independent professionals, made available to Board members individually and collectively. These advice and services are made available independent of Management's intervention.

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 each level of Management is authorized to approve, and transactions that need to be approved by the EXCO or the Board.

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

The Board has adopted a hands-on approach in discharging its role. During the year, the Directors made visits to the Company's project sites in KL Sentral. 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 discloses the financial position of the Group in a true and fair manner.

The statement by directors pursuant to Section 169(15) of the Companies Act, 1965 in relation to the preparation of the financial statements are set out on page 150 of this report under "Statement by Directors".

h. Relationship with External Auditors

The Company maintains a transparent and professional relationship with its auditors through the Audit Committee. During the year, the Company engaged its external auditors for statutory audits, tax-related matters and to conduct the evaluation of Board effectiveness.

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

In recommending the External Auditors for re-appointment, the Audit Committee reviews their performance, suitability and independence. For 2012, the Audit Committee has obtained a written assurance from PricewaterhouseCoopers, the External Auditors, that they have maintained their independence in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.

Further details on the activities of the Audit Committee in relation to the External Auditors is described on pages 117 to 119.

5. PROTECTION OF SHAREHOLDERS' VALUE

a. Risk Management and Internal Control

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

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

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

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

The Statement on Risk Management and Internal Control that is set out on pages 123 to 125 of this report provides an overview on the risk management processes and the main features of the system of internal controls within the Group.

b. Prevention of Fraud

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

The Prevention of Fraud Manual also has a specific section on the Code on Whistleblowing which 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 Code also describes the subsequent procedures to be taken for investigating and dealing with fraud cases.

c. Quality Assurance

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

d. Assurance on Performance of Associated Companies

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

6. SHAREHOLDERS, INVESTORS AND STAKEHOLDERS

a. Looking after Minority Interests

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

b. Dividend Policy

The Company has established a Dividend Policy in 2007, whereby shareholders can expect a dividend payout amounting to at least 20% of the Consolidated Profit after Taxation and Non-controlling Interests. For the financial year ended 31 December 2012, the Company is proposing the payment of a franked dividend of 0.4% or 0.4 sen per ordinary share less income tax of 25% and a single tier dividend of 1.6% or 1.6 sen per ordinary share. This proposal is subject to the approval of the shareholders at the forthcoming 42nd Annual General Meeting.

c. Communication and Transparency

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

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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>.

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 Non-Executive Director of the Company, Dato' Ahmad Ibniহার, to convey their concerns or questions. Dato' Ahmad Ibniহার may be contacted at: Email : ahmad.dir@mrcb.com.my

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.

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. 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.

7. ON-GOING GLC TRANSFORMATION INITIATIVES

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

8. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

a. CSR Programmes

The Group remains fully committed to its corporate social obligation in 2012, and the framework outlined in the "Silver Book – Achieving Value through Social Responsibility", which has been adopted since 2007.

The focus remains in ensuring values for all the Group's stakeholders, namely, customers, investors, employees, and suppliers. This respect for its stakeholders is the foundation to the key elements used in formulating its CSR programmes. In 2012, the Group continues to actively pursue numerous CSR projects under 5 key CSR programmes, namely Education, Environment, Employee Welfare, the Community and Philanthropy, amounting to RM1.146 million.

MRCB also took a more active role in education and community-based social activity in 2012 as it supported the Graduate Employment Enhancement ("GREEN") programme initiated by Khazanah Nasional Berhad. This programme provides graduates with on-the-job training in a live business environment.

In addition, the Group continues with its educational support programme for its nine (9) schools under the Promoting Intelligence, Nurturing Talent and Advocating Responsibility ("PINTAR") programme. The schools are SK Indera Shahbandar, SK Serandu and SJK (C) Yoke Hwa, all in Pahang, and one school in Pulau Pinang, namely SJK (T) Ladang Mayfield, SK La Salle 1 and SK La Salle 2, in Brickfields, Kuala Lumpur, SK Tebrau Bakar Batu in Johor Bahru and SK Bagan Jermal and SK Kampong Jawa in Penang. All the schools are located within the Group's areas of operation.

Believing in sharing its expertise and know-how, the Group also welcomes study visits from students, Government bodies and foreign delegates to its KL Sentral development as well as some of its work sites. In 2012, a total of 5 groups visited MRCB.

b. Awards and Recognition

The Company continues to receive recognition and accolades in 2012. The Company was awarded The Edge-PAM Green Excellence Award 2012 for one of its green developments, Platinum Sentral. It also received three awards at the Editors' Choice Property Awards 2012. The awards were for Best Green Office Development Award and Best Green Initiative Award for Platinum Sentral while its KL Sentral development was accorded the Best Integrated Development for year 2012.

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

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

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

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

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

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

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

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

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

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

This Statement on Corporate Governance is made by the Board of Directors in accordance to its resolution dated 26 February 2013.

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

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

1. STRUKTUR LEMBAGA PENGARAH MRCB

a. Komposisi Ahli

Pada 31 Disember 2012, Lembaga MRCB mempunyai tujuh (7) orang ahli, yang terdiri daripada Pengerusi (Bukan Eksekutif Bukan Bebas), lima (5) orang Pengarah Bebas dan seorang (1) Pengarah Bukan Eksekutif Bukan Bebas. Dengan peletakan jawatan Datuk Mohamed Razeek Hussain, Ketua Pegawai Eksekutif Syarikat pada 18 Ogos 2012, tiada Pengarah Eksekutif yang menganggotai Lembaga MRCB sehingga 31 Disember 2012.

Profil setiap ahli Lembaga berserta jawatan dan keahlian mereka dalam Jawatankuasa-jawatankuasa Lembaga disediakan di muka surat 30 hingga 36 dalam laporan ini.

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

Dengan komposisinya pada 31 Disember 2012, Pengarah Bebas meliputi 71% daripada keanggotaan Lembaga di mana mereka berperanan membangkitkan perbincangan yang berkesan dan mendukung prinsip-prinsip berobjektif dan berwibawa semasa perbincangan Lembaga. Bilangan Pengarah Bebas yang lebih ramai berbanding Pengarah Bukan Bebas memastikan supaya tiada individu atau kumpulan mendominasi proses membuat keputusan.

Lembaga percaya bahawa komposisi dan saiznya pada masa ini membolehkan ia menjalankan tugas dan tanggungjawabnya secara berkesan dan kompeten. Jawatankuasa Pencalonan Lembaga mengkaji dari semasa ke semasa, campuran kemahiran, pengetahuan, pengalaman dan kebebasan yang dimiliki oleh ahli-ahlinya. Lembaga berpuas hati bahawa tiada sebarang perkara yang telah menjejaskan kebebasan para Pengarah Bebasnya pada tahun 2012. Lembaga telah mewujudkan satu dasar yang menggariskan bahawa tempoh Pengarah Bebas memegang jawatan hendaklah tidak melebihi penggal kumulatif selama 12 tahun. Lembaga percaya bahawa tempoh memegang jawatan ini memberi keseimbangan keberkesanan dan kebebasan yang bersesuaian dengan Kumpulan. Lembaga turut mengakui kepentingan kepelbagaian jantina dan sedang mencari calon-calon yang sesuai untuk melengkapi komposisinya pada masa ini.

b. Pelantikan ke Lembaga Pengarah dan Pemilihan Semula Pengarah

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

Berikutan peletakan jawatan Datuk Mohamed Razeek Hussain sebagai Ketua Pegawai Eksekutif Syarikat pada 18 Ogos 2012, Jawatankuasa Pencalonan kini sedang dalam proses menilai calon-calon sesuai untuk mengisi kekosongan jawatan tersebut.

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

Pada AGM yang diadakan pada 3 April 2012, Dato' Ahmad Ibnihajar dan Datuk Shahril Ridza Ridzuan yang bersara menurut Artikel 101 dan 102 Tataurus Pertubuhan Syarikat, telah dipilih semula dengan sewajarnya. Pada masa yang sama, Dato' Chong Pah Aung dan Jamaludin Zakaria yang dilantik pada tahun 2011, telah bersara menurut Artikel 106 Tataurus Pertubuhan Syarikat. Kedua-dua mereka juga telah dipilih semula dengan sewajarnya.

c. Peranan dan Tanggungjawab

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

Perkara-perkara berikut telah dikhusus untuk diputuskan oleh Lembaga:

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

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

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

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

d. Mesyuarat Lembaga Pengarah

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

Sebanyak sepuluh (10) mesyuarat Lembaga Pengarah telah diadakan antara 1 Januari 2012 dan 31 Disember 2012. Semua Pengarah telah menghadiri lebih 50% daripada jumlah mesyuarat Lembaga yang telah diadakan sepanjang tempoh tersebut.

PENYATA TADBIR URUS KORPORAT

Jadual 1: Butiran kehadiran Mesyuarat Lembaga Pengarah yang diadakan dari 1 Januari 2012 hingga 31 Disember 2012

Tarikh Mesyuarat	Nama Pengarah							
	Tan Sri Azlan Zainol (Pengerusi) Pengarah Bukan Eksekutif Bebas	Datuk Mohamed Razeek Hussain Ketua Pegawai Eksekutif	Datuk Shahril Ridza Pengarah Bukan Eksekutif Bebas	Dato' Ahmad Ibni Hajjar Pengarah Bebas	Dato' Abdul Rahman Ahmad Pengarah Bebas	Che King Tow Pengarah Bebas	Dato' Chong Pah Aung Pengarah Bebas	Jamaludin Zakaria Pengarah Bebas
5 Jan 12	A	A	A	A	A	A	A	A
18 Jan 12	A	A	A	X	A	A	A	A
8 Feb 12*	A	A	A	A	A	A	A	A
14 Feb 12	A	A	A	A	A	A	A	A
2 Mac 12	A	A	A	A	A	A	A	A
22 Mei 12*	A	A	A	A	A	A	A	X
24 Jul 12	A	A	A	X	A	A	A	A
16 Ogos 12*	A	A	A	A	A	A	A	A
25 Okt 12	A	Meletak jawatan pada 18 Ogos 2012	A	A	A	A	A	A
20 Nov 12*	A	–	A	A	A	A	A	A
Jumlah (%)	10/10 (100%)	8/8 (100%)	10/10 (100%)	8/10 (80%)	10/10 (100%)	10/10 (100%)	10/10 (100%)	9/10 (90%)

* Mesyuarat Lembaga Suku Tahun Berjadual

Antara perkara-perkara yang dibincangkan oleh Lembaga pada tahun 2012 adalah:

- Keputusan suku tahunan disatukan tidak beraudit;
- Pengumuman kepada Bursa Malaysia Securities Berhad;
- Penyata kewangan beraudit Kumpulan;
- Cadangan dan transaksi perniagaan utama;
- Pembaharuan Skim Opsyen Saham Kakitangan Kumpulan; dan
- Rancangan perniagaan dan belanjawan Kumpulan.

2. JAWATANKUASA-JAWATANKUASA LEMBAGA

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

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

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

a) Jawatankuasa Audit

Laporan Jawatankuasa Audit yang menyatakan tentang keahlian, peranan dan aktiviti pada tahun ini dibentangkan di muka surat 120 hingga 122.

b) Jawatankuasa Eksekutif Lembaga

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

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

Tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat EXCO. Pada tahun 2012, lapan (8) mesyuarat EXCO telah diadakan dan dihadiri oleh semua ahli EXCO.

Jadual 2: Butiran kehadiran ahli di mesyuarat EXCO yang diadakan dari 1 Januari 2012 hingga 31 Disember 2012

Nama Ahli EXCO	Kehadiran
Datuk Shahril Ridza Ridzuan (<i>Pengerusi</i>)	8/8
Datuk Mohamed Razeek Hussain (<i>meletak jawatan pada 18 Ogos 2012</i>)	4/4
Che King Tow	8/8
Dato' Chong Pah Aung	8/8

Antara aktiviti yang dijalankan oleh EXCO pada tahun 2012 adalah:

- Mengkaji pencapaian belanjawan bagi tahun 2012;
- Mengkaji rancangan perniagaan dan belanjawan bagi tahun 2013;
- Mengkaji perkembangan projek-projek penting; dan
- Membincangkan cadangan dan urusan perniagaan utama.

c) Jawatankuasa Pencalonan

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

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

Jawatankuasa Pencalonan bermesyuarat sekurang-kurangnya sekali setahun dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun 2012, empat (4) mesyuarat Jawatankuasa Pencalonan telah diadakan.

Jadual 3: Butiran kehadiran ahli di mesyuarat Jawatankuasa Pencalonan yang diadakan dari 1 Januari 2012 hingga 31 Disember 2012

Nama Ahli Jawatankuasa Pencalonan	Kehadiran
Che King Tow (<i>Pengerusi</i>)	4/4
Dato' Abdul Rahman Ahmad	4/4
Dato' Ahmad Ibnihajar	3/4
Dato' Chong Pah Aung	4/4

Antara aktiviti yang dijalankan oleh Jawatankuasa Pencalonan pada tahun 2012 adalah:

- Mengkaji calon-calon potensi untuk mengisi jawatan Ketua Pegawai Eksekutif Kumpulan;
- Mengkaji struktur organisasi Kumpulan; dan
- Membincangkan tentang pelantikan juruperunding luar untuk menjalankan penilaian keberkesanan Lembaga.

d) Jawatankuasa Imbuhan

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

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

Jawatankuasa Imbuhan bermesyuarat sekurang-kurangnya sekali setahun dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun 2012, tiga (3) mesyuarat Jawatankuasa Imbuhan telah diadakan dan dihadiri sepenuhnya oleh ahli-ahlinya.

Jadual 4: Butiran kehadiran ahli di mesyuarat Jawatankuasa Imbuhan yang diadakan dari 1 Januari 2012 hingga 31 Disember 2012

Nama Ahli Jawatankuasa Imbuhan	Kehadiran
Dato' Abdul Rahman Ahmad (Pengerusi)	3/3
Dato' Ahmad Ibnihajar	3/3
Che King Tow	3/3
Dato' Chong Pah Aung	3/3

Antara aktiviti yang dijalankan oleh Jawatankuasa Imbuhan pada tahun 2012 adalah:

- Mengkaji pencapaian Petunjuk Prestasi Penting bagi tahun kewangan berakhir 31 Disember 2011;
- Mengkaji Petunjuk Prestasi Penting Kumpulan bagi tahun kewangan berakhir 31 Disember 2012; dan
- Mengkaji bonus berasaskan prestasi dan struktur imbuhan bagi pegawai pengurusan.

e) Jawatankuasa Skim Opsyen Saham Kakitangan

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

Jawatankuasa ESOS yang terdiri daripada empat (4) orang ahli Lembaga bermesyuarat apabila perlu dan tiga (3) orang ahli membentuk kuorum sesebuah mesyuarat. Pada tahun yang ditinjau, satu mesyuarat Jawatankuasa ESOS telah diadakan untuk membincangkan pembahagian ESOS kepada kakitangan Kumpulan. Mesyuarat ini telah dihadiri oleh semua ahlinya.

Jadual 5: Butiran kehadiran ahli di mesyuarat Jawatankuasa ESOS yang diadakan dari 1 Januari 2012 hingga 31 Disember 2012

Nama Ahli ESOS	Kehadiran
Dato' Ahmad Ibnihajar (Pengerusi)	1/1
Datuk Shahril Ridza Ridzuan	1/1
Datuk Mohamed Razeek Hussain (meletak jawatan pada 18 Ogos 2012)	-
Jamaludin Zakaria (dilantik pada 9 Okt 2012)	1/1

3. IMBUHAN LEMBAGA

a. Dasar Imbuhan Pengarah dan Pegawai Pengurusan Kanan

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

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

b. Imbuhan Pengarah

Butiran berkenaan imbuhan Pengarah bagi tahun kewangan berakhir 31 Disember 2012 dibentangkan dalam Jadual 6 dan 7 di bawah.

Jumlah imbuhan Pengarah bagi tahun kewangan berakhir 31 Disember 2012 adalah sebanyak kira-kira RM1.58 juta, di mana pengarah dengan bayaran tertinggi adalah Ketua Pegawai Eksekutif Syarikat.

Jadual 6: Butiran Agregat Imbuhan Pengarah bagi 2012

Nama Pengarah	Yuran RM'000	Gaji dan Bonus RM'000	KWSP RM'000	Elaun RM'000	Manfaat Percutian RM'000	Elaun Kereta RM'000	Manfaat Seumpamanya RM'000	Jumlah RM'000
Tan Sri Azlan Zainol	90			60				150
Datuk Shahril Ridza Ridzuan	60			120			3	183
Dato' Ahmad Ibnihajar	60							60
Dato' Abdul Rahman Ahmad	60							60
Che King Tow	60							60
Dato' Chong Pah Aung	60							60
Jamaludin Zakaria	60							60
Datuk Mohamed Razeek Hussain [^]		739	125		38	38	11	951
Jumlah	450	739	125	180	38	38	14	1,584

Nota[^]: Imbuhan Datuk Mohamed Razeek Hussain adalah dari 1 Jan 2012 hingga 18 Ogos 2012.

Jadual 7: Analisis Imbuhan Pengarah Mengikut Kumpulan RM50,000

Imbuhan Pengarah	Pengarah Eksekutif	Pengarah Bukan Eksekutif	Jumlah
RM0 – RM50,000	–	–	–
RM50,001 – RM100,000	–	5	5
RM100,001 – RM150,000	–	1	1
RM150,001 – RM200,000	–	1	1
RM650,001 – RM700,000	–	–	–
RM800,000 – RM1,000,000	1	–	1
Jumlah	1	7	8

4. TATACARA LEMBAGA

a) Kod Etika dan Tatalaku Ahli Lembaga

Para Pengarah dikehendaki mengamalkan piawaian tatacara beretika tertinggi. Setiap Pengarah dan kakitangan Kumpulan diberi satu salinan Buku Panduan Eksekutif dan Kod Etika Perniagaan sebaik sahaja mereka dilantik. Pematuhan dengan peruntukan dalam dokumen-dokumen ini dianggap sebahagian daripada terma dan syarat perkhidmatan mereka. Buku Panduan Eksekutif dan Kod Etika Perniagaan antara lain menggariskan piawaian tatacara dan tingkah laku yang dikehendaki apabila berurusan dengan pelanggan luar, pembekal dan situasi percanggahan kepentingan; dan dalam memelihara kerahsian maklumat syarikat.

Para Pengarah dikehendaki mendedahkan sebarang situasi percanggahan kepentingan atau sebarang kepentingan peribadi ketara yang mungkin mereka miliki dalam hal ehwal Kumpulan sebaik sahaja mereka menyedari tentang kepentingan tersebut, dan seterusnya menarik diri daripada sebarang perbincangan berhubung perkara berkenaan.

b) Program Latihan dan Pembelajaran Berterusan Pengarah

Ahli Lembaga menyedari tentang keperluan mereka untuk sentiasa meninggikan dan menambah pengetahuan serta mempertingkatkan kemahiran mereka untuk manfaat Kumpulan. Semua Pengarah baharu dikehendaki menghadiri Program Akreditasi Mandatori seperti yang dikehendaki oleh Bursa Malaysia Securities Berhad. Disamping itu, Lembaga turut menilai keperluan latihan para Pengarahnya dari semasa ke semasa dan memastikan supaya mereka mempunyai akses kepada program pembelajaran berterusan.

Pada tahun ini, ahli Lembaga telah menghadiri pelbagai kursus tentang perubahan undang-undang, peraturan, teknik dan amalan dalam kepimpinan serta pengurusan di peringkat Lembaga. Butiran kursus-kursus yang dihadiri oleh para Pengarah disenaraikan dalam Jadual 8 di bawah.

Jadual 8: Kursus Latihan yang Dihadiri oleh Pengarah pada tahun 2012

Nama Pengarah	Kursus Latihan Dihadiri
Tan Sri Azlan Zainol	Banking Technology Summit 2012 Tarikh : 18 & 19 Oktober 2012 Penganjur : IBM Asean dan Silverlake Axis
Datuk Shahril Ridza Ridzuan	Board of Directors' Workshop Tarikh : 22 November 2012 Penganjur : Media Prima Berhad
Dato' Ahmad Ibnihajar	Directors Forum 2012 – "Board Rising to the Challenges of Corporate Entrepreneurship" Tarikh : 7 hingga 9 Oktober 2012 Penganjur : Akademi Pengarah Malaysia (MINDA)
Dato' Abdul Rahman Ahmad	Board of Directors Retreat 2012 Tarikh : 11 & 12 Oktober 2012 Penganjur : Ekuiti Nasional Berhad Private Equity & Venture Capital Executive Education Program Tarikh : 28 Oktober hingga 1 November 2012 Penganjur : Harvard University, Boston, USA
Che King Tow	6th International Real Estate Research Symposium 2012 Tarikh : 24 & 25 April 2012 Penganjur : Jabatan Perkhidmatan Penilaian dan Hartanah (JPPH) dan Institut Penilai Nasional (INSPEN)
Dato' Chong Pah Aung	4th Annual Corporate Governance Summit Kuala Lumpur Tarikh : 5 & 6 Mac 2012 Penganjur : Asian World Summit Sdn Bhd
Jamaludin Zakaria	Raising the Bar : The New Malaysian Code on Corporate Governance 2012 Tarikh : 8 Jun 2012 Penganjur : Perbadanan Pembangunan Industri Sekuriti

c) Penilaian Prestasi

Melalui Jawatankuasa Pencalonan, Lembaga mengkaji dan menilai prestasinya sendiri, prestasi para Pengarah secara individu dan Jawatankuasa-jawatankuasa Lembaga dari semasa ke semasa. Pada tahun 2012, Lembaga telah mendapatkan khidmat firma perunding profesional untuk menjalankan Penilaian Keberkesanan Lembaga. Penilaian yang dijalankan menerusi soal selidik bertulis dan temuduga dengan para Pengarah ini meliputi keberkesanan Lembaga termasuk Pengerusi dan Ketua Pegawai Eksekutif, Jawatankuasa Lembaga serta ahli-ahli Lembaga secara individu.

d) Hubungan Lembaga dengan Pihak Pengurusan

Pada tahun yang ditinjau, hubungan antara Lembaga dan pihak Pengurusan kekal kukuh dan padu, di mana Lembaga terus mendapat akses secara langsung dan tidak terhalang kepada pasukan pengurusan Kumpulan. Lembaga menyokong Pengurusan dengan menyediakan kepimpinan dan menetapkan sasaran perniagaan melalui Petunjuk Prestasi Penting dan Kad Skor Seimbang bagi para pegawai pengurusan kanan. Pada masa yang sama, Lembaga turut menyediakan fungsi keseimbangan dengan membangkit dan membahaskan keputusan yang dibuat oleh Pengurusan sebelum disah dan diluluskan. Untuk itu, satu sistem melapor yang mantap dan tersusun telah disediakan, di mana Lembaga akan diberi taklimat dan dimaklumkan dari semasa ke semasa berhubung prestasi Kumpulan. Sistem ini membolehkan Lembaga memantau secara dekat pencapaian sasaran yang telah ditetapkan. Ganjaran kepada Pengurusan dan kakitangan, seperti bonus dan pembahagian ESOS, adalah berdasarkan prestasi kewangan dan pencapaian sasaran-sasaran perniagaan penting.

e) Akses Penuh kepada Maklumat

Dalam proses melaksanakan tugas mereka, para Pengarah sentiasa mempunyai:

- i) akses penuh dan tidak terhalang kepada maklumat yang tepat dan terkini. Agenda dan satu set kertas Lembaga yang lengkap lazimnya diedarkan sekurang-kurangnya 7 hari sebelum mesyuarat Lembaga atau Jawatankuasa-jawatankuasanya. Proses ini memastikan supaya para Pengarah mempunyai masa yang mencukupi untuk mengkaji, mempertimbang dan jika perlu, mendapatkan maklumat lebih lanjut berhubung perkara-perkara yang akan dibincangkan, justeru, menjadikan mereka termaklum dan bersedia dengan sewajarnya semasa mesyuarat;
- ii) akses yang tidak terhalang kepada nasihat dan khidmat Setiausaha Syarikat serta ahli-ahli pengurusan kanan yang lain; dan
- iii) tiada halangan untuk mendapatkan nasihat dan khidmat para profesional luar dan bebas yang disediakan kepada ahli Lembaga secara individu dan berkumpulan. Nasihat dan khidmat ini disediakan tanpa campur tangan Pengurusan.

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

f) Mengikuti Aktiviti Syarikat Secara Langsung

Lembaga telah menerima pakai pendekatan secara langsung dalam melaksanakan peranannya. Pada tahun ini, para Pengarah telah berkunjung ke tapak-tapak projek Syarikat di KL Sentral. Semasa lawatan tersebut, mereka telah mendapat pemahaman yang lebih mendalam mengenai projek-projek Syarikat dan cabaran yang dihadapi, justeru, mempertingkatkan lagi keberkesanan Lembaga semasa perbincangan dan proses membuat keputusannya.

g) Kebertanggungjawaban terhadap Maklumat Kewangan

Lembaga Pengarah berusaha untuk memastikan supaya:

- i) penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham, laporan kepada penguatkuasa peraturan dan laporan-laporan umum sensitif harga Kumpulan yang lain dibentangkan dengan penilaian yang seimbang dan boleh difahami mengenai kedudukan dan prospek Kumpulan;
- ii) penyata kewangan Kumpulan disediakan berasaskan dasar-dasar perakaunan yang telah digunakan secara konsisten dan sewajarnya, disokong oleh pertimbangan dan anggaran yang munasabah dan berhemat serta mematuhi semua piawaian perakaunan yang diguna pakai; dan
- iii) rekod-rekod perakaunan adalah tepat, dalam julat yang berpatutan dan mendedahkan kedudukan kewangan Kumpulan secara benar dan saksama.

Penyata oleh para pengarah menurut Seksyen 169(15) Akta Syarikat, 1965 berkaitan penyediaan penyata kewangan dibentangkan di muka surat 150 dalam laporan ini di bawah tajuk "Penyata oleh Pengarah".

h) Hubungan dengan Juruaudit Luar

Syarikat memelihara hubungan yang telus dan profesional dengan juruauditnya menerusi Jawatankuasa Audit. Pada tahun ini, Syarikat mendapatkan khidmat juruaudit luarnya untuk audit berkanun, hal-hal berkaitan cukai dan untuk menjalankan penilaian keberkesanan Lembaga.

Jawatankuasa Audit bermesyuarat dengan Juruaudit Luar dari semasa ke semasa untuk membincang dan mengkaji Rancangan Audit, keputusan kewangan suku tahunan dan tahunan, laporan pemeriksaan dan sebarang penemuan audit yang diketengah oleh Juruaudit Luar untuk perhatian Jawatankuasa Audit.

Dalam mengesyorkan pelantikan semula Juruaudit Luar, Jawatankuasa Audit mengkaji prestasi, kesesuaian dan kebebasan mereka. Bagi tahun 2012, Jawatankuasa Audit telah mendapat jaminan bertulis daripada Juruaudit Luar iaitu PricewaterhouseCoopers, bahawa mereka telah memelihara kebebasan mereka selaras dengan peruntukan Undang-undang Kecil berhubung Kebebasan Profesional Institut Akauntan Malaysia.

Butiran lanjut mengenai aktiviti Jawatankuasa Audit berkaitan Juruaudit Luar dinyatakan di muka surat 120 hingga 122 dalam laporan ini.

5. PERLINDUNGAN NILAI PEMEGANG SAHAM

a. Pengurusan Risiko dan Kawalan Dalam

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

Lembaga Pengarah yakin bahawa sistem kawalan dalaman yang mantap, sama ada berhubung aspek kewangan atau bukan kewangan, akan memberi jaminan yang munasabah terhadap:

- keberkesanan dan kecekapan operasi Kumpulan;
- pengurusan risiko yang berkesan;
- kebolehpercayaan maklumat kewangan Kumpulan; dan
- pematuhan dengan undang-undang dan peraturan.

Walau bagaimanapun, disebabkan oleh kelemahan yang telah sedia ada dalam mana-mana sistem kawalan dalaman, reka bentuk sistem tersebut hanya mampu mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan.

Penyata Pengurusan Risiko dan Kawalan Dalam yang dibentangkan di muka surat 126 hingga 128 dalam laporan ini menyediakan suatu tinjauan menyeluruh berhubung proses pengurusan risiko dan ciri-ciri utama sistem kawalan dalaman yang dimiliki oleh Kumpulan.

b. Pencegahan Penipuan

Lembaga Pengarah juga telah menyediakan Manual Pencegahan Penipuan yang berperanan sebagai panduan kepada Pengurusan dan kakitangan dalam mengekalkan piawaian tatacara dan kewibawaan tertinggi dalam semua urusan. Manual tersebut turut memperincikan tanggungjawab Pengurusan untuk mewujudkan proses kawalan yang sewajarnya bagi mencegah dan mengesan penipuan. Ia juga mentakrif perkara-perkara yang terangkum dalam penipuan dan aktiviti penipuan, serta menggariskan satu rangka kerja untuk membasmi penipuan.

Manual Pencegahan Penipuan tersebut juga mengandungi satu bahagian khusus mengenai Tatacara Pemberitahuan Maklumat yang menggariskan saluran dan prosedur untuk membolehkan pemberitahu maklumat menyampaikan kemusykilan mereka kepada Lembaga (sama ada melalui Pengerusi Jawatankuasa Audit atau Ketua Tadbir Urus Korporat) tanpa penglibatan dan campur tangan pihak Pengurusan. Tatacara Pemberitahuan Maklumat juga menggariskan prosedur seterusnya yang perlu dijalankan untuk menyiasat dan menangani kes-kes penipuan.

c. Jaminan Kualiti

Bagi memastikan Kumpulan sentiasa menyediakan produk dan perkhidmatan dengan piawaian kualiti tinggi, fungsi Pengurusan Kualiti Menyeluruh menjalankan kajian bebas secara berterusan terhadap kualiti produk dan perkhidmatan Kumpulan, dan berasaskan kajian ini, fungsi Pengurusan Kualiti Menyeluruh memberi maklum balas berhubung peluang-peluang penambahbaikan kepada Pengurusan. Ia turut mengkaji dan mempertingkatkan prosedur operasi piawai Kumpulan bagi memastikan supaya ia dikemas kini dengan mengambil kira perubahan dalam struktur Kumpulan serta perubahan dan perkembangan industri bagi membina tahap kualiti yang lebih baik dalam penyediaan produk dan perkhidmatan.

d. Jaminan Prestasi Syarikat Bersekutu

Wakil-wakil daripada Syarikat dilantik untuk menganggotai Lembaga Pengarah syarikat-syarikat bersekutu bagi melindungi pelaburan Syarikat dan mengawasi prestasi syarikat-syarikat tersebut. Bagi syarikat-syarikat bersekutu yang aktif, maklumat kewangan utama dan isu-isu penting berkaitan syarikat-syarikat tersebut dikumpulkan dan dikaji oleh Lembaga MRCB dari semasa ke semasa.

6. PEMEGANG SAHAM, PELABUR DAN PEMEGANG KEPENTINGAN

a. Menjaga Kepentingan Minoriti

Para pengarah bebas tidak mewakili mana-mana pemegang saham utama, justeru, mereka akan mewakili dan bertindak untuk kepentingan pemegang saham, pelabur dan pemegang kepentingan tidak dikawal. Lembaga Pengarah turut mengekalkan komunikasi dengan Kumpulan Pemerhati Pemegang Saham Minoriti untuk kepentingan para pemegang saham minoriti.

b. Dasar Dividen

Syarikat telah mewujudkan Dasar Dividen pada tahun 2007 di mana para pemegang saham boleh mendapat pembayaran dividen berjumlah sehingga sekurang-kurangnya 20% daripada Keuntungan Disatukan selepas Cukai dan Kepentingan Tidak Dikawal. Bagi tahun kewangan berakhir 31 Disember 2012, Syarikat mencadangkan pembayaran dividen yang telah ditarafkan sebanyak 0.4% atau 0.4 sen bagi setiap saham biasa tolak cukai pendapatan 25% dan dividen satu peringkat sebanyak 1.6% atau 1.6 sen sesaham biasa. Cadangan ini tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan ke-42 akan datang.

c. Komunikasi dan Ketelusan

Bagi memastikan supaya pemegang kepentingan dan masyarakat pelabur mendapat maklumat terkini berhubung prestasi, operasi dan perkembangan penting Kumpulan, pelbagai pengumuman korporat yang diperlukan di bawah KPPU (termasuk siaran keputusan kewangan suku tahunan yang menepati masa) telah dilakukan sepanjang tempoh yang ditinjau. Selain itu, maklumat terperinci mengenai acara dan perkembangan korporat Kumpulan yang penting turut diumumkan melalui media menerusi siaran akhbar dan/atau sidang akhbar.

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

Terdapat juga ikon "Hubungi Kami" di laman web Syarikat yang memberi capaian ke laman web di mana para pemegang saham dan pelabur boleh mengemukakan soalan dan ulasan mereka dengan mudah kepada Syarikat. Para pemegang saham dan orang ramai juga boleh menghubungi Pengarah Bukan Eksekutif Bebas Kanan Syarikat, Dato' Ahmad Ibni-hajar untuk menyampaikan kemusykilan atau pertanyaan mereka. Dato' Ahmad Ibni-hajar boleh dihubungi di: Emel: ahmad.dir@mrcb.com.my

d. Mesyuarat Agung Tahunan

Mesyuarat Agung Tahunan adalah satu lagi forum di mana Lembaga berkomunikasi dengan para pemegang saham berhubung kemajuan dan prestasi Kumpulan, dan di mana Lembaga menjelaskan isu-isu berkaitan aktiviti perniagaan, prestasi dan perkara-perkara lain berkaitan Kumpulan.

Sekiranya terdapat urusan khas atau resolusi khas yang dicadangkan, penjelasan mengenai kesan urusan khas dan resolusi khas tersebut akan diberikan di dalam notis Mesyuarat Agung Tahunan. Jika perlu, Pengerusi Lembaga akan memberi jawapan bertulis untuk mana-mana soalan penting yang tidak dapat dijawab secara spontan semasa Mesyuarat Agung Tahunan.

7. INISIATIF TRANSFORMASI GLC BERTERUSAN

Syarikat turut meneruskan usahanya untuk mempertingkatkan lagi organisasi dan prosesnya ke arah menjadi sebuah entiti perniagaan yang lebih teguh, cekap dan berdaya saing serta sebuah warga korporat yang bertanggungjawab, seperti yang digariskan oleh Inisiatif Transformasi GLC Jawatankuasa Putrajaya. Syarikat percaya bahawa ia merupakan satu proses berterusan dan akan memantau serta menambahbaik inisiatif tersebut mengikut kesesuaian.

8. TANGGUNGJAWAB SOSIAL KORPORAT (CSR)

a. Program-program CSR

Kumpulan kekal komited sepenuhnya terhadap kewajipan sosial korporat pada tahun 2012 dan terhadap rangka kerja yang digariskan dalam "Buku Perak – Mencapai Nilai melalui Tanggungjawab Sosial", yang telah diterima pakai sejak tahun 2007 lagi.

Tumpuan terus diberikan dalam memastikan nilai bagi semua pemegang kepentingan Kumpulan yang meliputi pelanggan, pelabur, kakitangan dan pembekal. Sikap menghormati semua pemegang kepentingan ini adalah asas kepada unsur-unsur penting yang digunakan dalam merumus program CSR Kumpulan. Pada tahun 2012, Kumpulan terus melaksanakan secara aktif pelbagai projek CSR di bawah 5 program CSR penting, iaitu Pelajaran, Alam Sekitar, Kebajikan Kakitangan, Komuniti dan Dermawanan, yang berjumlah RM1.146 juta.

MRCB turut memainkan peranan yang lebih aktif dalam aktiviti sosial berasaskan pelajaran dan komuniti pada tahun 2012 dengan sokongannya terhadap program Peningkatan Kakitangan Graduan ("GREEN") yang dicetuskan oleh Khazanah Nasional Berhad. Program ini menyediakan latihan sambil kerja dalam persekitaran perniagaan sebenar kepada para graduan.

Disamping itu, Kumpulan juga meneruskan program sokongan pelajarannya bagi sembilan (9) buah sekolah yang terlibat di bawah program "Promoting Intelligence, Nurturing Talent and Advocating Responsibility" (PINTAR). Sekolah-sekolah tersebut adalah SK Indera Shahbandar, SK Serandu dan SJK (C) Yoke Hwa, kesemuanya di Pahang; sebuah sekolah di Pulau Pinang, iaitu SJK (T) Ladang Mayfield; SK La Salle 1 dan SK La Salle 2, di Brickfields, Kuala Lumpur; SK Tebrau Bakar Batu di Johor Bahru; dan SK Bagan Jermal and SK Kampong Jawa di Pulau Pinang. Semua sekolah tersebut terletak di kawasan-kawasan Syarikat beroperasi.

Atas keyakinannya terhadap kepakaran dan kemahiran yang dimiliki, Kumpulan turut mengalu-alukan lawatan sambil belajar oleh para pelajar, badan-badan Kerajaan dan delegasi asing ke pembangunannya di KL Sentral serta beberapa tapak projeknya yang lain. Pada tahun 2012, sebanyak 5 kumpulan telah berkunjung ke MRCB.

b. Anugerah dan Pengiktirafan

Syarikat terus meraih pengiktirafan dan anugerah pada tahun 2012. Syarikat telah dianugerahkan dengan The Edge-PAM Green Excellence Award 2012 bagi pembangunan hijauanya, Platinum Sentral. Ia turut menerima anugerah Editors' Choice Property Awards 2012. Pengiktirafan tersebut adalah bagi Anugerah Pembangunan Pejabat Hijau Terbaik dan Anugerah Inisiatif Hijau Terbaik untuk Platinum Sentral, manakala pembangunan KL Sentral pula telah diiktiraf sebagai Pembangunan Bersepadu Terbaik 2012.

MRCB juga terus diwakili sebagai ahli jawatankuasa Malaysian chapter bagi United Nations Global Compact ("UNGC") sejajar dengan matlamat Kumpulan untuk menerima pakai piawaian antarabangsa bagi program dan visi CSR Kumpulan. Ia bermatlamat untuk menyepadukan 10 prinsip UNGC berhubung hak asasi manusia, hak pekerja, kemampanan alam sekitar dan anti rasuah ke dalam operasi dan strategi Kumpulan dan untuk melaporkan pelaksanaannya.

Butiran terperinci mengenai program-program CSR Kumpulan boleh didapati dalam laporan berasingan berkaitan CSR yang merupakan bahagian penting laporan ini.

9. PENYATA TANGGUNGJAWAB BERKAITAN TAHUN KEWANGAN YANG DITINJAU

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

Lembaga memastikan supaya Penyata Kewangan Beraudit disediakan selaras dengan Akta Syarikat, 1965 dan piawaian perakaunan yang diluluskan dan diguna pakai seperti ditetapkan oleh Lembaga Piawaian Perakaunan Malaysia, untuk membentangkan pandangan yang benar dan saksama berhubung hal ehwal Kumpulan, dan berhubung keuntungan atau kerugian serta aliran tunai Kumpulan pada akhir tempoh perakaunan.

Dalam menyediakan Penyata Kewangan Beraudit, para Pengarah berpuas hati bahawa Piawaian Perakaunan yang diluluskan dan diguna pakai di Malaysia telah dipatuhi dan pertimbangan serta anggaran yang berpatutan dan berhemat telah dilaksanakan. Penyata Kewangan Beraudit juga disediakan pada asas usaha niaga berterusan kerana Lembaga mempunyai jangkaan yang munasabah bahawa, selepas membuat penelitian, Kumpulan mempunyai sumber yang mencukupi untuk terus beroperasi hingga ke masa depan yang dapat diramal.

10. PENYATA PEMATUHAN DENGAN KEPERLUAN BURSA MALAYSIA BERKAITAN PENGGUNAAN PRINSIP-PRINSIP DAN TERIMA PAKAI AMALAN TERBAIK SEPERTI YANG DIGARISKAN DALAM KOD TADBIR URUS KORPORAT MALAYSIA

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

Penyata di atas adalah gambaran yang jelas terhadap usaha bersungguh-sungguh Lembaga dan Pengurusan MRCB untuk mengukuhkan proses tadbir urusnya dan mengekalkan kedudukannya sebagai salah sebuah syarikat yang menerajui guna pakai tadbir urus korporat.

Lembaga Pengarah dengan sukacitanya melaporkan kepada para pemegang saham bahawa Syarikat telah mematuhi prinsip-prinsip yang terkandung dalam Kod Tadbir Urus Korporat Malaysia 2012 dan Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad. Lembaga percaya bahawa pematuhan tersebut merupakan suatu proses berterusan dan akan terus berusaha untuk menerima pakai amalan-amalan terbaik dalam tadbir urus korporat.

Penyata Tadbir Urus Korporat ini disediakan oleh Lembaga Pengarah menurut resolusinya bertarikh 26 Februari 2013.

AUDIT COMMITTEE REPORT

1. COMPOSITION OF THE COMMITTEE

The Audit Committee comprises four (4) members, all of whom are Independent Directors of the Company. The Chairman of the Audit Committee is Dato' Ahmad Ibnihajar, who is also the Senior Independent Director of the Company. Dato' Abdul Rahman Ahmad, a member of the Audit Committee, is a member of the Malaysian Institute of Accountants ("MIA").

2. ROLES AND RESPONSIBILITIES

The Audit Committee assists the Board to fulfill its oversight responsibilities over the activities of MRCB and its subsidiaries ("the Group"). The key duties and responsibilities of the Audit Committee as specified in its Terms of Reference are as follows:

- To consider the appointment of the external auditor, the audit fee and the reasons given for their resignation or dismissal;
- To review the audit plan of the external auditor;
- 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);
- To review the audit report of the external auditor and their evaluation of the system of internal control;
- To review the quarterly and year-end financial statements of the Group and to make the appropriate recommendation to the Board for its approval;
- To review the adequacy of scope, resources and authority of the Internal Audit function;
- To review the Internal Audit plan and processes and the results of internal audit reviews and investigations conducted;
- To review the appointment, determine the remuneration and assess the performance of the Head of Corporate Governance;
- 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;
- 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;
- To oversee the risk management function of the Group;
- 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

- 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.

3. AUTHORITY OF THE AUDIT COMMITTEE

To carry out its responsibilities above, the Audit Committee is empowered by the Board of Directors to:

- investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full, free and unrestricted access to any information, records, properties and personnel of the Group;
- have direct communication channels with the external auditors and internal auditors;
- be able to obtain independent professional or other advice; and
- 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.

4. ACTIVITIES

a) Audit Committee Meetings

A total of five (5) Audit Committee meetings were held during the financial year ended 31 December 2012. These meetings were fully attended by all the members. The Company Secretary, who acts as secretary to the Audit Committee attends all meetings. Also in attendance are the Head of Corporate Governance, the Chief Executive Officer and the Chief Financial Officer.

AUDIT COMMITTEE REPORT

Table 1: Details of attendance of members at the Audit Committee meetings held from 1 January 2012 to 31 December 2012

Name of Audit Committee Member	Attendance
Dato' Ahmad Ibnihajar (Chairman)	5/5
Dato' Abdul Rahman Ahmad	5/5
Che King Tow	5/5
Jamaludin Zakaria	5/5

The Audit Committee met with the External Auditors twice during the year, without the presence of Management.

Upon the conclusion of each meeting, the Audit Committee Chairman will report to the Board of Directors the activities that it had undertaken and the key recommendations for the Board's consideration and decision.

A whole range of issues affecting the operations of the Group were thoroughly reviewed and deliberated at these meetings. Audit Committee members take their role seriously and professionally to assist the Board in providing oversight over Management. Audit reports and other matters brought to the Audit Committee's attention are deliberated and discussed and where necessary, the Head of Divisions/Departments and their Management team will be invited to the meetings to provide explanations or assist in deliberations. In doing so, the Audit Committee gathers inputs from the Corporate Governance function that is independent of Management and reports directly to the Audit Committee. Inputs are also gathered from the External Auditor, as necessary.

b) Reviews

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

• Financial results

- Reviewed the quarterly and annual audited financial results of the Group and its accompanying announcements and made the relevant recommendation to the Board for approval; and
- Reviewed the Group's achievement of its key performance indicators.

• Internal Audit

- Reviewed and approved the annual audit plan proposed by the Head of Corporate Governance;
- Reviewed the structure of the Corporate Governance department, the adequacy of its resources and budget;
- Reviewed the findings of internal audit reports presented by the Head of Corporate Governance on the Company and its subsidiaries;
- Reviewed the effectiveness and adequacy of management's corrective actions in response to the internal audit reviews conducted;
- Reviewed the findings of follow-up audits to determine the status of implementation of management's corrective actions; and
- Deliberated on findings of investigations and other ad-hoc special reviews on specific areas of operations to ascertain the root causes to the issues and the effectiveness of corrective actions taken to address the identified weaknesses.

• External Audit

- Reviewed and approved the External Auditor's Audit Plan, approach and scope of review;
- Deliberated on the External Auditor's reports on audit and accounting issues that arose from its audits;
- Deliberated on updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board; and
- Assessed the performance of the External Auditor, including their independence, and provided the recommendation on their re-appointment and remuneration to the Board.

• Risk Management

Reviewed the enterprise risk management activities of the Group and the activities of the Risk Management Working Committee.

• Related Party Transactions

Reviewed the fairness and transparency of related party transactions and that the appropriate disclosures have been made in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

• 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 Corporate Governance Department. The Corporate Governance Department operates independently of management and reports directly to the Audit Committee.

The objectives, mission, scope, organisation, authority and responsibilities of the Internal Audit function is spelt out in the Internal Audit Charter. During the year under review, the Internal Audit function had operated and performed in accordance with the principles of its Charter.

The Internal Audit function's primary responsibility is to carry out reviews of operations to provide reasonable assurance that the system of internal control is operating effectively and efficiently. The areas to be reviewed are determined by a risk-based audit plan that is aligned with the strategies and activities of the Group.

During the year under review, the Internal Audit function had conducted reviews of key development and construction projects and selected business units of the Group. The Corporate Governance Department had also, with the Audit Committee's approval, appointed a third party service provider to conduct a review on the Group's Information Technology Governance. Reports of findings were issued to management for them to revert with their comments and corrective actions to address the areas for improvement highlighted. These reports along with management's responses were deliberated at Audit Committee meetings. 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 Corporate Governance Department also observe tender openings to ensure that appropriate control processes as set out in the Group's Policies and Procedures are complied with.

For 2012, the Corporate Governance Department had incurred a total of RM1,058,583 for its activities which included Internal Audit and facilitating the enterprise risk management process throughout the Group.

This Audit Committee Report is made by the Board of Directors in accordance to the resolution dated 26 February 2013.

1. KOMPOSISI JAWATANKUASA

Jawatankuasa Audit terdiri daripada empat (4) orang ahli yang kesemuanya merupakan Pengarah Bebas Syarikat. Pengerusi Jawatankuasa Audit adalah Dato' Ahmad Ibni Hajar yang juga merupakan Pengarah Bebas Kanan Syarikat. Datuk Abdul Rahman Ahmad, ahli Jawatankuasa Audit, adalah ahli Institut Akauntan Malaysia ("MIA").

2. PERANAN DAN TANGGUNGJAWAB

Jawatankuasa Audit membantu Lembaga melunaskan tanggungjawab pengawasannya terhadap aktiviti-aktiviti MRCB dan syarikat-syarikat subsidiarinya ("Kumpulan"). Tugas dan tanggungjawab utama Jawatankuasa Audit seperti yang dinyatakan dalam Terma Rujukannya adalah seperti berikut:

- Untuk mempertimbangkan pelantikan juruaudit luar, juran audit dan sebab-sebab yang dikemukakan mengenai peletakan atau pemecatan jawatan mereka;
- Untuk mengkaji rancangan audit oleh juruaudit luar;
- Untuk membincangkan masalah dan persoalan yang timbul daripada audit interim dan audit akhir, dan sebarang perkara yang mungkin ingin dibincangkan oleh juruaudit luar (tanpa kehadiran Pengurusan, jika perlu);
- Untuk mengkaji laporan audit oleh juruaudit luar dan penilaian mereka terhadap sistem kawalan dalaman;
- Untuk mengkaji penyata kewangan suku tahunan dan akhir tahun Kumpulan serta mengemukakan saranan-saranan yang sewajarnya kepada Lembaga untuk kelulusannya;
- Untuk mengkaji kecukupan skop, sumber dan autoriti fungsi Audit Dalaman;
- Untuk mengkaji rancangan dan proses Audit Dalaman serta keputusan kajian dan penyiasatan audit dalaman yang dijalankan;
- Untuk mengkaji pelantikan, menentukan imbuhan dan menilai prestasi Ketua Tadbir Urus Korporat;
- Untuk mengkaji dan meluluskan penyiasatan terhadap tuduhan-tuduhan serius berhubung penipuan, salah laku dan pecah amanah serta mengkaji penemuan penyiasatan tersebut;
- Untuk mengkaji urusan pihak berkaitan dan situasi percanggahan kepentingan yang mungkin timbul dalam Syarikat termasuk sebarang urusan niaga, prosedur atau tatacara yang boleh menimbulkan persoalan berhubung kewibawaan Pengurusan;
- Untuk mengawasi fungsi pengurusan risiko Kumpulan;

- Untuk mengkaji aturan yang diwujudkan oleh Pengurusan bagi pematuan dengan sebarang peraturan atau keperluan luaran berhubung laporan, undang-undang kecil dan peraturan lain yang berkaitan dengan operasi Kumpulan; dan
- Untuk mengesahkan semua pembahagian Skim Opsyen Saham Kakitangan bagi memastikan supaya pelaksanaannya mematuhi kriteria yang didedahkan oleh Syarikat kepada kakitangannya.

3. AUTORITI JAWATANKUASA AUDIT

Untuk membolehkan Jawatankuasa Audit menjalankan tanggungjawabnya seperti di atas, Jawatankuasa Audit diberi kuasa oleh Lembaga Pengarah untuk:

- menyiasat sebarang perkara dalam terma rujukannya;
- mempunyai sumber-sumber yang diperlukan bagi melaksanakan tugas-tugasnya;
- mempunyai akses sepenuhnya, bebas dan tanpa halangan kepada sebarang maklumat, rekod, hartanah dan kakitangan Kumpulan;
- mempunyai saluran komunikasi langsung dengan juruaudit luar dan juruaudit dalaman;
- boleh mendapatkan nasihat profesional bebas atau nasihat lain; dan
- boleh mengadakan mesyuarat dengan juruaudit luar dan juruaudit dalaman berserta ahli-ahli bebas Lembaga Pengarah yang lain (iaitu tanpa kehadiran ahli-ahli bukan bebas dan eksekutif) sekurang-kurangnya dua kali setahun atau apabila dianggap perlu. Jawatankuasa Audit juga hendaklah bermesyuarat secara eksklusif di kalangan ahlinya apabila perlu.

4. AKTIVITI

a) Mesyuarat Jawatankuasa Audit

Sebanyak lima (5) mesyuarat Jawatankuasa Audit telah diadakan pada tahun kewangan berakhir 31 Disember 2012. Mesyuarat-mesyuarat tersebut telah dihadiri oleh semua ahli. Setiausaha Syarikat yang bertindak sebagai setiausaha Jawatankuasa Audit juga telah menghadiri semua mesyuarat tersebut. Turut hadir adalah Ketua Tadbir Urus Korporat, Ketua Pegawai Eksekutif dan Ketua Pegawai Kewangan.

Jadual 1: Butiran kehadiran ahli-ahli di mesyuarat Jawatankuasa Audit yang diadakan dari 1 Januari 2012 hingga 31 Disember 2012

Nama Ahli Jawatankuasa Audit	Kehadiran
Dato' Ahmad Ibnihajar (Pengerusi)	5/5
Dato' Abdul Rahman Ahmad	5/5
Che King Tow	5/5
Jamaludin Zakaria	5/5

Jawatankuasa Audit bermesyuarat dengan Juruaudit Luar sebanyak dua kali pada tahun ini, tanpa kehadiran Pengurusan.

Apabila mesyuarat selesai, Pengerusi Jawatankuasa Audit akan melapor kepada Lembaga Pengarah berhubung aktiviti yang telah dijalankannya dan saranan-saranan penting untuk pertimbangan dan keputusan Lembaga.

Pelbagai isu yang mempengaruhi operasi Kumpulan telah dikaji dan dibincangkan secara mendalam semasa mesyuarat-mesyuarat tersebut. Ahli-ahli Jawatankuasa Audit melaksanakan peranan mereka secara serius dan profesional untuk membantu Lembaga mengawal selia Pengurusan. Laporan audit dan hal-hal lain yang dikemukakan kepada Jawatankuasa Audit diteliti, dibincang dan dibahaskan, dan jika perlu, Ketua-ketua Bahagian/Jabatan serta pasukan Pengurusan mereka akan dijemput ke mesyuarat untuk memberi penjelasan atau membantu perbincangan. Untuk itu, Jawatankuasa Audit mengumpul maklumat daripada fungsi Tadbir Urus Korporat yang bebas daripada Pengurusan dan melapor secara langsung kepada Jawatankuasa Audit. Maklumat turut didapatkan daripada Juruaudit Luar jika perlu.

b) Kajian

Ringkasan kajian yang telah dijalankan oleh Jawatankuasa Audit pada tahun kewangan yang ditinjau adalah seperti berikut:

• Keputusan kewangan

- Mengkaji keputusan kewangan suku tahunan dan tahunan beraudit Kumpulan serta pengumuman-pengumuman yang mengiringinya dan mengemukakan saranan yang berkaitan kepada Lembaga untuk diluluskan; dan
- Mengkaji pencapaian petunjuk prestasi utama Kumpulan.

• Audit Dalaman

- Mengkaji dan meluluskan rancangan audit tahunan yang dicadangkan oleh Ketua Tadbir Urus Korporat;
- Mengkaji struktur jabatan Tadbir Urus Korporat dan kecukupan sumber serta belanjawannya;
- Mengkaji penemuan-penemuan laporan audit dalaman yang dibentangkan oleh Ketua Tadbir Urus Korporat mengenai Syarikat dan syarikat-syarikat subsidiarinya;
- Mengkaji keberkesanan dan kecukupan tindakan pembetulan pengurusan sebagai tindak balas terhadap kajian audit dalaman yang telah dijalankan;
- Mengkaji penemuan audit dan audit susulan untuk menentukan status pelaksanaan tindakan pembetulan pengurusan; dan
- Membincangkan penemuan penyiasatan dan kajian-kajian khas tidak berjadual lain berhubung bidang-bidang operasi tertentu bagi menentukan punca yang menyebabkan isu-isu berkenaan dan keberkesanan tindakan pembetulan yang diambil untuk menangani kelemahan yang telah dikenal pasti.

- **Audit Luar**
 - i) Mengkaji dan meluluskan Rancangan Audit, pendekatan dan skop kajian Juruaudit Luar;
 - ii) Membincangkan laporan Juruaudit Luar berkaitan isu-isu audit dan perakaunan yang timbul daripada auditnya;
 - iii) Membincangkan kemaskini berhubung perkembangan baharu mengenai piawaian perakaunan yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia; dan
 - iv) Menilai prestasi Juruaudit Luar, termasuk kebebasan mereka, dan mengemukakan saranan berhubung pelantikan semula dan imbuhan mereka kepada Lembaga.
- **Pengurusan Risiko**

Mengkaji aktiviti pengurusan risiko perniagaan Kumpulan dan aktiviti Jawatankuasa Kerja Pengurusan Risiko.
- **Urusniaga Pihak Berkaitan**

Mengkaji kesaksamaan dan ketelusan urusanniaga pihak berkaitan dan bahawa pendedahan yang sewajarnya telah dilakukan selaras dengan Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.
- **Lain-lain**

Mengkaji dan meluluskan cadangan pembentukan atau semakan semula Had-had Autoriti bagi syarikat-syarikat subsidiari.

5. AUDIT DALAMAN

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

Objektif, misi, skop, organisasi, autoriti dan tanggungjawab fungsi Audit Dalaman dibentangkan dalam Piagam Audit Dalaman. Pada tahun yang ditinjau, fungsi Audit Dalaman telah beroperasi dan menampilkan prestasi selaras dengan prinsip-prinsip Piagamnya.

Tanggungjawab utama fungsi Audit Dalaman adalah untuk menjalankan kajian operasi bagi menyediakan jaminan yang berpatutan bahawa sistem kawalan dalaman sedang beroperasi secara berkesan dan cekap. Bidang-bidang yang akan dikaji ditentukan menerusi satu rancangan audit berasaskan risiko yang diselaraskan dengan strategi dan aktiviti Kumpulan.

Pada tahun yang ditinjau, fungsi Audit Dalaman telah menjalankan kajian terhadap projek-projek pembangunan dan pembinaan utama yang dijalankan oleh Kumpulan dan unit-unit perniagaan terpilih. Atas kelulusan Jawatankuasa Audit, Jabatan Tadbir Urus Korporat juga telah melantik penyedia perkhidmatan pihak ketiga untuk menjalankan kajian terhadap Tadbir Urus Teknologi Maklumat Kumpulan. Laporan berhubung penemuan telah dikemukakan kepada pengurusan agar mereka dapat memberi maklum balas berserta ulasan dan tindakan pembetulan untuk menangani bidang-bidang penambahbaikan yang diketengahkan. Laporan tersebut berserta tindak balas pengurusan telah dibincangkan dalam mesyuarat Jawatankuasa Audit. Kajian-kajian susulan juga telah dijalankan bagi memastikan status rancangan tindakan pengurusan yang dikemukakan sebagai tindak balas terhadap penemuan-penemuan audit yang ditimbulkan sebelumnya. Status rancangan tindakan pengurusan ini turut dilaporkan kepada Jawatankuasa Audit untuk makluman mereka.

Kakitangan Jabatan Tadbir Urus Korporat juga mengawasi pembukaan tender bagi memastikan supaya proses kawalan yang sewajarnya seperti yang digariskan dalam Dasar dan Prosedur Kumpulan sentiasa dipatuhi.

Bagi tahun 2012, Jabatan Tadbir Urus Korporat telah membelanjakan sebanyak RM1,058,583 untuk aktiviti-aktivitinya yang meliputi Audit Dalaman dan membantu proses pengurusan risiko perniagaan di seluruh Kumpulan.

Laporan Jawatankuasa Audit ini disediakan oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 26 Februari 2013.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors affirms its overall responsibility for establishing and maintaining adequate and effective risk management and internal control systems to safeguard shareholders' investments and the assets of MRCB and its subsidiaries ("the Group"). The Board also affirms its commitment to review the effectiveness, adequacy and integrity of these systems to ensure its continued relevance and effectiveness in the face of its changing business circumstances.

Management has been tasked to identify and assess the risks faced by the Group and to design effective control measures to mitigate the risks. These processes are regularly reviewed by the Board through the Audit Committee. Nevertheless, it must be acknowledged that due to the limitations inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

1. Risk Management

An ongoing process to identify, evaluate, manage and report significant risks that may affect the achievement of the Group's business objectives is in place. A Risk Management Framework and Manual, which serves as a documentary guide of the Group's risk management policy, risk management processes and reporting framework, has been communicated to the management team and is deposited in the Group's intranet for reference by all employees of the Group.

All employees of the Group are responsible for managing risks within their respective areas of responsibilities. The Chief Executive Officer is accountable for the implementation of the Enterprise Risk Management Framework and Policy and its continued application in the MRCB Group, and for ensuring that business and risk strategies are aligned. The Chief Executive Officer is assisted by a Risk Management Working Committee ("RMWC"), which comprises key senior management personnel of the Group. The RMWC, which meets on a quarterly basis, monitors the effectiveness of the risk mitigating actions that have been proposed by management, evaluates and monitors the risk management infrastructure and facilitates the risk management process throughout the Group.

The Corporate Governance Department is responsible for developing, coordinating and facilitating the Enterprise Risk Management processes within the Group. On a quarterly basis, the Head of Corporate Governance updates the Audit Committee on the progress of risk management activities, key risk exposures that have been identified and management's action plans to mitigate the risks. During the year under review, the Corporate Governance Department continued to promote the awareness of risk and the risk management processes by engaging with the management team and employees of the Group.

2. Key Elements of the Group's Risk Management and Internal Control System

Key elements of the Group's risk management and internal control system, which have been in place throughout the financial year under review and up to the date of the Directors' Report are as follows:

a. Control Environment

- i) Clearly defined lines of authority within a divisional organisation structure to facilitate the supervision and monitoring of the conduct and operations of individual business units and support service departments.
- ii) Limits of Authority have been established for the Group and key subsidiaries. These Limits of Authority specify clear division and delegation of responsibilities from the Board to Board Committees and to members of management and the authorisation levels for various aspects of operations.
- 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- iv) Joint Project Management Committees, which include the participation of external business partners, where relevant, deliberate on and evaluate parties that are invited to quote and the subsequent award of contracts to ensure transparency and integrity of the award process.
- v) Annual budgets are prepared in advance of the coming year using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the senior management team and the EXCO before it is recommended to the Board for approval. Performance against the budget is tracked on a monthly basis and on a semi-annual basis, a comprehensive budget review exercise is undertaken.
- vi) The Group's assets and insurable operational risks are adequately covered by insurance policies to ensure that the Group is insured against financial losses in the event of untoward incidences.
- vii) A Safety, Health and Environment policy is in place and the Group Safety, Health and Environment Department continues to enhance the awareness of safety, health and environment practices throughout the Group and monitors the compliance with the relevant regulations and best practices.
- viii) All employees of the Group are governed by a Code of Conduct and are required to acknowledge having read and understood the Code upon commencement of employment.
- ix) A whistleblowing process provides the avenue and procedures for whistleblowers to communicate their concerns to the Board independent of management.

b. Information and Communication Processes

- i) Regular and comprehensive information are provided by the Management to the Board and its Committees, covering financial performance, achievement of key performance indicators, utilisation of funds and cash flow performance and the progress of key projects.
- ii) Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management in effective decision-making.
- iii) Meetings are held with investment analysts on a quarterly basis where the Group's financial performance that has been approved by the Board is presented and investment analysts are given the opportunity to pose questions and have a dialogue with the senior management team of the Group.

c. Monitoring Processes

- i) Divisional meetings are held on a monthly basis where the performance of the respective divisions and departments and the status of key projects are monitored and reviewed by the senior management team. Operational issues and key risk exposures are also discussed and where appropriate, action plans are identified to mitigate and address the risks and issues identified.
- ii) The Corporate Governance Department performs regular reviews of operations to assess the effectiveness and efficiency of the system of internal control. Significant risks affecting the Group that are identified are highlighted to management for attention along with recommendations on risk mitigation measures. These findings along with management's responses are reported to the Audit Committee for deliberation.

The Board believes that the development of the system of internal control is an on-going process and has taken steps throughout the year under review to improve its internal control system and will continue to do so. The effectiveness of the Group's risk management system is also regularly reviewed by the Board.

During the year under review, the Chief Executive Officer of the Company had resigned on 18 August 2012 and the Board is in the process of evaluating suitable candidates to fill the position. In the interim, the Senior Management Team of the Group has continued to uphold the system of risk management and internal control of the Group. All key decisions which requires the Chief Executive Officer's approval, as set out in the Group's Limits of Authority, have been referred to the next higher level of authority for approval. Additionally, the Executive Committee has stepped up its monitoring and review of the Group's operations and performance.

In the course of carrying out reviews and testing of the Group's risk management and internal control system, the Corporate Governance Department had highlighted some areas that needed improvement. These were mainly operational in nature and have negligible impact on the operational results of the Group. Management has responded positively to these findings and recommendations and has taken appropriate measures to effect the improvement.

The monitoring, review and reporting arrangements in place provide reasonable assurance that the structure of control and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others or the occurrence of unforeseeable circumstances. The Board has received an assurance from the Chief Financial Officer of the Company that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board is thus of the view that the risk management and internal control system in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

Material Joint Ventures and Associates

The disclosures in this statement do not include the risk management and internal control practices of the Company's material Joint Ventures and Associates. The Company's interests in these entities are safeguarded through the appointment of members of the Group's Senior Management team to the Board of Directors and, in certain cases, the management committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed by the MRCB Board.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control is made by the Board of Directors in accordance to its resolution dated 26 February 2013.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Lembaga Pengarah mengesahkan tanggungjawabnya yang menyeluruh dalam mewujudkan dan memelihara sistem pengurusan risiko dan kawalan dalaman yang berkesan untuk melindungi pelaburan pemegang saham dan aset MRCB serta syarikat-syarikat subsidiarinya ("Kumpulan"). Lembaga turut menegaskan komitmennya dalam mengkaji keberkesanan, kecukupan dan kewibawaan sistem-sistem tersebut bagi memastikan supaya ia kekal relevan dan berkesan dalam menghadapi keadaan perniagaanya yang berubah-ubah.

Pengurusan telah ditugaskan untuk mengenal pasti dan menilai risiko-risiko yang dihadapi oleh Kumpulan dan mewujudkan langkah-langkah kawalan yang berkesan untuk mengurangkan risiko berkenaan. Proses-proses ini dikaji dari semasa ke semasa oleh Lembaga melalui Jawatankuasa Audit. Walau bagaimanapun, perlu diakui bahawa disebabkan oleh kelemahan yang telah sedia ada dalam mana-mana sistem kawalan dalaman, ia hanya direka untuk mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan. Justeru, ia hanya mampu menyediakan jaminan berpatutan, bukan muktamad terhadap salah nyata atau kerugian yang ketara.

1. Pengurusan Risiko

Satu proses berterusan telah disediakan untuk mengenal pasti, menilai, mengurus dan melaporkan risiko-risiko penting yang boleh menjejaskan pencapaian objektif perniagaan Kumpulan. Sebuah Rangka Kerja dan Manual Pengurusan Risiko berupa panduan dokumentari bagi dasar pengurusan risiko, proses pengurusan risiko dan rangka kerja laporan Kumpulan telah disampaikan kepada pasukan pengurusan dan dimasukkan ke dalam intranet Kumpulan untuk dirujuk oleh semua kakitangan Kumpulan.

Semua kakitangan Kumpulan bertanggungjawab mengurus risiko dalam lingkungan bidang tanggungjawab masing-masing. Ketua Pegawai Eksekutif bertanggungjawab melaksanakan Rangka Kerja dan Dasar Pengurusan Risiko Perniagaan serta terhadap penggunaannya secara berterusan dalam Kumpulan MRCB. Beliau turut bertanggungjawab memastikan supaya strategi perniagaan dan risiko diselaraskan. Ketua Pegawai Eksekutif dibantu oleh sebuah Jawatankuasa Kerja Pengurusan Risiko ("RMWC"), yang terdiri daripada para pegawai pengurusan kanan Kumpulan. RMWC yang bermesyuarat pada setiap suku tahun tersebut memantau keberkesanan tindakan pengurusan risiko yang telah dicadangkan oleh pengurusan, menilai dan memantau infrastruktur pengurusan risiko dan membantu proses pengurusan risiko di segenap Kumpulan.

Jabatan Tadbir Urus Korporat bertanggungjawab mewujudkan, menyelaraskan dan membantu proses Pengurusan Risiko Perniagaan dalam Kumpulan. Pada setiap suku tahun, Ketua Tadbir Urus Korporat memaklumkan Jawatankuasa Audit berhubung perkembangan aktiviti pengurusan risiko, pendedahan risiko penting yang dikenal pasti serta rancangan tindakan pengurusan untuk mengurangkan risiko-risiko berkenaan. Pada tahun yang ditinjau, Jabatan Tadbir Urus Korporat meneruskan usahanya menggalakkan kesedaran risiko dan proses pengurusan risiko dengan melibatkan pasukan pengurusan dan kakitangan Kumpulan.

2. Unsur-unsur Penting Sistem Pengurusan Risiko dan Kawalan Dalaman Kumpulan

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

a. Persekitaran Kawalan

- i) Had-had autoriti yang ditakrif dengan jelas dalam struktur organisasi bahagian bagi membantu penyeliaan dan pemantauan tatacara dan operasi unit-unit perniagaan secara individu serta jabatan-jabatan perkhidmatan sokongan.
- ii) Had-had autoriti telah diwujudkan bagi Kumpulan dan syarikat-syarikat subsidiari penting. Had-had Autoriti ini menggariskan dengan jelas pembahagian dan pengagihan tanggungjawab daripada Lembaga kepada Jawatankuasa-jawatankuasa Lembaga dan kepada ahli-ahli pengurusan serta peringkat kelulusan bagi pelbagai aspek operasi.
- iii) Dasar dan prosedur yang didokumen dengan jelas telah diperuntukkan dalam beberapa siri manual prosedur operasi piawai yang dikaji dan dikemas kini secara berkala agar selari dengan perubahan dalam struktur dan proses perniagaan serta perubahan dalam persekitaran luar. Sebarang perubahan dasar memerlukan kelulusan Lembaga.
- iv) Jawatankuasa Pengurusan Projek Bersama yang meliputi penyertaan rakan-rakan kongsi perniagaan luar, jika perlu, akan membincang dan menilai pihak-pihak yang dijemput untuk menghantar sebut harga dan kemudian pemberian kontrak bagi memastikan ketelusan dan kewibawaan proses pemberian tersebut.

- v) Belanjawan tahunan disediakan terlebih dahulu sebelum tahun seterusnya bermula dengan menggunakan proses belanjawan terperinci. Belanjawan ini tertakluk kepada penilaian dan penelitian oleh pasukan pengurusan kanan dan EXCO, sebelum ia disyorkan kepada Lembaga untuk diluluskan. Prestasi berbanding belanjawan dipantau secara bulanan dan satu pelaksanaan belanjawan yang menyeluruh dijalankan pada setiap setengah tahun.
- vi) Risiko aset dan operasi Kumpulan yang boleh diinsurans dilindungi secukupnya dengan polisi-polisi insurans bagi memastikan supaya Kumpulan diinsurans daripada kerugian kewangan jika berlaku sebarang peristiwa yang tidak diingini.
- vii) Satu dasar Keselamatan, Kesihatan dan Alam Sekitar telah disediakan; dan Jabatan Keselamatan, Kesihatan dan Alam Sekitar Kumpulan terus berusaha mempertingkatkan kesedaran terhadap amalan-amalan keselamatan, kesihatan dan alam sekitar di segenap Kumpulan serta memantau pematuan dengan peraturan dan amalan-amalan terbaik yang berkaitan.
- viii) Semua kakitangan Kumpulan ditadbir oleh satu Kod Tatacara dan dikehendaki mengesahkan bahawa mereka telah membaca dan memahami Kod tersebut sebaik sahaja mereka mula bekerja.
- ix) Satu proses pemberitahuan maklumat menyediakan landasan dan prosedur bagi para pemberitahu maklumat untuk menyampaikan kemusykilan mereka kepada Lembaga tanpa melibatkan pengurusan.

b. Proses Maklumat dan Komunikasi

- i) Maklumat dibekalkan kepada Lembaga dan Jawatankuasa-jawatankuasanya secara kerap dan lengkap oleh Pengurusan. Maklumat tersebut meliputi prestasi kewangan, pencapaian petunjuk prestasi penting, penggunaan dana dan prestasi aliran tunai serta perkembangan projek-projek penting.
- ii) Pelbagai sistem maklumat pengurusan beroperasi dengan baik untuk menyediakan maklumat yang kena pada masanya dan tepat kepada pengurusan mengenai prestasi Kumpulan dan untuk membantu pengurusan membuat keputusan yang berkesan.

- iii) Mesyuarat diadakan dengan para penganalisis pelaburan pada setiap suku tahun di mana laporan prestasi kewangan Kumpulan yang telah diluluskan oleh Lembaga dibentangkan. Para penganalisis pelaburan juga diberi peluang untuk mengemukakan soalan dan berdialog dengan pasukan pengurusan kanan Kumpulan.

c. Proses Pemantauan

- i) Mesyuarat bahagian diadakan pada setiap bulan di mana prestasi setiap bahagian dan jabatan serta status projek-projek penting dipantau dan dikaji oleh pasukan pengurusan kanan. Isu-isu operasi dan pendedahan risiko penting turut dibincangkan dan jika perlu, rancangan tindakan dikenal pasti untuk mengurangkan dan menangani risiko dan isu-isu yang dikenal pasti.
- ii) Jabatan Tadbir Urus Korporat menjalankan kajian operasi dari semasa ke semasa untuk menilai keberkesanan dan kecekapan sistem kawalan dalaman. Risiko-risiko penting yang telah dikenal pasti menjejaskan Kumpulan diketengahkan untuk perhatian pengurusan berserta dengan saranan tentang langkah-langkah pengurusan risiko. Penemuan risiko berkenaan berserta tindak balas pengurusan dilaporkan kepada Jawatankuasa Audit untuk dibincangkan.

Lembaga percaya bahawa pembangunan sistem kawalan dalaman adalah satu proses berterusan dan telah mengambil pelbagai langkah sepanjang tahun yang ditinjau untuk menambah baik sistem kawalan dalamannya dan akan terus melakukan yang sedemikian. Keberkesanan sistem pengurusan risiko Kumpulan juga dikaji dari semasa ke semasa oleh Lembaga.

Pada tahun yang ditinjau, Ketua Pegawai Eksekutif Syarikat telah meletak jawatan pada 18 Ogos 2012 dan Lembaga sedang dalam proses menilai calon-calon yang sesuai bagi mengisi jawatan tersebut. Sementara itu, Pasukan Pengurusan Kanan Kumpulan terus mendukung sistem pengurusan risiko dan kawalan dalaman Kumpulan. Semua keputusan penting yang memerlukan kelulusan Ketua Pegawai Eksekutif, sebagaimana dinyatakan dalam Had-had Autoriti Kumpulan, dirujuk kepada autoriti tertinggi selepasnya untuk kelulusan. Selain itu, Jawatankuasa Eksekutif juga telah mempertingkatkan pemantauan dan kajiannya terhadap operasi dan prestasi Kumpulan.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Dalam proses menjalankan kajian dan ujian terhadap sistem pengurusan risiko dan kawalan dalaman Kumpulan, Jabatan Tadbir Urus Korporat telah mengetengahkan beberapa bahagian yang memerlukan penambahbaikan. Sebahagian besar daripadanya berbentuk operasi dan mempunyai impak ke atas keputusan operasi Kumpulan yang boleh diabaikan. Pengurusan bertindak balas secara positif terhadap penemuan serta saranan tersebut dan telah mengambil langkah-langkah sewajarnya untuk mencetuskan penambahbaikan.

Penyusunan pemantauan, kajian dan laporan yang tersedia memberi jaminan bahawa struktur kawalan dan operasinya adalah bersesuaian dengan operasi Kumpulan dan bahawa risiko-risiko berada di tahap yang boleh diterima di segenap perniagaan Kumpulan. Walau bagaimanapun, penyusunan sedemikian tidak menghapuskan kemungkinan kesilapan manusia, pelanggaran prosedur kawalan secara sengaja oleh kakitangan dan pihak-pihak lain atau berlakunya peristiwa yang tidak dijangka. Lembaga diberi jaminan oleh Ketua Pegawai Kewangan Syarikat bahawa sistem pengurusan risiko dan kawalan dalaman Kumpulan sedang beroperasi secara mencukupi dan berkesan dalam semua aspek penting, berdasarkan kepada sistem pengurusan risiko dan kawalan dalaman Kumpulan. Oleh itu, Lembaga berpendapat bahawa sistem pengurusan risiko dan kawalan dalaman yang tersedia pada tahun yang ditinjau berada dalam keadaan baik dan memadai untuk melindungi pelaburan pemegang saham, kepentingan pemegang saham dan aset Kumpulan.

Pihak Usaha Sama dan Bersekutu Penting

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

Kajian Penyata ini oleh Juruaudit Luar

Seperti yang dikehendaki oleh Perenggan 15.23 Keperluan Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad, juruaudit luar telah mengkaji Penyata Pengurusan Risiko dan Kawalan Dalaman ini. Kajian mereka telah dilaksanakan selaras dengan Panduan Amalan Disyorkan ("RPG") 5 yang dikeluarkan oleh Institut Akauntan Malaysia. RPG 5 tidak memerlukan juruaudit luar menyediakan pendapat berhubung kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman Kumpulan.

Penyata Pengurusan Risiko dan Kawalan Dalaman ini disediakan oleh Lembaga Pengarah menurut resolusinya bertarikh 26 Februari 2013.

ADDITIONAL COMPLIANCE INFORMATION

(i) Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised by the Company during the financial year ended 31 December 2012.

(ii) Share Buy-Backs

The Company did not seek any authorisation from the shareholders on any proposal for share buy-back during the financial year 2012.

(iii) Options, Warrants or Convertible Securities

The Company did not issue any option, warrant or convertible securities during the financial year 2012.

The Employee's Share Option Scheme ("ESOS") of the Company expired on 30 October 2012 and was extended by another 5 years; expiring on 30 October 2017.

In accordance with the ESOS By-Law, the aggregate maximum allocation applicable to Directors and Senior Management shall not exceed 50% of the options available under the scheme. The actual percentage of options granted to them in aggregate was 13.97%.

The details of options granted since the commencement of the scheme is disclosed in Note 31 to the Financial Statements (pages 231 to 232 of the 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 2012.

(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 2012.

(vi) Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group and Company for the financial year 2012 were RM738,000 and RM317,000 respectively.

(vii) Variation in Results

There was no variation in the financial results of 10% or more from any profit estimate/forecast/projection/unaudited results announced.

(viii) Profit Guarantee

There were no profit guarantees given by the Company during the financial year 2012.

(ix) Material Contracts

There has been no material contracts involving directors and major shareholders' interests entered into during the financial year 2012.

(x) List of Properties and Revaluation Policy

The list of properties is set out on page 141 to 144 of this Annual Report. There was no revaluation of properties of the Company during the financial year 2012.

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

There were no recurrent related party transactions during the financial year 2012 except for those disclosed in the audited financial statement which are exempted under the Listing Requirements.

MAKLUMAT PEMATUHAN TAMBAHAN

(i) Penggunaan Kutipan yang Dikumpul daripada Cadangan Korporat

Tiada kutipan yang dikumpulkan oleh Syarikat dalam tahun kewangan berakhir 31 Disember 2012.

(ii) Pembelian Balik Saham

Syarikat tidak memohon sebarang kelulusan daripada para pemegang saham untuk sebarang cadangan pembelian balik saham tahun kewangan 2012.

(iii) Opsyen, Waran atau Sekuriti Boleh Ditukar

Syarikat tidak menerbitkan sebarang opsyen, waran atau sekuriti boleh ditukar dalam tahun kewangan 2012.

Skim Opsyen Saham Kakitangan Syarikat telat tamat pada 30 Oktober 2012 dan telah dilanjutkan selama 5 tahun lagi; tamat pada 30 Oktober 2017.

Berdasarkan undang-undang kecil Skim ESOS, peruntukan maksimum yang dibenarkan untuk Pengarah Eksekutif dan Pengurusan Kanan Syarikat tidak boleh melebihi 50% daripada opsyen yang tersedia dibawah skim ini. Peratusan agregat sebenar opsyen yang diberikan kepada mereka adalah 13.97%.

Butir-butir opsyen yang diberikan sejak permulaan skim ini terdapat dalam Nota 31 kepada Penyata Kewangan (mukasurat 231 ke 232, Laporan Tahunan).

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

Syarikat tidak menaja sebarang program ADR atau GDR pada tahun kewangan 2012.

(v) Sekatan dan/atau Denda yang Dikenakan

Tiada sekatan dan/atau denda penting yang dikenakan oleh badan-badan penguatkuasaan peraturan berkaitan ke atas MRCB atau syarikat subsidiari, pengarah atau pengurusannya dalam tahun kewangan 2012.

(vi) Yuran Bukan Audit

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar bagi tahun kewangan 2012 oleh Kumpulan adalah sebanyak RM738,000 dan oleh Syarikat sebanyak RM317,000.

(vii) Perbezaan Keputusan

Tiada perbezaan dalam keputusan kewangan sebanyak 10% atau lebih daripada sebarang keuntungan anggaran/ramalan/unjuran/keputusan tidak diaudit yang diumumkan.

(viii) Jaminan Keuntungan

Tiada jaminan keuntungan diberi oleh Syarikat pada tahun kewangan 2012.

(ix) Kontrak Penting

Tiada kontrak penting melibatkan kepentingan pengarah atau pemegang saham utama yang telah dimeterai pada tahun kewangan 2012.

(x) Senarai Hartanah dan Dasar Penilaian Semula

Senarai hartanah disediakan di muka surat 141 hingga 144 dalam Laporan Tahunan ini. Tiada penilaian semula hartanah Syarikat pada tahun kewangan 2012.

(xi) Urusniaga Pihak Berkaitan yang Berulangan Berbentuk Hasil atau Perdagangan

Tiada urusniaga pihak berkaitan yang berulangan pada tahun kewangan 2012 melainkan yang didedahkan dalam penyata kewangan beraudit yang dikecualikan di bawah Keperluan Penyenaian.

MATERIAL CONTRACTS

MRCB (JANUARY 2012 – DECEMBER 2012)

1. Letter of Award from MRCB Environment Sdn Bhd to See Song & Sons Sdn Bhd

MRCB Environment Sdn Bhd a subsidiary of Malaysian Resources Corporation Berhad has by a Letter of Award dated 9th January 2012 awarded the contract for "Membaikpulihan Muara Sungai Perai, Pulau Pinang Secara Menyeluruh Serta Kawasan Sekitar Yang Berkaitan (Fasa3) to undertake the construction of jetty, headland, beach nourishment, breakwater, groyne and other associated works ("Project") to See Song & Sons Sdn Bhd for the subcontract sum of RM24,337,137.00. The Project has since completed on 29th December 2012.

2. Joint Venture and Shareholders' Agreement between Malaysian Resources Corporation Berhad, DMIA (M) Sdn Bhd and Paradigma Berkas Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 24th February 2012 entered into a Joint Venture and Shareholders' Agreement ("JVSA") with DMIA (M) Sdn Bhd and Paradigma Berkas Sdn Bhd ("PBSB") for the planning, design and construction of the Dewan Bandaraya Kuala Lumpur's land known as PT No. 4042, HS(D) No. 86515 Salak Selatan, Mukim Kuala Lumpur measuring approximately 25.15 acres located at Salak South into a mixed urban development project. Pursuant to the JVSA, MRCB will hold 70% equity interest in PBSB. The condition precedent of the JVSA is pending completion.

3. Joint Venture and Shareholders' Agreement between UEM Builders Berhad, Malaysian Resources Corporation Berhad and Intria Urus Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") entered into a Joint Venture and Shareholders' Agreement dated 2nd May 2012 ("JVSA") with UEM Builders Berhad and Intria Urus Sdn Bhd ("IUSB") to undertake the fourth lane widening works from Shah Alam interchange to Rawang/Jalan Duta toll Plaza and Nilai (Utara) to Seremban from a dual-three lane carriageway to dual fourlane carriageway. Pursuant to the JVSA, MRCB will hold 49% equity interest in IUSB. The allotment of shares by IUSB has since completed on 25th May 2012.

4. Chilled Water Supply Agreement between 348 Sentral Sdn Bhd and Wirazone Sdn Bhd

348 Sentral Sdn Bhd a wholly own subsidiary of Malaysian Resources Corporation Berhad has on 12th June 2012 entered into a Chilled Water Supply Agreement with Wirazone Sdn Bhd ("WSB") for the purchase and supply of chilled water from WSB to 348 Sentral building identified as 1 Block Office Tower consisting of 33 floors and 1 Block Service Apartment consisting of 21 floors (157 units) erected on Lot 348, Seksyen 72, Kuala Lumpur Sentral for a term of 15 years commencing from 1st October 2012.

5. Chilled Water Supply Agreement between Excellent Bonanza Sdn Bhd and Wirazone Sdn Bhd

Excellent Bonanza Sdn Bhd a subsidiary of Malaysian Resources Corporation Berhad has on 12th June 2012 entered into a Chilled Water Supply Agreement with Wirazone Sdn Bhd ("WSB") for the purchase and supply of chilled water from WSB to the office tower identified as Tower 1 and 2 consisting of 27 floors and 37 floors respectively and a hotel building consisting of 27 floors erected on part of Lot 364, (Lot G) Seksyen 72, Kuala Lumpur Sentral for a term of 20 years commencing from 6th October 2012.

MATERIAL CONTRACTS

6. Chilled Water Supply Agreement between Nu Sentral Sdn Bhd and Wirazone Sdn Bhd

Nu Sentral Sdn Bhd a subsidiary of Malaysian Resources Corporation Berhad has on 12th June 2012 entered into a Chilled Water Supply Agreement with Wirazone Sdn Bhd ("WSB") for the purchase and supply of chilled water from WSB to a 7 storey retail mall erected on Lot 364 (Lot G), Seksyen 72, Kuala Lumpur Sentral for a term of 20 years commencing from 6th November 2012.

7. Joint Venture and Shareholders' Agreement between Malaysian Resources Corporation Berhad and DMIA (M) Sdn Bhd and MRCB DMIA JV Sdn Bhd (formerly known as Germas Infiniti Sdn Bhd)

Malaysian Resources Corporation Berhad ("MRCB") entered into a Joint Venture and Shareholders' Agreement dated 20th December 2012 ("JVSA") with DMIA (M) Sdn Bhd and MRCB DMIA JV Sdn Bhd (formerly known as Germas Infiniti Sdn Bhd) for the purpose of securing the letter of award from the Government of Malaysia for the development of a new railway line between Serendah, Port Klang and Seremban ("Project"). Pursuant to the JVSA, MRCB will hold 60% equity interest in MRCB DMIA JV Sdn Bhd (formerly known as Germas Infiniti Sdn Bhd). The condition precedent of the JVSA is pending completion.

8. Sale and Purchase Agreement between Malaysian Resources Corporation Berhad and Onesentral Park Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") entered into a Sale and Purchase Agreement dated 4th October 2012 ("SPA") with Onesentral Park Sdn Bhd for the sale of the piece of land known as PN No. 27016, Lot No. 82, Seksyen 63, Bandar and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur having an area measuring approximately 4072.016 square metres ("Land") for the sale price of RM34,348,000.00 only. The sale and purchase transaction has since completed on 31st December 2012.

MRCB (JANUARI 2012 – DISEMBER 2012)

1. Surat Pemberian Kontrak daripada MRCB Environment Sdn Bhd kepada See Song & Sons Sdn Bhd

MRCB Environment Sdn Bhd sebuah anak syarikat Malaysian Resources Corporation Berhad telah melalui Surat Pemberian Kontrak bertarikh 9hb Januari 2012 memberikan kontrak untuk “Membaikpulih Muara Sungai Perai, Pulau Pinang secara Menyeluruh Serta Kawasan Sekitar Yang Berkaitan (Fasa 3) bagi melaksanakan pembinaan jeti, tanjung, mencantikkan pantai, tembok penahan ombak, groin dan lain-lain kerja berkaitan” (“Projek”) kepada See Song & Sons Sdn Bhd untuk nilai sub-kontrak berjumlah RM24,337,137.00.

2. Perjanjian Usahasama dan Pemegang Saham di antara Malaysian Resources Corporation Berhad, DMIA (M) Sdn Bhd dan Paradigma Berkat Sdn Bhd

Malaysian Resources Corporation Berhad (“MRCB”) telah pada 24hb Februari 2012 memasuki Perjanjian Usahasama dan Pemegang Saham (“Perjanjian”) dengan DMIA (M) Sdn Bhd dan Paradigma Berkat Sdn Bhd (“PBSB”) untuk perancangan, reka bentuk dan pembinaan di atas tanah Dewan Bandaraya Kuala Lumpur yang dikenali sebagai PT No. 4042, HS (D) No. 86515 Salak Selatan, Mukim Kuala Lumpur berukuran kira-kira 25.15 ekar yang terletak di Salak Selatan kepada projek pembangunan bandar bercampur. Menurut Perjanjian tersebut, MRCB akan memegang 70% kepentingan ekuiti dalam PBSB. Syarat terdahulu Perjanjian tersebut masih dalam peringkat penyempurnaan.

3. Perjanjian Usahasama dan Pemegang Saham di antara UEM Builders Berhad, Malaysian Resources Corporation Berhad dan Intria Urus Sdn Bhd

Malaysian Resources Corporation Berhad (“MRCB”) memasuki Perjanjian Usahasama dan Pemegang Saham bertarikh 2hb Mei 2012 (“Perjanjian”) dengan UEM Builders Berhad dan Intria Urus Sdn Bhd (IUSB) untuk menjalankan kerja-kerja pelebaran lorong keempat dari persimpangan Shah Alam ke Rawang/Plaza Tol Jalan Duta dan Nilai (Utara) ke Seremban dari tiga lorong kepada empat lorong bahagian jalan untuk kenderaan. Menurut Perjanjian tersebut, MRCB akan memegang kepentingan ekuiti 49% dalam IUSB. Pengagihan saham oleh IUSB telah disempurnakan pada 25hb Mei 2012.

4. Perjanjian “Chilled Water Supply Agreement” di antara 348 Sentral Sdn Bhd dan Wirazone Sdn Bhd

348 Sentral Sdn Bhd, anak syarikat milik penuh Malaysian Resources Corporation Berhad telah pada 12hb Jun 2012 memasuki “Chilled Water Supply Agreement” dengan Wirazone Sdn Bhd (“WSB”) bagi pembelian dan pembekalan “Chilled Water” dari WSB untuk bangunan 348 Sentral yang dikenali sebagai 1 Blok Menara Pejabat mempunyai 33 tingkat dan 1 Blok Servis Apartmen mempunyai 21 tingkat (157 unit) didirikan di atas Lot 348, Seksyen 72, Kuala Lumpur Sentral bagi tempoh 15 tahun bermula dari 1hb Oktober 2012.

5. Perjanjian “Chilled Water Supply Agreement” di antara Excellent Bonanza Sdn Bhd dan Wirazone Sdn Bhd

Excellent Bonanza Sdn Bhd sebuah anak syarikat Malaysian Resources Corporation Berhad telah pada 12hb Jun 2012 memasuki “Chilled Water Supply Agreement” (“Perjanjian”) dengan Wirazone Sdn Bhd (“WSB”) bagi pembelian dan pembekalan “Chilled Water” daripada WSB bagi menara pejabat yang dikenali sebagai Menara 1 yang mempunyai 27 tingkat dan Menara 2 yang mempunyai 37 tingkat serta sebuah bangunan hotel yang mempunyai 27 tingkat yang didirikan di atas sebahagian daripada Lot 364, (Lot G) Seksyen 72, Kuala Lumpur Sentral bagi tempoh 20 tahun bermula dari 6hb Oktober 2012.

KONTRAK-KONTRAK PENTING

- 6. Perjanjian “Chilled Water Supply Agreement” di antara Nu Sentral Sdn Bhd dan Wirazone Sdn Bhd**
Nu Sentral Sdn Bhd sebuah anak syarikat Malaysian Resources Corporation Berhad telah pada 12hb Jun 2012 memasuki “Chilled Water Supply Agreement” (“Perjanjian”) dengan Wirazone Sdn Bhd (“WSB”) bagi pembelian dan pembekalan “Chilled Water” daripada WSB bagi 7 tingkat gedung membeli belah didirikan di atas Lot 364 (Lot G), Seksyen 72, Kuala Lumpur Sentral bagi tempoh 20 tahun bermula dari 6hb November 2012.
- 7. Perjanjian Usahasama dan Pemegang Saham di antara Malaysian Resources Corporation Berhad dan DMIA (M) Sdn Bhd dan MRCB DMIA JV Sdn Bhd (dahulunya dikenali sebagai Gemas Infiniti Sdn Bhd)**
Malaysian Resources Corporation Berhad (“MRCB”) memasuki Perjanjian Usahasama dan Pemegang Saham bertarikh 20hb Disember 2012 (“Perjanjian”) dengan DMIA (M) Sdn Bhd dan MRCB DMIA JV Sdn Bhd (dahulunya dikenali sebagai Gemas Infiniti Sdn Bhd) bagi tujuan mendapatkan surat pemberian kontrak dari Kerajaan Malaysia untuk pembangunan landasan keretapi baru di antara Serendah, Pelabuhan Klang dan Seremban (“Projek”). Menurut Perjanjian tersebut, MRCB akan memegang 60% kepentingan ekuiti dalam MRCB DMIA JV Sdn Bhd (dahulunya dikenali sebagai Gemas Infiniti Sdn Bhd). Syarat terdahulu Perjanjian tersebut masih dalam peringkat penyempurnaan.
- 8. Perjanjian Jualbeli di antara Malaysian Resources Corporation Berhad dan Onesentral Park Sdn Bhd**
Malaysian Resources Corporation Berhad (“MRCB”) memasuki Perjanjian Jualbeli bertarikh 4hb Oktober 2012 (“Perjanjian”) dengan Onesentral Park Sdn Bhd untuk penjualan sebidang tanah yang dikenali sebagai PN No. 27016, Lot No. 82 Seksyen 63, Bandar dan Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur yang mempunyai keluasan tanah berukuran kira-kira 4072.016 meter persegi (“Tanah”) pada harga jualan RM34,348,000.00 sahaja. Transaksi jual beli tersebut telah disempurnakan pada 31hb Disember 2012.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2013

Authorised Share Capital : 2,000,000,000
 Paid-up Share Capital : 1,387,811,179
 Type of Shares : Ordinary Share of RM1.00 each
 No. of Shareholders : 36,856
 Voting Rights : One vote for every share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders Shareholders	Percentage of Shareholders (%)	No. of Shares	Percentage of Share Capital (%)
less than 100	4,160	11.29	164,317	0.01
100 to 1,000	9,405	25.52	5,815,272	0.42
1,001 to 10,000	18,031	48.92	74,897,973	5.40
10,001 to 100,000	4,661	12.65	137,821,542	9.93
100,001 to less than 5% of issued shares	597	1.62	467,360,302	33.67
5% and above of issued shares	2	0.00	701,751,773	50.57
TOTAL	36,856	100.00	1,387,811,179	100.00

SUBSTANTIAL SHAREHOLDERS (5% and above)

Name	No. of Shares	%
1. EMPLOYEES PROVIDENT FUND BOARD <i>Share held in CDS account: Citigroup Nominees (Tempatan) Sdn Bhd</i>	585,070,800	42.16
2. LEMBAGA TABUNG HAJI <i>Includes shares held in CDS account : Maybank Asset Management Sdn Bhd</i>	120,180,973	8.66

DIRECTORS' SHAREHOLDING

Names of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Tan Sri Azlan Zainol	–	–	–	–
2. Dato' Chong Pah Aung	–	–	–	–
3. Datuk Shahril Ridza Ridzuan	500,000	0.04	–	–
4. Dato' Ahmad Ibnihajjar	–	–	–	–
5. Dato' Abdul Rahman Ahmad	–	–	–	–
6. Jamaludin Zakaria	–	–	–	–
7. Che King Tow	–	–	–	–

ANALISA PEGANGAN SAHAM

PADA 30 APRIL 2013

Modal Saham Dibenarkan	:	2,000,000,000
Modal Saham Terbitan dan Berbayar	:	1,387,811,179
Jenis Saham	:	Saham Biasa bernilai RM1.00 setiap satu
Bil. Pemegang Saham	:	36,856
Hak Mengundi	:	Satu undi untuk setiap saham

PECAHAN PEGANGAN SAHAM

Saiz Pegangan Saham	Bilangan Pemegang Saham	%	Bilangan Saham	%
Kurang dari 100	4,160	11.29	164,317	0.01
100 hingga 1,000	9,405	25.52	5,815,272	0.42
1,001 hingga 10,000	18,031	48.92	74,897,973	5.40
10,001 hingga 100,000	4,661	12.65	137,821,542	9.93
100,001 hingga kurang dari 5% saham diterbitkan	597	1.62	467,360,302	33.67
5% dan lebih saham diterbitkan	2	0.00	701,751,773	50.57
JUMLAH	36,856	100.00	1,387,811,179	100.00

PEMEGANG SAHAM UTAMA (5% dan ke atas)

Nama	Bilangan Saham	%
1. EMPLOYEES PROVIDENT FUND BOARD <i>Saham yang dipegang dalam akaun CDS: Citigroup Nominees (Tempatan) Sdn Bhd</i>	585,070,800	42.16
2. LEMBAGA TABUNG HAJI <i>Termasuk saham yang dipegang dalam akaun CDS: Maybank Asset Management Sdn Bhd</i>	120,180,973	8.66

PEGANGAN SAHAM PENGARAH

Nama	Bilangan Saham	Kepentingan Langsung (%)	Bilangan Saham	Kepentingan Tidak Langsung (%)
1. Tan Sri Azlan Zainol	—	—	—	—
2. Dato' Chong Pah Aung	—	—	—	—
3. Datuk Shahril Ridza Ridzuan	500,000	0.04	—	—
4. Dato' Ahmad Ibnihajar	—	—	—	—
5. Dato' Abdul Rahman Ahmad	—	—	—	—
6. Jamaludin Zakaria	—	—	—	—
7. Che King Tow	—	—	—	—

TOP 30 LARGEST SHAREHOLDERS

AS AT 30 APRIL 2013

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>	585,070,800	42.16
2	Lembaga Tabung Haji	116,680,973	8.41
3	Valuecap Sdn Bhd	22,225,000	1.60
4	Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	22,030,300	1.59
5	Amanahraya Trustee Berhad <i>Public Islamic Select Treasures Fund</i>	21,733,400	1.57
6	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (Norges BK)</i>	19,637,300	1.41
7	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)</i>	16,000,000	1.15
8	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (Norges Bk Lend)</i>	15,843,700	1.14
9	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Emerging Markets Value Fund</i>	13,314,800	0.96
10	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	9,450,950	0.68
11	Maybank Nominees (Tempatan) Sdn Bhd <i>Etiqa Takaful Berhad (Family PRF EQ)</i>	8,810,200	0.63
12	Amanahraya Trustees Berhad <i>Public Islamic Equity Fund</i>	7,522,250	0.54
13	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (U.S.A)</i>	7,202,850	0.52
14	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	6,728,400	0.48
15	Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt An Account For Standard Chartered Bank HK Pte Ltd (SCBMB WTH MGMT)</i>	5,942,200	0.43

TOP 30 LARGEST SHAREHOLDERS

AS AT 30 APRIL 2013

Name	No of Shares	%
16 HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels For City Of New York Group Trust</i>	5,408,800	0.39
17 Amanahraya Trustees Berhad <i>Public Sector Select Fund</i>	5,313,400	0.38
18 Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Mah Lily (E-BBB/SNG)</i>	5,000,000	0.36
19 Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt An For Eastspring Investments Berhad</i>	4,486,750	0.32
20 Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (WEST CLTOD67)</i>	4,366,600	0.31
21 HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels For Wisdomtree Emerging Market Smallcap Dividend Fund</i>	4,340,205	0.31
22 HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FS For Legg Mason Western Asset Southeast Asia Special Situations Trust (201061)</i>	4,164,900	0.30
23 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Hong Leong Growth Fund</i>	3,895,000	0.28
24 HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-Asing)</i>	3,827,000	0.28
25 Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)</i>	3,500,200	0.25
26 Cartaban Nominees (Asing) Sdn Bhd <i>SBBT Fund TRJR For Teacher Retirement System Of Texas</i>	3,233,250	0.23
27 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)</i>	2,920,666	0.21
28 Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund OD77 For Ishares III Public Limited Company</i>	2,829,850	0.20
29 Amanahraya Trustee Berhad <i>Public Islamic Opportunities Fund</i>	2,803,100	0.20
30 CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	2,775,800	0.20

30 PEMEGANG SAHAM TERBESAR

PADA 30 APRIL 2013

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>	585,070,800	42.16
2	Lembaga Tabung Haji	116,680,973	8.41
3	Valuecap Sdn Bhd	22,225,000	1.60
4	Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	22,030,300	1.59
5	Amanahraya Trustee Berhad <i>Public Islamic Select Treasures Fund</i>	21,733,400	1.57
6	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (Norges BK)</i>	19,637,300	1.41
7	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)</i>	16,000,000	1.15
8	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (Norges Bk Lend)</i>	15,843,700	1.14
9	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Emerging Markets Value Fund</i>	13,314,800	0.96
10	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	9,450,950	0.68
11	Maybank Nominees (Tempatan) Sdn Bhd <i>Etiqa Takaful Berhad (Family PRF EQ)</i>	8,810,200	0.63
12	Amanahraya Trustees Berhad <i>Public Islamic Equity Fund</i>	7,522,250	0.54
13	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For JPMorgan Chase Bank, National Association (U.S.A)</i>	7,202,850	0.52
14	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	6,728,400	0.48
15	Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt An Account For Standard Chartered Bank HK Pte Ltd (SCBMB WTH MGMT)</i>	5,942,200	0.43

30 PEMEGANG SAHAM TERBESAR

PADA 30 APRIL 2013

Nama	Bilangan Saham	%
16 HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels For City Of New York Group Trust</i>	5,408,800	0.39
17 Amanahraya Trustees Berhad <i>Public Sector Select Fund</i>	5,313,400	0.38
18 Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Mah Lily (E-BBB/SNG)</i>	5,000,000	0.36
19 Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt An For Eastspring Investments Berhad</i>	4,486,750	0.32
20 Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (WEST CLTOD67)</i>	4,366,600	0.31
21 HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels For Wisdomtree Emerging Market Smallcap Dividend Fund</i>	4,340,205	0.31
22 HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FS For Legg Mason Western Asset Southeast Asia Special Situations Trust (201061)</i>	4,164,900	0.30
23 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Hong Leong Growth Fund</i>	3,895,000	0.28
24 HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Credit Suisse (SG BR-TST-Asing)</i>	3,827,000	0.28
25 Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)</i>	3,500,200	0.25
26 Cartaban Nominees (Asing) Sdn Bhd <i>SBBT Fund TRJR For Teacher Retirement System Of Texas</i>	3,233,250	0.23
27 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)</i>	2,920,666	0.21
28 Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund OD77 For Ishares III Public Limited Company</i>	2,829,850	0.20
29 Amanahraya Trustee Berhad <i>Public Islamic Opportunities Fund</i>	2,803,100	0.20
30 CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	2,775,800	0.20

PROPERTIES OF THE GROUP

31 DECEMBER 2012

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value As At 31/12/2012 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Kompleks Sentral - 6 storey industrial buildings/ flatted factories and warehouse	33, Jalan Segambut Atas, Segambut, 51200 Kuala Lumpur, Wilayah Persekutuan.	72,098	32,149	1982	Leasehold 66 years expiring on 2.2.2044	27	Yes
Land for proposed mixed housing development	P.T. No. 35730, 33745, 33746, 33747, 35759, 33632, 33653, 33654, 33468 and 6748 (part), Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	33,640	7,448	1987	Freehold	–	Nil
Land for proposed condominium development	Country lease No. 015146120, Minicipality and District of Kota Kinabalu, Sabah.	11,000	0	1989	Leasehold 999 years expiring on 4.7.2918	–	Nil
Land for proposed mixed commercial development	H.S. (D) 79956 P.T. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	12,100	13,159	1992	Leasehold 99 years expiring on 15.9.2092	–	Nil
Plaza Alam Sentral - 7 level shopping complex	H.S. (D) 79956 P.T. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	68,233	78,135	1992	Leasehold 99 years expiring on 15.9.2092	13	Yes
Land for proposed high-end residential development at Batu Feringghi, Penang	Lot-lot 365, 366, 461 (PT 100), 465 and 467 (PT 102) Seksyen 1, Bandar Batu Feringghi, Daerah Timur Laut, Pulau Pinang.	13,520	27,974	2009	Freehold	–	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2012

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value As At 31/12/2012 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Platinum Sentral – 5 blocks of offices and retail lots	Lot 73 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	49,260	405,135	10.3.1999	Freehold	–	Yes
Development land and infrastructure surrounding Kuala Lumpur Sentral station	Lot 74 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	23,080	496,895	10.3.1999	Freehold	–	Nil
Industrial land	Plot No. 143 & 145, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,692	6,269	2.12.1997	Freehold	–	Nil
4 storey shop office	Sub Lot No. 4, 5 & 6 H.S. (D) 49729, Lot PT 33487, Taman Kajang Utama Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan.	1,485	1,073	28.12.1999	Freehold	13	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 Ridzwan.	156	188	27.5.2005	Leasehold 99 years expiring on 18.3.2102	10	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value As At 31/12/2012 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Several parcels of land for proposed mixed development	Lot 1210-1241, Lot 1271-1308, Lot 1310-1393, Lot 1399-1494, PT 721-763, PT 1647-1719, PT 1723-1834, PT 1918-1993, PT 1997, PT 1999-2003, PT 2005-2012, PT 2014-2023, PT 2025-2026, PT 2028-2030, PT 2032-2044, PT 2046-2049, PT 2051-2057, PT 2059, PT 2061, PT 3030-3049, PT 3080, KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzwan.	265,495	32,289	2001, 2002, 2009 & 2010	Leasehold 99 years expiring between 13.3.2100 to 18.10.2109	–	Nil
Sooka Sentral - 6 storey clubhouse	Geran 46225, Lot 77 Sek 70, Bandar Kuala Lumpur, District of Kuala Lumpur, Kuala Lumpur, Wilayah Persekutuan.	5,661	51,622	9.3.2007	Freehold	5	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	2,512	17.1.2008	Freehold	6	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2012

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value As At 31/12/2012 (RM'000)	Date/Year of Last Revaluation/ Acquisition	Tenure	Approximate Age of Building (Years)	Encumbrance
Development land for proposed commercial buildings and service apartments	Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	8,475	441,389	2007	Freehold	–	Yes
Land for proposed mixed development	PT 9311, 9312, 9313 Along Jalan Semarak/ Jalan Batu/ Jalan Ayer Keroh, Mukim of Setapak, District of Kuala Lumpur.	110,977	159,730	2011	Leasehold 99 years expiring on 4.7.2110	–	Nil
Land for proposed condominium development	PN No: 27016, Lot 82, Seksyen 63, Bandar and Mukim of Kuala Lumpur, Wilayah Persekutuan.	4,072	42,976	2011	Leasehold 99 years expiring on 9.8.2021	–	Nil

FINANCIAL REPORT 2012

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DIRECTORS' REPORT

The Directors hereby submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

There have been no significant changes in the nature of the 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	60,122	59,397
Non-controlling interests	31,045	–
	<u>91,167</u>	<u>59,397</u>

DIVIDENDS

The Company paid a first and final dividend in respect of the financial year ended 31 December 2011 of 2.0% or 2.0 sen per ordinary share less income tax of 25%, amounting RM20,796,502 on 4 May 2012.

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2012 comprising 0.4% or 0.4 sen per ordinary share less income tax of 25%, and single tier dividend of 1.6% or 1.6 sen per ordinary share, total amounting to approximately RM26,368,500 which is subject to the approval of the members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Azlan Mohd Zainol (Chairman)

Datuk Shahril Ridza Ridzuan

Dato' Ahmad Ibnihajar

Dato' Abdul Rahman Ahmad

Che King Tow

Dato' Chong Pah Aung

Jamaludin Zakaria

Datuk Mohamed Razeek Md Hussain Maricar (Chief Executive Officer) (resigned on 18 August 2012)

In accordance with Articles 101 and 102 of the Company's Articles of Association, Dato' Abdul Rahman Ahmad and Che King Tow 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.

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 options over shares in the Company and its related corporations were as follows:

Company

← No. of ordinary shares of RM1.00 each →			
At 1.1.2012	Acquired	Sold	At 31.12.2012
500,000	–	–	500,000

Datuk Shahril Ridza Ridzuan

The other Directors in office at the end of the financial year did not hold any interest in shares and options over shares or debentures of the Company and its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, 1,656,000 new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employees' Share Option Scheme (ESOS) at exercise prices ranging from RM1.14 to RM2.00 per shares as part of the Company's long term plan to retain employees.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME

The Malaysian Resources Corporation Berhad's Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) was approved by shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, The Board of Directors had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the Bye-Laws and the salient features thereof are set out in Note 31 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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 47 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 48 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 8 March 2013.



DATUK SHAHRIL RIDZA RIDZUAN
Director



DATO' AHMAD IBNIHAJAR
Director

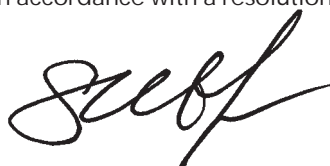
STATEMENTS BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

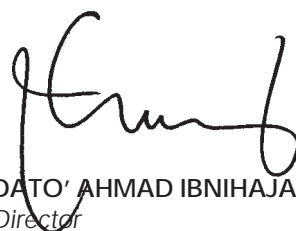
We, **Datuk Shahril Ridza Ridzuan** and **Dato' Ahmad Ibnihaajar**, two of the Directors of **Malaysian Resources Corporation Berhad**, state that, in the opinion of the Directors, the financial statements set out on pages 153 to 258 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The information set out in Note 51 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 8 March 2013.



DATUK SHAHRIL RIDZA RIDZUAN
Director



DATO' AHMAD IBNIHAJAR
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Chong Chin Ann**, 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 153 to 259 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.



CHONG CHIN ANN

Subscribed and solemnly declared by the abovenamed **Chong Chin Ann** at **Kuala Lumpur**, Malaysia on 8 March 2013.

Before me,

MOHAN A. S. MANIAM
No. 50, Jalan Hang Lekiu
55100 Kuala Lumpur

COMMISSIONER FOR OATHS



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 153 to 258, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 50.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD
(Incorporated in Malaysia)
(Company No. 7994 D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of subsidiaries of which we have not acted as auditors which are indicated in Note 45 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 51 on page 259 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

THAYAPARAN A/L S.SANGARAPILLAI
(No. 2085/09/14 (J))
Chartered Accountant

Kuala Lumpur
8 March 2013

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 RM'000	2011 RM'000 (restated)	Company 2012 RM'000	2011 RM'000 (restated)
Revenue	6	1,283,204	1,226,705	231,995	280,898
Cost of sales	7	(988,055)	(1,001,446)	(125,114)	(248,803)
Gross profit		295,149	225,259	106,881	32,095
Other income:					
- gain on disposal	8	–	5,290	–	39,115
- others	8	82,804	9,691	2,034	2,347
Selling and distribution costs		(16,895)	(10,600)	(627)	(1,081)
Administrative expenses		(63,807)	(71,030)	(23,552)	(26,576)
Other operating expenses:					
- (allowance for)/write back of impairment losses		(10,814)	(688)	48	(108,781)
- write back of/(allowance for) doubtful debts					
• subsidiaries		–	–	21,045	22,657
• others		(1,676)	4,142	(12)	(43)
- others		(63,845)	(31,670)	(17,965)	93,922
Finance income	8	29,712	32,453	12,009	22,065
Finance costs	12	(118,495)	(35,213)	(21,862)	(24,462)
Share of results of associates	20	2,627	(1,469)	–	–
Share of results of jointly controlled entities	21	(758)	(2,852)	–	–
Profit before income tax	9	134,002	123,313	77,999	51,258
Income tax expense	13	(42,835)	(15,326)	(18,602)	(1,911)
Profit for the financial year		91,167	107,987	59,397	49,347
Other comprehensive income for the financial year, net of tax					
- Currency translation differences		(237)	419	–	–
- Share of an associate's other comprehensive income		–	1,164	–	–
Total comprehensive income for the financial year, net of tax			90,930	109,570	59,397

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 RM'000	2011 RM'000 (restated)	Company 2012 RM'000	2011 RM'000 (restated)
Profit attributable to:					
Equity holders of the Company		60,122	93,524	59,397	49,347
Non-controlling interests		31,045	14,463	–	–
		91,167	107,987	59,397	49,347
Total comprehensive income for the financial year attributable to:					
Equity holders of the Company		59,956	94,978	59,397	49,347
Non-controlling interests		30,974	14,592	–	–
		90,930	109,570	59,397	49,347
Earnings per share attributable to the ordinary equity holders of the Company during the financial year (sen)					
- Basic earnings per share	14	4.34	6.75		
- Diluted earnings per share	14	4.34	6.74		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM'000	Group 31.12.2011 RM'000 (restated)	01.01.2011 RM'000 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	15	38,750	43,189	34,828
Investment properties	16	1,040,695	848,783	523,085
Land held for property development	17(a)	620,904	734,135	599,949
Service concession asset	18	–	1,265,658	925,047
Associates	20	61,382	58,755	39,225
Jointly controlled entity	21	93,367	96,725	93,398
Long term loan and receivables	22	81,963	74,910	66,380
Available for sale financial assets	23	577	577	482
Intangible assets	24	74,888	76,886	58,554
Deferred tax assets	25	39,108	29,452	29,790
		2,051,634	3,229,070	2,370,738
Current assets				
Inventories	26	9,749	16,753	17,865
Property development costs	17(b)	481,761	408,497	367,139
Trade and other receivables	27	1,428,661	1,120,572	807,614
Amounts due from jointly controlled entities	27	749	2,841	21,699
Tax recoverable		12,406	10,018	3,673
Financial assets at fair value through profit or loss	29	3,984	4,545	4,608
Deposits, cash and bank balances	30	644,201	616,188	795,004
		2,581,511	2,179,414	2,017,602
Asset held for sale	18	1,321,672	–	–
Total assets		5,954,817	5,408,484	4,388,340

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM'000	Group 31.12.2011 RM'000 (restated)	01.01.2011 RM'000 (restated)
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	31	1,387,811	1,386,155	1,382,432
Accumulated losses		(136,354)	(186,788)	(265,905)
Other reserves		166,744	176,818	169,698
		1,418,201	1,376,185	1,286,225
Non-controlling interests		69,144	38,131	35,252
Total equity		1,487,345	1,414,316	1,321,477
LIABILITIES				
Non-current liabilities				
Loan stocks	33	14,845	14,354	18,994
Senior and Junior Sukuk	35	–	1,058,485	828,633
Post-employment benefit obligations	36	12,666	12,478	11,507
Long term borrowings	37	890,040	1,317,688	813,624
Long term liabilities	38	153	1,473	107,715
Deferred tax liabilities	25	51,221	46,869	32,912
		968,925	2,451,347	1,813,385
Current liabilities				
Provisions for other liabilities and charges	34	60,498	31,050	12,409
Trade and other payables	39	893,722	1,046,732	879,507
Current tax liabilities		9,915	2,665	6,931
Senior and Junior Sukuk	35	1,058,471	–	–
Short term borrowings	41	1,360,941	352,231	354,631
Guaranteed return to a non-controlling interest		115,000	110,143	–
		3,498,547	1,542,821	1,253,478
Total liabilities		4,467,472	3,994,168	3,066,863
Total equity and liabilities		5,954,817	5,408,484	4,388,340

	Note	31.12.2012 RM'000	Company 31.12.2011 RM'000 (restated)	01.01.2011 RM'000 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	15	1,650	1,128	476
Investment properties	16	56,876	57,766	58,656
Land held for property development	17(a)	–	34,347	–
Subsidiaries	19	573,107	575,045	775,973
Associates	20	76,990	76,990	70,990
Jointly controlled entity	21	102,000	102,000	96,007
Long term loan and receivables	22	96,963	74,910	73,500
Available for sale financial assets	23	577	577	482
		908,163	922,763	1,076,084
Current assets				
Inventories	26	7,220	7,220	7,220
Trade and other receivables	27	57,923	134,232	144,638
Amounts due from subsidiaries	27	769,586	745,330	647,986
Amounts due from jointly controlled entities	27	26,606	99,703	81,779
Tax recoverable		1,282	2,400	–
Financial assets at fair value through profit or loss	29	3,791	4,217	4,232
Deposits, cash and bank balances	30	263,670	192,432	330,345
		1,130,078	1,185,534	1,216,200
Total assets		2,038,241	2,108,297	2,292,284

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM'000	Company 31.12.2011 RM'000 (restated)	01.01.2011 RM'000 (restated)
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	31	1,387,811	1,386,155	1,382,432
Accumulated losses		(181,940)	(231,649)	(265,425)
Other reserves		135,886	145,839	140,529
		1,341,757	1,300,345	1,257,536
LIABILITIES				
Non-current liabilities				
Post-employment benefit obligations	36	3,280	3,908	3,497
Long term borrowings	37	399,000	449,000	499,000
		402,280	452,908	502,497
Current liabilities				
Provisions for other liabilities and charges	34	15,750	7,000	–
Trade and other payables	39	50,033	176,294	209,399
Amounts due to subsidiaries	39	223,421	156,750	261,758
Current tax liabilities		–	–	1,894
Short term borrowings	41	5,000	15,000	59,200
		294,204	355,044	532,251
Total liabilities		696,484	807,952	1,034,748
Total equity and liabilities		2,038,241	2,108,297	2,292,284

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to equity holders of the Company									
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Currency translation differences RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2012 (as previously stated)	1,386,155	132,226	28,090	1,621	1,268	13,613	(202,850)	1,360,123	38,131	1,398,254
Prior year adjustments (Note 49)	-	-	-	-	-	-	16,062	16,062	-	16,062
At 1 January 2012 (restated)	1,386,155	132,226	28,090	1,621	1,268	13,613	(186,788)	1,376,185	38,131	1,414,316
Comprehensive income										
- Profit for the financial year	-	-	-	-	-	-	60,122	60,122	31,045	91,167
Other comprehensive income										
- Currency translation differences	-	-	-	-	(166)	-	-	(166)	(71)	(237)
Total comprehensive income	-	-	-	-	(166)	-	60,122	59,956	30,974	90,930

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to equity holders of the Company									
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Currency translation differences RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners										
Issue of shares										
- exercise of ESOS options	1,656	251	-	-	-	-	-	1,907	-	1,907
Employees' share option scheme (Note 31)		1,998	-	-	-	(1,998)	-	-	-	-
- options exercised	-	-	-	-	-	(3,597)	3,597	-	-	-
- options lapsed	-	-	-	-	-	(7,511)	7,511	-	-	-
- options rescinded	-	-	-	-	-	904	-	904	-	904
- options extended	-	-	-	-	-	-	-	-	-	-
Acquisition of additional interest in subsidiaries	-	-	-	45	-	-	-	45	99	144
Dividends (Note 50)										
- financial year ended 31 December 2011	-	-	-	-	-	-	(20,796)	(20,796)	-	(20,796)
Profit distribution by a jointly controlled entity										
- financial year ended 31 December 2012	-	-	-	-	-	-	-	-	(60)	(60)
Total transactions with owners	1,656	2,249	-	45	-	(12,202)	(9,688)	(17,940)	39	(17,901)
At 31 December 2012	1,387,811	134,475	28,090	1,666	1,102	1,411	(136,354)	1,418,201	69,144	1,487,345

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to equity holders of the Company									
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Currency translation differences RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2011	1,382,432	130,774	28,090	101	978	9,755	(265,905)	1,286,225	35,252	1,321,477
Comprehensive income										
- Profit for the financial year (restated)	-	-	-	-	-	-	93,524	93,524	14,463	107,987
Other comprehensive income										
- Currency translation differences	-	-	-	-	290	-	-	290	129	419
- Share of an associate's other comprehensive income	-	-	-	-	-	-	1,164	1,164	-	1,164
Total comprehensive income	-	-	-	-	290	-	94,688	94,978	14,592	109,570

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to equity holders of the Company									
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Currency translation differences RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners										
Issue of shares										
- exercise of ESOS options	3,723	1,452	-	-	-	-	-	5,175	-	5,175
Employees' share option scheme (Note 31)										
- options granted	-	-	-	-	-	3,858	-	3,858	-	3,858
Issue of shares	-	-	-	-	-	-	-	-	90	90
Acquisition of additional interest in subsidiaries	-	-	-	1,520	-	-	-	1,520	(8,708)	(7,188)
Dividends (Note 50)										
- financial year ended 31 December 2010	-	-	-	-	-	-	(15,571)	(15,571)	-	(15,571)
Profit distribution by a jointly controlled entity										
- financial year ended 31 December 2011	-	-	-	-	-	-	-	-	(3,095)	(3,095)
Total transactions with owners	3,723	1,452	-	1,520	-	3,858	(15,571)	(5,018)	(11,713)	(16,731)
At 31 December 2011 (as restated)	1,386,155	132,226	28,090	1,621	1,268	13,613	(186,788)	1,376,185	38,131	1,414,316

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Share capital (Note 31) RM'000	Non-distributable Share premium (Note 32) RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2012 (as previously stated)	1,386,155	132,226	13,613	(218,059)	1,313,935
Prior year adjustments (Note 49)	-	-	-	(13,590)	(13,590)
At 1 January 2012 (restated)	1,386,155	132,226	13,613	(231,649)	1,300,345
Comprehensive income					
- Profit for the financial year	-	-	-	59,397	59,397
Total comprehensive income	-	-	-	59,397	59,397
Transactions with owners					
Issue of shares					
- exercise of ESOS options	1,656	251	-	-	1,907
Employees' share option scheme (Note 31)					
- options exercised	-	1,998	(1,998)	-	-
- options lapsed	-	-	(3,597)	3,597	-
- options rescinded	-	-	(7,511)	7,511	-
- options extended	-	-	904	-	904
Dividend (Note 50)					
- financial year ended 31 December 2011	-	-	-	(20,796)	(20,796)
Total transactions with owners	1,656	2,249	(12,202)	(9,688)	(17,985)
At 31 December 2012	1,387,811	134,475	1,411	(181,940)	1,341,757

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Share capital (Note 31) RM'000	Non-distributable Share premium (Note 32) RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2011	1,382,432	130,774	9,755	(265,425)	1,257,536
Comprehensive income					
- Profit for the financial year (restated)	-	-	-	49,347	49,347
Total comprehensive income	-	-	-	49,347	49,347
Transactions with owners					
Issue of shares					
- exercise of ESOS options	3,723	1,452	-	-	5,175
Employees' share option scheme (Note 31)					
- options granted	-	-	3,858	-	3,858
Dividend (Note 50)					
- financial year ended 31 December 2010	-	-	-	(15,571)	(15,571)
Total transactions with owners	3,723	1,452	3,858	(15,571)	(6,538)
At 31 December 2011 (as restated)	1,386,155	132,226	13,613	(231,649)	1,300,345

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM'000	Group 2011 RM'000 (restated)	2012 RM'000	Company 2011 RM'000 (restated)
OPERATING ACTIVITIES					
Profit attributable to equity holders of the Company		60,122	93,524	59,397	49,347
Adjustments for:					
Tax			42,835	15,326	18,602
Non-controlling interests		31,045	14,463	–	–
Share of results of					
- associates		(2,627)	1,469	–	–
- jointly controlled entities		758	2,852	–	–
Dividend income	6	(299)	(114)	(66,289)	(11,114)
Finance costs	12	118,495	35,213	21,862	24,462
Fair value adjustment		(1,775)	(1,398)	–	(216)
Impairment loss/(gain) on					
- subsidiaries		–	–	(474)	94,306
- associate		–	1,164	–	15,000
- property development costs	17(b)	8,255	–	–	–
- goodwill	24	1,998	–	–	–
Fair value loss of financial assets					
at fair value through profit or loss		561	63	426	15
Discount for investment		–	(21)	–	(65)
Bad debt written off		78	–	–	–
Inventory written off		2,764	–	–	–
Allowance/(write back) for doubtful debts		1,675	(4,142)	(21,033)	(22,614)
Property, plant and equipment					
- depreciation	15	8,014	7,463	547	372
- written off		3	36	3	2
- net gain on disposal		(1,526)	(55)	0	0
Depreciation of investment properties	16	11,956	3,745	890	890
Provision for					
- liabilities and charges	34	29,649	18,050	8,750	7,000
- post-employment benefits	36	2,449	1,994	838	635
Gain on disposal/dilution of					
- subsidiaries		–	–	–	(33,825)
- an associate		–	(5,290)	–	(5,290)
Finance income	8	(29,712)	(32,453)	(12,009)	(22,065)
Employees' share option scheme					
- value of service provided	10	904	3,858	385	596
Unrealised loss/(gain) on currency translation differences		114	(102)	112	(101)
Construction loss/(profit) from service concession asset		9,450	(34,979)	–	–
Operating profit before changes in working capital		295,186	120,666	12,007	99,246

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	Group 2012 RM'000	2011 RM'000 (restated)	Company 2012 RM'000	2011 RM'000 (restated)
OPERATING ACTIVITIES (cont'd)					
Changes in working capital:					
Property development costs		31,712	9,713	–	–
Inventories		4,240	1,112	–	–
Receivables		(307,672)	(188,891)	76,620	14,123
Amounts due from subsidiaries (net)		–	–	26,417	37,882
Amounts due from associates (net)		–	10	–	–
Amounts due from jointly controlled entities (net)		2,092	18,859	73,096	(17,924)
Amounts due to related parties (net)		–	(5,026)	109	(1,827)
Payables		(82,542)	112,428	(118,920)	10,637
Net cash flow from operations		(56,984)	68,871	69,329	142,137
Finance income received		22,658	23,923	4,955	20,655
Dividends received from					
- a subsidiary		–	–	49,500	8,250
- financial assets at fair value through profit or loss		251	176	238	176
Tax refunded		483	408	–	–
Tax paid		(43,760)	(31,988)	(985)	(3,455)
Interest expenses paid		(174,439)	(152,404)	(21,381)	(23,976)
Credit facilities arrangement fees paid		(587)	(1,430)	(587)	(430)
Retirement benefits paid		(2,261)	(1,023)	(1,466)	(224)
Liability and charges paid		(201)	(409)	–	–
(Pledged)/ released of bank balances and fixed deposits as security for borrowings		(1,274)	62,618	(32,664)	(8,916)
Net cash flow from operating activities		(256,114)	(31,258)	66,939	134,217

	Note	Group 2012 RM'000	2011 RM'000 (restated)	Company 2012 RM'000	2011 RM'000 (restated)
INVESTING ACTIVITIES					
Proceeds from disposal of Junior Sukuk		-	-	-	230,000
Redemption of preference shares in an associate		-	5,000	-	5,000
Proceeds from disposal of property, plant and equipment		5,482	80	1	1
Net cash flow from acquisition of interest in subsidiaries	5	-	(79,230)	-	-
Purchase of land held for property development		-	(34,460)	-	(34,347)
Purchase of property, plant and equipment		(7,534)	(15,885)	(1,072)	(1,026)
Purchase of investment properties		(203,869)	(297,178)	-	-
Payment for investment in the equity interest of a subsidiary		(4,644)	-	(4,644)	-
Additions in service concession asset		(65,464)	(305,632)	-	-
Balance of payment for acquisition of a subsidiary in prior year		-	(51,700)	-	(51,700)
Redemption of available for sale financial assets		-	449	-	449
Subscription of shares in					
- subsidiaries		-	-	(178)	(80,210)
- associate		0	(21,000)	0	(21,000)
- jointly controlled entity		-	(5,993)	-	(5,993)
- available for sale financial assets		-	(4)	-	(4)
- long term loan and receivables		-	-	(15,000)	-
Advances from /(to) subsidiaries		-	-	71,417	(217,620)
Net cash flow from investing activities		(276,029)	(805,553)	50,524	(176,450)
FINANCING ACTIVITIES					
Proceeds from term loans		799,011	822,487	70,000	50,000
Repayment of term loans		(221,279)	(318,473)	(130,000)	(144,200)
Proceeds from disposal of Junior Sukuk		-	230,000	-	-
Proceeds from rights issue and share options exercised		1,907	5,175	1,907	5,175
Issue of share capital of a subsidiary		99	90	-	-
Dividend paid		(20,796)	(15,571)	(20,796)	(15,571)
Profit distribution by a jointly controlled entity		(60)	(3,095)	-	-
Net cash flow from financing activities		558,882	720,613	(78,889)	(104,596)
CHANGES IN CASH AND CASH EQUIVALENTS		26,739	(116,198)	38,574	(146,829)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		371,076	487,274	167,881	314,710
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30	397,815	371,076	206,455	167,881

Note

"0" denotes as amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

1 GENERAL INFORMATION

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

The principal activities of the subsidiaries, jointly controlled entities and associates are described in Note 45 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

Level 21, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50470 Kuala Lumpur

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 8 March 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards (FRS), the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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 Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 BASIS OF PREPARATION (cont'd)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standard Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS).

Entities Other Than Private Entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 "Agriculture" and/or IC Interpretation 15 "Agreements for Construction of Real Estate", including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 December 2014. In presenting its first MFRS financial statements, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, may be made retrospectively against opening retained earnings.

(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 2012 are as follows:

- The revised FRS 124 "Related Party Disclosures" removes the exemption to disclose transactions between government related entities and the government, and all other government related entities. The following new disclosures are now required for government related entities:
 - The name of the government and the nature of their relationship;
 - The nature and amount of each individually significant transactions; and
 - The extent of any collectively significant transactions, qualitatively or quantitatively.

There is no financial impact on the results of the Group and Company as these changes only affect disclosures.

- Amendment to FRS 7 "Financial Instruments: Disclosures on Transfer of Financial Assets" promotes transparency in reporting of transfer transactions and improves users' understanding of the risk exposures relating to transfers of financial assets and the effects of those risks on an entity's financial position, particularly those involving securitisation of financial assets. There is no financial impact on the results of the Group and Company as these changes only affect disclosures.

(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

In the next financial year, the Group and the Company will continue to apply the Financial Reporting Standards framework. The Group and the Company will be adopting MFRS from the financial year beginning on 1 January 2014. In adopting the new framework, the Group and Company will be applying MFRS 1 "First-time Adoption of MFRS" which provides for certain mandatory and optional exemptions for first-time MFRS adopters.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 BASIS OF PREPARATION (cont'd)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)

The Group and the Company will apply the following new standards, amendments to published standards and interpretations:

Financial year beginning on/after 1 January 2013

- FRS 10 "Consolidated Financial Statements" changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in FRS 127 "Consolidated and Separate Financial Statements" and IC Interpretation 112 "Consolidation – Special Purpose Entities".
- FRS 11 "Joint Arrangements" requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
- FRS 12 "Disclosures of Interests in Other Entities" sets out the required disclosures for entities reporting under the two new standards, FRS 10 and FRS 11, and replaces the disclosure requirements currently found in FRS 128 "Investments in Associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- FRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in FRS 7 "Financial Instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.
- The revised FRS 127 "Separate Financial Statements" includes the provisions on separate financial statements that are left after the control provisions of FRS 127 have been included in the new FRS 10.
- The revised FRS 128 "Investments in Associates and Joint ventures" includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of FRS 11.
- Amendment to FRS 7 "Financial Instruments: Disclosures" requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.
- Amendment to FRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in 'Other Comprehensive Income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 BASIS OF PREPARATION (cont'd)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)
- Amendment to FRS 119 "Employee Benefits" makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. FRS 119 shall be withdrawn on application of this amendment.

The Group and Company are in the process of making an assessment on the potential impact of the above standards on the financial statements.

Financial year beginning on/after 1 January 2014

- Amendment to FRS 132 "Financial Instruments: Presentation" does not change the current offsetting model in FRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria. There is no financial impact on the results of the Group and Company as these changes only affect disclosures.

Financial year beginning on/after 1 January 2015

- FRS 9 "Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities" replaces the multiple classification and measurement models in FRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from FRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity. The guidance in FRS 139 on impairment of financial assets and hedge accounting continues to apply. FRS 7 requires disclosures on transition from FRS 139 to FRS 9.

The Group and Company is in the process of making an assessment on the potential impact of this standard on the financial statements.

2.2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to govern the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

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.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note 2.7 on intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling interest's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interest's share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributable to the parent and the non-controlling interest, even if the attributable losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit and loss attributable to non-controlling interests for prior year is not restated.

Change in accounting policy

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

Change in accounting policy (cont'd)

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds of the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary and is recognised in the profit or loss.

(b) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate and joint venture of financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Refer accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with the Group.

(d) Jointly controlled entities

Jointly controlled entities are corporations, partnership or other entities over which there is a contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Jointly controlled entities (cont'd)

Investments in jointly controlled entities are stated at cost. 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 jointly controlled entities 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 jointly controlled entities in the profit or loss and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

2.3 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

All foreign exchange gains and losses are presented in the statements of comprehensive income within other expenses.

The principal closing rates used in translation of foreign currency amounts were as follows:

Foreign currency	31.12.2012 RM	31.12.2011 RM
100 Thai Baht	9.91	9.90
1 Australian Dollar	3.19	3.21
1 UK Pound	4.95	4.88

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 FOREIGN CURRENCIES (cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statement of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 INVESTMENTS

Investments in subsidiaries, jointly controlled entities and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the profit or loss.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Freehold land is not depreciated as it has an infinite life. Construction in progress are also not depreciated as these assets are not available for use. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts to their residual values over their estimated useful lives summarised as follows:

Buildings	50 years
Plant and machinery	5 to 10 years
Furniture, fittings, office equipment and computers	3 to 20 years
Motor vehicles	3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are credited or charged to other expenses in the profit or loss.

2.6 INVESTMENT PROPERTIES

Investment properties, comprising land and buildings, are held for long term rental yields or for capital appreciation.

Investment properties are stated at cost less any accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives of 50 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognised from the statement of financial position. The difference between the net disposal proceeds and the carrying amount is credited or charged to the profit or loss in the financial year of the retirement or disposal.

Investment properties also include properties that are under construction for future use as investment properties. These investments are also carried at cost.

2.7 INTANGIBLE ASSETS

(a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arise. 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 over its useful life. The amortisation period and method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an indication exists, the carrying amount of the development rights is assessed and written down immediately to its recoverable amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 LEASES

Finance Lease

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charges is charged to the profit or loss over the lease period.

The Directors have applied the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of FRS 117 "Leases" which allows the prepaid lease payments to be stated at its previous year's valuation less amortisation. Accordingly, the valuation has not been updated.

Leasehold land are amortised over the period of the respective leases ranging from 66 years to 99 years. Amortisation is computed on the straight line method to write off the cost of each asset over its estimated useful life. The principal annual depreciation rate for related building is 2% per annum.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Operating Lease

Leases of assets where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the profit or loss on the straight-line basis over the lease period.

2.9 PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

Land held for property development consists of land or such portion thereof on which no significant development work has been undertaken or where development activities is not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group and the Company had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201₂₀₀₄ "Property Development Activities". Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Land held for property development is transferred to property development costs (under current assets) (Note 2.9(b)) when development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Borrowing costs are capitalised in accordance with Note 2.22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land or such portion thereof and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are transferred from land held for property development (Note 2.9(a)) when physical development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Property development costs are recognised when incurred.

When the outcome of the development activity can be estimated reliably, property development revenue and costs are recognised as revenue and expenses respectively by reference to stage of completion of development activity at reporting date. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised 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:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{SCA}$$

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 SERVICE CONCESSION ASSET (cont'd)

Where an indication of impairment exists, the carrying amount of the SCA is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

2.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and related allocation costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.12 RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due. Receivables are classified as current assets if at the time the amount is due in one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current assets.

2.13 CONSTRUCTION CONTRACTS

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Construction contracts are recognised when incurred. Contract revenue is recognised based on percentage of completion method. The stage of completion of a construction contract is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as recoverables, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the attributable profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as 'Amounts due from customers on contracts' under trade and other receivables. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as 'Amounts due to customers on contracts' under trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 EMPLOYEE BENEFITS

(a) Short term employee benefits

The Group and the Company recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group and the Company.

(b) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices. These benefits plans are either defined contribution or defined benefit plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years. A defined contribution plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors, such as age, years of service or compensation.

The Group's and the Company's contributions to defined contribution plan are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Group and the Company provide for unfunded retirement benefits to eligible employees that have been in the service of the Group and the Company for a continuous period of at least ten (10) years.

This scheme is closed to new employees since 1 August 2002.

The Group determines the present value of the defined benefit obligation with sufficient regularity such that the liability recognised in the financial statements does not differ materially from the amount that would have been determined as at that date. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified independent actuary after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 12 July 2012.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 EMPLOYEE BENEFITS (cont'd)

(b) Post-employment benefits (cont'd)

Defined benefit plan (cont'd)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are not recognised unless the cumulative unrecognised gain or loss at the end of the previous reporting period exceeds the greater of 10 per cent of the scheme assets or liabilities (the corridor approach). In these circumstances, the excess is recognised in profit or loss over the employees' expected average remaining working lives.

Past service costs are recognised immediately in profit or loss, unless the changes to the plan are conditional on the related employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

(c) Share-based compensation

The Group and the Company operate an equity-settled, share-based compensation plan for the employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group and the Company revise its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 PROVISIONS

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group provides for estimated liability on projects still under progress at the reporting date. This provision is calculated based on contract agreements/past histories.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 PAYABLES

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 SENIOR AND JUNIOR SUKUK

The Senior and Junior Sukuk (Sukuk) are Islamic securities issued in accordance with the Syariah principle of Istisna'. Sukuk issued by the Group are stated at net proceeds received on issue. The Sukuk issuance expenses which represent the difference between the net proceeds and the total amount of the payment of the Sukuk are allocated to the periods over the term of the Sukuk at a constant rate on the carrying amounts. Both the finance charges and issuance expenses are capitalised in the construction costs of the Eastern Dispersal Link Highway (EDL) project.

Upon completion of the EDL project, the finance charges of the Senior and Junior Sukuk are expensed in profit or loss.

2.18 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, short term, highly liquid investments with original maturities of three months or less and bank overdrafts and exclude the designated bank balances of which have been charged as security for borrowings.

Bank overdrafts are presented within borrowings in current liabilities on the statement of financial position.

2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (cont'd)

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

2.20 INCOME TAX

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits. Tax is recognised in the profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.21 IMPAIRMENT OF NON – FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverse an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 INTEREST CAPITALISATION

Interest incurred on borrowings to finance the construction of property, plant and equipment is capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the assets for its intended use. Interests relating to property development activities, construction contracts are accounted for in a similar manner. All other borrowings costs are expensed on an effective interest rate method.

2.23 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company's activities. Revenue is shown net of service tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue relating to long term engineering contracts and property development activities are accounted for using the percentage of completion method.

Other revenues earned by the Group and the Company are recognised on the following bases:

Rental income	- on the accrual basis
Interest income	- on the effective interest rate method
Dividend income	- when the shareholder's right to receive payment is established
Building services	- on the accrual basis
Management fees	- on the accrual basis

2.24 INTERIM PAYMENT FROM GOVERNMENT

Interim payment from the government are recognised at their fair value where there is a reasonable assurance that the compensation will be received and the Group will comply with all attached conditions.

Interim payment from Government relating to costs are recognised in profit or loss over the periods to match the related costs for which the compensation are intended.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition:

- Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or incurred principally for the purpose of selling or re-purchasing it in the short-term. Assets in this category are classified as current assets;
- Loans and receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are classified as current assets or non-current assets for maturities greater than 12 months after the end of the reporting period; and
- Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial assets that cannot be classified as financial assets at fair value through profit or loss, loans and receivables or cash and cash equivalents. These assets are included in non-current assets unless the financial assets mature or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset).

Financial assets other than financial assets carried at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement – gain and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and cash and cash equivalents are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 FINANCIAL INSTRUMENTS (cont'd)

Subsequent measurement – gain and losses (cont'd)

Changes in the fair value of the “financial assets available-for-sale” category are recognised in other comprehensive income. When assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss.

Fair values for quoted investments are based on observable market prices.

Offsetting financial assets

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

De-recognition

Financial assets are de-recognised when the right to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivable that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available for sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 FINANCIAL INSTRUMENTS (cont'd)

Subsequent measurement - impairment of financial assets (cont'd)

Assets carried at amortised cost (cont'd)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial statement original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectable, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.26 SEGMENT REPORTING (cont'd)

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

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.

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.

2.29 BORROWINGS AND BORROWING COSTS

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.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

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. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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:

(a) Impairment of land held for development and development cost

The Group carried out the impairment test based on a variety of estimation including value-in-use of the cash generating unit (CGU) to which the development costs and property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Revenue recognition

Property Development and Construction Contracts

The Group and the Company recognise property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development cost incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

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 contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and work of specialists.

(c) Provision for Liquidated Ascertained Damages (LAD)

LAD is a possible obligation that arise from the late delivery of property development or construction activities. In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the Extension of Time application based on circumstances of the projects, specific past experiences with the employers and expert advice (Note 34).

(d) Impairment of goodwill and other intangible assets with finite useful lives (Development Right)

The Group tested at least annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Note 2.21. The recoverable amounts of cash generated units have been determined based on value-in-used and/or fair value less cost to sell calculations as appropriate. These calculations require the use of estimates. Refer to Note 2.21 for details of impairment testing of goodwill and other intangible assets with definite or indefinite useful lives.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(e) Impairment of asset held for sale (Service Concession Asset)

The Group determines whether the service concession asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its cost. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of method is used to determine the recoverable amount, such as valuation report and discounted cash flows or based on fair value less cost to sell. For discounted cash flows, significant judgement is the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the impairment test of the Group.

(f) Fair value of share options

In determining the fair value of options as disclosed in Note 31 to the financial statements, judgement is required in respect of assumptions used in arriving at the fair value. In arriving at the assumptions used, the Group relied on past experience and work of specialists.

4 FINANCIAL RISK MANAGEMENT

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, liquidity and cash flow risks, credit risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Group does not trade in financial instruments.

(i) Interest rate risk

Interest rate risks arise mainly from the Group's short-term deposits and borrowings. The Group's short-term deposits are placed at prevailing interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk through the use of fixed and floating rate debt.

The Group's outstanding borrowings as at year end at variable rates on which hedges have not been entered into, are denominated in RM. If the borrowings at variable rates on which hedges have not been entered, its annual interest rates increase/decrease by 1% respectively (2011: 1%) with all other variables including tax rate being held constant, the result after tax will be lower/higher by 5% (2011: 4%) as a result of higher/lower interest expense on these borrowings.

(ii) Liquidity and cash flow risk

The Group manages its liquidity risk by maintaining sufficient levels of cash or cash convertible investments and available credit facilities to meet its working capital requirements.

4 FINANCIAL RISK MANAGEMENT (cont'd)

(ii) Liquidity and cash flow risk (cont'd)

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.

	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 2012				
Trade and other payables	831,902	180	–	832,082
Borrowings	1,415,866	914,152	129,325	2,459,343
Sukuk	1,084,922	–	–	1,084,922
Loan stocks	–	16,800	–	16,800
Guaranteed return to a non-controlling interest	115,000	–	–	115,000
	3,447,690	931,132	129,325	4,508,147
At 31 December 2011				
Trade and other payables	1,037,165	572	–	1,037,737
Borrowings	431,183	1,421,815	26,469	1,879,467
Sukuk	81,843	327,374	1,611,580	2,020,797
Loan stocks	–	16,800	–	16,800
Guaranteed return to a non-controlling interest	115,000	–	–	115,000
	1,665,191	1,766,561	1,638,049	5,069,801
The Company				
At 31 December 2012				
Trade and other payables	38,642	–	–	38,642
Amounts due to subsidiaries	223,421	–	–	223,421
Borrowings	24,226	338,992	129,325	492,543
	286,289	338,992	129,325	754,606
At 31 December 2011				
Trade and other payables	173,623	–	–	173,623
Amounts due to subsidiaries	156,750	–	–	156,750
Borrowings	36,399	514,152	–	550,551
	366,772	514,152	–	880,924

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

4 FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Credit risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. The Group seeks to invest cash assets safely and profitably. Credit risks are minimised given the Group's policy of selecting only counterparties with high creditworthiness.

The Group closely monitors collections from these customers. In addition, the Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

The Group has significant concentrations of credit risk as disclosed in Note 27 to the financial statements.

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.

(iv) 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 Group's and Company's gearing ratio. The gearing ratio is calculated as total debt divided by total capital. Total debts is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statements of financial position).

The gearing ratios at 31 December 2012 and 31 December 2011 were as follows;

	Group	
	2012 RM'000	2011 RM'000 (restated)
Total debt	3,324,297	2,742,758
Total equity	1,418,201	1,376,185
Total capital		4,742,498
Gearing ratio (%)	70	67

4 FINANCIAL RISK MANAGEMENT (cont'd)

(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 group companies) and short term borrowings.

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 2012.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
ASSETS				
Level 1				
Available for sale financial assets	577	577	577	577
Financial assets at fair value through profit or loss	3,984	4,545	3,791	4,217
Level 3				
Long term loan and receivables	81,963	74,910	96,963	74,910

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.

The Group does not hold any financial assets or liabilities that are fair valued at Level 2.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

5 ACQUISITION OF SUBSIDIARIES

Financial year ended 31 December 2012

There were no acquisition of subsidiary during the financial year.

Financial year ended 31 December 2011

- (i) On 31 March 2011, the Company's wholly owned subsidiary, Transmission Technology Sdn. Bhd. (TTSB) entered into a Termination & Settlement Agreement with Sharikat Permodalan Kebangsaan Berhad and Komunikasi SPK Sdn Bhd (SPK) to have mutual termination of the Consortium Agreement dated 18 July 2001.

Pursuant to the agreement, SPK waived all future interest, rights and benefits of the consortium. All monies paid to date to SPK as distribution of profits or capital or advances was treated as full and final settlement of claims and disputes between the parties. SPK was released from all obligations, liabilities and responsibilities of the consortium. Consequently, TTSB-SPK Consortium became wholly controlled by the Group.

- (ii) On 7 April 2011, the Company entered into a Share Sale Agreement with 3 individuals to acquire the entire equity interest represented by 200,000 ordinary shares of RM1.00 each in 59 INC Sdn. Bhd. for a cash consideration of up to RM110 million. The provisional fair value of assets and liabilities at the date of acquisition was included in the financial statements for the financial year ended 31 December 2011.

During the financial year ended 31 December 2012 and within twelve (12) months from the date of acquisition, the fair values of the assets and liabilities at the date of acquisition were finalised. Furthermore, there were reduction to the purchase consideration of RM30,000,000 as stipulated in the Share Sale Agreement. This led to principally a decrease in development rights (intangible assets) on acquisition of 59 INC Sdn. Bhd. of RM18,850,000, an increase in trade and other payables of RM15,000,000 and a decrease of deferred tax liabilities of RM3,750,000 following the revision in fair value of net assets acquired and purchase consideration analysed as follows:

	Provisional fair value RM'000	Final fair value RM'000
Investment property	–	32,265
Land held for property development	155,200	122,935
Development rights	36,867	18,017
Other receivable	94	194
Trade and other payables	(57,814)	(72,814)
Deferred tax liabilities	(24,347)	(20,597)
	110,000	80,000

5 ACQUISITION OF SUBSIDIARIES (cont'd)

At date of
acquisition
2011
RM'000
(restated)

Fair value of net assets acquired:

Investment property	32,265
Land held for property development	122,935
Trade and other receivables	35,381
Amount due from a joint venture partner	188
Bank balances	770
Trade and other payables	(109,147)
Deferred tax liabilities	(20,597)

Fair value of net assets acquired	61,795
Development rights	18,017
Goodwill on acquisition	188

Purchase consideration	80,000
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Less:

Cash and cash equivalents of subsidiaries acquired:	
- cash and bank balances	(770)

Cash outflow on acquisition	79,230
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The effects of the above acquisitions on the financial results of the Group from the date of the respective acquisitions which occurred in the financial year ended 31 December 2011 were as follows:

2011
RM'000

Other operating income	577
Operating costs	-
Profit on operations	577
Finance cost	-
Profit before taxation	577
Taxation	-
Net profit attributable to shareholders	577

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

5 ACQUISITION OF SUBSIDIARIES (cont'd)

The effects of the above acquisitions on the financial position of the Group as at 31 December 2011 were as follows:

	At 31.12.2011 RM'000 (restated)
Investment property	32,265
Land held for property development	124,833
Development rights	18,017
Trade and other receivables	29,286
Deposits and bank balances	59
Trade and other payables	(29,150)
Long term liabilities	(20,597)
	<u>154,713</u>

6 REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Property development	592,320	433,156	34,348	–
Construction contracts	523,135	679,579	87,130	228,660
Building services	69,851	59,675	–	–
Rental income	87,634	51,683	16,299	16,365
Rendering of other services	9,125	1,658	–	–
Dividend income (gross)	299	114	66,289	11,114
Management fees	–	–	26,713	23,546
Other income	840	840	1,216	1,213
	<u>1,283,204</u>	<u>1,226,705</u>	<u>231,995</u>	<u>280,898</u>

7 COST OF SALES

	Group		Company	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Property development	375,332	299,310	34,347	–
Construction contract	507,338	628,495	80,521	238,555
Building services	44,888	37,288	–	–
Rental income	48,901	34,345	10,246	10,248
Cost of inventories sold	4,240	1,115	–	–
Rendering of other services	7,356	893	–	–
	<u>988,055</u>	<u>1,001,446</u>	<u>125,114</u>	<u>248,803</u>

8 OTHER INCOME

	Group		Company	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Gain on disposal of:				
- an associate	-	5,290	-	5,290
- Junior Sukuk	-	-	-	33,825
	-	5,290	-	39,115
Others comprise:				
Rental income:				
- land and buildings	1,573	1,440	1,696	1,534
- other assets	-	22	-	-
	1,573	1,462	1,696	1,534
Interim payment from Government (Note 18)	68,277	-	-	-
Others	12,954	8,229	338	813
	82,804	9,691	2,034	2,347
Finance income from:				
- Unwinding of discount for financial assets	7,053	8,530	7,053	1,410
- fixed deposits	9,143	5,029	3,221	3,296
- others	13,516	18,894	1,735	17,359
	29,712	32,453	12,009	22,065

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

9 PROFIT BEFORE INCOME TAX

	Group		Company	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Profit before income tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit	625	618	140	127
- other services	738	370	317	198
Staff costs (including remuneration of executive directors) (Note 10)	82,797	92,562	20,429	20,285
Property, plant and equipment:				
- depreciation	8,014	7,463	547	372
- written off	3	36	3	2
- net gain on disposal	(1,526)	(55)	(0)	(0)
Depreciation of investment properties	11,956	3,745	890	890
Impairment losses/(write back) on:				
- subsidiaries	-	-	(474)	94,306
- associate	-	1,164	-	15,000
- available for sale financial assets	-	(539)	-	(539)
- property development costs	8,255	-	-	-
- goodwill	1,998	-	-	-
Inventories written off	2,764	-	-	-
Fair value loss of financial assets at fair value through profit or loss	561	63	426	15
Rental of:				
- premises	10,956	11,836	11,436	11,251
- motor vehicles	1	-	1	-
- office equipment	424	426	121	111
Capital repayment from a subsidiary *	-	-	-	(104,318)
Provision for liabilities and charges	29,649	18,050	8,750	7,000
Net realised loss on foreign exchange	1	1	-	-
Unrealised (gain)/loss on foreign exchange	114	(102)	112	(101)

Included in cost of sales were direct operating expenses from investment properties that generated rental income of the Group and of the Company during the financial year amounted to RM28,223,570 (2011: RM15,779,270) and RM1,156,011 (2011: RM1,902,756) respectively.

* The capital repayment from a subsidiary represents a non-cash transaction and this is included in 'other operating expenses – others'.

10 STAFF COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages, salaries and bonus	63,597	68,554	14,885	14,227
Defined contribution plan	7,885	8,922	1,841	2,007
Defined benefit plan (Note 36)	2,449	1,994	838	635
Share options (Note 31)	904	3,858	385	596
Other employee benefits	7,962	9,234	2,480	2,820
	82,797	92,562	20,429	20,285

The number of persons employed by the Group and the Company at the end of the financial year was 1,221 (2011: 1,218) and 174 (2011: 164) respectively.

11 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year were as follows:

Non-executive Directors

Tan Sri Azlan Mohd Zainol (Chairman)
 Datuk Shahril Ridza Ridzuan
 Dato' Abdul Rahman Ahmad
 Dato' Ahmad Ibnihajar
 Che King Tow
 Dato' Chong Pah Aung
 Jamaludin Zakaria

Executive Directors

Datuk Mohamed Razeek Md Hussain Maricar (Chief Executive Officer) (resigned on 18 August 2012)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

11 DIRECTORS' REMUNERATION (cont'd)

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year were as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-executive Directors:				
- fees	450	403	450	399
- emoluments	180	180	180	180
	630	583	630	579
Executive Directors:				
- salaries and bonus	739	1,445	739	1,445
- defined contribution plan	125	310	125	310
- other employee benefits	76	169	76	169
	940	1,924	940	1,924
	1,570	2,507	1,570	2,503
Benefits-in-kind				
Executive director	10	31	10	31
Non-executive director	4	–	4	–
	14	31	14	31

12 FINANCE COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Arrangement fees for borrowings	587	1,430	587	430
Interest expense on:				
- Senior and Junior Sukuk	61,382	–	–	–
- term loans	46,342	26,069	21,275	24,032
- hire purchase	48	154	–	–
- loan stock	536	672	–	–
- others	1,820	–	–	–
Amortisation of loan issuance cost	2,923	2,262	–	–
Accretion of liability	4,857	4,626	–	–
	118,495	35,213	21,862	24,462

13 INCOME TAX EXPENSE

(a) Tax charged/(credited) for the financial year

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
In Malaysia:				
Current tax	45,559	22,972	16,000	2,533
Under/(over) provision in prior years	2,580	(1,344)	2,602	(622)
	48,139	21,628	18,602	1,911
Deferred tax (Note 25)	(5,304)	(6,302)	–	–
	42,835	15,326	18,602	1,911
Income tax expense				
Current tax				
Current year	45,559	22,972	16,000	2,533
Under/(over) provision in prior years	2,580	(1,344)	2,602	(622)
	48,139	21,628	18,602	1,911
Deferred tax				
Origination net of reversal of temporary differences				
Current year	(6,728)	(2,116)	–	–
Under/(over) provision in prior years	1,424	(4,186)	–	–
	(5,304)	(6,302)	–	–
	42,835	15,326	18,602	1,911

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

13 INCOME TAX EXPENSE (cont'd)

(b) Numerical reconciliation of income tax expense

The explanation of the relationship between income tax expense and profit before income tax is as follows:

	2012 RM'000	Group 2011 RM'000 (restated)	2012 RM'000	Company 2011 RM'000 (restated)
Profit before income tax	134,002	123,313	77,999	51,258
Tax calculated at the Malaysian tax rate of 25% (2011: 25%)	33,500	30,828	19,500	12,814
Tax effects of:				
Income not subject to tax	(15,007)	(13,435)	(7,680)	(36,709)
Expenses not deductible for tax purposes	23,610	13,468	5,493	25,862
Net utilisation of tax losses not recognised in previous years	(12,363)	(7,792)	–	–
Movement of unrecognised deductible temporary differences	9,091	(2,955)	(1,225)	141
Under/(over) provision of tax in prior years	2,580	(1,344)	2,602	(622)
Under/(over) provision of deferred tax in prior years	1,424	(4,186)	–	–
Group relief	–	–	(88)	(99)
Tax on share of income in jointly controlled entity	–	742	–	524
Income tax expense	42,835	15,326	18,602	1,911

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 2012	2011 (restated)
Profit attributable to the equity holders of the Company (RM'000)	60,122	93,524
Weighted average number of ordinary shares in issue ('000)	1,386,725	1,384,969
Basic earnings per share (sen)	4.34	6.75*

(b) Diluted earnings per share

Profit attributable to the equity holders of the Company (RM'000)	60,122	93,524
Weighted average number of ordinary shares in issue ('000)	1,386,725	1,384,969
Adjustment for share options ('000)	29	2,138
Adjusted weighted average number of ordinary shares in issue ('000)	1,386,754	1,387,107
Diluted earnings per share (sen)	4.34	6.74*

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 were not included in the calculation because the fair value of the issued ordinary shares as at 31 December 2012 was lower than the said options prices.

* Due to the effects of the prior year adjustments (Note 49), the basic and diluted earnings per share for the financial year 31 December 2011 is higher and have been restated.

NOTES TO THE FINANCIAL STATEMENTS

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15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
Group						
2012						
Cost/valuation						
At 1.1.2012	11,022	20,678	63,633	10,103	3,818	109,254
Additions	489	4	3,200	775	3,066	7,534
Disposals	–	(90)	(6,101)	(3,431)	(825)	(10,447)
Written off	–	–	(1,083)	–	–	(1,083)
Reclassification	–	–	2,800	–	(2,800)	–
At 31.12.2012	11,511	20,592	62,449	7,447	3,259	105,258
Accumulated depreciation						
At 1.1.2012	834	4,184	50,585	8,031	–	63,634
Charge for the financial year	307	2,037	4,554	1,116	–	8,014
Released on disposal	–	–	(3,136)	(3,355)	–	(6,491)
Written off	–	–	(1,080)	–	–	(1,080)
At 31.12.2012	1,141	6,221	50,923	5,792	–	64,077
Accumulated impairment losses						
At 1.1.2012/31.12.2012	–	–	2,431	–	–	2,431

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
Group						
2011						
Cost/valuation						
At 1.1.2011	11,022	11,051	58,459	9,981	3,648	94,161
Additions	–	6,010	5,923	134	3,818	15,885
Disposals	–	(31)	(728)	(266)	–	(1,025)
Written off	–	–	(264)	(8)	–	(272)
Reclassification	–	3,648	–	–	(3,648)	–
Acquisition of a subsidiary	–	–	243	262	–	505
At 31.12.2011	11,022	20,678	63,633	10,103	3,818	109,254
Accumulated depreciation						
At 1.1.2011	688	2,544	46,854	6,816	–	56,902
Charge for the financial year	146	1,656	4,434	1,227	–	7,463
Released on disposal	–	(16)	(718)	(266)	–	(1,000)
Written off	–	–	(228)	(8)	–	(236)
Acquisition of a subsidiary	–	–	243	262	–	505
At 31.12.2011	834	4,184	50,585	8,031	–	63,634
Accumulated impairment losses						
At 1.1.2011/31.12.2011	–	–	2,431	–	–	2,431
Net book value						
At 31.12.2012	10,370	14,371	9,095	1,655	3,259	38,750
At 31.12.2011	10,188	16,494	10,617	2,072	3,818	43,189
At 1.1.2011	10,334	8,507	9,174	3,165	3,648	34,828

NOTES TO THE FINANCIAL STATEMENTS

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15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Details of the freehold land and buildings of the Group are as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
2012			
Cost			
At 1.1.2012	6,269	4,753	11,022
Additions	–	489	489
At 31.1.2012	6,269	5,242	11,511
Accumulated depreciation			
At 1.1.2012	–	834	834
Charge for the financial year	–	307	307
At 31.12.2012	–	1,141	1,141
2011			
Cost			
At 1.1.2011/31.12.2011	6,269	4,753	11,022
Accumulated depreciation			
At 1.1.2011	–	688	688
Charge for the financial year	–	146	146
At 31.12.2011	–	834	834
Net book value			
At 31.12.2012	6,269	4,101	10,370
At 31.12.2011	6,269	3,919	10,188
At 1.1.2011	6,269	4,065	10,334

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
Company			
2012			
Cost			
At 1.1.2012	8,404	172	8,576
Additions	1,072	–	1,072
Disposals	(88)	–	(88)
Written off	(5)	–	(5)
At 31.12.2012	9,383	172	9,555
Accumulated depreciation			
At 1.1.2012	7,324	124	7,448
Charge for the financial year	512	35	547
Released on disposal	(88)	–	(88)
Written off	(2)	–	(2)
At 31.12.2012	7,746	159	7,905

NOTES TO THE FINANCIAL STATEMENTS

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15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
Company			
2011			
Cost			
At 1.1.2011	7,525	172	7,697
Additions	1,026	–	1,026
Disposals	(145)	–	(145)
Written off	(2)	–	(2)
At 31.12.2011	8,404	172	8,576
Accumulated depreciation			
At 1.1.2011	7,132	89	7,221
Charge for the financial year	337	35	372
Released on disposal	(145)	–	(145)
Written off	–	–	–
At 31.12.2011	7,324	124	7,448
Net book value			
At 31.12.2012	1,637	13	1,650
At 31.12.2011	1,080	48	1,128
At 1.1.2011	393	83	476

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	
	2012 RM'000	2011 RM'000
Group		
Motor vehicles	549	1,196

16 INVESTMENT PROPERTIES

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Construction in progress RM'000	Total RM'000
Group – 2012					
Cost/valuation					
At 1.1.2012	146,555	62,682	272,892	467,060	949,189
Additions	–	–	–	203,868	203,868
Reclassification	–	–	340,815	(340,815)	–
At 31.12.2012	146,555	62,682	613,707	330,113	1,153,057
Accumulated depreciation					
At 1.1.2012	–	6,605	49,962	–	56,567
Charge for the financial year	–	335	11,621	–	11,956
At 31.12.2012	–	6,940	61,583	–	68,523
Accumulated impairment loss					
At 1.1.2012/31.12.2012	–	6,825	37,014	–	43,839
Group – 2011					
Cost/valuation					
At 1.1.2011	146,555	30,417	118,283	324,491	619,746
Additions	–	–	–	297,178	297,178
Acquisition of a subsidiary	–	32,265	–	–	32,265
Reclassification	–	–	154,609	(154,609)	–
At 31.12.2011	146,555	62,682	272,892	467,060	949,189
Accumulated depreciation					
At 1.1.2011	–	6,270	46,552	–	52,822
Charge for the financial year	–	335	3,410	–	3,745
At 31.12.2011	–	6,605	49,962	–	56,567
Accumulated impairment loss					
At 1.1.2011/31.12.2011	–	6,825	37,014	–	43,839
Group					
Net book value					
At 31.12.2012	146,555	48,917	515,110	330,113	1,040,695
At 31.12.2011	146,555	49,252	185,916	467,060	848,783
At 1.1.2011	146,555	17,322	34,717	324,491	523,085

NOTES TO THE FINANCIAL STATEMENTS

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16 INVESTMENT PROPERTIES (cont'd)

Details of the leasehold land of the Group are as follows:

	At 1982 valuation RM'000	Leasehold land At cost RM'000	Total RM'000
Group			
2012			
Cost/valuation			
At 1.1.2012/31.12.2012	10,823	51,859	62,682
Accumulated amortisation			
At 1.1.2012	4,678	1,927	6,605
Charge for the financial year	210	125	335
At 31.12.2012	4,888	2,052	6,940
Accumulated impairment losses			
At 1.1.2012/31.12.2012	515	6,310	6,825
2011			
Cost/valuation			
At 1.1.2011	10,823	19,594	30,417
Acquisition of a subsidiary	–	32,265	32,265
At 31.12.2011	10,823	51,859	62,682
Accumulated amortisation			
At 1.1.2011	4,468	1,802	6,270
Charge for the financial year	210	125	335
At 31.12.2011	4,678	1,927	6,605
Accumulated impairment losses			
At 1.1.2011/31.12.2011	515	6,310	6,825
Net book value			
At 31.12.2012	5,420	43,497	48,917
At 31.12.2011	5,630	43,622	49,252
At 1.1.2011	5,840	11,482	17,322

16 INVESTMENT PROPERTIES (cont'd)

	Freehold land RM'000	Building RM'000	Total RM'000
Company – 2012			
Cost			
At 1.1.2012/31.12.2012	16,000	44,510	60,510
Accumulated depreciation			
At 1.1.2012	–	2,744	2,744
Charge for the financial year	–	890	890
At 31.12.2012	–	3,634	3,634
Company – 2011			
Cost			
At 1.1.2011/31.12.2011	16,000	44,510	60,510
Accumulated depreciation			
At 1.1.2011	–	1,854	1,854
Charge for the financial year	–	890	890
At 31.12.2011	–	2,744	2,744
Net book value			
At 31.12.2012	16,000	40,876	56,876
At 31.12.2011	16,000	41,766	57,766
At 1.1.2011	16,000	42,656	58,656

The investment properties of the Group and the Company with net book value of RM1,025,536,921 and RM56,875,494 respectively (2011: RM816,518,160 and RM57,765,705) have been charged as security for term loan facilities of the Group and of the Company (Notes 37 and 41).

The fair value of the properties as at the statement of financial position date was estimated at RM1,315,519,130 (2011: RM889,374,876) by the Directors. The valuation was based on an active market for all properties.

Borrowings costs of RM11,874,706 (2011: RM18,714,194) for the Group has been capitalised in the construction in progress for the investment properties during the financial year.

At 31 December 2012, there were no contractual obligations for future repairs and maintenance (2011: Nil).

NOTES TO THE FINANCIAL STATEMENTS

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16 INVESTMENT PROPERTIES (cont'd)

The net book value of the revalued leasehold land, had this asset been carried at cost less accumulated amortisation and impairment losses, is as follows:

	2012 RM'000	2011 RM'000
Group		
Leasehold land	2,928	3,041

The leasehold land of a subsidiary is stated at Directors' valuation based on a valuation by independent valuer in 1982 using the fair market value basis. In accordance with the transitional provision allowed by MASB upon first adoption of FRS 116 "Property, Plant and Equipment", the valuation of the leasehold land has not been updated, and they continue to be stated at its existing carrying amount less accumulated amortisation and impairment losses.

The leasehold land have unexpired periods of leases ranging from 32 years to 80 years.

17 PROPERTY DEVELOPMENT ACTIVITIES

17(a) Land held for property development

	2012 RM'000	Group 2011 RM'000	1.1.2011 RM'000 (restated)
Freehold land, at cost	185,270	185,157	210,162
Freehold land, at valuation	6,687	6,687	6,687
Leasehold land, at cost	43,076	169,042	15,973
Leasehold land, at valuation	42,356	42,356	42,356
Development expenditure	374,641	362,019	355,897
	652,030	765,261	631,075
Less: Accumulated impairment losses	(31,126)	(31,126)	(31,126)
	620,904	734,135	599,949
At start of financial year	734,135	599,949	569,451
Acquisition of freehold land	-	113	-
Acquisition of leasehold land	-	34,347	8,130
Development expenditure incurred	14,820	8,194	5,356
Transfer to property development costs (Note 17(b))	(128,051)	(31,403)	(9,281)
Upon acquisition of a subsidiary			
- freehold land, at cost	-	-	23,664
- leasehold land, at cost	-	122,935	-
- development costs	-	-	2,629
At end of financial year	620,904	734,135	599,949

17 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

17(a) Land held for property development (cont'd)

	Company	
	2012 RM'000	2011 RM'000
Leasehold land, at cost	–	34,347
	–	34,347
At start of financial year	34,347	–
Acquisition of leasehold land	–	34,347
Disposal of leasehold land	(34,347)	–
At end of financial year	–	34,347

Land held for property development comprises land costs, deemed land cost in respect of the KL Sentral development project and infrastructure costs incurred to date in respect of future development projects.

Included in the carrying value of land held for property development is an amount of RM496,894,819 (2011: RM495,179,220) relating to the KL Sentral development project undertaken by Kuala Lumpur Sentral Sdn. Bhd., a subsidiary of the Company. This development comprises commercial and residential properties, retail malls and a transportation hub. The expected completion date of the entire development is 2020. The subsidiary's directors have reviewed and approved a five (5) year period cash flow projection in deriving the value in use calculation. The cash flow projections were based on financial budgets approved by the subsidiary's directors. Key assumptions used in the cash flows/value in use calculations are as follows:

- (i) Discount rate at 8.31%
- (ii) The projects will be launched on the assumed due dates and the project cash flows will occur as projected.
- (iii) Proceeds from sales will be received as projected.
- (iv) The subsidiary will be engaged in property development.

Based on the value in use calculation, no impairment loss is required.

The Group reviews annually whether the land held for property development has suffered any impairment in accordance with the accounting policy stated in Note 2.21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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17 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

17(b) Property development costs

	Group	
	2012 RM'000	2011 RM'000
At start of financial year		
- land, at cost	262,025	240,250
- development costs	558,430	267,780
- accumulated costs charged to profit or loss	(411,958)	(140,891)
	408,497	367,139
Costs incurred during the financial year		
- transfer from land held for property development (Note 17(a))		
- land, at cost	126,154	28,282
- development costs	1,897	3,121
- development costs	128,051	31,403
	345,081	332,789
	473,132	364,192
Foreign currency translation		
- land, at cost	(273)	409
- development costs	(68)	64
	(341)	473
Costs charged to profit or loss	(391,272)	(323,307)
Impairment charged to profit or loss *	(8,255)	-
Reversal upon completion of projects		
- land, at cost	(4,599)	(6,916)
- development costs	(19,702)	(45,324)
- accumulated costs charged to profit or loss	24,301	52,240
At end of financial year	481,761	408,497
Analysed as follows:		
- land, at cost	383,307	262,025
- development costs	885,638	558,430
- accumulated costs charged to profit or loss	(778,929)	(411,958)
- Impairment charged to profit or loss	(8,255)	-
	481,761	408,497

* Development costs incurred to date in respect of a project for which no significant work has been undertaken was fully impaired by a subsidiary.

17 PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

17(b) Property development costs (cont'd)

Included in development expenditure are the following charges made during the financial year:

	Group 2012 RM'000	2011 RM'000
Interest capitalised	33,638	23,202

The interest capitalised by certain subsidiaries was in relation to loan specifically obtained for property development activities.

The freehold lands of certain subsidiaries are pledged as security for term loan facilities (Notes 37 and 41).

18 SERVICE CONCESSION ASSET AND ASSET HELD FOR SALE

	Group 2012 RM'000	2011 RM'000
Service Concession Asset	–	1,265,658
Asset held for sale	1,321,672	–

The Service Concession Asset (SCA) was in relation to the Concession Agreement between MRCB Lingkaran Selatan Sdn. Bhd., a wholly owned subsidiary of the Group, and the Government of Malaysia (GoM) in connection with the construction, operation, maintenance and toll collection of the Eastern Dispersal Link Expressway (EDL) for a concession period of 34 years, ending in 2042. The construction of EDL was completed on 31 March 2012 and was opened to traffic on 1 April 2012.

Borrowing costs of RM22,515,090 (2011: RM83,209,186) has been capitalised in the construction cost in relation to the SCA during the financial year.

The project has been charged as security for the Sukuk Istisna' as disclosed in Note 35.

The SCA has been presented as asset held for sale following the GoM's decision to take over EDL on 10 September 2012. The completion date of the transaction is expected to be within the next twelve (12) months.

Pending conclusion of the settlement terms of the take over, the GoM has approved interim payments commencing 1 May 2012 to reimburse the operating and maintenance expenses inclusive finance cost in relation to the expressway incurred by MRCB Lingkaran Selatan Sdn. Bhd.. The reimbursement has been reflected in Note 8 to the financial statements.

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19 SUBSIDIARIES

	2012 RM'000	Company 2011 RM'000 (restated)	1.1.2011 RM'000
Unquoted shares at cost in Malaysia	765,010	769,050	1,016,075
Less: Accumulated impairment losses			
- At start of financial year	(196,595)	(240,102)	(236,731)
- Write back/(charge) for the financial year	475	(94,306)	(3,371)
- Write off upon member's voluntary liquidation	4,217	137,813	–
	(191,903)	(196,595)	(240,102)
	573,107	572,455	775,973
Loan stocks	17,333	19,923	17,333
Less: Accumulated impairment losses			
- At 31 December	(17,333)	(17,333)	(17,333)
	–	2,590	–
	573,107	575,045	775,973

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 Group's effective equity interest in the subsidiaries, their respective principal activities and country of incorporation are set out in Note 45 to the financial statements.

In the previous financial year, the impairment losses of RM94,306,000 was recognised mainly upon liquidation of certain subsidiary companies of the Group.

20 ASSOCIATES

In Malaysia

Unquoted investments at cost
Share of post-acquisition accumulated loss
Unrealised gains

Less: Accumulated impairment losses

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000 (restated)
Unquoted investments at cost	91,990	99,107	82,516
Share of post-acquisition accumulated loss	(14,210)	(21,085)	(22,065)
Unrealised gains	(16,398)	(16,398)	(16,398)
	61,382	61,624	44,053
Less: Accumulated impairment losses	–	(2,869)	(4,828)
	61,382	58,755	39,225

Analysis of associates are as follows:

Group's share of tangible assets
Goodwill of acquisition

Group's share of tangible assets	61,382	58,755	39,071
Goodwill of acquisition	–	–	154
	61,382	58,755	39,225

In Malaysia

Unquoted investments at cost
Less: Accumulated impairment losses *

	2012 RM'000	Company 2011 RM'000 (restated)	1.1.2011 RM'000 (restated)
Unquoted investments at cost	91,990	91,990	75,399
Less: Accumulated impairment losses *	(15,000)	(15,000)	(4,409)
	76,990	76,990	70,990

* An impairment loss has been recognised as an associate has incurred losses. The investment in the associate has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS

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20 ASSOCIATES (cont'd)

The Group's share of revenue, results, assets and liabilities of the associates are as follows:

	Group	
	2012 RM'000	2011 RM'000
Revenue	28,622	21,996
Share of profit or loss of associates, net of tax	2,627	(1,469)

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Non-current assets	33,662	20,645	49
Current assets	163,821	64,401	58,689
Current liabilities	(118,667)	(9,893)	(3,269)
Non-current liabilities	(1,036)	–	–
	77,780	75,153	55,469
Goodwill on acquisition	–	–	154
Unrealised gains	(16,398)	(16,398)	(16,398)
Net assets	61,382	58,755	39,225

The Group's effective equity interest in the associates, their respective principal activities and country of incorporation are set out in Note 45 to the financial statements.

The Group does not have any capital commitments or contingent liabilities in relation to its interest in the associates as at 31 December 2012.

21 JOINTLY CONTROLLED ENTITY

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Share of net assets of a jointly controlled entity	93,367	96,725	102,000	102,000

The Group's share of the assets and liabilities of a jointly controlled entity are as follows:

	Group	
	2012 RM'000	2011 RM'000
Non-current assets	233,574	4
Current assets	58,585	180,197
Current liabilities	(5,644)	(4,331)
Non-current liabilities	(190,548)	(79,145)
	95,967	96,725
Unrealised gains	(2,600)	–
	93,367	96,725

The Group's share of the revenue and expenses of jointly controlled entities are as follows:

	Group	
	2012 RM'000	2011 RM'000
Revenue	–	–
Other operating income	944	273
Other operating expense	(1,702)	(3,125)
Share of losses of jointly controlled entities	(758)	(2,852)

The Group's effective equity interest in the jointly controlled entities, their respective principal activities and country of incorporation are set out in Note 45 to the financial statements.

The Group does not have any capital commitments or contingent liabilities in relation to its interest in the jointly controlled entity as at 31 December 2012.

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22 LONG TERM LOAN AND RECEIVABLES

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000 (restated)
In Malaysia			
Series A Redeemable Preference Shares	58,500	58,500	58,500
Secured Junior Bonds	15,000	15,000	15,000
	73,500	73,500	73,500
Add: Cumulative unwinding discounts for financial assets	15,583	8,530	–
Less: Accumulated impairment losses	(7,120)	(7,120)	(7,120)
	81,963	74,910	66,380
In Malaysia			
Series A Redeemable Preference Shares	58,500	58,500	58,500
Secured Junior Bonds	15,000	15,000	15,000
Non Convertible Redeemable Preference Shares	15,000	–	–
	88,500	73,500	73,500
Add: Cumulative unwinding discounts for financial assets	8,463	1,410	–
	96,963	74,910	73,500

The Series A Redeemable Preference Shares and Secured Junior Bonds are held in an associate, Nuzen Corporation Sdn. Bhd., and is not expected to be redeemed within the next twelve months.

The Non Convertible Redeemable Preference Shares are held in Country Annexe Sdn. Bhd, a 70% equity owned subsidiary.

23 AVAILABLE FOR SALE FINANCIAL ASSETS

	Group and Company 2012 RM'000	2011 RM'000
At 1 January	577	482
Additions	–	4
Written off	(2,193)	–
Redemption of redeemable preference shares	–	(343)
Reversal of impairment losses	2,193	434
At 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	9,910
Less: Accumulated impairment losses	(7,408)	(9,601)
	309	309
Total	577	577

Available for sale financial assets are denominated in the following currencies:

	Group and Company 2012 RM'000	2011 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 at each reporting date because fair values cannot be obtained directly from quoted market prices.

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24 INTANGIBLE ASSETS

The carrying amount of goodwill on consolidation is as follows:

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000
Goodwill			
At 1 January	69,210	68,707	10,153
Arising on consolidation	–	503	58,554
At 31 December	69,210	69,210	68,707
Accumulated impairment loss			
At 1 January	(10,341)	(10,153)	(10,153)
Addition	(1,998)	(188)	–
At 31 December	(12,339)	(10,341)	(10,153)
	56,871	58,869	58,554
Development rights			
At 1 January	18,017	–	–
Arising on consolidation	–	18,017	–
At 31 December	18,017	18,017	–
Total	74,888	76,886	58,554

The Goodwill is arising mainly from the acquisition of 348 Sentral Sdn. Bhd., an investment holding company in 2010. This goodwill of RM53,118,877 was tested for impairment using the value in use (VIU) method.

The recoverable amount of cash generated unit (CGU) in 348 Sentral Sdn. Bhd. 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 goodwill are as follows;

	2012
Discount rate	10.32%
Terminal growth rate	2%

Based on the impairment test, no impairment is required for the goodwill attributable to 348 Sentral Sdn. Bhd.

There will be no impact to the Group's results if the terminal growth rate is reduced to 1% or the discount rate is 1% higher with all other variables including tax rate being held constant.

24 INTANGIBLE ASSETS (cont'd)

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:

	<u>2012</u>
Discount rate	13.2%

Based on the impairment test, no impairment is required for the development rights attributable to 59 INC Sdn. Bhd.

There will be no impact to the Group's results if the discount rate is 1% higher with all other variables including tax rate being held constant.

25 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000
Deferred tax assets	39,108	29,452	29,790
Deferred tax liabilities	(51,221)	(46,869)	(32,912)
	<u>(12,113)</u>	<u>(17,417)</u>	<u>(3,122)</u>

The movements during the financial year relating to deferred tax are as follows:

At start of financial year	(17,417)	(3,122)	(3,189)
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(Credited)/charged to profit or loss (Note 13)

Property, plant and equipment	(1,052)	(134)	45
Investment property	(7,535)	–	–
Property development cost	(1,564)	(482)	–
Provisions	13,337	(28)	22
Tax losses	2,915	6,946	–
Others	(797)	–	–
	5,304	6,302	67

Acquisition of a subsidiary (Note 5)	–	(20,597)	–
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At end of financial year	<u>(12,113)</u>	<u>(17,417)</u>	<u>(3,122)</u>
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NOTES TO THE FINANCIAL STATEMENTS

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25 DEFERRED TAX (cont'd)

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000
Subject to income tax			
Deferred tax assets (before offsetting)			
Property, plant and equipment	90	87	39
Property development cost	26,782	28,346	28,828
Provisions	14,542	1,205	1,232
Tax losses	9,861	6,946	–
	51,275	36,584	30,099
Offsetting	(12,167)	(7,132)	(309)
Deferred tax asset (after offsetting)	39,108	29,452	29,790
Deferred tax liabilities (before offsetting)			
Property, plant and equipment	(3,248)	(2,193)	(2,010)
Investment property	(7,535)	–	–
Property development cost	(51,808)	(51,808)	(31,211)
Others	(797)	–	–
	(63,388)	(54,001)	(33,221)
Offsetting	12,167	7,132	309
Deferred tax liabilities (after offsetting)	(51,221)	(46,869)	(32,912)

The amounts of deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax assets are recognised in the statement of financial position are as follow:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deductible temporary differences	89,983	53,619	13,383	18,286
Tax losses	123,273	172,727	–	–

26 INVENTORIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Completed properties for sale, at cost	9,090	13,330	7,220	7,220
Raw materials	161	2,925	–	–
Land held for sale	498	498	–	–
	9,749	16,753	7,220	7,220

The carrying value of inventories included RM2,253,185 (2011: RM6,148,271) stated at net realisable values.

Inventories where the net realisable values are expected to be below the carrying value have been written down. The amount written down during the financial year was Nil (2011: Nil).

There were no inventories of the Group and of the Company pledged as security for bank borrowings (2011: Nil).

27 TRADE AND OTHER RECEIVABLES

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000
Trade receivables	754,132	157,685	159,218
Less: Provision for impairment of trade receivables	(18,306)	(18,178)	(22,995)
	735,826	139,507	136,223
Amounts due from customers on contracts (Note 28)	346,785	517,369	411,688
Accrued billings in respect of property development	267,458	385,186	102,629
Amounts due from associates	–	517	528
Amounts due from related parties	3,025	3,579	153
Deposits	7,950	15,917	16,300
Prepayments	38	113	1,205
Other receivables	115,489	107,229	187,446
Less: Provision for impairment of other receivables	(47,910)	(48,845)	(48,558)
	75,567	74,414	156,393
	1,428,661	1,120,572	807,614

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27 TRADE AND OTHER RECEIVABLES (cont'd)

	Company	
	2012 RM'000	2011 RM'000
Trade receivables	11,864	7,876
Less: Provision for impairment of trade receivables	(2,364)	(2,364)
	9,500	5,512
Amounts due from customers on contracts (Note 28)	6,594	82,753
Amounts due from related parties	235	344
Deposits	1,808	2,036
Other receivables	67,687	71,476
Less: Provision for impairment of other receivables	(27,901)	(27,889)
	41,594	45,623
	57,923	134,232
Amounts due from subsidiaries	1,001,258	998,047
Less: Provision for impairment of amount due from subsidiaries	(231,672)	(252,717)
	769,586	745,330

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amounts due from jointly controlled entities	749	2,841	26,606	99,703

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 (2011: 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 (cont'd)

Trade and other receivables that are past due but not impaired

As at 31 December 2012, the Group's and the Company's trade receivables of RM54,839,250 (2011: RM55,936,900) and RM2,555,778 (2011: RM1,378,000) 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables				
Less than three months	19,978	8,183	2,406	–
Between three to six months	25,012	3,873	–	635
Between six months and one year	4,620	5,852	–	–
More than one year	5,229	38,029	150	743
	54,839	55,937	2,556	1,378

As at 31 December 2012, the Group's and the Company's other receivables of RM9,028,016 (2011: RM6,369,680) and RM259,361 (2011: RM255,861) 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Other receivables				
Less than three months	1,430	1,214	–	3
Between three to six months	559	387	–	–
Between six months and one year	1,459	412	–	1
More than one year	5,580	4,357	256	255
	9,028	6,370	256	259

Trade and other receivables that are impaired

As at 31 December 2012, the Group's and the Company's trade and other receivables were individually impaired either because of significant delay in collection period or the debtors are in financial difficulty. The aging of these receivables are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables				
Within 6 months	–	–	–	–
More than 6 months	18,306	18,178	2,364	2,364
	18,306	18,178	2,364	2,364
Other receivables				
Within 6 months	–	–	–	–
More than 6 months	47,910	48,845	27,901	27,889
	47,910	48,845	27,901	27,889

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

27 TRADE AND OTHER RECEIVABLES (cont'd)

Movements of the provision for impairment of trade and other receivables during the year are as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables				
At start of financial year	18,178	22,995	2,364	2,364
Provision for impairment of receivables	1,858	632	-	-
Reversal of impairment	(247)	(5,123)	-	-
Written off	(1,483)	(326)	-	-
At end of financial year	18,306	18,178	2,364	2,364
Other receivables				
At start of financial year	48,845	48,558	27,889	27,846
Provision for impairment of receivables	180	349	12	43
Reversal of impairment	(116)	-	-	-
Written off	(999)	(62)	-	-
At end of financial year	47,910	48,845	27,901	27,889

The Group does not has any significant exposure to any individual customer or counterparty nor does the Group has any major concentration of credit risk, other than the concentration of credit risk in respect of amounts due from Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd., property development customers which represents more than 50% of the trade receivable balances as at 31 December 2012. The Group has carried out an assessment on the recoverability of these balances and the Directors have concluded that no impairment is required.

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the statement of comprehensive income. Amount charged to the allowance account are generally written off, when there is no expectation of further recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at 31 December 2012 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral.

Amounts due from subsidiaries, associates 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.

28 CONSTRUCTION CONTRACTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Aggregate costs incurred todate	5,288,552	3,725,183	1,171,006	1,081,697
Attributable profits on contract works performed todate	309,384	263,893	22,098	20,450
Less: Provision for foreseeable losses	(14,778)	(19,278)	–	(4,500)
	5,583,158	3,969,798	1,193,104	1,097,647
Less: Progress billings	(5,256,880)	(3,460,402)	(1,197,901)	(1,017,565)
	326,278	509,396	(4,797)	80,082
Amounts due from customers on contracts (Note 27)	346,785	517,369	6,594	82,753
Amounts due to customers on contracts (Note 39)	(20,507)	(7,973)	(11,391)	(2,671)
	326,278	509,396	(4,797)	80,082
Retention sum on contracts, included under trade receivables	39,653	49,841	–	–

No borrowing costs has been capitalised in construction contracts during the financial year (2011: RM Nil).

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Shares in corporations, quoted in Malaysia	3,984	4,545	3,791	4,217

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits with licensed banks	233,370	294,871	84,993	38,975
Deposits with licensed financial institutions	153,183	123,334	153,183	123,334
Cash held under Housing Development Accounts	50,232	17,787	–	–
Cash and bank balances	207,416	180,196	25,494	30,123
	644,201	616,188	263,670	192,432

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30 DEPOSITS, CASH AND BANK BALANCES (cont'd)

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 RM246,386,673 (2011: RM245,112,533) and RM57,215,031 (2011: RM24,551,098) respectively, representing:

- collateral pledged with licensed banks and/or licensed financial institutions by the Group and the Company for credit facilities granted and bank guarantee facilities issued to third parties;
- proceeds from the issue of Senior and Junior Sukuk and long term loan by a subsidiary net of permitted withdrawal at date of issue of Sukuk have been channelled to Designated Accounts for the Eastern Dispersal Link Expressway project as provided under the terms and conditions of the Project Account Agreement (Note 35).

Cash held under Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under the Housing Developers (Control and Licensing) Act, 1966.

Cash and cash equivalent of the Group and of the Company comprise:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits, cash and bank balances	644,201	616,188	263,670	192,432
Less: Cash and bank balances and fixed deposits held as security value	(246,386)	(245,112)	(57,215)	(24,551)
	397,815	371,076	206,455	167,881

The currency denomination of the deposits, cash and bank balances of the Group and of the Company are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Ringgit Malaysia	643,209	615,205	263,639	192,401
Australian Dollar	249	241	31	31
Thai Baht	743	742	-	-
	644,201	616,188	263,670	192,432

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	
	2012 %	2011 %	2012 %	2011 %
Deposits with licensed banks	2.96	3.16	2.73	2.75
Deposits with licensed financial institutions	3.21	3.36	3.21	3.36

30 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The maturity periods of deposits with licensed banks and licensed financial institutions as at the financial year end were as follows:

	Group		Company	
	2012 days	2011 days	2012 days	2011 days
Deposits with licensed banks	3 - 365	2 - 365	3 - 365	4 - 365
Deposits with licensed financial institutions	4 - 94	4 - 31	4 - 94	4 - 31

Bank balances are held at call except for the restricted monies.

31 SHARE CAPITAL

	Group and Company	
	2012 RM'000	2011 RM'000
Authorised:		
2,000,000,000 ordinary shares of RM1.00 each	2,000,000	2,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At 1 January	1,386,155	1,382,432
Exercise of option under 2007/2017 ESOS	1,656	3,723
At 31 December	1,387,811	1,386,155

Employees' Share Option Scheme

The Company proposed a new Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) following the expiry of the 2002/2007 ESOS on 5 September 2007. The 2007/2012 ESOS was approved by the shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, the Board of Director had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the Bye 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.

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31 SHARE CAPITAL (cont'd)

- (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.

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 31.12.2012
			At 1.1.2012	Exercised	Lapsed	Rescinded	
1	21 Dec 2007	RM2.79	30,501,600	–	(3,246,165)	(25,767,945)	1,487,490
2	28 Apr 2009	RM1.14	1,718,788	(1,633,500)	(4,702)	–	80,586
3	24 Aug 2010	RM2.00	24,445,000	(22,500)	(5,136,500)	(15,104,500)	4,181,500
4	27 June 2011	RM2.48	18,553,000	–	(2,921,500)	(14,460,500)	1,171,000
			75,218,388	(1,656,000)	(11,308,867)	(55,332,945)	6,920,576

* 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 year end, the outstanding options included 6,920,576 units which are exercisable.

1,656,000 options were exercised during the financial year and the options outstanding at year end have remaining contractual life of 58 months.

All options granted during the option period will expire on 30 October 2017.

32 SHARE PREMIUM

	Group and Company	
	2012 RM'000	2011 RM'000
At 1 January	132,226	130,774
Exercise of options under 2007/2017 ESOS	251	1,452
Transferred from share options reserve	1,998	–
At 31 December	134,475	132,226

33 LOAN STOCKS

The loan stocks issued by a subsidiary pursuant to a Joint Venture Agreement dated 18 April 1996 were due for redemption on 1 January 2002. The joint venture parties have consented to extend the redemption to 31 December 2016 or within 6 months from the completion of joint venture project, whichever shall be earlier at 100% of its nominal value for all loan stocks not previously redeemed or purchased together with all accrued interest thereon under the Supplemental Joint Venture Agreement dated 19 February 2003.

The carrying values of the loan stocks approximate their fair values.

34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Group			
	Guaranteed rental scheme RM'000	Liquidated ascertained damages RM'000	Others RM'000	Total RM'000
At 1 January 2012	–	19,050	12,000	31,050
Charged to profit or loss	8,045	12,854	8,750	29,649
Utilised during the financial year	–	(201)	–	(201)
At 31 December 2012	8,045	31,703	20,750	60,498
At 1 January 2011	–	409	12,000	12,409
Charged to profit or loss	–	18,050	–	18,050
Reclassification from other payables	–	1,000	–	1,000
Utilised during the financial year	–	(409)	–	(409)
At 31 December 2011	–	19,050	12,000	31,050

	Company			
	Liquidated ascertained damages RM'000	Others RM'000	Total RM'000	
At 1 January 2012	7,000	–	7,000	
Charged to profit or loss	–	8,750	8,750	
At 31 December 2012	7,000	8,750	15,750	
At 1 January 2011	–	–	–	
Charged to profit or loss	7,000	–	7,000	
At 31 December 2011	7,000	–	7,000	

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34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES (cont'd)

(a) Guaranteed rental scheme

The provision for guaranteed rental scheme relates to an onerous lease entered by a subsidiary for a period of three (3) years. The provision represents an estimate of the amount likely to be incurred by the Group over the tenure of the lease.

(b) Liquidated ascertained damages

Provision for liquidated ascertained damages (LAD) is recognised for expected LAD claims based on the contract agreement, circumstances of projects and management's past experience.

(c) Others

Others relate to provisions made by a subsidiary for potential remedial works on the freehold land held by the subsidiary and the Group's potential litigation claims based on the estimate made by external consultants.

35 SENIOR AND JUNIOR SUKUK

Senior Sukuk

	Group	
	2012 RM'000	2011 RM'000
Nominal value	845,000	845,000
Less: Unamortised cost of issue	(14,198)	(15,321)
	830,802	829,679
Senior Sukuk	845,000	845,000
Less: Issuance expenses	(18,710)	(18,710)
	826,290	826,290
Net proceeds	826,290	826,290
Accumulated amortisation of issuance expenses	4,512	3,389
	830,802	829,679

Junior Sukuk

	2012 RM'000	2011 RM'000
Nominal value	230,000	230,000
Less: Issuance expenses	(300)	(300)
	229,700	229,700
Net proceeds	229,700	229,700
Accumulated amortisation of issuance expenses	115	21
Less: accumulated unwinding of premium	(2,146)	(915)
	227,669	228,806

Total Senior and Junior Sukuk	1,058,471	1,058,485
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35 SENIOR AND JUNIOR SUKUK (cont'd)

- (i) In 2008, a subsidiary issued RM845 million Senior Sukuk and RM199 million Junior Sukuk which proceeds were used to finance the Eastern Dispersal Link Highway (EDL) project. Tenure of the Senior Sukuk ranges from 10.0 to 17.5 years and Junior Sukuk ranges from 18.0 to 19.5 years from the date of issue and carry profit rates, which have been fixed in accordance with the Syariah principles, at profit ratios ranging from 6.33% to 8.35% per annum for Senior Sukuk and 10.05% to 10.40% per annum for Junior Sukuk respectively. Both Sukuk are payable semi annually from its respective issue dates and traded on the Scriptless Securities Trading System operated and managed by Bank Negara Malaysia.
- (ii) Proceeds from the issue of both Sukuk were channelled to Designated Accounts. Permitted withdrawals relating to the EDL project from these Designated Accounts are subject to terms and conditions of the Project Account Agreement (Note 30).
- (iii) In 2012, the Service Concession Asset (SCA) has been classified as asset held for sale following the Government of Malaysia's decision to take over the SCA. The completion date for the transaction is expected to be within the next twelve (12) months. Correspondingly, the Senior and Junior Sukuk which are secured by the EDL project (Note 18) have been reclassified as current liabilities.
- (iv) The Junior Sukuk was fully subscribed by the Company in 2008. On 30 September 2011, the Company disposed the Junior Sukuk to The National Agricultural Cooperative Federation (Purchaser) for a cash consideration of RM230 million. The Purchaser was the trustee for HanaDoal Landchip Malaysia JB Private Real Estate Fund Investment Trust No. 34 (REF Trust) of Korea.
- (v) Both Sukuk are denominated in Ringgit Malaysia.
- (vi) The carrying amounts of the Senior and Junior Sukuk approximate their fair values.

36 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group and the Company provide for unfunded retirement benefits to eligible employees, those permanent employees who joined before 1 August 2002, that have been in the service of the Group and of the Company for a continuous period of at least ten (10) years.

The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the statement of financial position. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified actuary on the basis of a triennial valuation and after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 12 July 2012.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Defined benefit plan				
At 1 January	12,478	11,507	3,908	3,497
Charged to profit or loss (Note 10)	2,449	1,994	838	635
Utilised during the financial year	(2,261)	(1,023)	(1,466)	(224)
At 31 December	12,666	12,478	3,280	3,908

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36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (cont'd)

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 12 July 2012:

	Group RM'000	Company RM'000
Present value of unfunded obligations – Non current		
At 31 December 2012	12,666	3,280
At 31 December 2011	12,478	3,908
At 31 December 2010	11,507	3,497
At 31 December 2009	11,054	3,365
At 31 December 2008	10,345	3,030

The expenses recognised in the Group's and the Company's profit or loss are analysed as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current service cost	1,238	1,112	414	345
Interest cost	882	839	308	276
Actuarial loss recognised	329	43	116	14
Total included in staff costs (Note 10)	2,449	1,994	838	635

The above charge to the profit or loss was included in administrative expenses of the year.

The principal actuarial assumptions used by the valuers in the valuation carried out on 12 July 2012 in respect of the Group's and the Company's defined benefit plan is as follows:

	Group and Company %
Discount rate	5.4
Expected rate of salary increases	5.0

There is no material effect to the defined benefit obligations should there be a 1% movement in the above assumed discounted rate.

37 LONG TERM BORROWINGS – SECURED

(a)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Term loans	2,253,824	1,663,502	399,000	449,000
Less: Unamortised cost of issue	(7,843)	(8,583)	–	–
	2,245,981	1,654,919	399,000	449,000
Less: Due within 12 months (Note 41)	(1,355,941)	(337,231)	–	–
	890,040	1,317,688	399,000	449,000
Term loans	2,253,824	1,663,502	399,000	449,000
Less: Issuance expenses	(12,325)	(11,272)	–	–
Net proceed	2,241,499	1,652,230	399,000	449,000
Accumulated amortisation of issuance expenses	4,482	2,689	–	–
	2,245,981	1,654,919	399,000	449,000
Less: Due within 12 months	(1,355,941)	(337,231)	–	–
	890,040	1,317,688	399,000	449,000

(b) The repayment period of the term loans (before issuance cost) are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Analysis of term loans:				
Payable within one year	1,358,664	337,898	–	–
Payable between one and two years	123,725	653,652	–	49,000
Payable between two and five years	647,435	671,952	275,000	400,000
Payable after five years	124,000	–	124,000	–
	2,253,824	1,663,502	399,000	449,000
Representing term loans:				
Due within 12 months	1,358,664	337,898	–	–
Due after 12 months	895,160	1,325,604	399,000	449,000
	2,253,824	1,663,502	399,000	449,000

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37 LONG TERM BORROWINGS – SECURED (cont'd)

The long term loans were secured by:

- first fixed charge over certain assets of the Company and its subsidiaries (Notes 15 and 16)
- first fixed charge over certain freehold property development land of certain subsidiaries (Note 17(b))
- assignment of rental income from certain properties
- assignment of the Company's investments
- corporate guarantee by the Company
- assignment of the Group's and the Company's certain deposits, cash and bank balances (Note 30)
- assignment of contract proceeds to be executed by the Company's subsidiaries

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
(c) Weighted average year end effective interest rates per annum	4.78	4.85	4.70	4.96
(d) All borrowings are denominated in Ringgit Malaysia.				
(e) During the financial year, the maturity date of the Company's long term loan has been extended for another two (2) years to 16 November 2018.				

38 LONG TERM LIABILITIES

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000
Guaranteed return to a non-controlling interest	–	–	101,112
Cost of accretion of liability	–	–	4,405
	–	–	105,517
Hire purchase creditors due after 12 months (Note 40)	153	492	1,238
Minority shareholders' advances	–	981	960
	153	1,473	107,715

39 TRADE AND OTHER PAYABLES

	2012 RM'000	Group 2011 RM'000 (restated)	1.1.2011 RM'000
Trade payables	583,316	750,224	621,892
Amounts due to customers on contracts (Note 28)	20,507	7,973	10,041
Progress billings in respect of property development	41,361	1,669	14,184
Amounts due to related parties	–	–	1,600
Hire purchase creditors due within 12 months (Note 40)	325	535	806
Other payables	202,425	233,192	163,207
Accruals	45,788	53,139	67,777
	893,722	1,046,732	879,507

	2012 RM'000	Company 2011 RM'000 (restated)	1.1.2011 RM'000
Trade payables	27,450	107,713	140,240
Amounts due to customers on contracts (Note 28)	11,391	2,671	48
Amount due to a related party	–	–	1,600
Other payables	2,742	57,932	55,595
Accruals	8,450	7,978	11,916
	50,033	176,294	209,399

	2012 RM'000	Company 2011 RM'000
Amounts due to subsidiaries	223,421	156,750

The amounts due to related parties are unsecured, interest free and have no fixed terms of repayment.

Credit terms of trade payables for the Group range from 14 days to 90 days (2011: 14 days to 90 days).

Credit terms of other payables for the Group range from 30 days to 90 days (2011: 14 days to 90 days).

The above trade and other payables balances are denominated in Ringgit Malaysia.

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40 HIRE PURCHASE CREDITORS

	Group	
	2012 RM'000	2011 RM'000
Analysis of hire purchase creditors:		
Payable within one year	373	610
Payable between one and two years	150	490
Payable between two and five years	30	82
	553	1,182
Less: Finance charges	(75)	(155)
	478	1,027
Present value of hire purchase creditors:		
Payable within one year	325	535
Payable between one and two years	128	424
Payable between two and five years	25	68
	478	1,027
Representing hire purchase creditors:		
Due within 12 months (Note 39)	325	535
Due after 12 months (Note 38)	153	492
	478	1,027

- (a) The weighted average year end effective interest rates of hire purchase creditors range from 5.58% to 5.83% (2011: 2.90% to 5.83%) per annum.
- (b) The hire purchase creditors are denominated in Ringgit Malaysia.
- (c) Hire purchase liabilities are effectively secured as the rights to the assets under hire purchase revert to the hire purchase creditors in the event of default.

41 SHORT TERM BORROWINGS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Secured long term loans due within 12 months (Note 37)	1,355,941	337,231	–	–
Unsecured short term borrowings	5,000	15,000	5,000	15,000
Total	1,360,941	352,231	5,000	15,000

41 SHORT TERM BORROWINGS (cont'd)

The short term borrowings of the Group and the Company are secured by:

- first fixed charge over certain assets of the Company and its subsidiaries (Notes 15 and 16)
- first fixed charge over certain freehold property development land of certain subsidiaries (Note 17(b))
- assignment of contract proceeds to be executed by the Company's subsidiaries
- assignment of the Group's and the Company's certain deposits, cash and bank balances (Note 30)
- a full/proportionate corporate guarantee by the Company
- a proportionate corporate guarantee by a non-controlling interest

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Weighted average year end effective interest rates				
Long term loan	4.73	4.83	–	–
Short term borrowings	4.40	4.34	4.40	4.34

All short term borrowings were denominated in Ringgit Malaysia.

42 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)	An associate of MPB and related by virtue of Datuk Shahril Ridza Ridzuan being common Director of MPB, NSTP and the Company.
Kumpulan Wang Simpanan Berhad (KWSP)	Significant shareholder of the Company and related by virtue of Tan Sri Azlan Mohd Zainol and Datuk Shahril Ridza Ridzuan being common Board members of both KWSP and the Company. KWSP is also a Government Linked Investment Corporation of Government of Malaysia.

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42 RELATED PARTY DISCLOSURES (cont'd)

The related party transactions were carried out based on terms and conditions negotiated and agreed upon between the parties. The significant related party transactions and balances other than mentioned elsewhere in the financial statements are as follows:

(a) Transactions with related parties

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Rental income from STMB	1,356	1,356	1,356	1,356
Purchase of advertisement from NSTP and STMB	56	51	3	2
Sale of development land to a subsidiary	–	–	34,348	–
Management fees from subsidiaries	–	–	26,716	23,546
Provision of building maintenance services to KWSP	12,966	3,659	–	–
Rental income from KWSP	203	717	–	–
Progress billings charged to the directors and key management of the Group and of the Company	1,804	947	–	–

As at 31 December 2012, the outstanding amount arising from the progress billings to the directors and key management was RM22,525 (2011: NIL).

(b) Key management compensation (including Executive Directors)

Salaries and other short term employee benefits	5,692	6,153	4,116	4,730
Post employment benefits	726	882	470	657
Share based payments	–	22	–	22

42 RELATED PARTY DISCLOSURES (cont'd)

- (c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Progress billings charged to customers on contracts:				
- Kementerian Kesihatan Malaysia	-	51,205	-	51,205
- Dewan Bandaraya Kuala Lumpur	7,685	31,792	4,432	30,829
- Jabatan Pengairan Dan Saliran Malaysia	79,928	26,351	76,928	26,351
- Syarikat Prasarana Negara Berhad	61,508	-	-	-
- Sarawak Hidro Sdn. Bhd.	2,509	6,615	-	-
- UDA Holdings Bhd	-	22,612	-	-
- MASS Rapid Transit Corporation Sdn. Bhd.	56,277	-	-	-
- TH Universal Builders Sdn. Bhd.	-	127,833	-	-
- Iskandar Investment Berhad	-	32,111	-	-
Rental income received from:				
- Perbadanan Insurans Deposit Malaysia	831	926	831	926
- Malaysia Investment Development Authority	2,772	2,772	2,772	2,772
- Jabatan Penilaian dan Perkhidmatan Harta	2,293	2,293	2,293	2,293
- Mahkamah Persekutuan Malaysia	2,834	3,219	-	-
- Jabatan Insolvency Malaysia	1,592	1,592	-	-
- Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	1,426	1,727	-	-
- Suruhanjaya Syarikat Malaysia	601	601	-	-
- Small and Medium Enterprises Corporation Malaysia	23,726	8,580	-	-
- Suruhanjaya Pengangkutan Awan Darat	2,208	-	-	-
Project management and building maintenance service fees received from:				
- Pelaburan Hartanah Berhad	28,410	3,506	-	-
- Small and Medium Enterprises Corporation Malaysia	1,964	645	-	-
- Lembaga Tabung Haji	4,281	4,281	-	-
- Malaysia Investment Development Authority	7,510	1,935	-	-
- Suruhanjaya Syarikat Malaysia	1,392	1,128	-	-
- Keretapi Tanah Melayu Berhad	4,705	5,646	-	-
Rental charged by:				
- Lembaga Tabung Haji	10,602	10,537	10,086	10,086
- Bank Kerjaya Rakyat Malaysia Berhad	5,250	5,250	-	-

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43 CONTINGENT LIABILITIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unsecured corporate guarantees given to financial institutions for trade and performance guarantees extended to third parties	255,172	308,096	255,172	257,202
Unsecured guaranteed return given to a non-controlling interest	–	–	115,000	115,000
Litigations arising from business transactions	63,248	97,376	35,139	43,889

The unsecured guaranteed return is a contractual obligation made by the Company to a non controlling interest in a subsidiary to guarantee the minimum return to their investment in the KL Sentral development project which is payable by 31 December 2012 or upon the completion of KL Sentral development project, whichever shall be the earlier. As at financial year end, the net present value of this guaranteed sum accounted for in the Group is RM115,000,000 (2011: RM110,142,859). The settlement arrangement of RM115,000,000 to the non-controlling interest is being processed by the Group.

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.

44 CAPITAL COMMITMENT

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Authorised capital expenditure not contracted for: - property, plant and equipment	26,958	30,193	11,125	5,588

45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

The Group's effective equity interest in the subsidiaries, jointly controlled entities and associates as at 31 December 2012, their respective principal activities and country of incorporation are as follows:

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
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
Country Annexe Sdn. Bhd.	Construction and property development	Malaysia	70.00	70.00
Cosy Bonanza Sdn. Bhd.	Property development	Malaysia	65.70	65.70
Excellent Bonanza Sdn. Bhd.	Property development	Malaysia	60.00	60.00
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

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45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
Held through 100% ownership by MRCB Engineering Sdn. Bhd.				
- MRCB (Thailand) Ltd.β	Pre-operating	Thailand	100.00	100.00
MRCB Environmental Services Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
Held through 55% ownership by MRCB Environmental Services Sdn. Bhd.				
- MRCB Environment Sdn. Bhd.	Infrastructure and environmental engineering	Malaysia	55.00	55.00
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 the expressway known as Eastern Dispersal Link, Johor Bahru	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.				
- MRCB Southern Link Bhd.	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

45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- Bitar Enterprises Sdn. Bhd.*	Property development and investment holding	Malaysia	100.00	100.00
Held through 70% ownership by Bitar Enterprises Sdn. Bhd.				
- MRCB Land (Australia) Pty. Ltd.	Property development	Australia	70.00	70.00
Held through 100% ownership by MRCB Land (Australia) Pty. Ltd.				
- MRCB Project Incorporated Pty. Ltd.*	Property development	Australia	70.00	70.00
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
- MR Properties Sdn. Bhd.#	Property development	Malaysia	100.00	100.00
- Seri Iskandar Utilities Corporation Sdn. Bhd.#	Pre-operating	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 100% ownership by MRCB Property Development Sdn. Bhd.				
- MRCB Cahaya Mutiara Sdn. Bhd.#	Property development and management	Malaysia	100.00	100.00

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45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
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
MRCB Technologies Sdn. Bhd.	Information technology services and professional outsourcing	Malaysia	100.00	100.00
Onesentral Park Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Paradigma Berkat Sdn. Bhd.	Property development	Malaysia	70.00	–
Prema Bonanza Sdn. Bhd.	Property development	Malaysia	51.00	51.00
Region Resources Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
Held through 100% ownership by Region Resources Sdn. Bhd.				
- Syarikat Gemilang Quarry Sdn. Bhd.#	Quarry operations	Malaysia	100.00	100.00
Semasa Sentral Sdn. Bhd.	Operation, management and maintenance of the Kuala Lumpur Sentral railway station	Malaysia	100.00	100.00
Semasa Services Sdn. Bhd.	Building services	Malaysia	100.00	100.00
Semasa Parking Sdn. Bhd.	Car park management	Malaysia	100.00	100.00
Semasa Sentral (Penang) Sdn. Bhd.	Operation, management and maintenance of Penang Sentral	Malaysia	100.00	100.00
Sooka Sentral Sdn. Bhd.	Operation, management and maintenance of retail centre	Malaysia	100.00	100.00

45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
Superview Development Sdn. Bhd.	Property development, management and shares trading	Malaysia	100.00	100.00
SynarGym Sdn. Bhd.	Managing and operating a fitness centre	Malaysia	100.00	100.00
Transmission Technology Sdn. Bhd.	Engineering and construction services to power transmission systems and buildings	Malaysia	100.00	100.00
Landas Utama Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
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
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.*	Project management and development services	Malaysia	100.00	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
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.*	One-stop card technology service provider	Malaysia	100.00	100.00

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45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
MRCB DMIA JV Sdn. Bhd. (formerly known as Gemas Infiniti 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
TTSB-SPK Consortium	Design and build transmission line and substation	Unincorporated	100.00	100.00
Harmonic Fairway Sdn. Bhd.#	Investment holding	Malaysia	100.00	100.00
MR Enterprises Sdn. Bhd.#	Construction	Malaysia	100.00	100.00
MR Management Sdn. Bhd.#	Investment holding and management services	Malaysia	100.00	100.00
MRCB Dotcom Sdn. Bhd.#	Planning and management services	Malaysia	100.00	100.00
MRCB Intelligent System and Control Sdn. Bhd.#	System maintenance and application services and other technological applications	Malaysia	100.00	100.00
MRCB Trading Sdn. Bhd.#	Trading in building materials	Malaysia	100.00	100.00
Semasa ACE Urusharta Sdn. Bhd.#	Pre-operating	Malaysia	100.00	100.00
MRCB Energy International Sdn. Bhd.#	Pre-operating	Malaysia	100.00	100.00
MR-H Piling and Civil Engineering (M) Sdn. Bhd.#	Piling and civil engineering	Malaysia	51.00	51.00
MR Construction Sdn. Bhd.#	Construction	Malaysia	50.80	50.80
Cheq Point (M) Sdn. Bhd.#	Charge card services and investment holding	Malaysia	75.00	75.00
Sibexlink Sdn. Bhd.α	Sale of business information and website development	Malaysia	100.00	100.00

45 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2012 %	2011 %
ASSOCIATES:				
Nuzen Corporation Sdn. Bhd.β	Investment holding	Malaysia	30.00	30.00
One IFC Sdn. Bhd.β	Investment holding	Malaysia	30.00	30.00
Penang Sentral Sdn. Bhd.β	Property development	Malaysia	49.00	49.00
Suasana Sentral Two Sdn. Bhd.	Property development	Malaysia	30.00	30.00
Ekovest-MRCB JV Sdn. Bhd.β	Property development	Malaysia	40.00	40.00
UEMB – MRCB JV Sdn. Bhd.β (formerly known as Intria Urus Sdn. Bhd.)	Project management	Malaysia	49.00	–
Kota Francais (M) Sdn. Bhd.* β	Franchising property management and consultancy	Malaysia	20.00	20.00
JOINTLY CONTROLLED ENTITY:				
Nu Sentral Sdn. Bhd.	Property investment and management	Malaysia	51.00	51.00

* Dormant

@ The Group has full control on this consortium

The subsidiaries are under members' voluntary liquidation

~ This associate is under court order creditor liquidation

α This subsidiary is under creditors' voluntary liquidation

All companies are audited by PricewaterhouseCoopers, Malaysia except for those indicated in β

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46 SEGMENT REPORTING

Management has determined the operating segments based on the various reports prepared for the board of directors that are used to make strategic decisions.

The reportable operating segments derive their revenue primarily from the engineering and construction, property development, infrastructure and environmental, building services and investment holding divisions.

Segment results are defined as operating income before interest income.

Segment assets consist primarily of current and non-current assets.

Segment liabilities comprises of current and non-current liabilities.

The Group is domiciled in Malaysia. The results of its revenue from external customers in Malaysia is RM1,283,204,129 (2011: RM1,226,705,162), and the total of revenue from external customers from other countries is Nil (2011: Nil).

Inclusive in the Group's non-current assets is RM328,568 (2011: Nil) located in countries other than Malaysia.

The total revenue derived from transactions with two single external customers that amounted to 10% or more of the Group's revenue was RM315,061,857 (2011: RM431,303,867), approximately 24.5% (2011: 35.2%) to the Group's revenue. These revenue were derived from a property development project and construction of a retail mall in Kuala Lumpur Sentral.

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
Year ended 31 December 2012						
Revenue						
Total revenue	855,465	696,812	73,538	106,533	84,565	1,816,913
Inter-segment revenue	(405,868)	(6,882)	–	(36,682)	(84,277)	(533,709)
External revenue	449,597	689,930	73,538	69,851	288	1,283,204
Results						
Segment results	(25,670)	187,879	(1,891)	11,269	(18,948)	152,639
Interim payment from Government						68,277
Finance income						29,712
Finance costs						(118,495)
Share of results of jointly controlled entity and associates	633	1,236	–	–	–	1,869
Profit before income tax						134,002
Income tax expense						(42,835)
Profit after tax						91,167
Non-controlling interests						(31,045)
Net profit for the financial year						60,122

46 SEGMENT REPORTING (cont'd)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
At 31 December 2012						
Other information						
Assets						
Segment assets	479,415	3,363,356	1,485,474	72,674	347,635	5,748,554
Jointly controlled entity and associates	–	154,116	633	–	–	154,749
Tax recoverable and deferred tax assets						51,514
Total assets						5,954,817
Liabilities						
Segment liabilities	437,322	484,519	48,939	46,457	64,324	1,081,561
Interest bearing instruments						3,324,775
Current and deferred tax liabilities						61,136
Total liabilities						4,467,472
Other disclosures						
Capital expenditure	933	207,453	907	1,037	1,072	211,402
Depreciation and amortisation	3,306	11,926	776	2,540	1,422	19,970
Impairment loss	–	8,255	–	–	–	8,255
Year ended 31 December 2011 (restated)						
Revenue						
Total revenue	1,362,396	495,257	28,619	94,415	28,344	2,009,031
Inter-segment revenue	(711,436)	(7,920)	–	(34,740)	(28,230)	(782,326)
External revenue	650,960	487,337	28,619	59,675	114	1,226,705
Results						
Segment results	12,167	124,683	(1,390)	7,044	(12,110)	130,394
Finance income						32,453
Finance costs						(35,213)
Share of results of jointly controlled entities and associates	(186)	(4,135)	–	–	–	(4,321)
Profit before income tax						123,313
Income tax expense						(15,326)
Profit after tax						107,987
Non-controlling interests						(14,463)
Net profit for the financial year						93,524

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46 SEGMENT REPORTING (cont'd)

	Engineering and construction RM'000	Property development RM'000	Infrastructure and environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
At 31 December 2011 (restated)						
Other information						
Assets						
Segment assets	730,256	2,727,837	1,385,598	57,457	312,386	5,213,534
Jointly controlled entities and associates	–	155,480	–	–	–	155,480
Tax recoverable and deferred tax assets						39,470
Total assets						5,408,484
Liabilities						
Segment liabilities	608,241	342,166	13,557	44,985	191,900	1,200,849
Interest bearing instruments						2,743,785
Current and deferred tax liabilities						49,534
Total liabilities						3,994,168
Other disclosures						
Capital expenditure	2,957	298,013	10	11,057	1,026	313,063
Depreciation and amortisation	3,138	3,669	1,001	1,964	1,436	11,208

Capital expenditure consists of additions to property, plant and equipment and investment properties (Notes 15 and 16).

The Group's business segments operate in Malaysia only.

47 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- On 18 January 2012, three (3) levels on the upper floor of the building under construction of our wholly owned subsidiary, 348 Sentral Sdn. Bhd. was on fire. There was no significant damage impact to the Group.
- The Company had on 8 February 2012 applied to Companies Commission of Malaysia to effect its three (3) non-wholly owned subsidiaries under members' voluntary liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. These subsidiaries are Cheq Point (M) Sdn. Bhd., MR-H Piling and Civil Engineering (M) Sdn. Bhd. and MR Construction Sdn. Bhd.

At the date of this report, these subsidiaries are still in the process of liquidation.

48 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

The Company (MRCB) had on 8 February 2013 entered into the following agreements (SSA):-

- (i) Conditional share sale agreement with Nusa Gapurna Development Sdn. Bhd. (NGD) for the acquisitions of the entire equity interest in Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd. and Puncak Wangi Sdn. Bhd. as well as 70% equity interest in P.J Sentral Development Sdn. Bhd. for RM459 million;
- (ii) Conditional share sale agreement with Mohd Imran bin Mohamad Salim, Datuk Mohamad Salim bin Fateh Din and Datin Yasmin binti Mohamed Ashraff for the acquisition of the entire equity interest in Gelanggang Harapan Construction Sdn. Bhd. (GHC) for RM250 million; and
- (iii) Conditional share sale agreement with Hanif Ahmad bin Nisar Ahmad and Mohd Imran bin Mohamad Salim for the acquisition of the entire equity interest in Gapurna Global Solutions Sdn. Bhd. (GGS) for RM20 million.

The above proposed acquisitions totaling RM729 million will be satisfied by a combination of cash of RM111 million and up to 398,709,678 new ordinary shares of RM1.00 each in MRCB (MRCB Shares) at RM1.55 per share, together with up to 113,917,052 free detachable warrants on the basis of two (2) free detachable warrants for every seven (7) of MRCB Shares issued.

Simultaneous with the execution of the agreements, the Company had also entered into the following agreements:-

- (i) A right of first refusal and call option agreement with NGD to purchase the Options Assets comprising the entire issued and paid up share capital of the subsidiaries of NGD, namely Nilaitera Sdn Bhd and Projectmaju Sdn. Bhd. and the issued and paid up capital of other subsidiaries of NGD as may be incorporated from time to time or to be incorporated by NGD for the purpose of holding any land (s) / real property(ies) or carrying out property development for a period of three (3) years following the date of completion of the SSA.
- (ii) Profit guarantee agreement with Gapurna Sdn. Bhd. (GSB) wherein GSB unconditionally and irrevocably and jointly and severally guarantee to MRCB that the actual aggregate audited net profit after tax of GHC for the financial years ended (FYE) 2013 to FYE 2015 shall be collectively not less than RM50 million.

In addition to the above, the Company is also proposing to undertake the followings:-

- (i) To issue free warrants in the Company to all existing entitled shareholders of the Company on the basis of one (1) free warrant for every three (3) of the MRCB Shares held at an entitlement date to be determined later;
- (ii) To seek waiver from the Securities Commission Malaysia to undertake a mandatory take-over offer for the remaining MRCB Shares not already owned by NGD, the Employees Provident Fund Board and GSB as well as persons acting in concert with them;
- (iii) To increase the authorized share capital of the Company; and
- (iv) To amend the Memorandum and Articles of Association of the Company.

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49 PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION OF COMPARATIVE FIGURES

During the current financial year ended 31 December 2012, the Group made prior year adjustments in relation to:

- (i) Investment in Series A Redeemable Preference Shares and Redeemable Secured Junior Bonds held by its associate, Nuzen Corporation Sdn. Bhd. as follows:
 - (a) Reclassifying its investment in the Series A Redeemable Preference Shares and Redeemable Secured Junior Bonds to Long Term Loan and Receivables; and
 - (b) Measurement of the Series A Redeemable Preference Shares using the amortized cost method in accordance with FRS139 "Financial Instruments: Recognition and Measurement"
- (ii) Finalisation of the fair value of assets and liabilities acquired by 59 INC Sdn. Bhd. in accordance with FRS 3 (revised) "Business Combinations".

Certain comparative figures have been adjusted or extended to conform with changes in presentation and to comply with the additional disclosure requirements of the revised FRSs that are applicable for the financial year ended 31 December 2012.

The financial effects arising from the Group's and the Company's prior year adjustments and reclassifications are as follows:

	As previously reported RM'000	Prior year adjustments RM'000	Reclassification RM'000	As Restated RM'000
Group				
At 1 January 2011				
Statement of financial position				
Assets				
Property, plant and equipment	198,705	–	(163,877)	34,828
Investment properties	359,208	–	163,877	523,085
Associates	105,605	(66,380)	–	39,225
Long term loan and receivables	–	66,380	–	66,380
Liabilities				
Loan stocks	9,590	–	9,404	18,994
Trade and other payables	888,911	–	(9,404)	879,507
At 31 December 2011				
Statement of financial position				
Assets				
Property, plant and equipment	206,731	–	(163,542)	43,189
Investment properties	652,976	32,265	163,542	848,783
Land held for property development	766,400	(32,265)	–	734,135
Associates	117,603	(58,848)	–	58,755
Long term loan and receivables	–	74,910	–	74,910
Intangible assets	95,736	(18,850)	–	76,886
Trade and other receivables	1,120,472	100	–	1,120,572

49 PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION OF COMPARATIVE FIGURES (cont'd)

	As previously reported RM'000	Prior year adjustments RM'000	Reclassification RM'000	As Restated RM'000
Liabilities				
Accumulated losses	(202,850)	16,062	–	(186,788)
Loan stocks	7,000	–	7,354	14,354
Long term liabilities	111,616	–	(110,143)	1,473
Deferred tax liabilities	50,619	(3,750)	–	46,869
Trade and other payables	1,069,086	(15,000)	(7,354)	1,046,732
Guaranteed return to a non-controlling interest	–	–	110,143	110,143

Statement of comprehensive income

Financial year ended 31 December 2011

Revenue	1,213,077	–	13,628	1,226,705
Cost of sales	(993,101)	–	(8,345)	(1,001,446)
Other income - others	23,319	–	(13,628)	9,691
Other operating expenses				
- allowance for impairment losses	(8,220)	7,532	–	(688)
- others	(40,015)	–	8,345	(31,670)
Finance income	23,923	8,530	–	32,453
Profit before income tax	107,251	16,062	–	123,313
Total comprehensive income for the financial year, net of tax	93,508	16,062	–	109,570

Company

At 1 January 2011

Statement of financial position

Assets

Property, plant and equipment	16,476	–	(16,000)	476
Investment properties	42,656	–	16,000	58,656
Associates	144,490	(73,500)	–	70,990
Long term loan and receivables	–	73,500	–	73,500

At 31 December 2011

Statement of financial position

Assets

Property, plant and equipment	17,128	–	(16,000)	1,128
Investment properties	41,766	–	16,000	57,766
Subsidiaries	605,045	(30,000)	–	575,045
Associates	165,490	(88,500)	–	76,990
Long term loan and receivables	–	74,910	–	74,910

NOTES TO THE FINANCIAL STATEMENTS

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49 PRIOR YEAR ADJUSTMENTS AND RECLASSIFICATION OF COMPARATIVE FIGURES (cont'd)

	As previously reported RM'000	Prior year adjustments RM'000	Reclassification RM'000	As Restated RM'000
Liabilities				
Accumulated losses	(218,059)	(13,590)	–	(231,649)
Trade and other payables	206,294	(30,000)	–	176,294

Group

Earnings per share (sen)

Financial year ended 31 December 2011

Basic earnings per share	5.59	1.16	–	6.75
Diluted earnings per share	5.58	1.16	–	6.74

Company

Statement of comprehensive income

Financial year ended 31 December 2011

Revenue	267,269	–	13,629	280,898
Cost of sales	(240,458)	–	(8,345)	(248,803)
Other income - others	15,976	–	(13,629)	2,347
Other operating expenses				
- allowance for impairment losses	(93,781)	(15,000)	–	(108,781)
- others	85,577	–	8,345	93,922
Finance income	20,655	1,410	–	22,065
Profit before income tax	64,848	(13,590)	–	51,258
Total comprehensive income for the financial year, net of tax	62,937	(13,590)	–	49,347

50 DIVIDENDS

	2012		2011	
	Gross dividend per share sen	Amount of net dividend RM'000	Gross dividend per share sen	Amount of net dividend RM'000
Proposed first and final dividend				
- net of 25% income tax	0.4	4,163	2.0	20,796
- single tier dividend	1.6	22,205	–	–
	2.0	26,368	2.0	20,796

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2012 comprising 0.4% or 0.4 sen per ordinary share less income tax of 25%, and single tier dividend of 1.6% or 1.6 sen per ordinary share, amounting to approximately RM26,368,000 which is subject to the approval of the members at the forthcoming Annual General Meeting.

51 BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

The following analysis of realised and unrealised accumulated losses at the legal entity is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

	31.12.2012 RM'000	Group 31.12.2011 RM'000 (restated)	1.1.2011 RM'000
Total accumulated profit/(loss):			
- realised	26,670	(107,227)	(277,125)
- unrealised	(39,213)	(30,913)	(12,805)
Total share of accumulated profit/(loss) from associates:			
- realised	11,622	8,996	(969)
Total share of accumulated losses from jointly controlled entities:			
- realised	(6,033)	(5,463)	(6,268)
Add: Consolidation adjustments	(129,400)	(52,181)	31,262
Total accumulated losses	(136,354)	(186,788)	(265,905)
		Company	
	31.12.2012 RM'000	31.12.2011 RM'000 (restated)	1.1.2011 RM'000
Total accumulated losses:			
- realised	(174,711)	(233,596)	(267,387)
- unrealised	(7,229)	1,947	1,962
Total accumulated losses	(181,940)	(231,649)	(265,425)

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

The unrealised portion within unappropriated losses (accumulated losses) as at 31 December 2012 relates mainly to provision of remedial works, rental guarantees and expected settlement of ongoing litigations totaling RM28,794,626 (2011: RM12,000,000) (Note 34) and net deferred tax liabilities of RM12,113,056 (2011: RM17,417,482).

APPENDIX I

Proposed Amendments to the Articles of Association of the Company

The Articles of Association of Malaysian Resources Corporation Berhad are proposed to be amended in the following manner, to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and consistent with the prevailing laws, guidelines of requirements of the relevant authorities as well as to enhance administrative efficiency of the Company:

Article No.	Existing Articles	Proposed Amended Articles
Article 2 – Interpretation	<p>Approved Market Place Means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories)(Exemption)(No. 2) Order 1998.</p> <p>Listing Requirements Listing Requirements of Bursa Malaysia Securities Berhad including any amendments that may be made from time to time.</p>	<p>To be deleted in its entirety.</p> <p>Listing Requirements The Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any amendments that may be made from time to time.</p> <p>Dividend Reinvestment Scheme (New) A scheme which enables shareholders to reinvest cash dividend into new shares.</p> <p>Exempt Authorised Nominee (New) An authorised nominee as defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.</p> <p>Electronic Communication (New) A document or information sent or supplied, and received at its destination by means of electronic equipment, including but not limited to computer and iPad, for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by computer (including by electronic mail “email”) or by wire or signals or by optical means, or by other electromagnetic means.</p>

Article No.	Existing Articles	Proposed Amended Articles
Article 53	<p>Transmission of Securities from Foreign Register</p> <p>(1) Where:</p> <p>(a) the securities of the Company are listed on an Approved Market Place; and</p> <p>(b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities, the Company shall, upon request of securities holder, permit the transmission of securities held by such securities holder from the register of holders maintained by the Registrar in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register") to the register of holders maintained by the Registrar (hereinafter referred to as "the Malaysian Register") subject that there shall be no change in the ownership of such securities and the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.</p> <p>(2) For the avoidance of doubt, if the Company fulfills the requirements of subparagraph 1(a) and (b) above, the Company shall not allow any transmission of the securities from Malaysian Register into the Foreign Register.</p>	<p>Transmission of Securities from Foreign Register</p> <p>(1) Where:</p> <p>(a) the securities of the Company are listed on an another stock exchange; and</p> <p>(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities, the Company shall, upon request of securities holder, permit the transmission of securities held by such securities holder from the register of holders maintained by the Registrar in the jurisdiction of the other stock exchange (hereinafter referred to as "the Foreign Register") to the register of holders maintained by the Registrar of the Company in Malaysia and vice versa subject that there shall be no change in the ownership of such securities.</p>

APPENDIX I

Article No.	Existing Articles	Proposed Amended Articles
Article 58	<p>Annual General Meeting</p> <p>An Annual General Meeting shall (subject to any provisions of the Act relating to its First Annual General Meeting) be held once in every year, at such time (within a period not more than fifteen (15) months after the holding of the preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.</p>	<p>Annual General Meeting</p> <p>An Annual General Meeting shall (subject to any provisions of the Act relating to its First Annual General Meeting) be held once in every year, at such time (within a period not more than fifteen (15) months after the holding of the preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.</p> <p>Such meeting of its Members may be held within Malaysia at more than one venue using any technology that allows all Members a reasonable opportunity to participate.</p>
Article 61(a)	<p>Contents of notice</p> <p>(a) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.</p>	<p>Contents of notice</p> <p>(a) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint proxy(ies) in accordance with Article 82, to attend and vote instead of him and that a proxy may, but need not be a Member of the Company and need also not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.</p>
Article 63	<p>Ordinary business</p> <p>Ordinary business shall mean and include only business transacted at an annual general meeting of the following clauses, that is to say:</p> <p>(a) declaring dividends;</p> <p>(b) reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;</p> <p>(c) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and</p> <p>(d) appointing Directors in the place of those retiring by rotation or otherwise and fixing the remuneration of Directors.</p>	<p>Ordinary business</p> <p>Ordinary business shall mean and include only business transacted at an annual general meeting of the following clauses, that is to say:</p> <p>(a) declaring dividends;</p> <p>(b) receiving the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;</p> <p>(c) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and</p> <p>(d) appointing Directors in the place of those retiring by rotation or otherwise and fixing the remuneration of Directors.</p>

Article No.	Existing Articles	Proposed Amended Articles
Article 71	<p>How poll to be taken</p> <p>If a poll be duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct, and the result of a poll be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so required shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.</p>	<p>How poll to be taken</p> <p>If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman of the Meeting directs (including, without limitation, the use of ballot or voting papers or forms or by way of electronic polling), and the result of the poll shall be the resolution of the meeting at which the poll was demanded. Any vote cast by way of electronic polling shall be deemed to constitute a vote by the Members, or their proxies, for all purposes of these Articles. The Chairman of the Meeting may appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.</p>
Article 75	<p>Number of votes</p> <p>Subject to these Articles and to any special rights or restrictions as to voting attaching to any class of shares hereinafter issued at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy and on a show of hands every person present who is a member or proxy of a member shall have one (1) vote, and on a poll, every member who is present in person or by proxy shall have one (1) vote for every share of which he is a holder.</p>	<p>Number of votes</p> <p>Subject to these Articles and to any special rights or restrictions as to voting attaching to any class of shares hereinafter issued at meetings of Members or classes of Members, each Member present in person or by proxy or represented by attorney or authorised representative shall have one (1) vote on a show of hands and upon a poll, every Member or proxy or attorney or authorised representative shall have one (1) vote for every share held or represented by him.</p>
Article 78	<p>Voting Rights of Members</p> <p>A member of the Company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company has been paid.</p> <p>Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p>	<p>Voting Rights of Members</p> <p>A Member of the Company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid.</p>
Article 82 To be renumbered as Article 82(a)	<p>Proxy need not be a member</p> <p>A proxy need not be a member of the Company and a member of the Company may appoint a person to be a proxy. Section 149(1)(b) of the Act shall not be applicable.</p>	<p>Appointment of proxies</p> <p>A proxy may but need not be a Member of the Company and need also not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.</p>

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Article No.	Existing Articles	Proposed Amended Articles
Article 82(b) (new Article)		A Member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a Member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the Member specifies the proportion of his shareholding to be represented by each proxy. The proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
Article 82(c) (new Article)		Where a Member is an Authorised Nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
Article 82(d) (new Article)		Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
Article 91	Issue of shares to Directors No Director shall participate in an issue of shares to employees unless shareholders in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity.	Issue of shares to Directors No Director shall participate in a scheme that involves new issuance of shares to employees unless shareholders in a General Meeting have approved the specific allotment to be made to such Director.

Article No.	Existing Articles	Proposed Amended Articles
Article 109A (new Article)		<p>Notice of Directors' Meeting (New)</p> <p>Unless otherwise determined by Directors from time to time, a seven (7) days' notice of all Directors' meeting shall be given by hand, post or facsimile or other form of electronic communications to all Directors and their Alternate Directors who have a registered address in Malaysia, except in the case of an emergency, where reasonable notice of every Directors' meeting shall be given. Any Director may waive notice of any meeting either prospectively or retrospectively.</p>
Article 125A (new Article)		<p>Dividend Reinvestment Scheme (New)</p> <p>Subject to the approval being obtained from the Members of the Company and the Listing Requirements and other applicable laws, regulations and guidelines, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its Members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines thereunder or issued by Bursa Malaysia and any other relevant authorities in respect thereof.</p>

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Article No.	Existing Articles	Proposed Amended Articles
Article 136	<p>Dividends payable by cheque</p> <p>Subject to the Act, these Articles, the Central Depositories Act and the Rules, any dividend or other moneys payable in cash or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to anyone of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed shall be a good discharge to the Company. Every cash cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.</p>	<p>Dividends payable by cheque or Telegraphic Transfer or Electronic Transfer</p> <p>Subject to the Act, these Articles, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register of Members or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.</p>

Article No.	Existing Articles	Proposed Amended Articles
Article 147	<p>Profit and loss accounts to be made up and laid before Company</p> <p>A copy of every financial statements which is to be laid before a General Meeting of Company (including every document required by law to be annexed thereof) together with a copy of every report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for receipt of notice of the meeting pursuant to Article 60 of these Articles) be sent to every Member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act, the Central Depositories Act, the Rules of Central Depository or of these Articles; provided that these Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any member to whom a copy of the documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document as maybe required shall at the same time be forwarded to each Stock Exchange upon which the Company is listed.</p>	<p>Profit and loss accounts to be made up and laid before Company</p> <p>A copy of every financial statements in printed format, in CD-ROM or other electronic form permitted under the Listing Requirements or any combination thereof, which is to be laid before a General Meeting of Company (including every document required by law to be annexed thereof) together with the report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for receipt of notice of the meeting pursuant to article 60 of these Articles) be sent to every Member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act, the Central Depositories Act, the Rules of Central Depository or of these Articles; provided that these Articles shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of the documents has not been sent shall be entitled to receive a copy free of charge on application at the Registered Office. The requisite number of copies of each such document as maybe required shall at the same time be forwarded to each Stock Exchange upon which the Company is listed.</p>
Article 153	<p>Service of notices by Company</p> <p>A notice or any other document (excluding a share certificate) may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter (if outside Malaysia by air-mail) addressed to such member at this registered address as appearing in the Register of Members or Record of Depositors, as the case may be, or if he has no registered address within Malaysia and Singapore, an address (if any) within Malaysia and Singapore supplied by him to the Company as his address for the service of notices. All share certificates shall be despatched by registered post.</p>	<p>Service of notices by Company</p> <p>A notice or any other document may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register of Members or Record of Depositors.</p> <p>Notwithstanding the above and subject to the requirements of Article 60 and the Listing Requirements, the Company may serve notice on a Member by way of electronic communication or by means of publication of the notice or other document at the Company's website.</p>

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Article No.	Existing Articles	Proposed Amended Articles
Article 154	<p>Members abroad entitled to notice unless they give address</p> <p>Any member described in the Register of Members and/or the Record of Depositors, as the case may be by an address not within Malaysia who shall from time to time give (in case of holders of deposited securities) the Central Depository or (in the case of non-deposited securities) the Company an address within Malaysia at which notices or other documents may be served upon him, shall be entitled to have served upon him at such address any notice to which he is entitled under these Articles.</p>	To be deleted in its entirety.
Article 155	<p>Members abroad may be served by telegram</p> <p>If a member has no registered address within Malaysia and has not supplied to the Company or the Central Depository as the case may be an address within Malaysia for the giving of notices to him, a notice may be sent to him by telegram at his registered address appearing in the register of Members and/or Record of Depositors, as the case may be.</p>	To be deleted in its entirety.

PROXY FORM

(Please see the notes below before completing the form)

I/We (FULL NAME IN CAPITAL LETTERS) _____

of (FULL ADDRESS) _____

being a member/members of MALAYSIAN RESOURCES CORPORATION BERHAD hereby appoint *the Chairman of the Meeting and/or (FULL NAME) _____

of (FULL ADDRESS) _____

and/or failing him (FULL NAME) _____

of (FULL ADDRESS) _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Thursday, 20 June 2013 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

NO.	RESOLUTION	FOR	AGAINST
1	To receive and adopt the Statutory Financial Statements and Reports of the Directors and Auditors thereon for the financial year 2012.		
2	To approve a first and final dividend of 0.4 sen per ordinary share less 25% income tax and single tier dividend of 1.6 sen per ordinary share for the financial year 2012.		
	To re-elect the following Directors under Articles 101 and 102:		
3	Dato' Abdul Rahman Ahmad.		
4	Che King Tow.		
5	To approve the Directors' Fees of RM750,000 for the financial year 2012.		
6	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7	To approve the Increase of the Authorised Share Capital		
8	To approve the Proposed Amendments to the Memorandum and Articles of Association		
9	To approve the Proposed Amendments to the Articles of Association		

Dated this _____ day of _____ 2013

Number of shares held

Signature of Shareholders

* DELETE IF NOT APPLICABLE

NOTES :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
3. The instrument appointing the proxy must be deposited at the Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Only a depositor whose name appears on the Record of Depositors as at 14 June 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Fold here



Stamp

SYMPHONY SHARE REGISTRARS SDN BHD

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)

Saya/Kami (NAMA PENUH DENGAN HURUF BESAR) _____

yang beralamat di (ALAMAT PENUH) _____

sebagai ahli/ahli-ahli MALAYSIAN RESOURCES CORPORATION BERHAD, dengan ini melantik *Pengerusi Mesyuarat

dan/atau (NAMA PENUH) _____

yang beralamat di (ALAMAT PENUH) _____

dan/atau sebagai penggantinya (NAMA PENUH) _____

yang beralamat di (ALAMAT PENUH) _____

sebagai proksi saya/kami untuk menghadiri dan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat Ke 42 yang akan diadakan pada hari Khamis, 20 Jun 2013 pada pukul 10.00 pagi dan pada sebarang penangguhannya.

Proksi saya/kami hendaklah mengundi untuk resolusi-resolusi yang telah ditentukan dengan tanda "X" di ruang yang berkenaan di bawah ini. Sekiranya borang ini dikembalikan tanpa apa-apa penentuan mengenai cara pengundian, proksi akan mengambil tindakan yang sewajarnya untuk mengundi ataupun tidak.

NO.	RESOLUSI	MENYOKONG	MENENTANG
1	Untuk menerima Penyata Kewangan Syarikat dan Laporan-Laporan Berkanun Bagi Tahun Kewangan 2012.		
2	Untuk meluluskan bayaran dividen pertama dan terakhir sebanyak 0.4 sen sesaham biasa yang ditolak cukai pendapatan sebanyak 25% dan dividen "single tier" sebanyak 1.6 sen sesaham biasa bagi tahun kewangan 2012.		
	Untuk melantik semula Pengarah-pengarah berikut yang akan bersara menurut Artikel 101 dan 102 Tataurusan Syarikat:		
3	Dato' Abdul Rahman Ahmad.		
4	Che King Tow.		
5	Untuk meluluskan yuran Pengarah-Pengarah sebanyak RM750,000 bagi tahun kewangan 2012.		
6	Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah untuk menetapkan ganjaran mereka.		
7	Untuk meluluskan cadangan menaikkan Modal yang dibenarkan		
8	Untuk meluluskan cadangan untuk meminda Tataujud dan Tataurus Syarikat		
9	Untuk meluluskan cadangan untuk meminda Tataurus Syarikat.		

Bertarikh _____ hb _____ 2013

Bilangan Saham Dipegang

Tandatangan Pemegang Saham

* POTONG YANG MANA TIDAK PERLU

NOTA-NOTA :

- Ahli Syarikat yang berhak menghadiri dan mengundi di mesyuarat ini, berhak melantik seorang atau lebih proksi (atau melantik seorang wakil, bagi syarikat yang diperbadankan) untuk menghadiri dan mengundi bagi pihaknya. Seorang proksi tidak semestinya seorang ahli Syarikat ini.
- Borang Proksi mestilah ditandatangani oleh orang yang melantiknya atau wakilnya yang diberi kuasa secara bertulis. Bagi syarikat yang diperbadankan, ia hendaklah dilaksanakan dengan menggunakan Cop Mohor atau ditandatangani oleh wakilnya yang diberi kuasa secara bertulis atau oleh pegawainya, bagi pihak syarikat tersebut.
- Surat perlantikan seorang proksi hendaklah dikemukakan ke Pendaftar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia tidak kurang dari 48 jam sebelum waktu yang telah ditetapkan bagi mesyuarat tersebut atau sebarang penangguhannya.
- Hanya pendeposit yang namanya tersenarai di dalam Rekod Pendeposit pada 14 Jun 2013 sahaya layak menghadiri mesyuarat tersebut atau melantik proksi untuk menghadiri dan/atau mengundi bagi pihak beliau.

Lipat sini



Setem

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Lipat sini

MALAYSIAN RESOURCES CORPORATION BERHAD 7994-D

Level 21, 1 Sentral, Jalan Travers

Kuala Lumpur Sentral

50470 Kuala Lumpur, Malaysia

Tel : 603 2786 8080

Fax : 603 2780 7988

www.mrcb.com.my