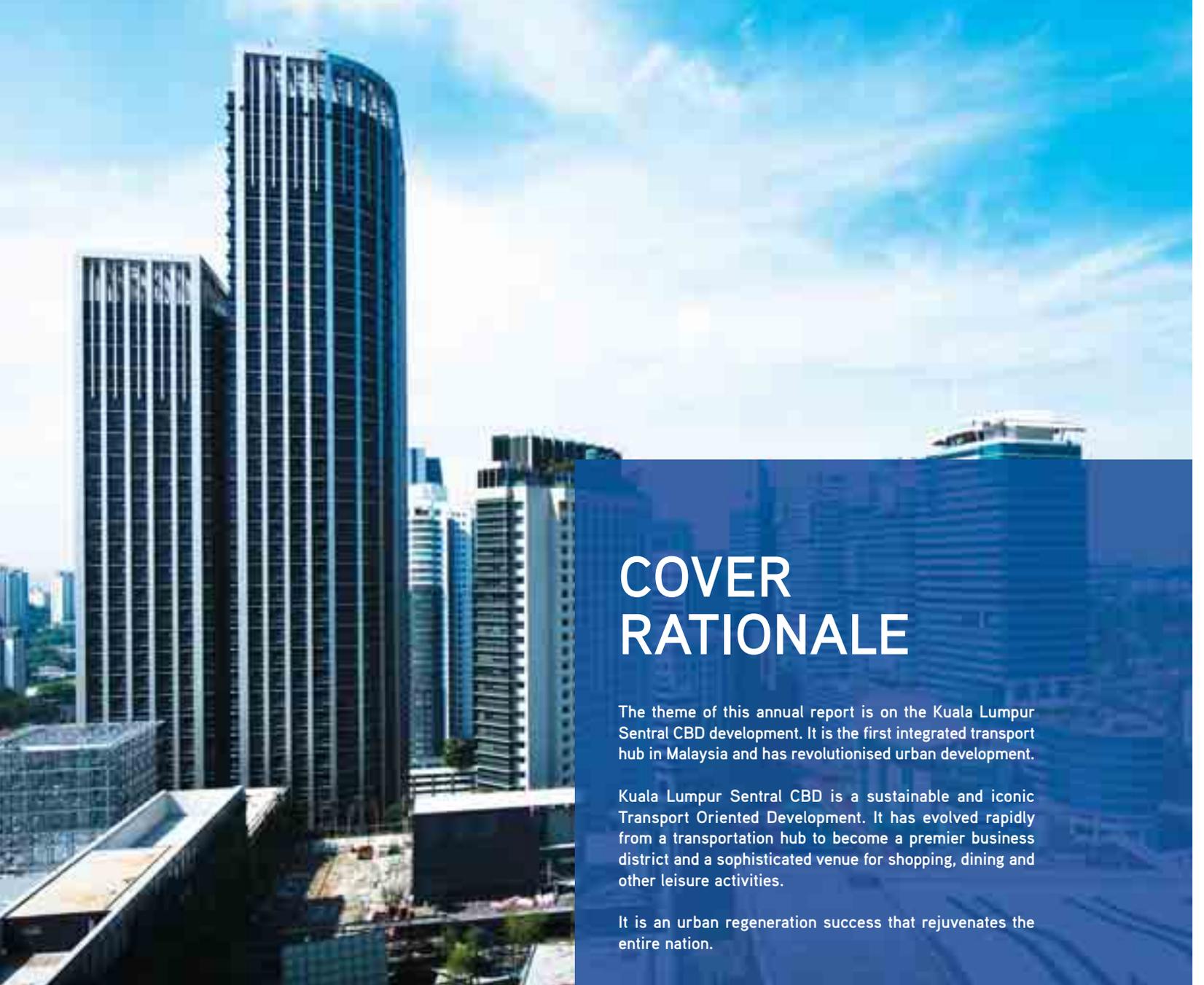




# Kuala Lumpur Sentral CBD Pulse of the Nation

Annual Report 2014





# COVER RATIONALE

The theme of this annual report is on the Kuala Lumpur Sentral CBD development. It is the first integrated transport hub in Malaysia and has revolutionised urban development.

Kuala Lumpur Sentral CBD is a sustainable and iconic Transport Oriented Development. It has evolved rapidly from a transportation hub to become a premier business district and a sophisticated venue for shopping, dining and other leisure activities.

It is an urban regeneration success that rejuvenates the entire nation.



## 44<sup>th</sup>

### ANNUAL GENERAL MEETING Mesyuarat Agung Tahunan

**DATE/TARIKH**

11 May 2015, Monday/11 Mei 2015, Isnin

**TIME/MASA**

11.00 a.m/11.00 pagi

**VENUE/TEMPAT**

Hotel Istana Kuala Lumpur City Centre  
Mahkota Ballroom II, BR Level  
73, Jalan Raja Chulan  
50200 Kuala Lumpur

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# 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. We are also positioning ourselves to establish a corporate presence in strategically selected countries and markets abroad. 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 in which we operate.

Visi kami adalah untuk menjadi sebuah organisasi Malaysia terkemuka yang diiktiraf sebagai penyedia perkhidmatan bertaraf dunia dalam setiap perniagaan teras kami, dan memainkan peranan strategik di negara-negara dan pasaran asing. 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 a developed nation status by developing and delivering critical resources for the present and future of IT-driven industries.
- Building and sustaining driven economics position of leadership 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 through the development of viable business strategies with partners and investors and 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 the pursuit of excellence, through effective training and career development programmes; underlining 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 pembangunan ekonomi Malaysia dan membantu negara mencapai status negara maju, dengan membangunkan dan menawarkan sumber kritikal untuk industri berasaskan Pengetahuan (K-Ekonomi) dan Teknologi Maklumat (IT) masa kini dan yang akan datang.
- Membina dan mengekalkan kedudukan terulung dalam memberikan perkhidmatan cemerlang dalam setiap perniagaan teras kami melalui usaha kreatif dan semangat dedikasi para warga kerja 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 warga kerja 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*

##### TAN SRI MOHAMAD SALIM FATEH DIN

Group Managing Director/  
*Pengarah Urusan Kumpulan*

##### MOHD IMRAN TAN SRI MOHAMAD SALIM

Executive Director/*Pengarah Eksekutif*

##### DATUK SHAHRIL RIDZA RIDZUAN

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

##### DATO' ABDUL RAHMAN AHMAD

Independent Director/*Pengarah Bebas*

##### DATO' CHONG PAH AUNG

Independent Director/*Pengarah Bebas*

##### JAMALUDIN ZAKARIA

Independent Director/*Pengarah Bebas*

##### DATO' JOHARI RAZAK

Independent Director/*Pengarah Bebas*

##### ROHAYA MOHAMMAD YUSOF

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

#### COMPANY SECRETARY/ SETIAUSAHA SYARIKAT

##### Mohd Noor Rahim Yahaya

(MAICSA 0866820)

#### AUDIT COMMITTEE/ JAWATANKUASA AUDIT

Dato' Abdul Rahman Ahmad

Dato' Chong Pah Aung

Jamaludin Zakaria

Rohaya Mohammad Yusof

#### REGISTERED OFFICE/ PEJABAT BERDAFTAR

Level 33A, Menara NU 2  
No. 203, Jalan Tun Sambanthan  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Tel: 03-2786 8080  
Fax: 03-2780 7668

#### SHARE REGISTRAR/ PENDAFTAR SAHAM

Symphony Share Registrars Sdn. Bhd.  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7849 0777  
Fax: 03-7841 8151

#### AUDITORS/JURUAUDIT

PricewaterhouseCoopers

#### PRINCIPAL BANKERS/BANK-BANK UTAMA

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

#### STOCK EXCHANGE LISTING/ PENYENARAIAH BURSA SAHAM

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

#### DATE OF LISTING/ TARIKH PENYENARAIAH

22 March 1971  
22 Mac 1971



## SUSTAINABILITY

At MRCB, we uphold sustainable practices and are committed to continuously improve the quality of our products and services.

# SUSTAINABILITY AT MRCB

MRCB is committed to contributing to the nation's growth and interests in tandem with its core business activities. The Group provides monetary and social assistance in-kind to society, underprivileged individuals and the nation. This assistance enhances people's quality of life and aligns development goals with the government's principles of sustainable development.

MRCB takes an active stance to ensure everything it builds and does is environmentally friendly. MRCB's green agenda is geared towards the long term and will continue to be a crucial part of daily operations.

The Company also believes in nurturing future generations and caring for the less fortunate in its sustainability initiatives.

MRCB became a signatory of the UN Global Compact on 4 September 2008. The UN Global Compact works towards the vision of a sustainable and inclusive global economy which delivers lasting benefits to people, communities and markets. MRCB has aligned its operations and strategies with ten universally accepted principles:



## Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** Make sure that they are not complicit in human rights abuses.



## Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** The elimination of all forms of forced labour;
- **Principle 5:** The effective abolition of child labour; and
- **Principle 6:** The elimination of discrimination in respect of employment and occupation.



## Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** Undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.



## Anti-Corruption

- **Principle 10:** Businesses should work against corruption of any form, including extortion and bribery.

# SUSTAINABILITY

## OUR SUSTAINABILITY MILESTONES

| MRCB's Commitment                            |   |
|--|---|
| <b>Education</b>                             | MRCB's educational contributions aim to improve socio-economic standards. These initiatives are in line with the government's call under the Tenth Malaysia Plan (10MP) to achieve a high-income economy nation. MRCB continues to promote the importance of academic excellence to alleviate poverty among students from low-income households.  |
| <b>Community Projects</b>                    | MRCB hosts charitable programmes especially in areas surrounding MRCB projects. These include Majlis Berbuka Puasa, donations to suraus and mosques, Majlis Kesyukuran/Doa Selamat, visits to old folk's homes and orphanages and donations to the disabled. On a larger scale, MRCB contributes to nation-building by supporting government initiatives such as 1Malaysia libraries and Homeless Centre, PINTAR programmes, flood relief assistance etc. |
| <b>National and charitable organisations</b> | MRCB actively contributes to various welfare, charitable and sponsorship requests by supporting charities and NGOs in local communities.  |
| <b>IT Development</b>                        | MRCB sponsors IT programmes such as a computer literacy campaigns which are focused on rural areas, schools and orphanages. MRCB's helps these schools and orphanages by donating computers, printers, scanners and other necessities and adopts schools in Pahang Darul Makmur, Penang, Federal Territories and Perak Darul Ridzuan.   |

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT



River of Life briefing at the site



MRCB donated RM50,000 to The Royal Patron 2014

# SUSTAINABILITY

## OUR SUSTAINABILITY STRATEGY

**Current Challenges:** The rising development costs are a growing challenge facing many developers. The trends and the chain effect of the recently announced electricity tariff hike are likely to cause another price increase in construction materials. Workers will likely demand wage increases due to higher living costs. The industry also faces perennial problems such as labour shortages and an inconsistent supply of materials.

The property market cooling measures announced in the 2014 Budget remain a topical subject. The RPGT rate for properties disposed of within three years is 30%; disposal within four to five years is 20%. RPGT is not imposed on properties disposed of after six years.

Looking ahead, land is becoming scarce and the property market is increasingly competitive. Buyers are spoilt for choice and developing generic products will no longer suffice. MRCB realise it must offer specific products that exceed their expectations.

Going beyond sustainable development is increasingly important. MRCB manages all aspects of operations related to stakeholders in a sustainable and responsible manner. MRCB's commitment to sustainability provides a guiding framework for all management responsibilities, with a particular focus on achieving industry best practices. Strong sustainability performance supports successful employee and stakeholder engagement, access to high-quality resources and opportunities, effective risk management and efficient operations. MRCB's sustainability is addressed through four core areas presented in the diagram below.



One thousand households in Cheras received MRCB's drinking water contributions during a dry spell in the country early in 2014

## SUSTAINABILITY

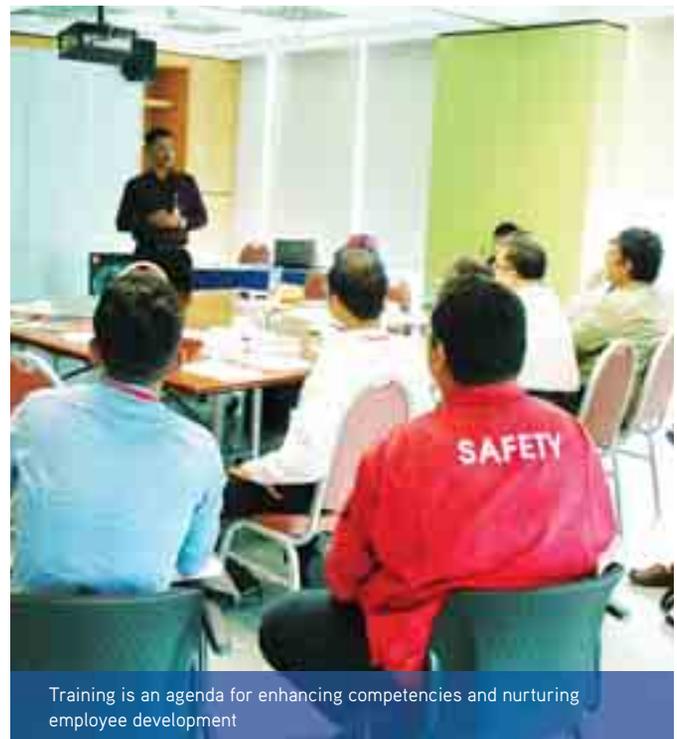
### MRCB ENCOURAGES WORK-LIFE BALANCE IN THE WORKPLACE BY MAINTAINING SUPPORTIVE AND HEALTHY WORK ENVIRONMENTS.

#### NURTURING OUR PEOPLE

All offices have introduced local hiring practices, which provide proper notification of open positions. Selection is based on job criteria. MRCB hires qualified employees and keeps them motivated to promote growth and stability. Hiring policies and procedures through local markets helps MRCB attract the right people for the job and develop productive relationships between co-workers. MRCB introduces individual growth plans consisting of education, personal growth and work-life balance.

MRCB supports work-life balance in the workplace by maintaining supportive and healthy work environment. In an anonymous survey conducted in early 2015, employees were asked if they were satisfied with their jobs. 76.92% of employees who responded were satisfied; only 4.62% were dissatisfied.

Employees receive an assortment of learning and development opportunities that build on their strengths, improve their skills and help them overcome individual challenges. MRCB matches employees' aspirations with organisational needs. Employees also attend internal and external training in many disciplines. A blend of internal and external training courses helps develop skills and knowledge for a particular employee's role. MRCB delivers the most popular courses regularly. Employees are also encouraged to attend conferences and seminars to improve their technical and industry knowledge.



Training is an agenda for enhancing competencies and nurturing employee development



MRCB aims to not only contribute to its stakeholders but also create an extended community of sharing and caring for others

MRCB also conducts team building activities for its employees. The development of good team-building skills enables better communication, closer relationships and ultimately increased productivity. It also facilitates clearer communication, motivates employees, promotes creativity, develops problem-solving skills and breaks down barriers.

A survey was conducted to gauge employee job satisfaction and ascertain the levels to which their training and career development programmes fulfil their needs. This online survey was carried out anonymously by independent consultants during early 2015. 86.27% of respondents agreed that MRCB's career development programmes have improved their people skills; 78.95% of respondents believed that MRCB's structured training programmes have created a sense of company pride and loyalty; and 78.95% of respondents acknowledged that MRCB's training programmes encouraged a new working culture.

## SUSTAINABILITY

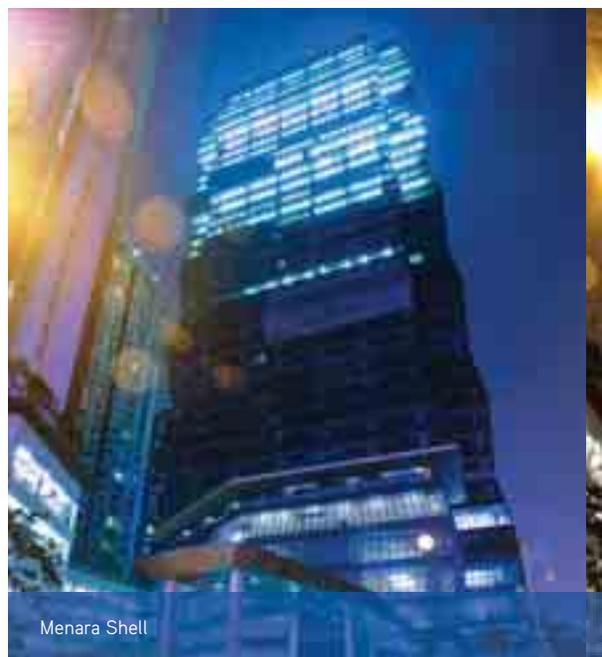
The safety and health of colleagues, contractors, visitors and communities and their living environment is an integral part of business operations. SHASSIC is an independent method of assessing and evaluating the safety and health performance of a contractor in construction works or projects. SHASSIC was developed by a technical committee consisting of industry stakeholders. It was published as a Construction Industry Standard or CIS 10: 2008 in November 2008. The SHASSIC assessment score is based on a simple formula given in SHASSIC (CIS 10 : 2008). The score achieved in SHASSIC is determined by star rating ranging from 1 to 5 stars. (Rating 1 means poor compliance and inadequate documentation and Rating 5 means excellence). Seven SHASSIC assessment programmes were conducted at various MRCB sites in 2014. The details and scores are presented in the table below.

| Project Name  | Date              | Score (Stars) | Remark (%) |
|---|-------------------|---------------|------------|
| Q Sentral Office Suite (Lot B)<br>Kuala Lumpur Sentral CBD                        | 5 - 9 Mar 2013    | 4             | 73.3%      |
| LEP Ampang Package B (LRT)<br>MRCB Engineering Sdn Bhd,<br>Puchong, Selangor      | 7 & 8 May 2014    | 4             | 71.1%      |
| The Sentral Residence (Lot D)<br>Kuala Lumpur Sentral CBD                         | 27 & 28 May 2014  | 5             | 85%        |
| Acre Work Casting Yard SBG,<br>Sungai Long, Kajang, Selangor                      | 17 & 18 June 2014 | 5             | 86.3%      |
| LEP Ampang Package B (LRT)<br>MRCB Engineering Sdn Bhd,<br>Puchong, Selangor      | 29 & 30 Sep 2014  | 4             | 79%        |
| Pemuliharaan Muara Sungai<br>Pahang (Fasa 3) Daerah Pekan,<br>Pahang Darul Makmur | 6 & 7 Nov 2014    | 4             | 81%        |
| MRCB Rawang Store<br>Kuala Lumpur   | 10 Dec 2014       | 3             | 64%        |

On 6 December 2014, Semasa Sentral Sdn Bhd (SSSB) conducted an emergency response exercise named Ex-Sentral '14. This annual series of mock emergency response exercises aims to test the overall protocol and standard operating procedures (SOPs) under the SSKL ERP. These SOPs were designed to simulate various situations such as fires, mishaps, bomb threats and natural disasters. These simulations allow MRCB to gauge the incident management and coordination between related agencies and help improve the organisation's preparedness and response capabilities. Ex-Sentral '14 was also held with the cooperation of the National Security Council.



1Malaysia library in Lembah Pantai



Menara Shell

# SUSTAINABILITY



## CLIMATE CHANGE AND ENVIRONMENTAL FOOTPRINT

MRCB supported higher compliance of efficiency standards, lower greenhouse gas emissions and a lighter carbon footprint many years before sustainability became a significant focus of business and society. In an effort to create a better environment, MRCB was one of the first company to adopt green construction

MRCB is also involved in implementing another entry point project in Kuala Lumpur called The River of Life project, which aims to transform and revitalise Sungai Klang and Sungai Gombak. Managing impacts from operations requires a sophisticated approach that focused on the ecosystems. MRCB prioritises biodiversity in the environmental management plan development. In the past, MRCB secured the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang. The contract, worth RM130 million, was awarded by the Department of Irrigation and Drainage (DID).

MRCB Environment also conducted a beach rehabilitation pilot project in Teluk Cempedak, Pahang. MRCB Environment used a pressure equalisation module (PEM) system to rehabilitate the coastline of Teluk Cempedak. Beaches such as Teluk Cempedak erode as sand is lost when it is wet and saturated. MRCB Environment installed PEM pipes under the seabed to lower the pressure from the ground water level and stimulate sand sedimentation. As a result, the water table was reduced, which dried the sand on the beach. Additional PEM pipes were laid under the new beach to reduce erosion.

MRCB Environment deployed a similar solution to conserve 3 km of beach at Teluk Tekek, Tioman Island. The project involved constructing a sea wall and laying the PEM system. This work minimised erosion and enhanced its recreational value for tourism-related activities. MRCB Environment conducted an Environmental Impact Assessment (EIA) to measure the pollution levels of various rivers in Teluk Tekek.

**MRCB SUPPORTED HIGHER COMPLIANCE OF EFFICIENCY STANDARDS, LOWER GREENHOUSE GAS EMISSIONS AND A LIGHTER CARBON FOOTPRINT MANY YEARS BEFORE SUSTAINABILITY BECAME A SIGNIFICANT FOCUS OF BUSINESS AND SOCIETY.**





# PROVIDING INSPIRING ENVIRONMENTAL LEADERSHIP

We take great pride at being at the forefront of the environmental movement and are committed to promote urban regeneration.

## SUSTAINABILITY

MRCB Environment was awarded a contract to rehabilitate Sungai Prai in 2007, 2010 and 2011. The DID also awarded a contract to rehabilitate Sungai Kuantan, Pahang in 2008. These projects have all been successfully completed.

MRCB embarked on a three-year project in Bagan Ajam, Penang which began in 6 December 2011 to deliver sustainable livelihoods to the local fishermen and surrounding community. MRCB constructed a 250-metre jetty from the mainland to make fishing possible throughout the year and replenished the beach which had been severely eroded.

On 29 November 2014, MRCB planted 100 mangosteen saplings by the Batu floodwater retention lake in Sentul. Employees and volunteers from 22 other corporations, developers and NGOs also took part in the event that formed part of a Green CSR Programme organised by Kuala Lumpur City Hall (DBKL). MRCB opted for mangosteen and durian from a choice of six varieties of local fruit species identified for the programme,

MRCB's contributed RM10,000 to purchase and maintain the saplings for six months. The planting event was part of a programme to transform Kuala Lumpur into a world-class, top liveable city by 2020. It was one of nine entry point projects in the greater Kuala Lumpur national key economic area (NKEA) agenda under the larger Economic Transformation Programme (ETP). DBKL aims to increase greenery in the city with an additional 100,000 trees by 2020.

All MRCB developments comply with requirements of Green certification bodies such as Malaysia's Green Building Index (GBI), the US-based Leadership in Energy and Environmental Design (LEED), and the Singapore-based BCA Green Mark (BCA). MRCB has eight spectacular buildings in Kuala Lumpur Sentral CBD. They are Platinum Sentral, Menara CIMB, Q Sentral, The Sentral Residences, NU Sentral retail mall, 1 Sentrum, Menara Shell and Ascott Sentral. MRCB is one of Malaysia's premier construction and urban property developers. Since 2008, MRCB has made a concerted effort to incorporate sustainable practices into its core business DNA.



Bagan Ajam jetty in Penang



Little India in Brickfields

## SUSTAINABILITY

Currently, MRCB is rolling out its principles for the Green Agenda under the Government Transformation Programme. The Company sets the guidelines for sustainable development. This positively affects its immediate stakeholders - its suppliers, the authorities, surrounding communities and its business partners.

The achievements recorded by each green building at the Kuala Lumpur Sentral CBD are summarised in the table below.

### Green building achievements

| Green Building         | Achievements  |
|------------------------|---|
| Platinum Sentral       | <ul style="list-style-type: none"> <li>Awarded Singapore's Building and Construction Authority's (BCA) Green Mark Platinum Award (Provisional), the Platinum Award and Green Building Index (GBI) Gold Certified for design stage</li> <li>KL Sentral CBD's first green building that paved the way for the construction of six more in the form of office towers, serviced apartments and a retail mall.</li> <li>GBI Certified for Design Assessment</li> </ul> |
| Menara Shell           | <ul style="list-style-type: none"> <li>Gold rating for LEED</li> <li>Green Building Index (GBI) Gold Certified</li> </ul>   |
| 1 Sentrum              | <ul style="list-style-type: none"> <li>Working towards achieving the silver rating for LEED and Green Building Index (GBI) certification</li> </ul>   |
| Menara CIMB            | <ul style="list-style-type: none"> <li>Gold rating for BCA Greenmark and GBI Certification</li> </ul>   |
| Q Sentral              | <ul style="list-style-type: none"> <li>GBI Gold Certified</li> </ul>  |
| The Sentral Residences | <ul style="list-style-type: none"> <li>GBI Gold Certified</li> </ul>  |
| The Sentral Residences | <ul style="list-style-type: none"> <li>BCA Greenmark Compliance and GBI Certification</li> </ul>  |

MRCB's green development resulted in the following benefits and positive impacts:

| Green Impact                             | Positive environmental impact   |
|--|---|
| Minimising energy usage                  | Highly efficient ventilation system   |
| Use of environmental-friendly materials  | Integrating natural energy such as solar power with the building power gridline               |
| Consuming fewer natural resources        | Heat recovery wheel reuses waste heat energy and exhausts                                     |
| Energy efficiency design                 | Highly efficient and energy saving lighting with automatically controlled illumination levels |
| Low greenhouse and ozone depleting gases | Generative lifts and motion sensor activated escalators                                       |



Tree Planting Programme with DBKL



Platinum Sentral



# TRANSFORMING COMMUNITIES

We believe that the community we invest in need to grow together with us for mutual prosperity and progress.



## SUSTAINABILITY

### SUSTAINABLE NEIGHBOURHOOD

MRCB's community initiatives are designed to improve the living conditions of local communities and develop the nation through community education, social engagement and charitable donations. MRCB's community initiatives focus mainly on enhancing education and developing communities to create a positive impact on the communities surrounding business operations.

MRCB has invested RM10 million to build a three-storey homeless shelter at Jalan Pahang, Kuala Lumpur. Scheduled for completion end 2015, the centre will serve as a temporary sanctuary for the homeless in Kuala Lumpur. It is a mixed development project providing accommodation, services, welfare, community and commercial programmes.

MRCB also contributed RM1 million to Yayasan Peneraju Pendidikan Bumiputera, which is in the process of being disbursed in four annual instalments of RM250,000 each from 2011 to 2014. The fund's main objective is increasing Bumiputera access through education so more people can secure high-income employment. This would be achieved by providing targeted bumiputera groups with greater access to academic and non-academic programmes. The Bumiputera target groups include the bottom 40% income groups and those needing a second chance such as school drop-outs, misplacements and reskilled professionals.

In November 2014, Kuala Lumpur Mayor Datuk Seri Ahmad Phesal Talib and Brickfields Rukun Tetangga chairman S.K.K Naidu signed a memorandum of understanding (MoU) to work together on the Local Agenda 21 (LA 21) programme. The MoU, entitled Bandar Selamat Kawasan Brickfields, states that City Hall's emphasis will be on providing safety, cleanliness and improved facilities in the area. The LA 21 programme involves three parties — City Hall, the residents and non-governmental associations — who will work together to create a sustainable and improved quality of life. The ultimate aim is to free Brickfields from physical, social and mental threats.



MRCB volunteers with Kechara Soup kitchen - ready to feed the homeless



CSR programme - Fruit Tree Planting in Taman Metropolitan, Kuala Lumpur

Brickfields is the only area in the city with facilities for the blind community and the Mayor insists on new facilities being built. MRCB supports creating a positive impact in Brickfields, beyond its involvement in Little India. Brickfields has a comparatively large blind population and MRCB has taken the initiative to reach out to this segment of society. MRCB provides the blind community with facilities such as a pedestrian crossing and a lift on the bridge to cross the main road and tactile along the pedestrian streets in Brickfields and towards the Stesen Sentral Kuala Lumpur.

Another initiative at the Kuala Lumpur Sentral CBD called 'Ops Gelandangan' has helped to lessen the burden of the destitute, homeless and sick. This CSR activity was led by MRCB and assisted by the Department of Social Welfare (JKM) and the Royal Malaysian Police Force (PDRM) together with various other organisations. MRCB had helped 60 vagrants, identified in the vicinity of the Stesen Sentral Kuala Lumpur to overcome their life challenges. This pilot programme had assisted some of them to obtain medical treatment and enrolment with rehabilitation centres, while those who were able-bodied were assisted to find employment.

MRCB championed the 1Malaysia Library as part of its initiative to provide an education based community service. This special computer equipped library has customised online learning software that sets it apart from any other library in the country. The libraries' community rooms can be used by the public to organise community activities.

## SUSTAINABILITY

The first 1Malaysia Library in Lembah Pantai, located at the Kampung Kerinchi People's Housing Project (PPR) flats in Jalan Pantai Dalam, is nearing completion and is on track for handover to DBKL by the first quarter of 2015. MRCB is currently working on two more libraries in Kampung Pandan and Taman Medan Idaman. These areas were chosen because of its high concentration of people with low incomes. 1Malaysia libraries provide a conducive place for the community to learn and gain knowledge. It serves as a venue for local community members to hold meetings and tutorials. MRCB hopes this library project will encourage community activities. MRCB has invested RM10 million on each of these libraries,

Kechara Soup Kitchen (KSK) is a community action group that distributes food, basic medical aid and counselling to Malaysia's homeless and poor. KSK's services have grown from distributing 20 food packets weekly in 2006, to currently than 850 food packet today. A permanent KSK soup kitchen and operations centre serves up to 180 people from Monday to Friday alongside its regular weekend distribution service. MRCB allocated close to RM50,000 for KSK's activities in a collaborative programme called "Nourish The Poor". Brickfields was one of the areas targeted under this programme. On average, 20 to 30 homeless people receive food every weekend in Brickfields and first aid service once a month.

MRCB via its joint venture company - Century Annexe Sdn Bhd completed a multi-storey development on the site of the former Pines food court as part of its Little India project. The building called Pines Bazaar has 170 parking bays on two basement levels; the upper three levels contain food outlets, retail outlets and office space. A total of 28 stalls are situated in the building. The facade of classical Moghul-Indian architecture enhances the aesthetic of Little India, while the two floors of parking help alleviate parking congestion in Brickfields. The development also offers visitors and shoppers a clean and comfortable place to eat. Brickfields has been transformed into a new cultural and tourism enclave and the local business community has benefited from an increased number of tourists.



Briefing at the SK Pengkalan Jaya school in Penang

In 2014, MRCB distributed 2,500 5.5l bottles of mineral water to 1,000 households in two housing areas in Cheras. Datin Paduka Seri Rosmah Mansor, the Prime Minister's wife and Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director, distributed the water to the residents in Seri Perindu Apartment in Taman Alam Damai and Taman Desa Baiduri. These areas suffered from unscheduled water supply interruption. MRCB hopes these contributions ease the burden of communities in the Klang Valley during a dry spell that also impacted other urban areas in the country.

MRCB began using MOUSTICIDE at its premier transportation hub and business district in October 2014. MOUSTICIDE is a super biolarvicide designed to kill mosquito larvae. It is harmless to people and the environment. The first application of MOUSTICIDE was at the NU Sentral retail mall parking area. Following this trial, MOUSTICIDE was scheduled for use throughout the Kuala Lumpur Sentral CBD, with an average of 160,000 commuters daily alongside more than 30,000 already living and working in this CBD.

MRCB contributed RM200,000 to the Malaysia Crime Prevention Foundation (MCPF), which will be disbursed over a year period from 2011 to 2015. MRCB hopes this contribution will help prevent crime by rehabilitating offenders. This initiative supports the ultimate goal of achieving peace and stability in the region. MRCB also aids the Government to raise public awareness and fight crime through this initiative.



MRCB signs the MACC'S CIP pledge

The Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak who was on a working visit to Stesen Sentral Kuala Lumpur and the Nu Sentral Mall, took the opportunity to launch MRCB's Tabung Generasi Global, which aims to promote the enhancement of primary school education in Malaysia through the adoption of schools and assisting to enrich the learning environment for students in these schools and also other relevant educational activities for the poor.

## SUSTAINABILITY

Since 2007 PINTAR helps underprivileged children in primary schools improve their academic performance. It reaches out through school reward incentives, motivation and teambuilding activities. MRCB engages with these schools annually and has given more than RM2 million to the programme since it commenced.

In 2014, MRCB actively promoted Mathematics, English and Science in the PINTAR school programme for the seventh year running. Underprivileged and lower-performing students gained direct benefits from focused and specialised tutoring sessions by experienced former teachers and academicians. MRCB had adopted close to 18,000 students since becoming a member of PINTAR in 2007 and will continue to touch their lives as they progress, mature and enter future job markets. The table below shows the improving schools' UPSR results.

| School                     | 2012 | 2013      |
|----------------------------|------|-----------|
| SJK (T) Ladang Mayfield    | 71%  | GRADUATED |
| SK La Salle 1, Brickfields | 48%  | 59%       |
| SK La Salle 2, Brickfields | 58%  | 71%       |
| SK Indera Shahbandar       | 59%  | 66%       |
| SK Serandu                 | 59%  | 68%       |
| SK Iskandar Perdana        | 86%  | 74%       |
| SK Pengkalan Jaya          | 66%  | 67%       |
| SK Kuala Perai             | 58%  | 68%       |

Other community initiatives commencing in 2014 included fund raising for various causes such as victims of floods, the Palestinian/Gaza conflict and the MH17 tragedy.

### DELIVERING EXCELLENCE THROUGH ETHICAL BUSINESS CONDUCT

MRCB continues to develop strong partnerships with its customers and suppliers for a sustainable supply chain. Ensuring projects are of the highest quality and standard is of paramount importance. Customers' satisfaction is at the heart of MRCB's delivery. Efficiency and effectiveness also remains a priority.

The Personal Data Protection Act 2010 came into effect on 15 November 2013. MRCB and its subsidiaries have implemented a strict data protection policy to protect all valued customers' personal information and data gathered throughout their dealings. MRCB is committed to maintaining clientele's privacy by securely accessing and storing all personal information. Only certain employees are entrusted to input information, update or maintain the clientele's databank and retrieve required information.

Employees or their family members must not profit from MRCB other than through their regular compensations. They may not receive gifts, loans, business deals or other special preferences beyond what is ordinarily available from a person or organisation that does business with MRCB or its competitors. Employees must not accept lavish gifts other than small items extended as a business courtesy. If employees are faced with business situations that may require gift giving, proper approval must be obtained.

A survey was conducted in early 2015 to gauge employees' knowledge of MRCB's anti-corruption and bribery policy and other ethical guidelines in the code of Business Ethics. Only 9.2% felt there was insufficient information provided in this area during induction training.



# SUSTAINABILITY



PM launch the Tabung Generasi Global MRCB



Students at one of the UPSR workshops

The Malaysia's Competition Act 2010 came into effect on 1 January 2012. This law provides a regulatory framework against market manipulation and cartel practices. Healthy competition is needed to make the economy more efficient and dynamic. MRCB ensures that there are no breaches of this legislation.

On 18 April 2014, MRCB signed the Corporate Integrity Pledge (CIP), which signalled its continued commitment to maintaining a high level of organisational accountability by promoting integrity, transparency and good governance in all aspects of its operations. The signing of the CIP is an important milestone in the Company's history and in its journey towards business sustainability. MRCB signed a unilateral declaration that it will not commit corrupt acts; will work towards creating a business environment that is free from corruption; and will uphold the Anti-Corruption Principles for Corporations in Malaysia in the conduct of its business and in its interactions with its business partners and the government. The pledge and its principles are in line with the objectives of the National Key Result Area (NKRA) of fighting corruption within the Government Transformation Programme (GTP).

\* Full disclosure of MRCB's efforts is available in the Sustainability Report 2014



# SEEDING A GREENER FUTURE

By planting the seeds ourselves, we ensure that our vision of a greener future is taking shape. We aim to inspire others to make the difference.



# SUSTAINABILITY

## SUSTAINABILITY PERFORMANCE INDICATORS

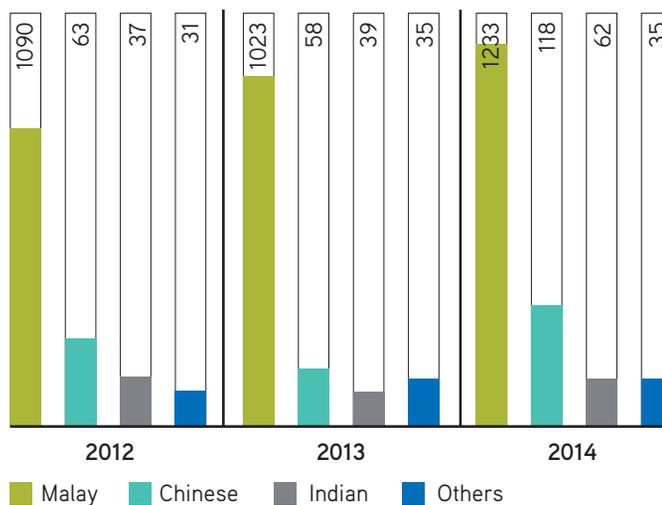
### Sustainability in the Community

| Donation Category        | 2012      | 2013                | 2014                |
|--------------------------|-----------|---------------------|---------------------|
| Tax Exempted (RM)        | NA        | 261,800.00          | 168,500.00          |
| Non Tax Exempted (RM)    | NA        | 22,500.00           | 47,000.00           |
| Others/Subsidiaries (RM) | NA        | 1,065,032.00        | 1,875,502.00        |
| <b>TOTAL</b>             | <b>NA</b> | <b>1,349,332.00</b> | <b>2,091,002.00</b> |

### Sustainability in the Workplace

| Employees           | 2012 | 2013 | 2014 |
|---------------------|------|------|------|
| Total number        | 1221 | 1155 | 1448 |
| Executive           | 653  | 590  | 787  |
| Non-Executive       | 568  | 565  | 661  |
| Permanent Staff     | 536  | 517  | 753  |
| Non-permanent staff | 685  | 638  | 695  |
| Female              | 367  | 341  | 497  |
| Male                | 854  | 814  | 951  |
| Age group           |      |      |      |
| <30                 | 521  | 461  | 582  |
| 30-50               | 630  | 611  | 757  |
| >50                 | 70   | 83   | 109  |

### Diversity



### Employee Turnover

|                        | 2012 | 2013 | 2014 |
|------------------------|------|------|------|
| Employee Turnover Rate | 283  | 303  | 536  |
| Male                   | 217  | 221  | 404  |
| Female                 | 66   | 82   | 132  |
| Age Group              |      |      |      |
| <30                    | 142  | 152  | 238  |
| 30-50                  | 126  | 125  | 258  |
| >50                    | 15   | 26   | 40   |

## SUSTAINABILITY

| Women in Management       | 2012 | 2013 | 2014 |
|---------------------------|------|------|------|
| % Women in management     | 1.1  | 0.23 | 0.25 |
| % Women in top management | 0.1  | 0    | 0    |

### Training

|   | 2012 | 2013     | 2014     |
|---|------|----------|----------|
| Employee participation in training (number)         |      | 1,285    | 726      |
| Average attendance per training programme (%)       |      |          | 92.7%    |
| Average training budget per employee (RM)           |      | RM513.00 | RM329.00 |
| Average total hours of training per employee (hour) |      | 8 hours  | 4 hours  |
| Employee Engagement Index (EEI) (%)                 | 71.4 | 70.0     | 70.3     |

### Occupational Safety and Health (OSH)

|  | 2012 | 2013 | 2014 |
|--|------|------|------|
| Fire   | 4    | 0    | 2    |
| Property Damage, Dangerous Occurrence (number) |      |      |      |
| Others   | 17   | 40   | 39   |
| Near Miss                                      | 2    | 10   | 21   |
| Medical Treatment                              | 11   | 11   | 14   |
| First Aid                                      | 0    | 10   | 64   |
| Fatality                                       | Nil  | Nil  | Nil  |

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

| Company          | Energy Consumption (kWh) |                |                |
|------------------|--------------------------|----------------|----------------|
|                  | 2012                     | 2013           | 2014           |
| SIDEC            | 80,902                   | 182,719        | 217,255        |
| MRDSB            | 697,245                  | 656,270        | 543,440        |
| MSPSB            | 39,850,964.25            | 36,001,521.76  | 34,126,858.60  |
| SSKL             | 17,453,693.61            | 16,732,171.648 | 17,308,533.153 |
| MRCB Prasarana   | 48,044.50                | 1,958,152.78   | 2,042,074.75   |
| MRCB Engineering | 2,772,791.20             | 4,379,383.53   | 382,919.10     |
| MRCB HQ          | 95,526.01                | 226,739        | 264,428        |
| KLSD             | 104,447.094              | 80,654.117     | 98,796,608     |
| TTSB             | 682,112.00               | 54,169.00      | 69,423.700     |

## NOTICE OF 44<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 44th Annual General Meeting of Malaysian Resources Corporation Berhad (“MRCB” or “the Company”) will be held at Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Monday, 11 May 2015 at 11.00 a.m. for the following purposes:

### AGENDA

#### AS ORDINARY BUSINESS

1. To receive the Statutory Financial Statements of the Company for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon.
2. To approve a first and final single tier dividend of 2.5% or 2.5 sen per ordinary share for the financial year ended 31 December 2014. **Resolution 1**
3. To re-elect the following Director who will retire pursuant to Article 106 of the Company's Articles of Association, and being eligible has offered himself for re-election:
  - (i) Mohd Imran Tan Sri Mohamad Salim **Resolution 2**
4. To re-elect the following Directors who will retire pursuant to Articles 101 and 102 of the Company's Articles of Association, and being eligible have offered themselves for re-election:
  - (i) Dato' Chong Pah Aung **Resolution 3**
  - (ii) Dato' Abdul Rahman Ahmad **Resolution 4**
  - (iii) Jamaludin Zakaria **Resolution 5**
5. To approve the Directors' Fees of RM895,205 for the financial year ended 31 December 2014. (2013: RM767,808). **Resolution 6**
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**
7. To transact any other ordinary business for which due notice has been given.

#### NOTICE OF DIVIDEND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT**, subject to the approval of the shareholders at the 44th Annual General Meeting, a first and final single tier dividend of 2.5% or 2.5 sen per ordinary share for the financial year ended 31 December 2014 will be paid on 24 July 2015 to Depositors whose names appear in the Record of Depositors on 2 July 2015.

## NOTICE OF 44<sup>th</sup> ANNUAL GENERAL MEETING

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 2 July 2015 in respect of transfers;
- b. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 30 June 2015 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  
17 April 2015

#### Notes:

##### Proxy

1. Only members whose names appear in the Record of Depositors on 5 May 2015 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
4. Where a member of the company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
6. Duly completed Proxy Form must be deposited at Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time set holding the meeting or any adjournment thereof.

#### Audited Financial Statements for the financial year ended 31 December 2014

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

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for re-election at the 44th Annual General Meeting of the Company:

- (a) Pursuant to Article 106 of the Articles of Association:
  - (i) Mohd Imran Tan Sri Mohamad Salim
- (b) Pursuant to Articles 101 and 102 of the Articles of Association:
  - (i) Dato' Chong Pah Aung
  - (ii) Dato' Abdul Rahman Ahmad
  - (iii) Jamaludin Zakaria

The profiles of Directors including those seeking re-election at the 44th Annual General Meeting are set out on pages 46 to 54. Their shareholdings in the Company are set out on page 170.

## NOTIS MESYUARAT AGUNG TAHUNAN KE-44

**DENGAN INI DIMAKLUMKAN BAHAWA** Mesyuarat Agung Tahunan Malaysian Resources Corporation Berhad (“MRCB” atau “Syarikat”) yang Ke-44 akan diadakan di Hotel Istana Kuala Lumpur City Centre, Mahkota Ballroom II, BR Level, 73, Jalan Raja Chulan, 50200 Kuala Lumpur pada hari Isnin, 11 Mei 2015 pada pukul 11.00 pagi untuk melaksanakan urusan-urusan berikut:

### AGENDA

#### URUSAN BIASA

1. Untuk menerima Penyata Kewangan Syarikat bagi tahun kewangan berakhir 31 Disember 2014 bersama Laporan Lembaga Pengarah dan Juruaudit mengenainya.
2. Untuk meluluskan bayaran dividen pertama dan akhir satu peringkat sebanyak 2.5% atau 2.5 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2014. **Resolusi 1**
3. Untuk memilih semula Pengarah berikut yang akan bersara menurut Artikel 106 Tataurusan Syarikat dan oleh kerana layak, telah menawarkan diri beliau untuk pemilihan semula:
  - (i) Mohd Imran Tan Sri Mohamad Salim **Resolusi 2**
4. Untuk memilih semula pengarah-pengarah berikut yang akan bersara menurut Artikel 101 dan 102 Tataurusan Syarikat dan oleh kerana layak, telah menawarkan diri mereka untuk perlantikan semula:
  - (i) Dato’ Chong Pah Aung **Resolusi 3**
  - (ii) Dato’ Abdul Rahman Ahmad **Resolusi 4**
  - (iii) Jamaludin Zakaria **Resolusi 5**
5. Untuk meluluskan yuran pengarah-pengarah sebanyak RM895,205 bagi tahun kewangan berakhir 31 Disember 2014. [2013 : RM767,808] **Resolusi 6**
6. Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah untuk menetapkan imbuhan mereka. **Resolusi 7**
7. Untuk melaksanakan sebarang urusan biasa lain di mana notis yang sewajarnya telah diterima.

#### NOTIS PEMBAYARAN DIVIDEN

**DENGAN INI JUGA DIMAKLUMKAN BAHAWA**, tertakluk kepada kelulusan daripada para pemegang saham di Mesyuarat Agung Tahunan yang Ke-44, dividen pertama dan akhir satu peringkat sebanyak 2.5% atau 2.5 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2014, akan dibayar pada 24 Julai 2015 kepada semua pendeposit yang tersenarai dalam Rekod Depositori (ROD) pada 2 Julai 2015 .

## NOTIS MESYUARAT AGUNG TAHUNAN KE-44

Seorang Pendeposit hanya layak untuk menerima dividen bagi:

- Saham-saham yang dipindahkan ke Akaun Sekuriti Pendeposit sebelum 4.00 petang pada 2 Julai 2015, bagi pindahan biasa;
- Saham-saham yang didepositkan ke Akaun Sekuriti Pendeposit sebelum 12.30 petang pada 30 Jun 2015, 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

17 April 2015

#### Nota-Nota:

##### Proksi

- Hanya Ahli yang berdaftar di dalam Rekod Depositori (ROD) setakat 5 Mei 2015 yang layak menghadiri atau melantik proksi bagi menghadiri dan mengundi bagi pihaknya di Mesyuarat Agung Tahunan.
- Seorang Ahli yang layak untuk menghadiri dan mengundi di Mesyuarat ini adalah layak untuk melantik tidak lebih daripada dua (2) proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya seorang Ahli Syarikat. Tiada sebarang sekatan ke atas kelayakan sebagai proksi dan peruntukan di bawah Seksyen 149(1)(b) kepada Akta Syarikat, 1965 adalah tidak terpakai.
- Jika seorang Ahli melantik dua (2) proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi ditetapkan.
- Jika Ahli adalah merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada pelbagai pemilik benefisial di dalam satu akaun sekuriti ('akaun omnibus'), tiada sebarang had dikenakan bagi jumlah proksi yang dilantik, di mana wakil berkecuali yang telah diberi kuasa berhak melantik mengikut setiap akaun omnibus yang dipegang.
- Instrumen pelantikan proksi perlu dibuat secara bertulis dan ditandatangani oleh orang yang melantik atau peguam yang dilantik di bawah surat kuasa wakil. Sekiranya, instrumen pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat ini hendaklah dimeterai atau ditandatangani oleh seorang pegawai atau peguam cara yang dilantik di bawah surat kuasa wakil.
- Borang Pelantikan Proksi yang telah lengkap hendaklah diserahkan kepada Symphony Share Registrars Sdn Bhd, Aras 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Malaysia tidak kurang dari 48 jam sebelum waktu yang telah ditetapkan bagi Mesyuarat.

#### Penyata Kewangan Beraudit bagi tahun kewangan berakhir 31 Disember 2014

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

## PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG TAHUNAN

Pengarah-Pengarah yang menawarkan diri untuk pemilihan semula pada Mesyuarat Agung Tahunan Syarikat ke-44:

- Menurut Artikel 106 Tataurusan Syarikat:
  - Mohd Imran Tan Sri Mohamad Salim
- Menurut Artikel 101 dan 102 Tataurusan Syarikat:
  - Dato' Chong Pah Aung
  - Dato' Abdul Rahman Ahmad
  - Jamaludin Zakaria

Profil pengarah-pengarah termasuk yang menawarkan diri untuk dipilih semula pada Mesyuarat Agung Tahunan Syarikat Ke-44 dibentangkan di muka surat 46 hingga 54. Pegangan saham mereka dalam Syarikat disenaraikan di muka surat 170.



Parkson Sentral  
百盛



# INNOVATIVE DEVELOPMENT

Each and every one of our buildings is a testament to our unswerving commitment to innovation and unsurpassed quality.

## CHAIRMAN'S STATEMENT

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## CHAIRMAN'S STATEMENT

### > DEAR SHAREHOLDERS,

I am pleased to report that MRCB Group performed admirably for the financial year ended 31 December 2014, recording revenue amounting to RM1.5 billion, representing a 61% increase from RM940 million in 2013. This is the highest revenue generated in the past five years.

The higher revenue contributions were mainly attributed by the property division's Q Sentral office and Sentral Residences serviced apartment projects which contributed approximately 37% to the Group's revenue while the Engineering and Construction division contributed approximately 34%. The Group delivered a net profit of RM153 million, compared to a net loss of RM109 million in 2013. In addition, the gain on disposal from the sale of investment in the Duta-Ulu Klang Expressway also contributed to the commendable results. Our deleveraging efforts have also begun to pay off as gearing improved to 1.86 times in 2014 compared to 2.10 times in 2013.

As a result of our strong financial performance in 2014, the Board of Directors is recommending a first and final single tier dividend of 2.5% or 2.5 sen per ordinary share totalling approximately RM44.7 million, subject to the approval of the members of the Company at the forthcoming Annual General Meeting. The 2.5 sen dividend payment is also the highest in the past 5 financial years.

#### KEY CORPORATE HIGHLIGHTS

The Group is in the process of purchasing a 64 acre plot of land in Sungai Buloh for the Kwasa Sentral development and has already purchased 14 acres of land in Bukit Rahman Putra for mixed development. These 78 acres of land are located in prime locations and surrounded by mature developments. The lands have a combined Gross Development Value (GDV) of RM8.6 billion, increasing the total GDV of the Group's land banks to approximately RM28.0 billion.

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

## CHAIRMAN'S STATEMENT



Platinum Sentral

**THE GROUP WON A WORLD GOLD WINNER TITLE UNDER THE SUSTAINABLE CATEGORY FOR ITS PLATINUM SENTRAL OFFICE-CAMPUS STYLE GREEN BUILDING AT THE FIABCI WORLD PRIX D'EXCELLENCE 2014 HELD IN LUXEMBOURG.**

As part of unlocking value through monetization exercises, the Group disposed Platinum Sentral to Quill Capita Trust (QCT) for RM740 million. The injection of Platinum Sentral into QCT also enabled MRCB to gain an equity stake in the mentioned REIT. In addition to the proceeds received for the disposal of Platinum Sentral, the Group will enjoy recurring income from QCT in the form of dividends.

During the year, the Group strengthened its position as a property developer with the reclassification from "Construction" to "Properties" on Bursa Malaysia. The reclassification reiterates the Group's commitment to focus on property development, and is in line with its other long term growth plan; the purchase of land banks for sustainability.

The Group's other sectors, consisting of Engineering, Construction & Environment (E&C), Infrastructure and Facilities Management all outperformed from the previous year, registering an increase in revenue and segment profit. E&C continues to expand its order books with new contracts for the year worth RM338 million whilst facilities management is exploring new avenues to enhance its portfolio of assets.

The culmination of all these initiatives brings me to my next point; defining our competitive edge. Transport Oriented Developer. These words will resonate across the property arena for years to come. MRCB has the unique position of being the pioneer of such a development; the first of its kind in Malaysia. Building on the success of Kuala Lumpur Sentral CBD, the Group plans to emulate similar developments across the country. Development of PJ Sentral and Penang Sentral are on-going whilst preparations are under way for development of Kwasa Sentral.

In addition to focusing on Transport Oriented Developments (TOD), the Group will continue to pursue opportunities for commercial and residential developments in strategic locations. We believe that a combination of TOD and mixed developments will propel the Group to greater heights in the coming years.

### AWARDS AND ACHIEVEMENTS

The Group continued to garner industry recognition with a number of prestigious awards in 2014. Of notable mention is the Masterclass CEO of the Year Award for Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director and the Best Urban Regeneration Development Award for Kuala Lumpur Sentral CBD at the Global Leadership Awards 2014.



MRCB winner of GreenTech Award

## CHAIRMAN'S STATEMENT

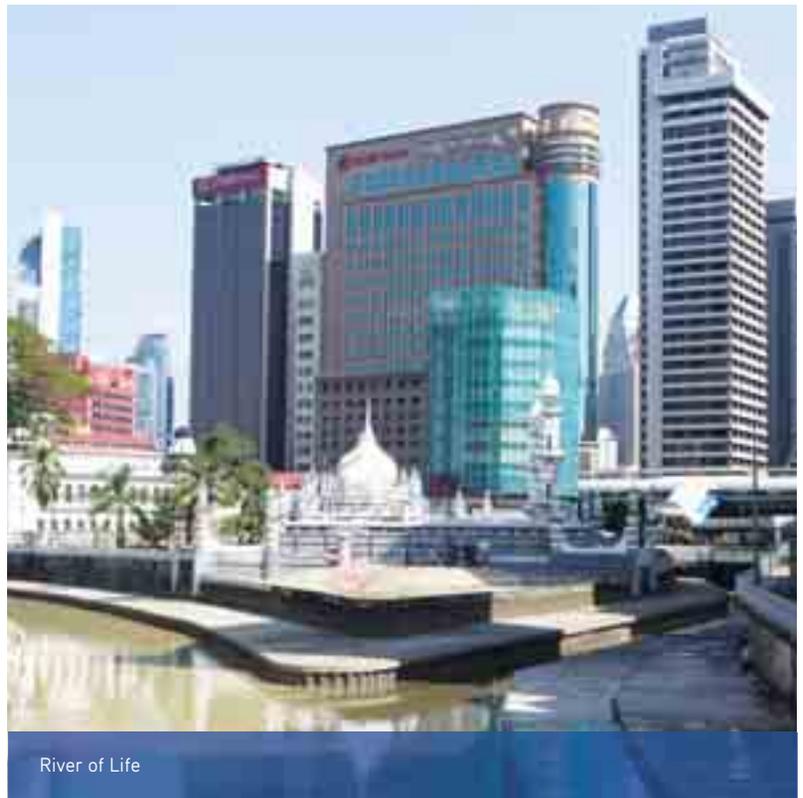
The Group also won the World Gold Winner under the Sustainable Development category for its Platinum Sentral office-campus style green building at the FIABCI World Prix d'Excellence Awards 2014 held in Luxembourg.

In addition, the Group received further recognition as a key driver of the nation's green agenda when it was selected as a winner of the Malaysia GreenTech Awards 2014 under the Malaysia Top 30 Catalysts category, 2014 by GreenTech Malaysia, a non-profit organisation under the purview of the Ministry of Energy, Green Technology and Water.

### OUTLOOK AND PROSPECTS

In the midst of global uncertainties, we continue to move forward with a positive outlook amidst healthy prospects that the industry promises. In line with the 4.5% projected growth of the Malaysian economy in 2015 and the Group's on-going development, projects at prime locations will continue to be key revenue drivers, contributing positively to the Group's profitability.

More development projects to be launched soon include the remaining phases for 9 Seputeh, Penang Sentral, The Grid @ Kia Peng, 3 Residences in Kajang Utama, office tower development in Putrajaya and Semarak City development slated to be launched 2nd half of 2015. The Board is optimistic of the prospect of the Group continuing to perform satisfactorily in the coming year.



## CHAIRMAN'S STATEMENT



### APPRECIATION

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

I also take this opportunity to thank and express my gratitude to Tan Sri Ahmad Fuad Ismail who resigned as board member during the year under review, for his invaluable knowledge, insight and contribution to MRCB's strategic development.

My gratitude and appreciation is also extended to Dato' Haji Ishak bin Haji Mohamed well known among friends and colleagues as Pak Sako, who resigned from his directorship in late 2014 to assume his new duties as MRCB's Executive Vice President for Business Development, Government Relations and Privatisation. I wish Dato' Ishak all the best in his new role.

We are also very appreciative of the commitment and dedication of our employees in facing up to the many challenges in a highly competitive operating environment. My deepest appreciation also goes to my colleagues on the Board and our senior management team for their dynamic leadership in helping us achieve a successful and profitable 2014.

It is my hope that we will continue to work together as a team in the year ahead.

Thank you.

**TAN SRI AZLAN ZAINOL**  
Chairman

## PENYATA PENERUSI

### PEMEGANG-PEMEGANG SAHAM YANG DIHORMATI,

Saya dengan sukacitanya melaporkan bahawa prestasi Kumpulan MRCB mengagumkan bagi tahun kewangan berakhir 31 Disember 2014, mencatatkan hasil pendapatan berjumlah RM1.5 bilion, mewakili peningkatan sebanyak 61% daripada RM940 juta pada 2013. Ini merupakan hasil pendapatan tertinggi diijana mengatasi prestasi Kumpulan sepanjang lima tahun yang lepas.

Sumbangan hasil pendapatan yang lebih tinggi datang daripada bahagian hartanah Kumpulan iaitu pejabat Q Sentral dan projek servis apartmen The Sentral Residences yang menyumbang kira-kira 37% daripada hasil pendapatan Kumpulan manakala bahagian kejuruteraan dan pembinaan Kumpulan menyumbang lebih kurang 34%. Kumpulan menghasilkan keuntungan bersih sebanyak RM153 juta, berbanding dengan kerugian bersih sebanyak RM109 juta pada 2013. Selain itu keuntungan pelupusan daripada penjualan pelaburan dalam Lebuhraya Ekspres Duta-Ulu Klang juga menyumbang kepada hasil yang memberangsangkan ini. Usaha kami untuk menyahleveraj juga telah mula menampakkan hasil apabila penggearing bertambah baik kepada 1.86 kali pada 2014 berbanding 2.10 kali pada 2013.

Berdasarkan daripada prestasi kewangan kami yang kukuh bagi 2014, Lembaga Pengarah mengesyorkan dividen satu tier pertama dan akhir sebanyak 2.5% atau 2.5 sen setiap saham biasa berjumlah lebih kurang RM44.7 juta yang tertakluk kepada kelulusan para pemegang saham syarikat dalam Mesyuarat Agung Tahunan yang akan datang. Dividen 2.5 sen itu juga adalah yang paling tinggi dibayar sejak 5 tahun kewangan yang lepas.

### SOROTAN PENTING KORPORAT

Kumpulan kini dalam proses membeli plot tanah seluas 64 ekar di Sungai Buloh bagi pembangunan Kwasa Sentral dan telah pun membeli 14 ekar tanah di Bukit Rahman Putra bagi pembangunan campuran. Tanah seluas 78 ekar ini terletak di lokasi-lokasi hartanah utama dan dikelilingi oleh pembangunan matang. Tanah-tanah mempunyai Nilai Pembangunan Kasar (GDV) teragabung sebanyak RM8.6 bilion, meningkatkan jumlah GDV simpanan tanah Kumpulan kepada lebih kurang RM28.0 bilion.

Pembelian tanah di lokasi-lokasi hartanah utama bagi pembangunan adalah sebahagian daripada rancangan Kumpulan untuk kelestarian dan pertumbuhan. Sebagai pemaju hartanah bandar, kejayaan berterusan Kumpulan akan disokong oleh rizab simpanan tanah yang besar.

Sebagai sebahagian daripada usaha menghasilkan nilai melalui langkah pengewangan, Kumpulan telah melupuskan Platinum Sentral kepada Quill Capita Trust (QCT) pada jumlah RM740 juta. Suntikan Platinum Sentral ke dalam QCT juga membolehkan MRCB untuk mendapatkan pegangan ekuiti dalam REIT ini. Selain daripada perolehan yang diterima bagi pelupusan Platinum Sentral, Kumpulan akan menikmati pendapatan berulang daripada QCT dalam bentuk dividen.

Pada tahun ini, Kumpulan mengukuhkan kedudukannya sebagai pemaju hartanah dengan pengklasifikasian semula daripada "Pembinaan" kepada "Hartanah" di Bursa Malaysia. Klasifikasi semula ini mengulangi komitmen Kumpulan untuk memberi tumpuan kepada pembangunan hartanah, dan adalah sejajar dengan rancangan pertumbuhan jangka panjang yang lain, iaitu pembelian simpanan tanah untuk kelestarian.

Lain-lain bahagian Kumpulan, terdiri daripada Kejuruteraan, Pembinaan & Alam Sekitar (E&C), Infrastruktur dan Pengurusan Kemudahan mengatasi semua prestasi tahun sebelumnya, iaitu peningkatan dalam hasil pendapatan dan keuntungan segmen. Bahagian E&C terus meningkatkan buku tempahan dengan kontrak baru bagi tahun ini yang bernilai RM338 juta manakala pengurusan kemudahan mencari peluang baru untuk meningkatkan portfolio aset.

Kemuncak kepada semua inisiatif ini membawa saya kepada apa yang saya ingin nyatakan selepas ini; mentakrifkan kelebihan daya saing kami. Pemaju Berorientasikan Pengangkutan. Kata-kata ini akan kedengaran di seluruh arena hartanah bagi tahun-tahun akan datang. MRCB mempunyai kedudukan yang unik untuk menjadi perintis bagi pembangunan sedemikian; yang pertama seumpamanya di Malaysia. Berlandaskan kejayaan Kuala Lumpur Sentral CBD, Kumpulan merancang untuk mencontohi pembangunan yang serupa di seluruh negara. Pembangunan PJ Sentral dan Penang Sentral masih dalam pembinaan manakala persiapan awal sedang dijalankan untuk pembangunan Kwasa Sentral.

## PENYATA PENERUSI

Selain memberi tumpuan kepada Pembangunan Berorientasikan Pengangkutan (TOD), Kumpulan akan terus mencari peluang bagi pembangunan komersial dan kediaman di lokasi yang strategik. Kami percaya bahawa gabungan TOD dan pembangunan campuran akan menjana Kumpulan ke tahap yang lebih tinggi pada tahun-tahun akan datang.

### ANUGERAH DAN PENCAPAIAN

Kumpulan sekali lagi mendapat pengiktirafan industri dengan memperoleh beberapa anugerah berprestij pada 2014. Sesuatu yang membanggakan yang perlu disebutkan di sini adalah anugerah *Masterclass CEO* Terbaik untuk Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB dan juga Anugerah *'Best Urban Regeneration Development'* untuk Kuala Lumpur Sentral CBD di Global Leadership Award 2014.

Kumpulan juga memenangi Anugerah Pemenang Emas Dunia di bawah kategori pembangunan lestari bagi bangunan hijau gaya pejabat-kampus Platinum Sentral di FIABCI World Prix d'Excellence Awards 2014 yang diadakan di Luxembourg.

Selain itu, kumpulan telah menerima pengiktirafan selanjutnya sebagai pemacu utama agenda hijau negara apabila dipilih sebagai pemenang Anugerah Green Tech Malaysia 2014 di bawah kategori 30 Pemangkin Teratas Malaysia, 2014 oleh Green Tech Malaysia, sebuah organisasi bukan mementingkan keuntungan di bawah Kementerian Tenaga, Teknologi Hijau dan Air.

### HARAPAN DAN PROSPEK

Walaupun suasana global tidak menentu, kami terus maju ke hadapan dengan harapan positif dalam suasana prospek yang sihat yang dijanjikan oleh industri, sejajar dengan unjuran pertumbuhan ekonomi Malaysia sebanyak 4.5 pada 2015. Pembangunan Kumpulan yang sedang dijalankan, projek-projek di lokasi-lokasi hartanah utama akan terus menjadi pemacu hasil utama menyumbang secara positif kepada keuntungan Kumpulan.

Lebih banyak projek pembangunan akan dilancarkan yang merangkumi fasa-fasa selebihnya bagi 9 Seputeh, Penang Sentral, The Grid @ Kia Peng, 3 Residences di Kajang Utama dan pembangunan menara pejabat di Putrajaya dan pembangunan Semarak City akan dilancarkan pada penggal kedua tahun 2015. Lembaga Pengarah optimistik dengan prospek Kumpulan untuk terus menunjukkan prestasi yang memuaskan pada tahun-tahun mendatang.

### PENGHARGAAN

Bagi pihak Lembaga Pengarah MRCB, saya ingin merakamkan setinggi-tinggi penghargaan kepada semua pemegang saham kami, pihak-pihak berkuasa, rakan-rakan perniagaan, para kontraktor, para pembekal, bank-bank dan para pembiaya atas sokongan dan kerjasama mereka.

Saya juga mengambil kesempatan mengucapkan terima kasih dan setinggi-tinggi penghargaan kepada Tan Sri Ahmad Fuad Ismail yang telah meletak jawatan sebagai ahli lembaga pengarah pada tahun kewangan ini, di atas jasa beliau yang tidak ternilai daripada segi pengetahuan, wawasan dan sumbangan beliau kepada pembangunan strategik MRCB.

Terima kasih dan penghargaan juga ditujukan kepada Dato' Haji Ishak bin Haji Mohamed yang terkenal dengan gelaran 'Pak Sako' di kalangan rakan-rakan dan kakitangan MRCB, yang telah melepaskan jawatan pengarah pada lewat 2014 untuk menjalankan tugas baru beliau sebagai Naib Presiden Eksekutif MRCB bagi Pembangunan Perniagaan, Perhubungan Kerajaan & Penswastaan. Saya mendoakan kejayaan bagi Dato' Ishak di dalam peranan baru beliau.

Kami juga amat menghargai komitmen dan dedikasi kakitangan kami dalam menghadapi begitu banyak cabaran dalam persekitaran operasi yang amat bersaing. Setinggi-tinggi penghargaan juga ditujukan kepada rakan-rakan saya dalam Lembaga Pengarah dan kumpulan pengurusan kanan atas kepimpinan dinamik mereka dalam membantu kami mencapai tahun 2014 yang berjaya dan menguntungkan.

Adalah menjadi harapan saya agar kita terus bekerjasama sebagai satu pasukan pada tahun-tahun mendatang.

Terima kasih

**TAN SRI AZLAN ZAINOL**  
Pengerusi



**GROUP MANAGING  
DIRECTOR'S  
STATEMENT**

## GROUP MANAGING DIRECTOR'S STATEMENT

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## GROUP MANAGING DIRECTOR'S STATEMENT

### > DEAR VALUED SHAREHOLDERS,

On behalf of MRCB, I am pleased to announce that MRCB Group has raised its game throughout 2014 and is back in the black after a deficit in 2013.

The return to profitability is reflected in the Group's profit before tax (PBT) of RM221 million and net profit of RM153 million for 2014 in contrast to the previous year's deficit of RM110 million and net loss of RM109 million. Even better, we managed to achieve a net profit margin of 10%, our highest in 5 years.

The Group's strong performance has strengthened our balance sheet with shareholders' funds reaching the RM2 billion mark with the Group's total assets at the financial year end standing at RM7 billion. Meanwhile, we have successfully pared down gearing to 1.86 times in 2014 compared to 2.10 times in 2013, providing us with the flexibility to consider strategic growth opportunities in the coming year.

#### CHARTING GROWTH BY SECTOR

The Group is embarking on strategic initiatives to drive growth in the future. The Group's core business activities encompass property development; engineering, construction and environment; infrastructure; facilities management and parking as well as investment holdings.

##### *Property Development & Investment*

For the financial year ended 2014, the Property Development sector led the charge for revenue generation, bringing in a total of RM876 million, doubling its revenue growth compared to a revenue of RM460 million in 2013. Recognition of revenue was mainly attributable to the sales of The Sentral Residences and Q Sentral. These two developments will continue to drive the Group's revenue in the coming year.

## GROUP MANAGING DIRECTOR'S STATEMENT



An aerial view of Kuala Lumpur Sentral CBD



QCT signing ceremony

The Group's revenue stream will be further boosted with projects currently in the early stages of their life cycle, including 9 Seputeh (Parcel C), an integrated residential high-rise development sited on 7.96 acres with a GDV of RM795 million; The Grid, Kia Peng, a city centre high-end apartment tower with a GDV of RM387 million; a 13-storey bespoke office complex in Putrajaya with a GDV of RM336 million; the Kajang 3 Residences, service apartments on 4.07 acres with a GDV of RM238 million and the PJ Sentral development with a GDV of RM2 billion.

During the financial year, Platinum Sentral was injected into Quill Capita Trust (QCT) for a consideration of RM740 million, of which MRCB will receive RM476 million in cash and a further RM264 million in QCT units, becoming the largest unitholder in QCT. MRCB also acquired a 41% equity interest in Quill Capita Management, the REIT Manager which operates and administers QCT. This will allow us to have significant influence in the operations of Platinum Sentral as well as the other

property assets under the enlarged QCT. The purchase includes recurring income in the form of dividends from the QCT unit holdings.

Amidst a more challenging backdrop for the property market this year, MRCB continues to offer a diverse range of developments that address the needs of various sectors within the market. From the high-end residential segment of The Sentral Residences & The Grid to the medium-high end segment of 9 Seputeh and the affordable range of homes in Kajang Utama's 3 Residences, MRCB has property developments that cater for a range of market segments. The Sentral Residences is almost fully pre-sold despite an estimated completion date of 2016 whilst 9 Seputeh's first phase has seen pre-sales of more than 70% since its launch in second quarter of 2014.

The Government's introduction of property cooling measures in a bid to curb speculation has not quelled demand for developments in strategic locations. The demand for MRCB's

## GROUP MANAGING DIRECTOR'S STATEMENT

residential developments has been very encouraging last year and we foresee this trend to continue in 2015.

Demand for commercial property in strategic and well-connected locations show no signs of dampening. For example, office space in Kuala Lumpur Sentral CBD is near full capacity, proving that building spaces with comprehensive connectivity is still in high demand. This concept emanates across the Group's other transport-oriented developments, such as PJ Sentral Garden City and Penang Sentral. Providing easy access to public transport systems is a huge pull factor for businesses looking for office space.

### **Engineering, Construction & Environment**

The Group's second largest contributor to revenue was the Engineering, Construction and Environmental sector, which recorded a revenue of RM511 million on the back of RM376 million from the previous year. For the financial year ended 31 December 2014, the unbilled order book value stood at RM1.14 billion.

The 36% growth in revenue in 2014 compared to the previous year can be mainly attributed to the LRT construction works on the Ampang and Kelana Jaya Lines. In addition, the construction of the Giant Hypermarkets in Kampar, Kangar and Setapak contributed positively to revenue recognition.

Moving forward, the Group added two new projects to its order book; the construction of a 30-storey office tower in Johor Bahru for Johor Land Berhad and the other, a resort in Aman Desaru, also in the state of Johor. Both projects have a total contract value of RM338 million.



Ongoing works on Phase 3 of Sungai Pahang's rehabilitation programme was the key driver of profits within the Environment sector.

### **Infrastructure**

The Infrastructure sector generated revenue of RM49 million and segment profit of RM20.3 million in financial year 2014, while in previous year, the Infrastructure and Environmental sector posted revenue of RM38 million with a segment loss of RM7.3 million.

### **Facilities Management & Parking Services**

The Facilities Management & Parking contributed a segment revenue of RM78 million, an increase of 16% compared to revenue of RM67 million in the preceding year. The Group continues to explore new avenues to expand its core businesses. Among potential revenue drivers are the upcoming PJ Sentral, Kwasa Sentral (in Damansara) and Penang Sentral developments in the coming years. The creation of new office space and car park spaces within these developments offer the sector a large upside for growth.

## GROUP MANAGING DIRECTOR'S STATEMENT



1Malaysia library in Lembah Pantai



The interior of 1Malaysia library in Lembah Pantai



Artist impression of MRCB's Homeless Shelter

### LEVERAGING ON UNIQUE STRENGTHS & OPPORTUNITIES

As the Group Managing Director of MRCB, I am pleased that the Group will continue to create value in all our developments and products, particularly in a Transport Oriented Development (TOD). MRCB is the first developer of integrated and environmental friendly TOD in Malaysia.

The Group offers a unique proposition; residential and commercial developments centralized around an integrated transport hub, adopting green technology for a sustainable future for stakeholders within the development. Building on the success of Kuala Lumpur Sentral CBD, PJ Sentral and the newly commenced Penang Sentral seek to emulate the example of this green development.

At the Group level, MRCB's emphasis on green technology is driven by a strong corporate social responsibility that emanates from the collective consciousness of major corporations and the general public. We would like to think that the work we do pushes the envelope in creating desirable and environment friendly developments.

## GROUP MANAGING DIRECTOR'S STATEMENT



Gym facilities at MRCB's 9 Seputeh development

Overall, MRCB's competitive edge has always been its capability to leverage on strategic landbanks to create value for a diverse range of market segments, from high-end and mid-range developments to affordable urban market developments.

Based on the flagship Kuala Lumpur Sentral CBD as a model, the Group intends to continue with systematic developments centred around transportation hubs. This will be the focus moving forward. We believe our core values will guide us and for the Group to push the boundaries and create value for the market, the environment and local communities.

Thank you.

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



A cross section of 9 Seputeh development

## DIRECTORS' PROFILE

### Profil Pengarah



**TAN SRI  
AZLAN ZAINOL**

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

Tan Sri Azlan Zainol, 65, 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), a fellow of the Asian Institute of Chartered Bankers, a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants.

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

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

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

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

Tan Sri Azlan Zainol, 65, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 12 Januari 2005. Beliau merupakan Felo Institut Akauntan Bertauliah (England & Wales), Felo Asian Institute of Chartered Bankers, ahli Institut Akauntan Awam Bertauliah Malaysia dan ahli Institut Perakaunan Malaysia.

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

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

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

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

## DIRECTORS' PROFILE

### Profil Pengarah

Tan Sri Mohamad Salim, 58, a Malaysian, was appointed to the Board of MRCB on 2 September 2013 and is a member of the Executive Committee. He is a self-made entrepreneur and business innovator, who has owned and managed businesses in construction, property investment and property development.

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

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

He currently sits on the boards of Gapurna group of companies, and also the Chairman of British American Tobacco (Malaysia) Berhad. He is the father of Encik Mohd Imran, the Executive Director of the Company.

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



**TAN SRI MOHAMAD SALIM  
FATEH DIN**

Group Managing Director  
*Pengarah Urusan Kumpulan*

Tan Sri Mohamad Salim, 58, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 2 September 2013 dan merupakan ahli Jawatankuasa Eksekutif. Beliau adalah seorang usahawan dan penganalisis perniagaan, yang memiliki dan mengendalikan sendiri pelbagai perniagaan dalam pembinaan, pelaburan hartanah dan pembangunan hartanah.

Seorang usahawan berjaya yang mempunyai semangat perintis, beliau adalah salah seorang pemaju hartanah pertama di negara ini yang memulakan konsep pembangunan hijau. Projek hijau yang menjadi mercu tanda termasuklah ibu pejabat baru Shell Malaysia di Menara Shell dan pangsapuri beserta perkhidmatan Ascott Sentral di Kuala Lumpur Sentral, serta PJ Sentral Garden City yang sedang dalam pembinaan, kedua-duanya dianggap sebagai

penanda aras industri ke arah piawai tertinggi dalam Indeks Bangunan Hijau (GBI) serta "Leadership in Energy & Environmental Design" (LEED) Amerika Syarikat.

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

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

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

## DIRECTORS' PROFILE

### Profil Pengarah

# MOHD IMRAN TAN SRI MOHAMAD SALIM

Executive Director  
*Pengarah Eksekutif*

**Mohd Imran, 33, a Malaysian, was appointed to the Board of MRCB on 1 March 2015.**

He holds a Degree in Electrical and Electronics from the University of Manchester Institute of Science and Technology, United Kingdom and Masters in Commerce from Deakin University, Australia.

He is member of the Institution of Engineers Malaysia and Institute of Electrical and Electronic Engineers, UK.

He is also a member of Institute of Value Management of Malaysia and The International Real Estate Federation ("FIABCI"), Malaysia.

**Mohd Imran, 33, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 1 Mac 2015.**

Beliau memiliki Ijazah Elektrik dan Elektronik daripada University of Manchester Institute of Science and Technology, United Kingdom dan Ijazah Sarjana dalam Perdagangan daripada Deakin University, Australia.

Beliau merupakan ahli Institut Jurutera Malaysia dan Institut Jurutera Elektrik dan Elektronik, United Kingdom.

Beliau juga adalah ahli Pertubuhan Pengurusan Nilai Malaysia dan "The International Real Estate Federation ("FIABCI"), Malaysia".

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

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

Mohd Imran was appointed as the Group Chief Operating Officer of MRCB on 1 March 2013. He is the son of Tan Sri Mohamad Salim Fateh Din, the Group Managing Director of the Company.

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

Mohd Imran telah dilantik sebagai Ketua Pegawai Operasi Kumpulan MRCB pada 1 Mac 2013. Beliau adalah anak kepada Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan Syarikat.

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

## DIRECTORS' PROFILE

### Profil Pengarah

# DATUK SHAHRIL RIDZA RIDZUAN

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

**Datuk Shahril Ridza Ridzuan, 45, a Malaysian, was appointed to the Board of MRCB on 9 August 2001. He is the Chairman of Executive Committee and ESOS Committee.**

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

**Datuk Shahril Ridza Ridzuan, 45, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 9 Ogos 2001. Beliau merupakan Pengerusi Jawatankuasa Eksekutif dan Jawatankuasa ESOS.**

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

Datuk Shahril pernah menjadi Pembantu Undang-undang di Zain & Co dari tahun 1994 hingga 1996. Dari tahun 1997 hingga 1998, beliau berkhidmat sebagai Pembantu Khas kepada

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

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

Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad mulai tahun 1998 hingga 1999. Dari tahun 1999 hingga bulan Ogos 2001, beliau berkhidmat sebagai Pengarah Eksekutif SSR Associates Sdn Bhd.

Beliau dilantik sebagai Pengarah Urusan Syarikat mulai 1 September 2003 hingga 1 Disember 2009 dan kini menyandang jawatan sebagai Ketua Pegawai Eksekutif Kumpulan Wang Simpanan Pekerja. Datuk Shahril juga menduduki Lembaga Pengarah Media Prima Berhad, Pengurusan Danaharta Nasional Berhad dan Malaysia Building Society Berhad.

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

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

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

## DIRECTORS' PROFILE

### Profil Pengarah

## DATO' ABDUL RAHMAN AHMAD

Independent Director  
*Pengarah Bebas*

Dato' Abdul Rahman, 46, a Malaysian, was appointed to the Board of MRCB on 9 August 2001 and was re-designated as an Independent Director on 24 November 2009. He is the Chairman of Audit Committee and member of Nomination & Remuneration Committee.

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

Dato' Abdul Rahman began his career at Arthur Andersen, London and later served as Special Assistant to the Executive Chairman

of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad, the country's national asset management company, as Unit Head and later went on to become an Executive Director of SSR Associates Sdn Bhd.

Dato' Abdul Rahman was the Group Managing Director/Chief Executive Officer of MRCB and subsequently Media Prima Berhad, a leading integrated media investment group in Malaysia. He is currently a Director and the Chief Executive Officer of Ekuiti Nasional Berhad and also serves as Director of Axiata Group 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, 46, warganegara Malaysia, dilantik menganggotai Lembaga Pengarah MRCB pada 9 Ogos 2001 dan telah dilantik semula sebagai Pengarah Bebas pada 24 November 2009. Beliau merupakan Pengerusi Jawatankuasa Audit dan ahli Jawatankuasa Pencalonan & Imbuan.

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

Dato' Abdul Rahman memulakan kerjaya beliau bersama Arthur Andersen, London dan kemudian berkhidmat sebagai Pembantu

Khas kepada Pengerusi Eksekutif Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. Selepas itu, beliau menyertai Pengurusan Danaharta Nasional Berhad, syarikat pengurusan aset negara, sebagai Ketua Unit dan kemudian berkhidmat sebagai Pengarah Eksekutif SSR Associates Sdn Bhd.

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

Nasional Berhad dan turut berkhidmat sebagai Pengarah Axiata Berhad.

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

## DIRECTORS' PROFILE

### Profil Pengarah

## DATO' CHONG PAH AUNG

Independent Director  
*Pengarah Bebas*

**Dato' Chong Pah Aung, 61, a Malaysian, was appointed to the Board of MRCB on 21 June 2011. He is a member of the Audit Committee, Executive Committee and Nomination & Remuneration Committee.**

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

**Dato' Chong Pah Aung, 61, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 21 Jun 2011. Beliau merupakan ahli Jawatankuasa Audit, Jawatankuasa Eksekutif dan Jawatankuasa Pencilonan & Imbuhan.**

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

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.

Sebelum ini, Dato' Chong pernah berkhidmat dengan C H Williams Talhar & Wong ("WTW"). Beliau menyertai WTW pada tahun 1981 dan bersara sebagai Pengarah Eksekutif Kanan pada bulan April 2009. Kini, beliau merupakan Pengarah Urusan Compass Real Estate Sdn Bhd dan Compass Property Management Sdn Bhd. Dato' Chong turut menduduki Lembaga Pengarah Tasek Corporation Berhad sebagai seorang pengarah bebas sejak 28 April 2009.

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.

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

## DIRECTORS' PROFILE

### Profil Pengarah

# JAMALUDIN ZAKARIA

Independent Director  
*Pengarah Bebas*



Jamaludin Zakaria, 49, a Malaysian, was appointed to the Board of MRCB on 24 August 2011 and also 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, 49, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 24 Ogos 2011 dan juga merupakan ahli Jawatankuasa Audit dan Jawatankuasa ESOS. Beliau memiliki Ijazah Sarjana Muda Sains dalam Perakaunan dengan pengajian sampingan dalam Hartanah dan Insurans daripada Arkansas State University.

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

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

## DIRECTORS' PROFILE

### Profil Pengarah

## DATO' JOHARI RAZAK

Independent Director  
*Pengarah Bebas*

**Dato' Johari, 61, a Malaysian, was appointed to the Board of MRCB on 5 February 2014. He is the Chairman of the Nomination & Remuneration Committee and member of ESOS Committee.**

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

**Dato' Johari, 61, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 5 Februari 2014. Beliau merupakan Pengerusi Jawatankuasa Pencalonan & Imbuan dan Jawatankuasa ESOS.**

Beliau memiliki Ijazah Undang-undang daripada University of Kent, United Kingdom. Beliau telah diterima ke Bar of England and Wales di Lincoln's Inn pada tahun 1976 dan diterima menjadi Peguamcara dan Peguambela Mahkamah Tinggi Malaya pada tahun 1977. Beliau menjadi pengamal undang-

was a Partner of the firm from 1981 to 1994. He re-joined the firm as a Partner on 1 August 2007.

Dato' Johari is the Chairman of Ancom Berhad and Daiman Development Berhad. He also sits on the Board of Hong Leong Industries Berhad, Deutsche Bank (Malaysia) Berhad, Daiman Golf Berhad and Sumatec Resources Berhad.

undang di sebuah firma guaman terkemuka di Malaysia dari tahun 1979 dan merupakan Rakan Kongsi firma berkenaan dari tahun 1981 hingga 1994. Beliau menyertai semula firma tersebut sebagai Rakan Kongsi pada 1 Ogos 2007.

Dato' Johari merupakan Pengerusi Ancom Berhad dan Daiman Development Berhad. Beliau turut menduduki Lembaga Pengarah Hong Leong Industries Berhad, Deutsche Bank (Malaysia) Berhad, Daiman Golf Berhad dan Sumatec Resources 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.

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

## DIRECTORS' PROFILE

### Profil Pengarah

# ROHAYA MOHAMMAD YUSOF

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

**Rohaya Mohammad Yusof, 50, a Malaysian, was appointed to the Board of MRCB on 6 March 2014 and a member of the Audit Committee.**

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

Rohaya began her career with Arthur Andersen & Co. as Financial Consultant in the Audit division. Her working experiences include among others; auditing various fields ranging from manufacturing, banking, oil & gas and trading industries where she was involved in audit planning and preparing of

audited financial accounts and evaluating internal control of accounting system. In 1990, she joined Maybank Investment Bank (previously named Aseambankers) and was appointed as Executive Vice President for Corporate Investment Banking in 2005. After 18 years of acquiring vast experience in Maybank Investment Bank in areas of Fixed Income, Equity and Corporate Finance, Rohaya joined Employees Provident Fund ("EPF") in 2008 as Head of Corporate Finance. During her tenure with EPF, Rohaya was appointed as Head of Capital Market Department in 2010 where she oversees Domestic and Global investment in loans and bonds.

Her portfolio also includes Domestic and Global Fixed Income monitoring of External Fund Managers.

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

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

**Rohaya Mohammad Yusof, 50, warganegara Malaysia, telah dilantik menganggotai Lembaga Pengarah MRCB pada 6 Mac 2014 dan merupakan ahli Jawatankuasa Audit. Beliau memiliki Ijazah Sarjana Muda Perdagangan (Perakaunan) daripada Australian National University dan ahli bersekutu Akauntan Awam Bertauliah, Australia.**

Rohaya memulakan kerjaya beliau bersama Arthur Andersen & Co. sebagai Perunding Kewangan di bahagian Audit. Pengalaman kerja beliau antara lain meliputi; mengaudit pelbagai bidang daripada industri perkilangan, perbankan, minyak & gas dan perdagangan di mana beliau terlibat dalam perancangan audit dan penyediaan akaun kewangan diaudit serta menilai kawalan dalaman sistem perakaunan.

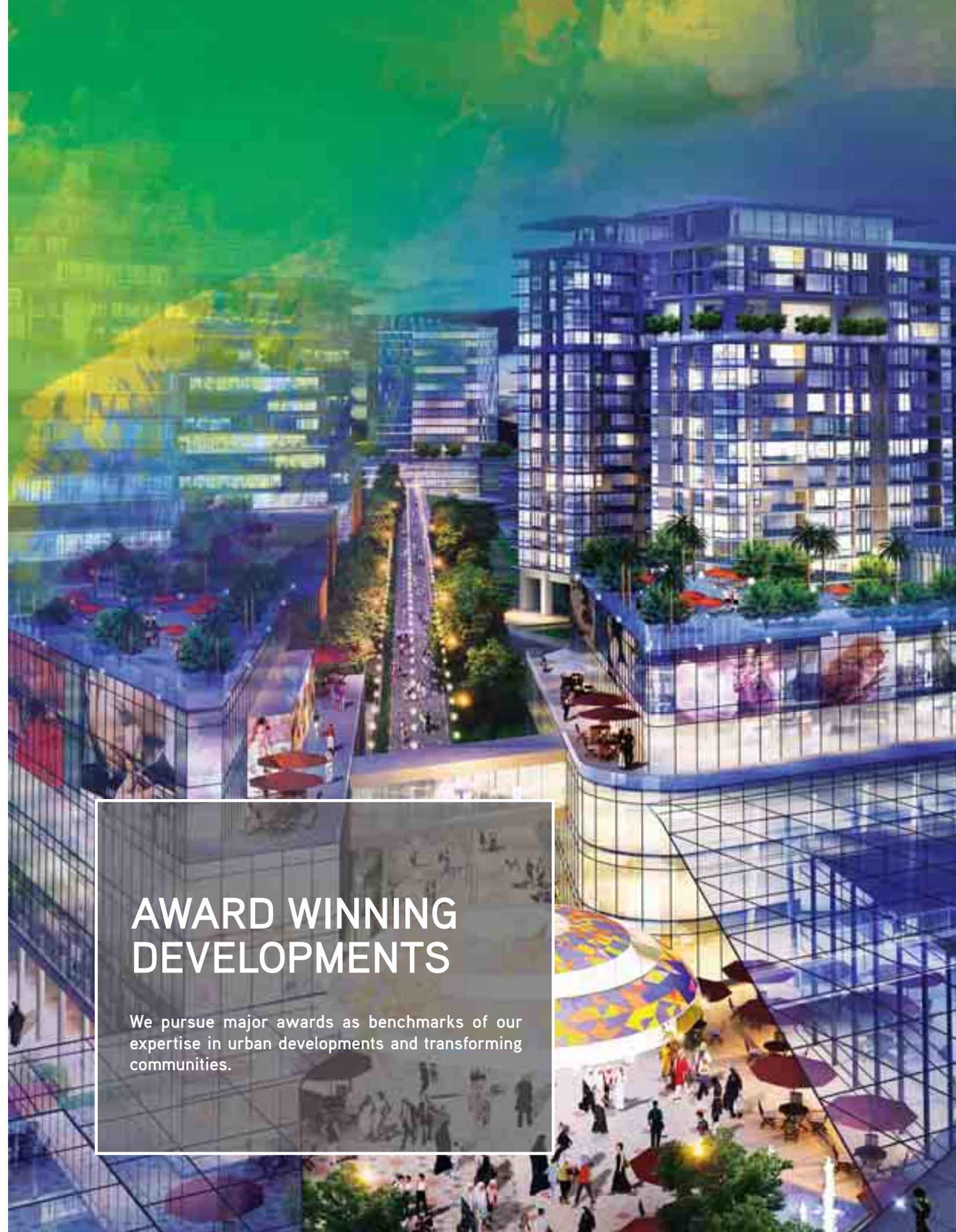
Beliau menyertai Maybank Investment Bank (dahulu dikenali sebagai Aseambankers) pada tahun 1990 dan telah dilantik sebagai Naib Presiden Eksekutif bagi Perbankan Pelaburan Korporat pada tahun 2005.

Selepas 18 tahun menimba pengalaman luas bersama Maybank Investment Bank dalam pelbagai bidang seperti Pendapatan Tetap, Ekuiti dan Kewangan Korporat, Rohaya menyertai Kumpulan Wang Simpanan Pekerja ("KWSP") pada tahun 2008 sebagai Ketua Kewangan Korporat. Sepanjang tempoh bersama KWSP, Rohaya telah dilantik sebagai Ketua Jabatan Pasaran Modal pada tahun 2010 di mana beliau memantau pelaburan pinjaman dan bon Domestik serta Global. Portfolio beliau juga meliputi memantau Pengurus Dana Luar

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

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





# AWARD WINNING DEVELOPMENTS

We pursue major awards as benchmarks of our expertise in urban developments and transforming communities.

## 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.



## AWARDS & RECOGNITIONS

Anugerah & Pengiktirafan



### AWARDS - MRCB GROUP 2014 (as at May 2014)

#### Global Leadership Awards 2014

- Best in Urban Regeneration Development
  - Kuala Lumpur Sentral CBD
- Masterclass CEO of The Year
  - Tan Sri Mohamad Salim Fateh Din

#### 5th Malaysian Business Award 2013

- Industry Excellence

#### National Annual Corporate Report Awards 2013

- Finalist (Overall)

#### Malaysia Achievement Awards 2012

- Special Organisation Achievement Category

#### National Annual Corporate Report Awards 2012

- Finalist (Overall)

#### BrandLaureate Awards 2011

- Conglomerate Awards

#### ACCA Masra 2011

- Shortlisted

#### Stevie International Business Awards 2011

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

#### The Edge Billion Ringgit Club 2011

- Member

#### NACRA Award 2010

- Best Corporate Social Responsibility Reporting Award
  - Silver Award

#### ACCA MaSRA 2010

- Shortlisted

#### Asean Business Awards (Innovation) 2010

- 1st Runner Up

#### Stevie International Business Awards 2010

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

#### PM CSR Award 2009

- Honourable Mention – Culture & Heritage

#### ACCA MaSRA 2009

- Winner – Environmental Performance Report

#### ACCA MaSRA 2009

- Special Mention – Assurance Approach

#### NACRA Award 2009

- Best Corporate Social Responsibility Reporting Award
  - Silver Award

#### Member

- The Edge Billion Ringgit Club 2010

#### StarBIZ ICR Malaysia Corporate Responsibility Awards 2009

- Finalist – Marketplace Category

#### NACRA Award 2008

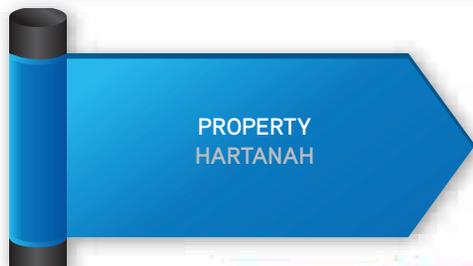
- Best Corporate Social Responsibility Reporting Award
  - Platinum Award

#### StarBIZ – ICR Malaysia Corporate Responsibility Awards 2008

- Finalist – Community Category

## AWARDS & RECOGNITIONS

Anugerah & Pengiktirafan



### KUALA LUMPUR SENTRAL SDN BHD

- FIABCI World Prix d'Excellence Awards 2014 for Sustainable Development Category**
- World Gold Winner - Platinum Sentral
- FIABCI Malaysia Chapter Property Awards for Green Sustainable Development Category 2013**
- Winner - Platinum Sentral
- FIABCI International Prix d'Excellence Awards for Purpose-Built Development Category 2010**
- 1st Runner-up - 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
- FIABCI International Prix d'Excellence Awards for Specialised and Public Sector Category 2003**
- Finalist - Stesen Sentral Kuala Lumpur
- FIABCI Malaysia Chapter Property Award for Specialised and Public Sector Category 2002**
- Stesen Sentral Kuala Lumpur

- The Edge-PAM Green Excellence Awards 2012**
  - Green Building - Platinum Sentral
- Editors Choice Property Awards 2012**
  - Best Green Office Development - Platinum Sentral
  - Best Green Initiative - Platinum Sentral
  - Best Integrated Development - Kuala Lumpur Sentral CBD
- Stevie International Business Awards 2011**
  - Distinguished Honoree for the Environmental Responsibility Programme of the year in Asia (subcontinent, Australia and New Zealand) for the Green Building Initiative
- Islamic Finance News Award Musyarakah Deal of the Year 2007**
  - Kuala Lumpur Sentral CBD
- Malaysia's First MSC Cybercentre in 2006**
  - Kuala Lumpur Sentral CBD
- Best Steel Roof Design and Honorary Mention for Excellence in Architecture (PAM ) for 2002 & 2003**
  - Stesen Sentral Kuala Lumpur
- PAM 2002 Awards for Excellence in Architecture**
  - Stesen Sentral Kuala Lumpur
- MRCB Sentral Properties Sdn Bhd**
  - MS ISO 9001:2000

## AWARDS & RECOGNITIONS

### Anugerah & Pengiktirafan

#### FACILITIES MANAGEMENT PENGURUSAN KEMUDAHAN



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

#### Semasa Sentral Sdn Bhd

- Building Gemilang Decoration Competition 2011 – 1st place
- “Best Facilities Management Company in Asia Pacific”: Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- “Best Operation Driver of The Year”: Mohamed Roslan Mohamed Shariff, Chief Operating Officer, SSSB – Asia Pacific Excellence 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

#### 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

## AWARDS & RECOGNITIONS

Anugerah & Pengiktirafan



### 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

## AWARDS & RECOGNITIONS

Anugerah & Pengiktirafan

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

## GROUP FINANCIAL HIGHLIGHTS

|  | 2010<br>RM'000 | 2011<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 |
|--|----------------|----------------|----------------|----------------|----------------|
| Revenue  | 1,067,579      | 1,226,705      | 1,243,511      | 940,910        | 1,514,767      |
| Gross Profit Margin (%)                          | 18             | 18             | 22             | 3              | 24             |
| Profit/(Loss) Before Income Tax                  | 97,575         | 123,313        | 124,922        | (110,367)      | 220,618        |
| Earnings/(Loss) *                                | 67,268         | 93,524         | 60,122         | (109,132)      | 152,634        |
| Earnings/(Loss) Per Share (sen) **               | 5              | 7              | 4              | (7)            | 9              |
| Return/(Loss) On Average Shareholders' Funds (%) | 7              | 7              | 4              | (7)            | 8              |
| Total Assets                                     | 4,388,340      | 5,408,484      | 5,954,817      | 6,602,724      | 7,041,923      |
| Shareholders' Funds                              | 1,286,225      | 1,371,780      | 1,413,796      | 1,675,416      | 1,985,256      |
| Borrowings                                       | 1,996,888      | 2,728,404      | 3,309,452      | 3,503,299      | 3,683,661      |
| Net Assets Backing Per Share (RM) ***            | 0.93           | 0.99           | 1.02           | 1.01           | 1.13           |

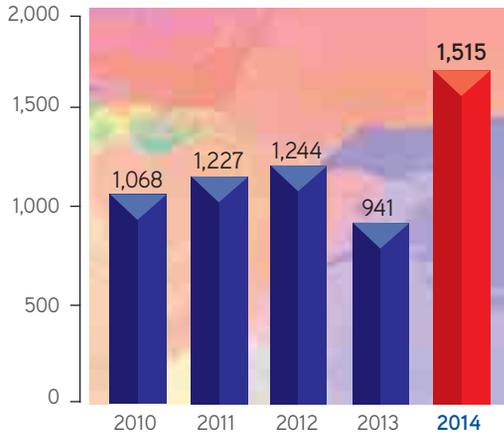
\* Earnings/(Loss) : Profit/(Loss) attributable to the equity holders of the Company.

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

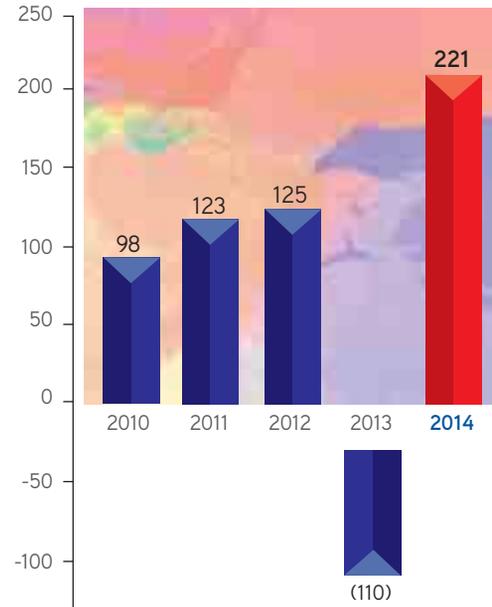
\*\*\* Based on number of shares issued as at year end.

# CHARTS

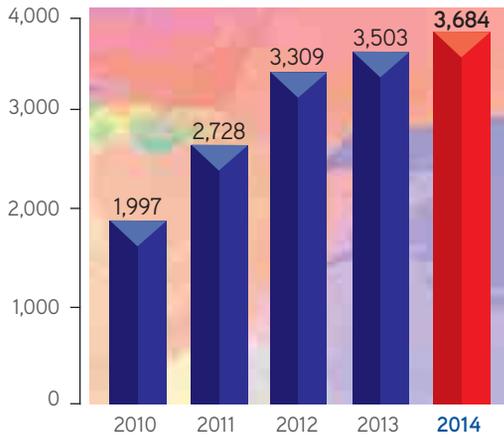
**GROUP REVENUE**  
(RM million)



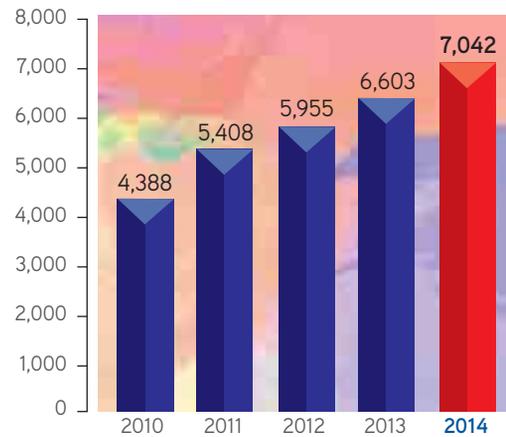
**GROUP PROFIT/(LOSS) BEFORE INCOME TAX**  
(RM million)



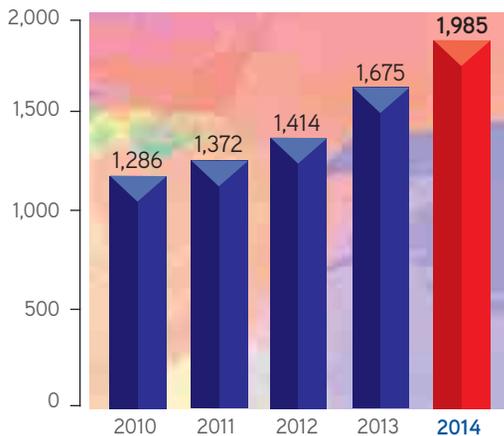
**GROUP BORROWINGS**  
(RM million)



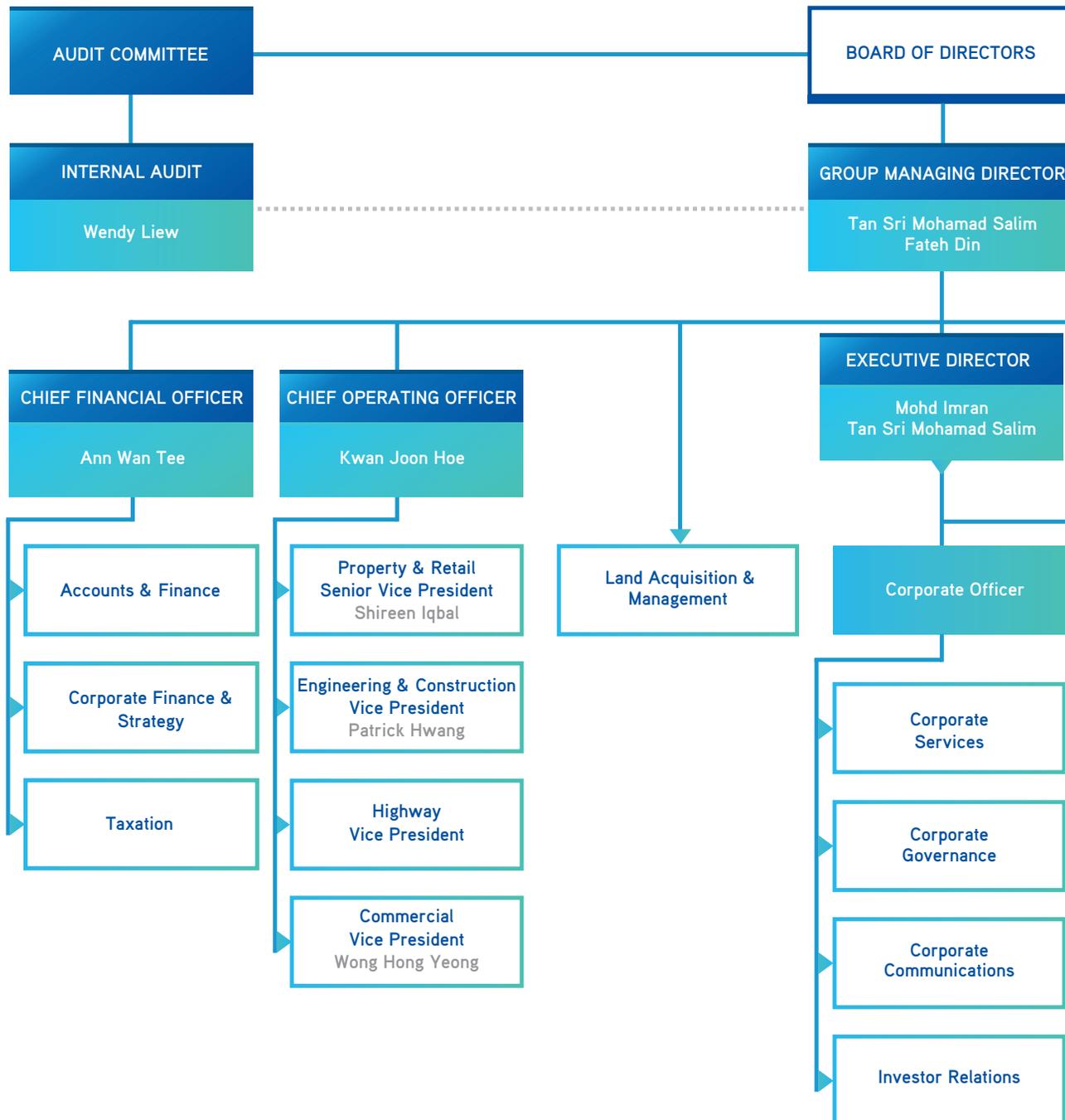
**GROUP TOTAL ASSETS**  
(RM million)



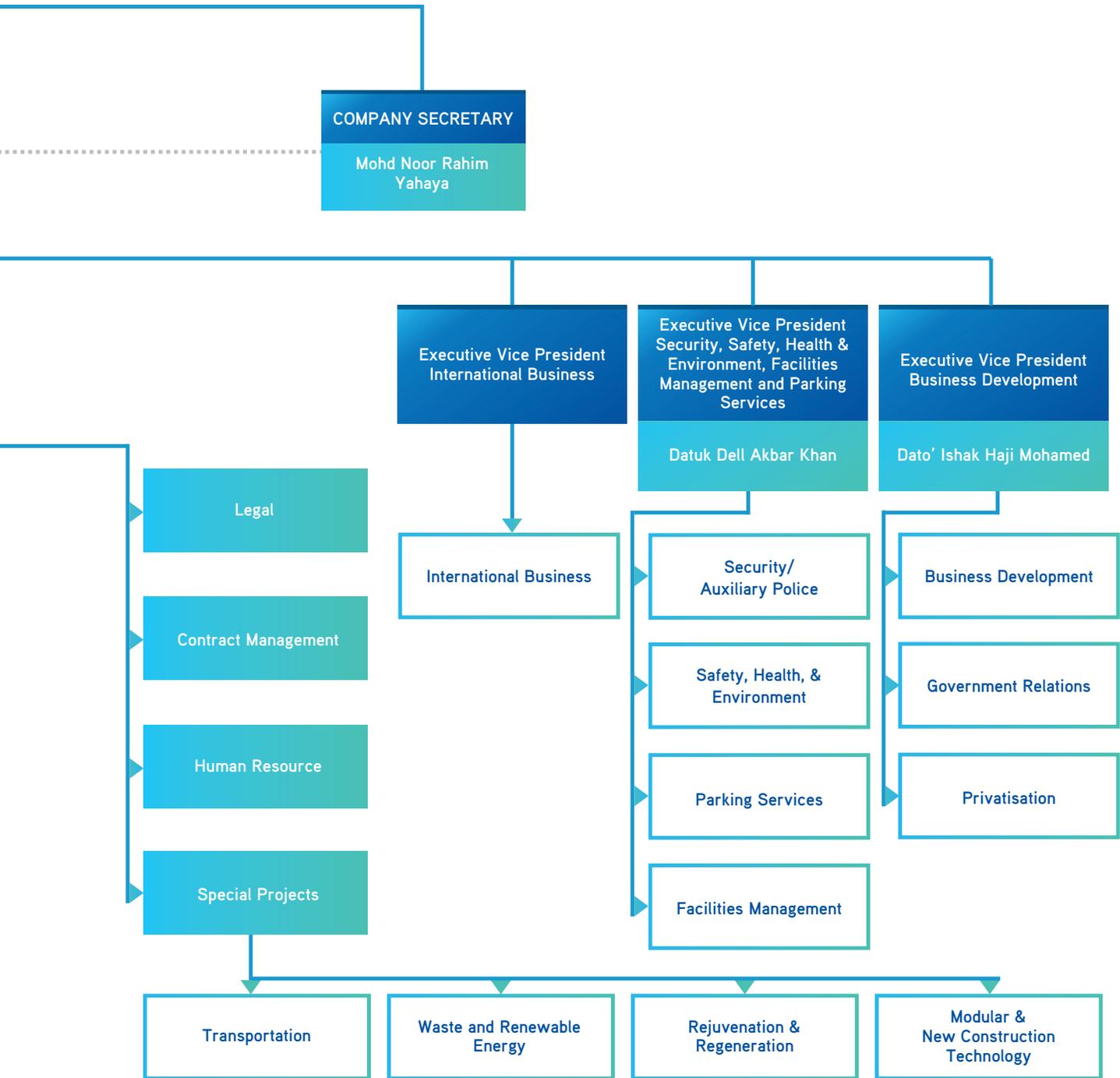
**GROUP SHAREHOLDERS' FUNDS**  
(RM million)



# ORGANISATION CHART



# ORGANISATION CHART



>> BUSINESS REVIEW

>> GOVERNANCE

>> ADDITIONAL INFORMATION

>> FINANCIAL REPORT

## CORPORATE STRUCTURE

Struktur Korporat



# CORPORATE STRUCTURE

## Struktur Korporat



>> BUSINESS REVIEW

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>> FINANCIAL REPORT

## SENIOR MANAGEMENT



**Datuk Dell Akbar Khan**  
*Executive Vice President,  
Security, Safety, Health & Environment,  
Facilities Management and  
Parking Services*

**Dato' Ishak Haji Mohamed**  
*Executive Vice President,  
Business Development,  
Government Relations &  
Privatisation*

## SENIOR MANAGEMENT



**Ann Wan Tee**  
*Chief Financial Officer*

**Mohd Imran Tan Sri Mohamad Salim**  
*Executive Director*

**Kwan Joon Hoe**  
*Chief Operating Officer*

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## SENIOR MANAGEMENT



**Patrick Hwang**  
*Vice President,  
Engineering & Construction*

**Lok Ngai Hey**  
*Vice President,  
Property*

**Shireen Iqbal**  
*Senior Vice President,  
Property & Retail*

**Wong Hong Yeong**  
*Vice President,  
Commercial & Office Leasing*



**OPERATIONS  
REVIEW**

## PROPERTY DEVELOPMENT

In 2014, the 348 Sentral development comprising Menara Shell and Ascott Sentral, saw its first year in operation as a shining example of MRCB's continuous commitment to Sustainable Development, which has become a key performance indicator for the Group's investment projects.

MRCB's property arm via MRCB Land is presently developing several projects that also adopt, similar to 348 Sentral, the US-based Leadership in Energy and Environmental Design (LEED) and Malaysian Green Building Index (GBI) principles, as well as Singapore's Building and Construction Authority (BCA) Green Mark standards for Sustainability.

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



Menara Shell

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

#### *Developments at Kuala Lumpur Sentral CBD*

#### **348 SENTRAL – MENARA SHELL AND ASCOTT SENTRAL**

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



Ascott Sentral dining room

## PROPERTY DEVELOPMENT



Ascott Sentral lobby



CIMB Tower

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

Menara Shell is 100% occupied. The Tenants includes Shell People Services Asia Sdn Bhd, Saipem Malaysia Sdn Bhd, YM Consultants Sdn Bhd, Trade Winds Corporation Bhd, Advance Defense Sdn Bhd, AmGeneral Insurance Malaysia Bhd, Coca Cola Far East Ltd, Jardine Lloyd Thompson Sdn Bhd, San Francisco Coffee, Meal Station, Food Addiction Ventures Sdn Bhd, RHB Bank, Drs Young Newton and Partners, Creschlink Sdn Bhd and Edunxt Global Sdn Bhd.

Complementing Menara Shell is the Ascott Sentral Kuala Lumpur, an elegant serviced residences with 157 units ranging from 40 to 213 sqm that features stylish living area, a modern kitchen, luxurious bedrooms and bathrooms, a designated work space with optimal lighting through the floor-to-ceiling windows. The guests are able to enjoy the benefits of modern conveniences like internet access, individually controlled air conditioning and daily housekeeping. Ascott Sentral Kuala Lumpur is managed by Ascott International, a global serviced residence operator that has 25,000 operating units in key cities of Asia Pacific, Europe and the Gulf Region.

### LOT A

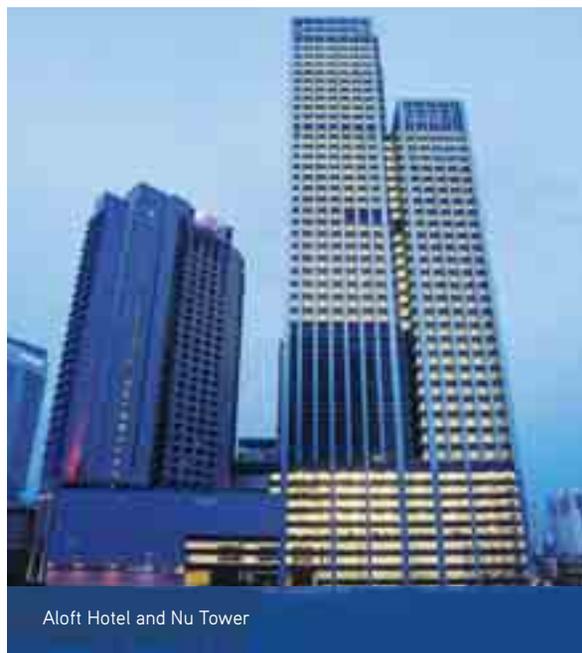
Lot A, a prime development within the Kuala Lumpur Sentral CBD that is built facing the exclusive Federal Hill, Bangsar and Damansara neighbourhoods, is now known as Menara CIMB, the new corporate headquarters of CIMB Investment Bank. Lot A Sentral Sdn Bhd (LASSB), a joint venture company between Maple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

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

## PROPERTY DEVELOPMENT



1 Sentrum



Aloft Hotel and Nu Tower

### Q SENTRAL

Q Sentral is destined to become an iconic landmark in the Kuala Lumpur skyline, as a stratified Grade A 45-storey office tower with a GBI Gold accreditation that carries one of the highest rating for Green Standards. The office tower will be one of the largest single floor plates at 40,000 sq. ft. compared to the average 15,000 sq. ft. for most offices. The project is expected to be completed in 2015 and will have a GDV of about RM1.2 billion. Since its launch in September 2011, sales of 92% have been achieved. Q Sentral is an important component in the realisation of the overall vision for Kuala Lumpur Sentral CBD.

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

### ALOFT HOTEL AND NU TOWER 1 & 2

A joint development at Lot G by MRCB and partner, Aseana Properties Limited, UK, has produced two office towers known as Nu Tower 1 & 2 and the 482-room business class hotel known as Aloft Hotel. Both were completed at the end of 2012 and March 2013 respectively. The Aloft hotel complements Hilton Kuala Lumpur and

Le Meridien Kuala Lumpur by offering a different level of service to discerning business and leisure travelers, besides enhancing the city's hospitality industry with its dynamic blend of modern design, technology and entertainment. The Aloft hotel in Kuala Lumpur is the largest in the world with a 700 capacity banquet hall.

Currently, Nu Tower 1 is nearly 100% and Nu Tower 2 is 50% leased and is expected to be fully tenanted this year. The tenants includes, MRCB Headquarters, Allianz Life & General Insurance Group, Tenaga Nasional Bhd, L'Occitane Malaysia Sdn Bhd, Ecofirst Consolidated Bhd, Servcorp, Sentro, International SOS Pte Ltd, Asian Banking School, Monster and Celcom Planet Sdn Bhd.

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.

## PROPERTY DEVELOPMENT



1 Sentrum



An interior view of NU Sentral

### 1 SENTRUM AND NU SENTRAL

The Nu Sentral Shopping Centre has two major anchor tenants, Parkson and Golden Screen Cinemas (GSC). GSC has 11 screening halls and these two occupy more than 183,000 sq. ft. Other well-known retail brands include MPH, Celebrity Fitness, Quizzin Food Court, The Ballroom Bowling Centre, Harvey Norman, H&M, Uniqlo, Monki, Victoria Secret, Dorothy Perkins, Swiss Watch Gallery and Tumi.

These tenants occupy approximately 177,000 sq. ft. of floor space and GDV of over RM1 billion that offers 270 retail lots for lease. Food & beverage tenants include Tony Roma's, McDonald's, Dubu Dubu, Nando's, Manhattan Fish Market, Sakae Sushi, Waroeng Penyet, Cream & Fudge, Sushi Tei, Pasta Zanmai, Starbucks, O'Briens, Melur & Thyme and many more. Cotton On, Levi's, Dockers, Hush Puppies, L'Occitane, The Executive, Pedro, Charles & Keith, and Scholl are some of the brands under the fashion category. Nu Sentral has the first Monki in South East Asia, a famous fashion brand store.

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

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

Sentral Monorail station and Stesen Sentral Kuala Lumpur. Positioned as "the first integrated lifestyle retail mall" in Malaysia. The retail mall is owned by Nu Sentral Sdn Bhd, a joint venture between MRCB and PHB and operated by MRCB Land.

Since opening its doors in 29 March 2014, NU Sentral Shopping Centre has transformed shopping experience by providing shoppers and travelers with the convenience of the public transportation systems. As the first transit mall in the country, NU Sentral has the unique feature of providing global connectivity that accommodates a dynamic and active lifestyle. Linked to KL's largest transit hub; Stesen Sentral Kuala Lumpur, NU Sentral provides the community with improved access to places, jobs and economic opportunities. With an extensive range of retail stores, dining selections and entertainment venues integrated with a network of transit facilities, NU Sentral further affirms its foothold in the competitive retail industry.

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

Two major tenants of 1 Sentrum are Agoda International (M) Sdn Bhd and JLL Property Services (M) Sdn Bhd.

## PROPERTY DEVELOPMENT

### On-going Residential and Commercial Developments

#### 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 company, One IFC Sdn Bhd, to acquire and develop Lot C into the prestigious St. Regis Hotel and Residences. A tower comprising 208 rooms and 160 units of luxury residences with a GFA totalling over 1 million sq. ft., the 6-star St. Regis Hotel will occupy floors 1 to 22 of the tower while the luxury residences will be located above the hotel from floors 23 to 48.

This new high-end hospitality development will be managed by 6-star luxury hospitality brand St. Regis and will create a new benchmark in the hospitality industry and also a new landmark in the country's international tourism promotion. The hotel is expected to tap into a market of high-income tourists as the St. Regis brand caters to heads of states, diplomats, dignitaries and captains of industries. It will have 200,000 sq. ft. of convention facilities and will be one of the hotels with rooms that are among the largest in the world. The construction of the hotel and residences tower commenced in the fourth quarter of 2010 and completion is expected by end 2015 and the Hotel & Residences will operate by mid 2016.

#### THE SENTRAL RESIDENCES

Located next to the St. Regis Hotel and Residences, the development of Lot D undertaken by MRCB with the Quill Group of Companies, has recorded 85% sales secured for all 752 units of luxurious condominiums being offered under the brand The Sentral Residences.



The Sentral Residences



A view of 9 Seputeh

With a GFA of 1.4 million sq. ft. spread over two 57-storey towers and GDV of RM1.3 billion, The Sentral Residences will complement the existing Suasana Sentral and Suasana Sentral Loft Condominiums. In the topmost 8 levels, 80 of its most luxurious units are designed with extra volume ceiling heights to offer the best views of the fantastic Kuala Lumpur skyline panorama. Overlooking the Lake Gardens, National Museum and the city centre, The Sentral Residences will have spectacular views and luxury amenities for both its towers that are connected at the rooftop by a sky bridge. The generous facilities include a garden deck at level 2, Sky Lounge at level 45 and Sky Club at the rooftop of level 55. The garden deck offers a whole range of facilities that include a lush tropical garden landscape concept. The Sky Club has a more extensive offering of two rooftop saltwater infinity pools; a cafeteria surrounded by sun-shaded decks; verdant tropical trees landscaping and a gymnasium; a vantage point from where residents can enjoy views of Lake Gardens and KL City Centre while working out. More facilities are available at this rooftop level connected across both towers, creating an expansive relaxation area amongst the clouds.

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

#### 9 SEPUTEH

MRCB's ongoing mixed development project in the Seputeh area known as 9 Seputeh comprises a mix of sophisticated commercial and residential units nestled in the mature neighbourhood of Jalan Klang Lama on a 17.3-acre stretch of prime land, where facilities and amenities are abundant for business, leisure and family life.

## PROPERTY DEVELOPMENT



Semarak City

The development has been envisioned by MRCB as the catalyst to transform Jalan Klang Lama into a more hip, vibrant and modern place to live, work and play, while building on the strength of the main thoroughfare's history as an important link for the Klang Valley population for more than a hundred years. This famous main road, built from 1905 to 1908, is the oldest and the first major road in Klang Valley, before the Federal Highway was built in 1965.

Set against this historic background, 9 Seputeh is a development that will redefine the future of this mature residential and commercial zone, while providing a fresh look to the Sungai Klang riverscape. It features Jalan Klang Lama's tallest structures as well as signature residential and commercial components. The development's Phase 1 with a GDV of about RM860 million, comprising the 44-storey Tower C (190 units), the 42-storey Tower D (222 units) and a 15-storey SoHo (Vivo Suites) block (287 units) were 70% sold as of the end of 2014.

The commercial components consist of 2&3 storey retail lots, 1 hypermarket and 1 foodcourt. This integrated development is seamlessly connected to the retail, commercial and transportation hubs of Kuala Lumpur Sentral CBD, Mid Valley and Bangsar with its own dedicated link to the New Pantai Expressway as well as a planned covered link bridge to the proposed monorail station that will make travelling on this public more convenient.

### SEMARAK CITY

This strategically located integrated development by MRCB on Jalan Sultan Yahya Petra (formerly known as Jalan Semarak) is a serene, green enclave within the heart of Kuala Lumpur. Stylishly built on 27.41 acres of prime land, Semarak City enjoys convenient access to and from the DUKE expressway, and plans are underway to widen the existing main access road to a generous 6 lanes to enhance this accessibility.



PJ Sentral Garden City

Semarak City is conceptualized as a new urban centre offering a modern urban living environment that integrates meticulously planned commercial, residential, lifestyle shopping mall and leisure components. It is designed as an eco-sustainable development to meet the Green Building index (GBI) requirements, and is cocooned within the lush greenery of the surrounding areas, including the adjacent 25-acre DBKL Recreational Park that has been taken under the wings of MRCB Land and will be restored to a pristine lushness. This initiative for preservation was conceived to bring a better quality of life for residents of Semarak City and communities in its vicinity for generations to come.

Approximately 3,400 serviced apartments, shops and SoHo units will be built over several phases; The Padang (Phase 1) consists of shop and serviced apartments, The Puncak (Phase 2) consists of shop and SOHO and The Rentak (Phase 3) consists of a shopping mall and serviced apartment. The 4-storey shopping mall will have a GFA of 774,232 sq. ft.

### PJ SENTRAL

As one of MRCB's premier development, PJ Sentral will bring a welcome change to the landscape of Petaling Jaya and become a catalyst for the rejuvenation of this first ever modern township in the Klang Valley that was opened in 1952. The project seeks to establish a new vision for the urban regeneration of Petaling Jaya based on the principles of modern design excellence, as well as provisions for social and economic well-being that gives cognizance to environmental responsibility.

## PROPERTY DEVELOPMENT

The proposed development will adopt the Green Building Index (GBI) Gold for the individual building and US Leadership in Environmental & Energy Design (LEED) Neighborhood and Township Development Gold rating for the overall development.

PJ Sentral comprises 6 towers, of which 4 are owned by Celcom (Lot 8), Selangor State Development Corporation (PKNS), Malaysia Building Society Berhad (MBSB) and Intellectual Property Corporation of Malaysia (MyIPO) Tower, with a total GFA of 3,883,899 sq. ft. and a total NFA of 2,691,107 sq. ft.

The towering edifices are located within 4 acres of public park at the development site in Section 52 Petaling Jaya. Water fountains, children's playground and covered walkways will be part of the landscape that also offers F& B and Retail Shops, auditoriums, conference halls and a convention centre, as well as Sky Gardens on the towers.

### THE GRID @ 21 KIA PENG

Located in one of Malaysia's most desirable locations, the residential precinct of KLCC; The Grid by MRCB will provide residents with their own personal sanctuary with landscaped gardens, KLCC viewing deck, charming water features and modern facilities within quick reach, all within a 36-storey tower with 277 exclusive units, offering one to three bedroom high end condominium units measuring from 843 sq. ft. to 1,206 sq. ft.

The GBI-certified tower block also include an infinity pool with children pool, a gymnasium, children's playground, a yoga deck, a landscaped garden, a BBQ area, viewing deck, infinity pool, lounge, covered car park with access card and 24 hour security (CCTV).

Interest is very strong in The Grid, which has been conceptualised as an aesthetically enhanced development that seamlessly combines concrete, metal and glass to create a timeless building that will meld within the ultra-urban setting. The development is expected to be launched by 2nd quarter 2015.

This integrated development is seamlessly connected to the retail, commercial and transportation hubs of Kuala Lumpur Sentral CBD, Mid Valley and Bangsar with its own dedicated link to the New Pantai Expressway as well as a planned covered link bridge to the proposed monorail station that will make travelling on this public more convenient.



The Grid

## PROPERTY DEVELOPMENT



FRISIA, Double Storey (Phase 2C), Bandar Seri Iskandar

### BANDAR SERI ISKANDAR, MALAYSIA

Carrying on from the success of Phase 1 of the Bandar Seri Iskandar Development, undertaken by Seri Iskandar Development Corporation Sdn Bhd (SIDEK), a 70:30 joint venture between Malaysian Resources Development Sdn Bhd (MRDSB) and the Perak State Development Corporation (PKNP), further launches were carried out while a review is underway for the remainder of the development land. The current Phase 2A, B and C branded as Puncak Iskandar is due for completion by 2017 while the original commercial development of Phase 2D is being replanned to cater to the continued demand for single and double storey terrace houses.



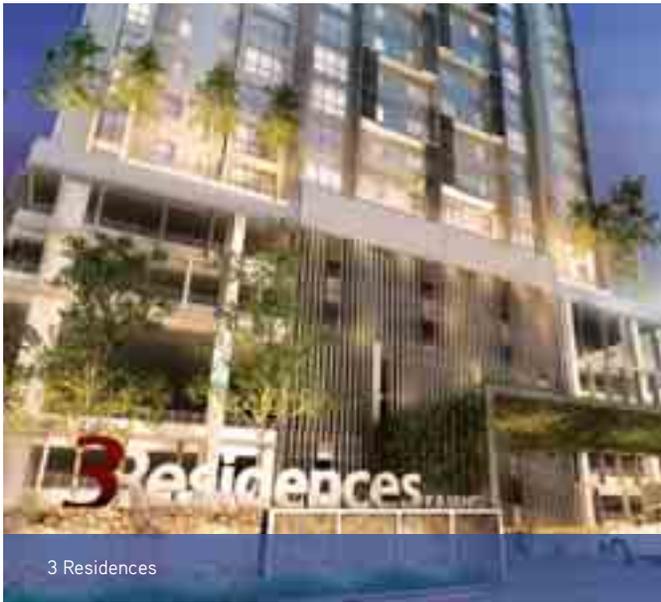
CASPIA, Semi-D double Storey (Phase 2B), Bandar Seri Iskandar

Puncak Iskandar, or BSI Phase 2, was conceptualized as a high end low density development consisting of single storey bungalows selling from RM480,000, single storey semi-detached houses from RM340,000 as well as single and double storey terrace houses fetching prices from RM135,000 and RM260,000 respectively.

All the phases launched have received fantastic response from the buyers and each phase has sold out reflecting the confidence and support from the buyers for the kind of products offered by SIDEK. To-date a total of 2212 units (1937 units in Phase 1 and 275 units in Phase 2) units have been successfully handed over to the purchasers and ongoing there are 310 units of different types and phase in various stages of construction with sales of more than 90% achieved. Towards the tail-end of the current development parcels, 2015 will see the launching of the final phases of 40 units single storey bungalows and 88 units of single storey semi-detached units with encouraging response and enquiries having been recorded. SIDEK will continue to focus on providing unique design elements as well as emphasizing on the quality and finishes of the houses to firmly establish SIDEK's presence as a committed developer in Central Perak.

The performance of SIDEK continues to grow as the development now moves on to the new development Phases of 2D and 3. Last year, MRCB is focused on SIDEK adopting good work and construction practices to ensure timely delivery and quality that meet the expectations of the buyers. Timely response to purchasers as well as a more effective customer relationship has been put in place, where high priority is given to customers' satisfaction and maintain good relationships.

## PROPERTY DEVELOPMENT



3 Residences

Going forward, the replanning of Phases 2D covering approximately 70 acres as mentioned above will consist of a total of 783 units of single and double storey terrace houses plus a limited range of walkup apartments (a first for SIDEC) will further emphasise upon SIDEC's commitment to provide housing that meets the demand of the local population.

Whereas the future development of Phase 3, located at the highest terrain of Bandar Seri Iskandar will focus upon a new range of housing development with clusters and neighbourhood spaces, both soft and hard landscaping features plus enhancements to the built environment to cater for the new lifestyle as well as having security features. Totalling 1064 units, the design and features of the houses to be launched in Phase 3 are targeted towards the higher end property sector consisting of double storey terrace houses, semi-detached and bungalows and will cover an area of 159 acres. Demand is expected to be good due to the continued growth in the Ipoh-Lumut corridor as well as the ease of access to the development. The two new development areas are targeted to come onstream and commence launching in 2016 as the current phases are completed.



Penang Sentral

### TAMAN KAJANG UTAMA

A wholly-owned subsidiary of the Group, MRCB Utama Sdn Bhd (MRCB Utama), is undertaking the last parcel of development for Taman Kajang Utama, a matured township of 300 acres consisting of freehold commercial, residential and industrial components, offering connectivity and accessibility to a population of over 20,000. The development is in close proximity to various public amenities and offers a perfect environment for family and community living within its vicinity. The final project for this development is the Kajang Utama Phase 7 known as 3 Residences, with floor areas ranging from 850 sq. ft. to 1,200 sq. ft. and expected to be launched in 2015.

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

### PENANG SENTRAL

Penang Sentral Sdn Bhd, wholly owned by MRCB is entrusted by the Government of Malaysia to develop Penang Sentral.

Penang Sentral is a Transport Hub, an integrated urban development, comprising commercial and residential components incorporated with Transport Terminal and "Park n Ride" facilities. It is located in Seberang Perai, Butterworth, occupying a land area of approximately

## PROPERTY DEVELOPMENT

23 acres. Penang Sentral forms part of the Northern Corridor Economic Region (NCER), which was launched by the Government in 2007 and is destined to be the catalyst of growth that will rejuvenate the economy in the Northern region. Upon completion, Penang Sentral would have a potential Gross Development Value (GDV) of approximately RM2.3 billion.

The Transport Terminal provides the much needed connectivity for ferry, bus, taxi, train and potentially monorail services in the future. It is designed to cater for 180,000 commuters per day. With the newly completed KTMB's Electric Train Services (ETS) in December 2014, train journey between Penang Sentral and Kuala Lumpur Sentral CBD would only take about three hours.

Lands for Phase 1, 2 & 3 have been secured and the remaining land acquisition are in progress. Targeted completion by mid-2015. The Development Order and Building Plan approvals for Phase 1, 2 & 3 have been issued by Majlis Perbandaran Seberang Prai. Construction works for Phase 1, 2 & 3 which include the Transport Terminal, Retail Mall and Hotel components are targeted to commence by Jan 2015. The Transport Terminal is targeted to be completed by end 2017. The targeted completion dates for the Retail Mall and the Hotel is by end 2019 and 2021 respectively.



Easton Burwood, Australia

### THE EASTON BURWOOD, MELBOURNE, AUSTRALIA

MRCB's Australian residential development project Easton Burwood is lauded as the new vibrant centre for the Burwood suburb of Melbourne. Located in the centre of East Melbourne and perched on a hilltop overlooking panoramic views of the Melbourne Central Business District, this development is Burwood's most desirable and convenient address.

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

Whether it is high street shopping or the high end luxury of nearby Chadstone shopping centre, life at Easton Burwood built by MRCB Land Australia Pty Ltd is rich with style and flair.

### PROPERTY INVESTMENT

#### KOMPLEKS SENTRAL

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

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

#### PLATINUM SENTRAL

Originally known as "Kuala Lumpur Sentral Park", the FIABCI Award winning Platinum Sentral is now a full-fledged unique green office offering seamless connectivity, a creative working environment and contemporary business lifestyle. Winning praise and accolades for all its impressive design attributes packaged in an environmentally sustainable structure, this office-campus style green building in the Kuala Lumpur Sentral CBD had deservedly won the FIABCI Malaysia Property Award 2013 under the Sustainable Development category and continues to win the coveted World Gold winner at FIABCI World Prix d'Excellence Award 2014 in the Sustainable Development.

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

## PROPERTY DEVELOPMENT



Platinum Sentral

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

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

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

### PLAZA ALAM SENTRAL

Despite intense competition from shopping malls in its vicinity, to date Plaza Alam Sentral is still 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, fashions, bowling, karaoke 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 95% occupancy and ever growing visitors, Plaza Alam Sentral provides a wholesome retail experience for consumers in Shah Alam and the south of the Klang Valley, including Petaling Jaya, Subang, Puchong and Klang. Continued and vigorous marketing and promotion combined with frequent events and exhibitions, have made Plaza Alam Sentral a centre for family fun and a popular weekend destination – helping to push up visitor numbers every year. The management team is focused on further improving the retail mix by attracting more

## PROPERTY DEVELOPMENT



Plaza Alam Sentral

locally renowned brands and targeting shoppers with higher purchasing power and also aiming to boost the mall's income stream by balancing store sizes and sales revenue.

### SOOKA SENTRAL

Sooka Sentral was opened in 2007 with a GFA of 140,000 sq. ft. The GDV of Sooka Sentral is RM80 million with a total of 26 tenants and offering a wide range of local, regional and western food & beverages that, among others include Malones, Killiney Kopitiam, Lilies, Starbucks, The Teh Tarik Place, Chillis, Olive's, Star Anise, Chrispy Popiah, Bread Delicious, Meals Station, Kelantan Delights and Noodle Shack. Sooka Sentral's Food Court on Level 2 offers a wider variety of local and Asian cuisine to customers, who range from business-suited senior managers to casually-dressed international backpackers.

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



Sooka Sentral



# FACILITIES MANAGEMENT

We go to great lengths to ensure that all services and processes are well managed to optimize efficiency and productivity.



## FACILITIES MANAGEMENT



*With a strong performance and equipped with capable manpower, the FM is now recognised as one of the main players in the field*

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

It all started in 2005 when we spin off the technical team of Stesen Sentral Kuala Lumpur to set up Semasa Services Sdn Bhd (SSRV). Today, SSRV is the facilities management company in the MRCB Group, capable of self-delivering integrated facility services solutions to customers. We create experience for our clients and brings to them not only efficient, reliable and flexible services but also help them to reduce their risks and achieve their purpose and objective.



Busy at work

Led and managed by a team with years of experience in various aspects of facility management, SSRV offers a diverse range of services that suits clients' requirements. We customize our service to individual customer needs, providing them one or more services within cleaning services, support services, property management, facilities management, energy management and security services. Our customers generally do not consider these services to be core part of their business operations. At SSRV, provision of these services is our core business.

In recent years, customers have realised the benefit of having fewer providers take care of their facilities. In line with that, SSRV has developed a full range of services that allows the customer to have a single provider delivering all facility services in a package that is more flexible, consistent and efficient across all their operations.

## FACILITIES MANAGEMENT

In 2014, SSRV had secured new contracts for facilities management services to office buildings like Menara Shell, Menara Axiata and Nu Tower in Kuala Lumpur Sentral CBD as well as Wisma Scope in Technology Park. Apart from projects that involved facilities management at office buildings and high rise buildings, SSRV also extended its services in managing the newly opened shopping mall in Kuala Lumpur Sentral CBD known as NU Sentral. With dedicated and experienced team, SSRV has managed to expand its services and widen its scope and experience in handling operations of shopping including commercial lots, café area and food court.

The SSRV employs more than 180 highly technically competent and resourceful employees nationwide who offer excellent quality and reliable performances for clients. With its services being offered extensively in Klang Valley, Pulau Pinang, Perak, Johor, Pahang and Sabah, SSRV is well-positioned to expand business operations to other parts of the country. The company's team of professionals pride themselves on their high levels of responsiveness towards clients' needs, time management and the orderly manner in which all tasks are implemented.

This level of commitment has ensured SSRV's capabilities to deliver outstanding assessment process for newly completed buildings to ascertain the classification for each one. To further expand its expertise in this field, SSRV aims to manage a wider scope of green rated buildings under various green certification bodies i.e. Malaysia's Green Building Index (GBI), Singapore's BCA Green Mark and USA's LEED. Currently, amongst the prominent buildings under its supervision are Platinum Sentral, located in Kuala Lumpur Sentral CBD and the Energy Commission's Diamond Building in Putrajaya. Green buildings allow clients to benefit from the premium rental rate they command while attracting reputable tenants who are conscious of the need for sustainability. In addition, it also helps to incorporate energy and water efficient technologies. Best of all, it reduces building management costs and create value-added services.

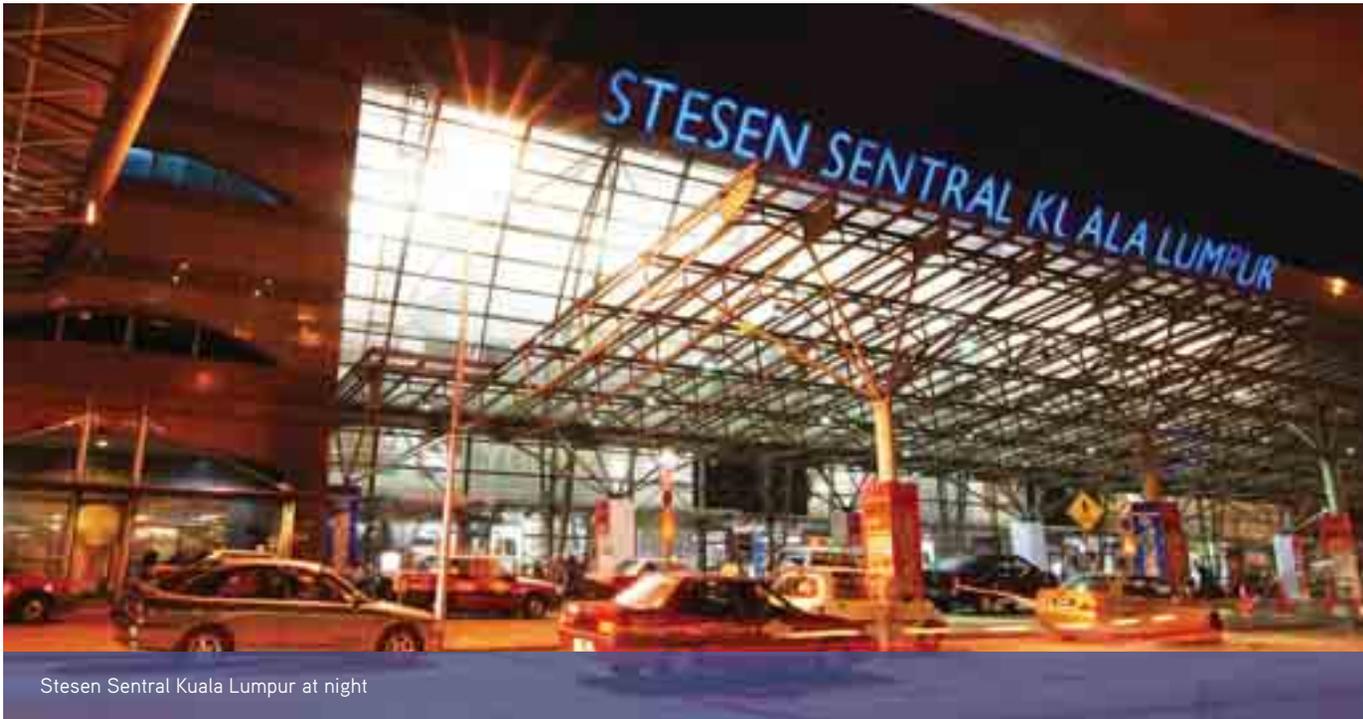
SSRV offers energy efficiency and green technology consultancy services, building energy audits and also energy initiatives either through outright purchase or shared savings with clients. Many of its clients have benefited from the multiple initiatives of the energy efficiency programmes carried out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

With proven track record and successful energy management and energy efficiency projects, SSRV managed to gain clients' confidence in obtaining new energy related projects. In 2014, SSRV was awarded with new contracts involving the supply and installation of Light Emitting Diode (LED) lights at Platinum Sentral, Plaza Sentral and Nu Towers. This new service focuses on increasing the efficiency of resource utilization in energy usage and ultimately providing savings to the clients. The usage of LED lights tubes can be five times more efficient than conventional lighting, environmentally safe, with extended life and durability, all of which will translate into energy savings. Among current projects benefitting from LED tubes include Stesen Sentral Kuala Lumpur, Plaza Sentral, Sooka Sentral, 1 Sentral and Kompleks Sentral.



Maintenance work

## FACILITIES MANAGEMENT



Stesen Sentral Kuala Lumpur at night

### AWARDS AND RECOGNITION

The FM's operation complies with well established standard procedures aimed at delivering excellence. It is committed to its ISO certification and has ensured the ongoing validity of this certification. SSRV has successfully passed its Surveillance Audit conducted by SIRIM in March 2014.

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

### PROJECTS

#### Facilities Management (FM) Services

Since the inception of this service seven years ago, it has evolved into a business that has been growing steadily over the years. FM contracts, managed by Semasa Services include services for Plaza Sentral Joint Management Body, YTR Harta Sdn Bhd and various properties under the Employees Provident Fund (EPF),

Companies Commission of Malaysia (CCM) and Malaysian Industrial Development Authority (MIDA) for their buildings in Kuala Lumpur Sentral CBD.

#### 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 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 Rapid KL's revamped bus network and buses to KLIA – both the Main and Low-Cost Carrier terminals. After 13 years of operation, SSKL continues to receive 160,000 passengers on a daily basis, thus proving its standing as a popular integrated transportation hub.

## FACILITIES MANAGEMENT

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 link way to the ferry terminal and operates on a 24-hour basis. Currently, the PSTT has a passenger capacity of about 32,000 daily.



Penang Sentral

## SECURITY MANAGEMENT

### Security Policy

The Security Policy at KL Sentral CBD is to protect MRCB properties and to ensure a safe and secured environment for all MRCB employees, residence, visitors and occupiers. We strive to protect and educate KL Sentral CBD community and visitors on crime awareness, crime prevention methods and techniques, and to encourage the community to be aware, vigilant and conscious of their own and related surroundings.

### Roles, Functions and Responsibility of Security Departments

This department implements security policy, principles, systems, measures, procedures, guidelines and regulations. This is to ensure effective and efficient administration, control and enhancement of security requirements throughout MRCB project areas and job sites. The Security Department strives to protect and prevent MRCB physical assets from being abused, tampered with and damaged due to accidents and criminal acts. This vigilance is also extended to the protection of MRCB resources, classified documents and information from abuse, falling into unauthorized hands and/or damaged by security threats.



Auxiliary Police at the Fire Control Centre

The range of tasks also include investigation into alleged malpractices, undesirable elements, vice-related activities, irregularities, suspicions, breaches of security and security observation reports within MRCB construction sites. Assistance is extended to other Departments or Divisions within MRCB in securing, protecting or maintaining the company policy, interests and requirements.

All contractors at MRCB construction areas are monitored by the Security Department with regards to their compliance with MRCB Security Guidelines and Regulations, while encouraging and assisting these contractors to develop their own in-house security functions that will cooperate, assist, contribute or reciprocate in reinforcing MRCB security requirements. This is part of the Security's effort to inculcate security awareness amongst all MRCB staff, the contractors as well as their employees.



Marching session

## SECURITY MANAGEMENT

Semasa Security Sdn Bhd, has been appointed and entrusted with the management of the Auxiliary Police and MRCB Security Guards. They are committed to the development, implementation and continuous improvement of security services. MRCB is expanding its business activities and the Security Department will continue to provide its services with emphasis on trained staff and the procurement of the latest technological advances to improve efficiency and address future challenges. Our customer needs are of utmost concern.



Auxiliary Police in briefing

## ENVIRONMENTAL, SAFETY AND HEALTH



Construction in progress

- To carry out activities or deliver products or services with minimum Environmental, Safety and Health impact, promote awareness among our employees, contractors and interested parties and encourage them to work responsibly in a manner compliant with Environmental, Safety and Health principles.
- To conserve natural resources through innovative processes with the Reduce, Reuse, Recycle, Rethink and Respect (5R) method of environment, safety and health.
- To promote energy conservation with sustainable usage to ensure efficient and effective use of materials and resources within our facility that includes non-renewable sources of water, electricity and other resources.
- To comply with all relevant environment, safety and health, legal and other requirements and to review this policy periodically.

The Environmental, Safety and Health of our colleagues, contractors, visitors, interested parties and the communities in which we live and operate is an integral part of MRCB's vision of becoming a leading Malaysian Organization, that is to be recognized for the delivery of world-class services in each of our core businesses with a corporate presence in strategically selected countries and markets.

We will act in a responsible manner:

- To prevent incident, injury and ill-health arising from the work activities with continual improvement of OHSAS 18001:2007, MS 1722:2011 and ISO 14001:2004.
- To provide and communicate through adequate training and awareness programmes, to ensure all persons working in the Organization are aware of their individual obligations in Environmental, Safety and Health aspects.
- To engage our contractors on a daily basis and provide advice and supervision on Environmental, Safety and Health at work sites and work place by means of monitoring, inspection and internal audit.
- To respond effectively to Environmental, Safety and Health emergencies involving our operations.
- To implement and maintain equipment, facilities, documents and processes in a safe manner.



Safety briefing at the site

# ENVIRONMENTAL, SAFETY AND HEALTH

## OBJECTIVES

### HEALTH & SAFETY DEPARTMENT

- All projects to reduce the number of the Stop Work Order from Department of Safety and Health (DOSH) or other relevant authorities by 50%.
- All projects to achieve zero life loss and strive towards reducing accidents at project sites.
- All projects to ensure 100% of new employees (company employees, subcontractors & workers) have attended the induction course organized by Safety & Health team in order to improve awareness on good safety and health practices.
- All projects to ensure 100% of all new project staff have attended the CIDB green card training.



Vertical Plant at NU Sentral's Skypark

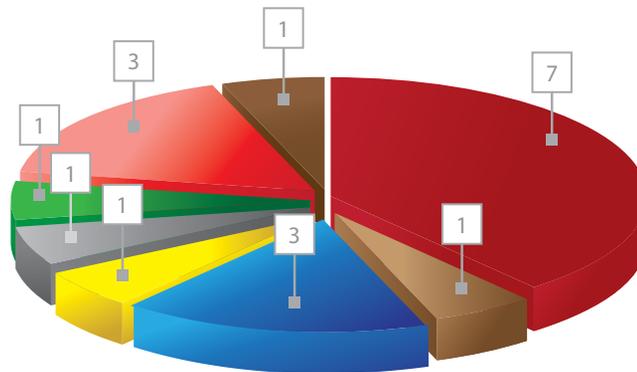
### ENVIRONMENTAL DEPARTMENT

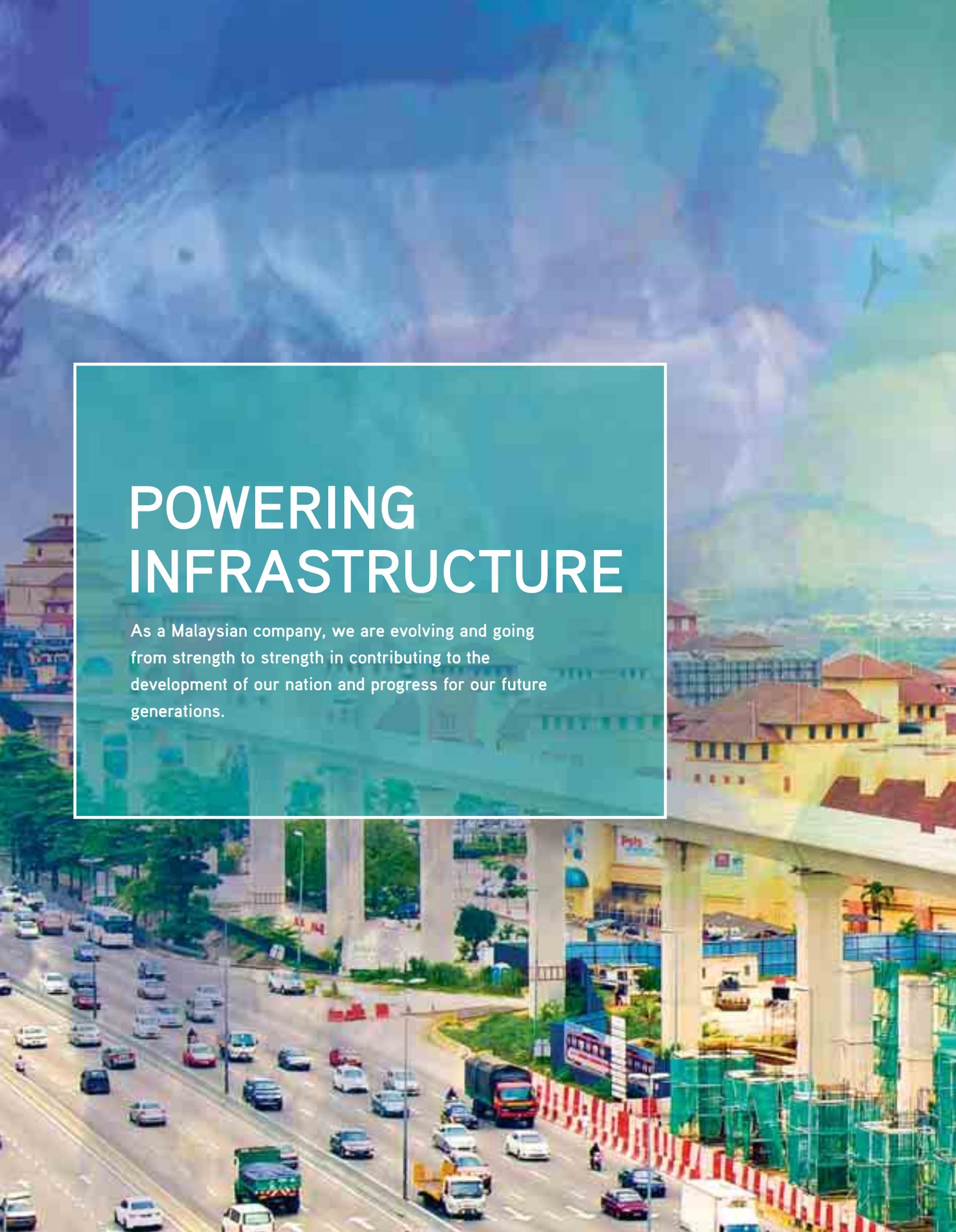
- All projects to achieve Zero stop work order related environmental issues from Department of Environmental (DOE) and other relevant authorities.
- All projects to ensure 100% of new employees (company employees, subcontractor & workers) have attended the induction course organized by Environmental team in order to improve awareness on good environmental practices.

### SAFETY, HEALTH & ENVIRONMENT (SHE) INITIATIVES

- Full involvement in the entire business process right from Pre-Qualification Process, Tender Bidding, During Construction and Post Construction Processes.
- Standardisation of SHE documents across all the project sites.
- Weekly SHE reporting and monthly SHE meeting for all project sites.
- Monthly site visits by Group SHE in all project sites.
- Audit compliance at construction sites.

### DISTRIBUTION OF CONSTRUCTION PROJECT BY STATE



An aerial photograph of a city, likely Kuala Lumpur, Malaysia. The image shows a multi-lane highway interchange with several cars and trucks. In the background, there are large, modern buildings, some with red-tiled roofs. The sky is filled with soft, white clouds. A semi-transparent teal box is overlaid on the left side of the image, containing the main title and a short paragraph.

# POWERING INFRASTRUCTURE

As a Malaysian company, we are evolving and going from strength to strength in contributing to the development of our nation and progress for our future generations.



## ENGINEERING & CONSTRUCTION

With reported revenue of RM790 million from construction projects delivered during the financial year under review, 2014 was another busy year for the Engineering and Construction (E&C) Division.

In addition, the E&C Division has an unbilled order book worth RM2.4 billion representing construction works encompassing Grade A office buildings, retail mall, residential buildings and infrastructure packages.

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



Menara Shell

### PROJECTS COMPLETED

The E&C Division had recorded good progress in 2014 with completion of the LEED Platinum certified Menara Shell at Lot 348. Menara Shell is the new headquarters of Shell Malaysia and Ascott Sentral, a 27-storey serviced residences 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.

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



Ascott Sentral Lounge

## ENGINEERING & CONSTRUCTION



NU Sentral Skypark

The Division has also completed the Lot G shopping mall known as Nu Sentral. It was officially opened for business on 29 March 2014. The nine-storey mall has a GFA of 1.3 million sq. ft. and has delivered on its promise to combine lifestyle shopping with convenience that will appeal to discerning modern and urban consumers in the Klang Valley.

### CURRENT PROJECTS

#### High-Rise Buildings

With built-in green features the Q Sentral, a 45-storey Grade A strata office building project includes an exclusive transit passengers' walkway, which links the upcoming National Museum MRT Station and Stesen Sentral Kuala Lumpur. This project is expected to complete by 2015 and as at end 2014 is 48.93% completed. Set to be awarded the MSC status, Q Sentral will fully accommodate the requirements of MSC Status companies.

Another ongoing project was the development of The Sentral Residences; an avant-garde premier residence, consisting of two blocks of 57-storey high-end condominium that offers panoramic views of the Lake Gardens, National Museum and KLCC. The exclusivity and luxury incorporated into all units of The Sentral Residences, are strikingly represented in the building's design features that include individual private lift lobbies, attached bathroom to all bedrooms and a powder room for guests. As with all new buildings under construction in Kuala Lumpur Sentral CBD, The Sentral Residences has been designed for GBI Gold green rating. This project is expected to be completed in 2016 and is more than 10% completed as of December 2014.

## ENGINEERING & CONSTRUCTION

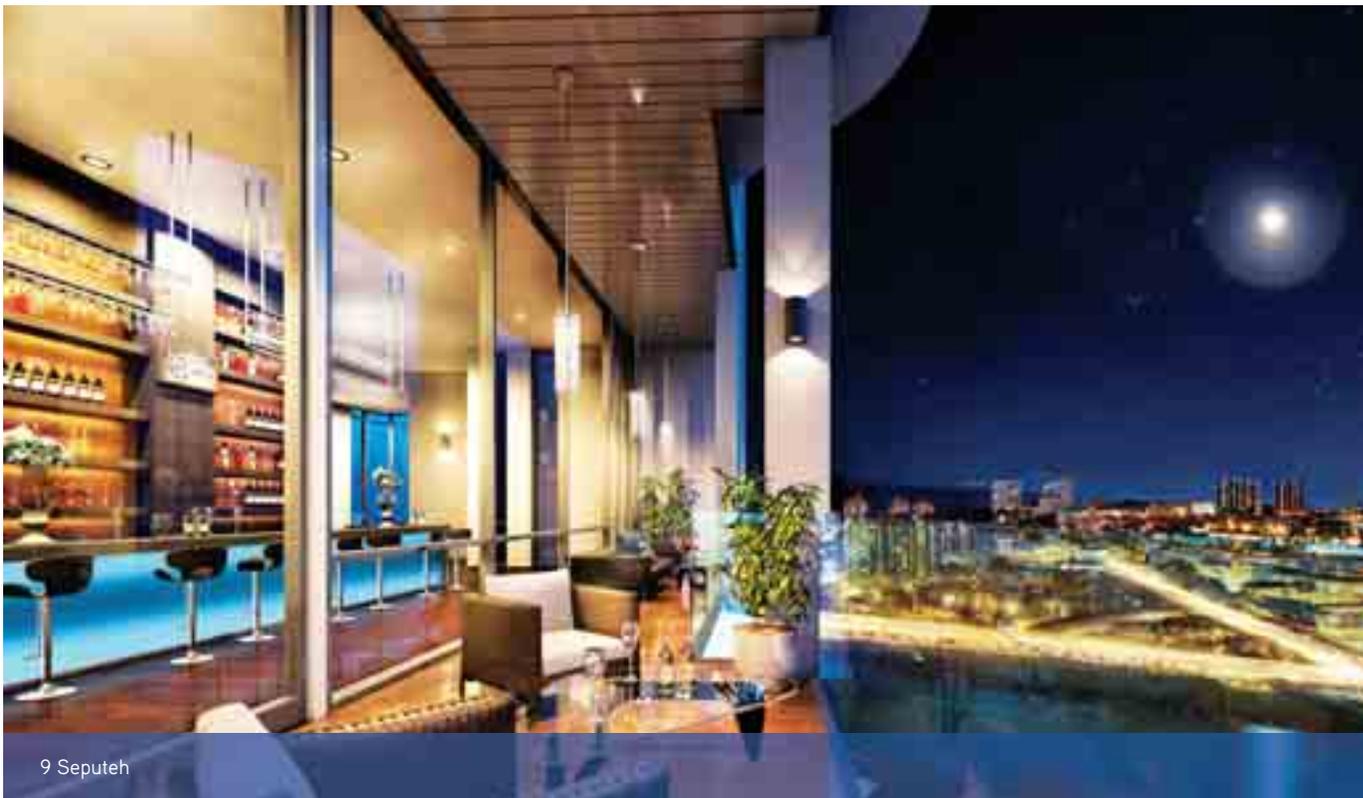
Another project well on its way to the halfway mark to completion by third quarter of 2016 is PJ Sentral Garden City – Phase 1 (Lot 8 & Lot 12). Totalling 12 acres (Lot 12 is 9.86 acres, Lot 8 is 2 acres), this development contains a 4-storey basement car park, 1-storey basement service level (at Lot 12). Of the 5 towers available, one 27-storey office tower was purchased by MBSB while another 25-storey office tower was purchased by MyIPO (Malaysia Intellectual Property Organisation). At Lot 8, a 33-storey office tower was leased out to Celcom. Current progress for Lot 8 is 25% and is scheduled for completion by 3rd quarter of 2016. The basement service level and the 2 towers at Lot 12 was scheduled for delivery by 3rd quarter 2016.

Also on track in 2014 is 9 Seputeh, a 17.63-acre development comprising Parcel A, Parcel B, Parcel C and Parcel D. Parcel C consists of 4 residential towers (service apartments) from 42 to 44-storey high, one tower of SOHO 12-storey high, a 9-storey podium and retail space with a 2-storey basement car park. The

basement works was at 6% completion and the whole development is scheduled to be completed by 4th quarter 2017.

In 2014 MRCB started construction of Giant outlet located in Taman Danau Kota, Setapak with a GFA of 147,473 sq. ft. in a Turnkey Contract awarded by Guardian Health & Beauty Sdn Bhd (formerly known as GCH Retail (M) Sdn Bhd). The construction process was in progress at 18.5% completion and scheduled for delivery by 3rd quarter 2015.

MRCB also constructed the Giant Kangar outlet located in Mukim Utan Aji, Perlis Indera Kayangan. This outlet has a GFA of 88,481 sq. ft. and was also awarded a Turnkey Contract by Guardian Health & Beauty Sdn Bhd. The construction is in progress and 17.2% completed. It is scheduled for delivery by 3rd quarter 2015.



9 Seputeh

## ENGINEERING & CONSTRUCTION



Pantai Siring project

First ever project in Malaysia to install high voltage overhead electricity transmission line crossing over the Strait of Melaka from Pantai Siring to Pulau Besar in Melaka.

The extension project for another Giant facility – the Giant Sepang Distribution Centre – was awarded to MRCB in early December 2014 by Jupiter Lagoon Sdn Bhd. This facility in Dengkil, Sepang district is expected to be completed by July 2015. Currently, it is at piling works stage.

MRCB also entered into a joint venture with Arch Angel DMC Sdn Bhd to form MRCB Putra Sdn Bhd for the construction of Putrajaya P2C4, which is located in Precinct 2 Putrajaya at a strategic location facing the Ministry of Finance building. This development is a 13-storey office tower targeting for GBI Gold Certificate with a total NFA of 409,926 sq. ft. and a GFA of 666,649 sq ft. Works commenced in December 2014 and the project is scheduled to complete within 36 months.

### INFRASTRUCTURE PROJECTS

The E&C Division is involved in the ongoing works for Delivery of Package B (Construction of Facilities Works) for the Ampang LRT Line Extension that started in October 2011. The project alignment begins from the existing Sri Petaling LRT Station and terminates at the Putra Heights Integrated Terminal, an extension of about 10km of a total length of 17.70km of the project. The Division was also nominated as the subcontractor to fabricate and deliver segmental box girders under Package B of the Kelana Jaya LRT Line Extension.

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

### ENERGY SECTOR

The Division through its wholly-owned subsidiary, Transmission Technology Sdn Bhd (TTSB), is actively involved in the Engineering, Procurement and Construction (EPC) of high voltage transmission projects comprising substations, overhead transmission lines and underground cabling works. TTSB which had earlier successfully completed and handed over to Tenaga Nasional Berhad (TNB) the works related to 132kV Overhead Lines and Underground Cable for future development of KL North 132kV GIS substation in June 2014.

TTSB has been awarded five projects in 2014, amounting to RM94.38 million by TNB. The five awarded projects include works related to:-

- i) 275kV Monopole (1000MVA) from Kg Chempaka to PMU Ara Damansara, KL
- ii) 132/33kV PMU (2x90MVA) UIAM Kuantan, Pahang
- iii) 132/33kV PMU (2x45MVA) Batu Arang Extension, Selangor
- iv) 132kV Underground Cable Damansara City, Kuala Lumpur
- v) Increase Height of existing 500kV and 275kV Overhead Lines at Tg. Bin, Johor

## ENGINEERING & CONSTRUCTION

On the development of the on-going project, the 132kV Transmission Line from Pantai Siring to Pulau Besar, Melaka (i.e. the first ever project to install Overhead Lines in Malaysia crossing over a stretch of sea in the Straits of Melaka) is progressing well four (4) months ahead of schedule and expect completion by April 2015.

### ENVIRONMENTAL SECTOR

While constructing Phase 2 works of the Sungai Pahang river mouth rehabilitation project at Pekan in Pahang, MRCB had commenced negotiation with the Government to continue with the works under Phase 3. A Letter of Award for the Phase 3 works amounting to RM130 million was awarded to MRCB with works commencing on 18 September 2013. While the project is expected to be completed by 17 September 2015, works at site are progressing ahead of schedule by 20% and is on target for early completion. The works involves the construction of a dyke and extensions of two breakwater arms, measuring 368 metres and 201 metres. We have recently submitted to our client a proposal to continue with the Phase 4 works.

Apart from the secured works, MRCB is actively looking at securing other projects involving river, beach and coastline rehabilitation. The division is also exploring into other concession businesses such as Waste-to-Energy, rapid transit and district cooling.

### FUTURE PROSPECTS

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

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



132 kV transmission line from Pantai Siring to Pulau Besar, Melaka



Workers at work in Pantai Siring project

## CORPORATE EVENTS 2014

28/  
JANUARY



### KELANTAN DELEGATES VISIT KUALA LUMPUR SENTRAL CBD

A delegation of Kelantan State Government officials visited the Kuala Lumpur Sentral CBD and was briefed on the ongoing development at this Central Business District (CBD) and the overall strategy of MRCB's property development endeavours.



### NU SENTRAL RETAIL ENGAGEMENT

A special event was held for retailers in preparation for a soft launch of NU Sentral, Kuala Lumpur Sentral CBD's latest retail mall development.

About 300 retailers comprising business owners and senior management representatives of well-known retail brands attended the gala event at the Hilton Kuala Lumpur, where they were feted and briefed on NU Sentral's upcoming soft launch.

29/  
JANUARY



### SIGNING CEREMONY BETWEEN EKOVEST AND MRCB

MRCB entered into a sale agreement with Ekovest Berhad and its subsidiaries for the disposal of MRCB's 30% equity in the Dutau-Ulu Kelang Expressway (DUKE).

The sale entails the disposal by MRCB of 1.5 million ordinary shares of RM1.00 each and 13.5 million redeemable preference shares of RM1.00 each in Nuzen, which represent the 30% MRCB stake in the concession highway project.

06/  
FEBRUARY



### PINTAR YOUNG LEADERS CAMPAIGN PROGRAMME

MRCB has organized a Young Leaders Campaign programme, where MRCB allocates sponsorship of school uniforms, school shoes and school bags for needy primary students. A total of 750 students from schools in Penang, Perak, Kuala Lumpur and Pahang had benefitted from this programme.



### SIGNING CEREMONY BETWEEN MRCB SENTRAL PROPERTIES AND QUILL CAPITAL TRUST

MRCB signed a Heads of Agreement (HOA) via its wholly-owned subsidiary, MRCB Sentral Properties Sdn Bhd, with Quill Capita Trust (QCT) for the sale of Platinum Sentral, the Kuala Lumpur Sentral CBD's campus-style green office low-rise building. The HOA has set out that the purchase consideration of RM750 million for the sale of Platinum Sentral will be satisfied by QCT with RM486 million in cash, with RM15 million in refundable earnest deposit payable upon the execution of the HOA.

## CORPORATE EVENTS 2014

11/  
FEBRUARY



### SPONSORSHIP CHEQUE HAND OVER TO NEWSPAPER IN EDUCATION PROGRAMME

MRCB handed over RM120,000 to the New Straits Press (M) Berhad (NSTP) as part of its sponsorship programme for education enhancement via the Didik educational pullout, purchase of daily newspaper, UPSR Clinic and educational workshops conducted by the NSTP group.

21/  
FEBRUARY



### CONTRIBUTION OF MINERAL WATER TO COMMUNITIES IN CHERAS

YABhg. Datin Paduka Seri Rosmah Mansor, wife to the Prime Minister, distributed 1000 of the 5.5-litre bottles of mineral water to the Taman Desa Cheras and Seri Perindu at Alam Damai and the Taman Desa Baiduri communities in Cheras on behalf of MRCB. MRCB donated the mineral water as part of its CSR's Community Services. The activity was aimed at easing the burden of communities in the Klang Valley experiencing water supply interruption during this dry spell that also impacts other urban areas in the country.

17/  
FEBRUARY



### NEGERI SEMBILAN STATE GOVERNMENT DELEGATES VISIT KUALA LUMPUR SENTRAL CBD

A delegation of Negeri Sembilan State Government officials from the State's Economic Planning Unit visited the Kuala Lumpur Sentral CBD and was briefed on the ongoing development at this Central Business District and the overall strategy of MRCB's property development endeavours, including its focus on Transport Oriented Development.

19/  
FEBRUARY



### CHAIRUL TANJUNG VISITS KUALA LUMPUR SENTRAL CBD

Chairul Tanjung, a billionaire businessman and former Coordinating Minister for Economics in the Indonesian cabinet paid a visit to Kuala Lumpur Sentral CBD with representatives of his business conglomerate in a fact-finding mission on MRCB's latest property developments.

## CORPORATE EVENTS 2014

11/  
MARCH



### UTP STUDENTS AND LECTURERS VISIT KUALA SUNGAI PAHANG

A group of Universiti Teknologi Petronas (UTP) students and lecturers paid a visit to MRCB's ongoing river mouth remedial and breakwater construction project at Kuala Sungai Pahang. They were on a study tour of the project, which MRCB had conducted to improve the navigation of the river mouth area, while providing safe anchorage for local fishermen behind the breakwater.

22/  
FEBRUARY



### MRCB VOLUNTEERS DISTRIBUTE FOOD WITH KECHARA SOUP KITCHEN

A group of senior management team members from MRCB volunteered to help distribute food to the homeless in Kuala Lumpur as part of the company's sponsorship programme in collaboration with the Kechara Soup Kitchen (KSK). The KSK is an NGO which rely on volunteers and donations to cook and distribute food and personal hygiene packs to as many as 850 homeless individuals every Saturday night in the city.

27/  
MARCH



### TAXI DRIVERS FAMILIARISATION PROGRAMME AT NU SENTRAL

About 150 taxi drivers and their vehicles from several operators namely, Public Cab Sdn Bhd, Sunlight Taxi Group and Puncak Holding Sdn Bhd were welcomed for a drive-through of the pick-up and drop-off zones at the newly opened NU Sentral retail mall in the CBD here.

As the country's first retail mall integrated within the country's largest transportation hub, Stesen Sentral Kuala Lumpur, the familiarisation exercise sought to integrate road transportation such as taxi services with rail transportation provided at the Stesen Sentral Kuala Lumpur (SSKL), which is a major part of the Kuala Lumpur Sentral CBD.

## CORPORATE EVENTS 2014

29/  
MARCH



### EARTH HOUR 2014

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

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

29/  
MARCH



### NU SENTRAL SOFT OPENING

Positioned to bring urban and fresh retail concept to market, MRCB's NU Sentral retail mall marked this important milestone in retail development with a ribbon cutting ceremony at exactly 3.30pm, which was deemed an auspicious time for the official opening of the mall.

The senior management teams from MRCB and Pelaburan Hartanah Berhad (PHB), both joint venture partners of NU Sentral Sdn Bhd as well as the developer of the mall attended the event together with NU Sentral's retailers to witness the opening for business by the country's first 'transumer' mall.

02/  
APRIL



### CIDB VISITS KUALA LUMPUR SENTRAL CBD

A delegation from the Construction Industry Development Board (CIDB) paid a visit to gain insight on MRCB's ongoing development at this premier transportation hub and for an update on the Group's other development projects in the country.

## CORPORATE EVENTS 2014

03/  
APRIL



### QUILL REIT SIGNING

MRCB entered into a definitive agreement with Quill Capita Trust (QCT) REIT to divest the office-campus style Green building Platinum Sentral for RM750 million, with a RM250 million gain being made upon its divestment. Subsequent to an announcement dated 29 January 2014, with regards to the execution of a Heads of Agreements between MRCB's wholly-owned subsidiary MRCB Sentral Properties Sdn Bhd and QCT, both parties had signed a sale and purchase agreement (SPA) for Platinum Sentral for a total RM750 million, of which RM486 million will be satisfied in cash and RM264 million will be satisfied via the issuance of 200 million Units in QCT REIT at an issue price of RM1.32 per Unit.

04/  
APRIL



### HIS EXCELLENCY SYED HASSAN RAZA PAKISTAN HIGH COMMISSIONER TO MALAYSIA VISITS KUALA LUMPUR SENTRAL CBD

His Excellency Syed Hassan Raza the successor to former Pakistan High Commissioner to Malaysia, Shahid Masroor Gul Kiani, paid a visit to Kuala Lumpur Sentral CBD as part of his familiarisation tour in the country since assuming his duties on 27 February 2014.

18/  
APRIL



### MRCB SIGNS THE MACC'S CIP PLEDGE

In committing to become a signatory to the Corporate Integrity Pledge (CIP), MRCB signalled its continued commitment to maintain a high level of organisational accountability by promoting integrity, transparency and good governance in all aspects of its operations.

08/  
APRIL



### SULTAN OF PERAK VISITS KUALA LUMPUR SENTRAL CBD

The Duli Yang Maha Mulia Paduka Seri Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibuddin Shah Al-Maghfurlah, the Sultan of Perak, paid an informal visit to Kuala Lumpur Sentral CBD in his capacity as the then Raja Muda of Perak before his proclamation as the Sultan of Perak on 29 May 2014. His Royal Highness was briefed on MRCB's development within the CBD and elsewhere in the country.

## CORPORATE EVENTS 2014

18/  
APRIL



### CHEQUE HAND OVER TO MALAYSIAN PRESS INSTITUTE

In a simple but meaningful ceremony MRCB handed over a cheque to the Malaysian Press Institute (MPI) as contribution for the conduct of its annual activities, including the prestigious annual MPI Journalism Awards.

18-20/  
APRIL



### PINTAR-UPSR CLINIC PROGRAMME

MRCB has organised UPSR Clinic in collaboration with Berita Harian (BH) Education Unit, as part of PINTAR activities for year 2014. Through this 2 day sessions the students were taught the techniques to answer question based on the requirements and examinations format outlined by the Malaysian Examination Board.

25/  
APRIL



### DOUBLE WIN FOR MRCB AT GLOBAL LEADERSHIP AWARD 2014

MRCB and its Group Managing Director (GMD), YBhg. Tan Sri Mohamad Salim Fateh Din received awards for two categories of the Global Leadership Award 2014 held at the Putrajaya International Convention Centre tonight.

YBhg. Tan Sri Mohamad Salim Fateh Din and MRCB came out tops respectively in the "Masterclass CEO Of The Year" award category and the Best Urban Regeneration Development award category.

07/  
MAY



### PRESIDENT OF PANASONIC JAPAN PAYS COURTESY CALL ON MRCB

Mr. Kazuhiro Tsuga, President of Panasonic Corporation, Japan stopped over at MRCB headquarters to pay a courtesy call on MRCB to strengthen his organization's long standing and cordial relationship with MRCB and potential business opportunities.

21/  
MAY



### MRCB WINS FIABCI WORLD PRIX D'EXCELLENCE AWARDS 2014

MRCB won the FIABCI World Prix d'Excellence Awards 2014 under the Sustainable Development category for Platinum Sentral, its office-campus style Green Building in the Kuala Lumpur Sentral CBD.

Platinum Sentral edged out other candidates vying for this recognition, which came as no surprise because Platinum Sentral looked like a clear winner from the onset of this prestigious annual international competition, held at the Rockhal concert hall venue in Esch-sur-Alzette, Southern Luxembourg.

## CORPORATE EVENTS 2014

29/  
MAY



### HAND OVER OF CHEQUE FOR NST STREET RACE SPONSORSHIP

MRCB contributed RM31,800 to the race in its third edition, since its inception in 2011. A total of 125 teams of four solved puzzles, picked up clues and raced to the finish line in the 2014 edition.

05/  
JUNE



### PRIME MINISTER'S WORKING VISIT TO KUALA LUMPUR SENTRAL CBD

MRCB hosted a working visit by the Prime Minister, YAB Dato' Sri Mohd Najib Tun Abdul Razak to the Stesen Sentral Kuala Lumpur (SSKL) and the Nu Sentral Mall, together with representatives from the Prime Minister's Department, federal government agencies and private companies operating in the Kuala Lumpur Sentral CBD.

The senior management teams from MRCB and Pelaburan Hartanah Berhad (PHB), both joint venture partners of NU Sentral Sdn Bhd the developer of the mall, joined NU Sentral's retail tenants to welcome YAB. Dato' Sri Mohd Najib at the country's first 'transumer' mall.

20/  
JUNE



### MRCB ENTERS INTO SETTLEMENT WITH PKNS

Together with Nusa Gapurna Development Sdn Bhd (NGD), MRCB entered into a settlement agreement with the Selangor Economic Development Corporation (PKNS) to amicably resolve all the disputes against each other pertaining to the PJ Sentral Garden City development. In conjunction with the settlement agreement, PKNS has also agreed to dispose its 30% equity stake held in PJ Sentral Garden City development to MRCB for a cash consideration of RM85.3million.

## CORPORATE EVENTS 2014

26/  
JUNE



### HAND OVER OF KEYS TO RESIDENTS OF NEW HIGH RISE GOVERNMENT QUARTERS

Together with its 70% owned subsidiary Country Annexe Sdn Bhd (Country Annexe), MRCB witnessed the handing over of keys to residents of the new high rise government quarters in Jalan Ang Seng, Brickfields, signifying the successful delivery of another project in Brickfields.

The keys to 212 units in the new quarters were handed over by YBhg. Tan Sri Dr. Ali Hamsa, Chief Secretary to the Government of Malaysia, to representatives of households who represent the total of 848 people who will be residing in this new block of apartments, after they move from their current accommodations in the 100 Quarters.

27/  
JUNE



### 43rd ANNUAL GENERAL MEETING (AGM)

MRCB held its 43rd Annual General Meeting at the Hotel Istana, Kuala Lumpur, with more than 2,000 shareholders in attendance.

17/  
JULY



### HANDING OVER OF ASSISTANCE TO ORPHANS AND SINGLE MOTHERS FOR RAMADHAN 2014

In a simple yet meaningful function that celebrated the spirit of giving in Ramadhan, 650 orphans and single mothers, together with 10 orphanages and associations that represented their interests, received cash assistance from MRCB. In the function held at the Stesen Sentral Kuala Lumpur (SSKL) MRCB's guest of honour, YABhg. Datin Paduka Seri Rosmah Mansor wife of the Prime Minister presented the cash assistance to 500 orphans and another 150 single mothers who also received hampers filled with food and basic necessities.

Representatives of 10 orphanages and associations also received a cheque for RM5,000 each from YABhg. Datin Paduka Seri Rosmah Mansor. About 1,500 guests and MRCB staff attended the morning function, including YBhg. Tan Sri Azlan Zainol, MRCB Chairman, YBhg. Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director and other MRCB Directors, staff and business partners.

## CORPORATE EVENTS 2014

24/  
JULY



### PENANG SENTRAL SDN BHD BECOMES WHOLLY-OWNED SUBSIDIARY OF MRCB

MRCB entered into a share sales agreement (SSA) with Pelaburan Hartanah Berhad (PHB) to acquire the latter's 51% equity interest in Penang Sentral Sdn Bhd, a joint-venture company that was set up to implement the Penang Sentral project. With the SSA signed, Penang Sentral Sdn Bhd will become a wholly-owned subsidiary of MRCB.

04/  
AUGUST



### MINISTER OF INTERNATIONAL TRADE AND INDUSTRY VISITS KUALA LUMPUR SENTRAL CBD

YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry visited the CBD to be briefed about MRCB's the latest developments and progress on its major undertakings.

14/  
AUGUST



### MRCB SIGNS AGREEMENT WITH KWASA LAND SDN BHD FOR PROJECT MX-1

MRCB signed a shareholders' agreement with Kwasa Land Sdn Bhd (Kwasa Land) for Project MX-1 that would allow MRCB and Kwasa Land to work together on MX-1, which is the first project to be undertaken at the Kwasa Damansara township, located on a 64-acre land earmarked for mixed development, with a gross development value (GDV) of RM8 billion. Both parties will develop the parcel as the main town centre for Kwasa Damansara as partners via a special purpose vehicle (SPV) company known as Kwasa Development (2) Sdn Bhd.

23/  
AUGUST



### MRCB'S NU SENTRAL HOSTS THE CIMB MALAYSIAN OPEN SQUASH CHAMPIONSHIPS 2014

As part of its programme as venue sponsor for the CIMB Malaysian Open Squash Championships 2014, the NU Sentral retail mall hosted a charity match to collectively raise funds for the family members and loved ones of the perished technical and cabin crew members onboard MH17 as well as for the Palestinian/Gaza Relief Fund. The charity squash match for MH17 fund-raising was held between MRCB Group Managing Director, YBhg. Tan Sri Mohamad Salim Fateh Din and CIMB Investment Bank's Chief Executive Officer, YM Tengku Dato' Zafrul Tengku Abdul Aziz. The charity match has successfully collected RM812,000.

05/  
SEPTEMBER



### RMIT STUDENTS' EXHIBITION IN NU SENTRAL

MRCB hosted an exhibition by a group of 12 Masters of Architecture students from the Royal Melbourne Institute of Technology University (RMIT) to promote academics and pursue cutting edge concepts in urban regeneration.

In the exhibition that was opened to the public held at the NU Sentral retail mall main concourse from 10am to 7pm, the artful and breathtaking renditions by the students helped cast a new light on National Museum, one of the most iconic structures in Malaysia that has become part of the country's architectural landscape. The National Museum is very near to Kuala Lumpur Sentral CBD.

## CORPORATE EVENTS 2014

10/  
SEPTEMBER



### SULTAN OF PERAK VISITS KUALA LUMPUR SENTRAL CBD

The Duli Yang Maha Mulia Paduka Seri Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfurlah, the Sultan of Perak, consented to visit the Kuala Lumpur Sentral CBD. His Royal Highness was briefed on MRCB's development within the CBD and elsewhere in the country. The briefing also highlighted MRCB's proposal for a new development in Ipoh.

23/  
SEPTEMBER



### EXTRAORDINARY GENERAL MEETING (EGM) FOR ACQUISITION

MRCB shareholders approved an ordinary resolution on the Proposed Acquisition of 30% Equity Interest in PJ Sentral Development Sdn Bhd from PKNS Holdings Sdn Bhd for cash consideration of RM85.3 million, which was tabled at the Extraordinary General Meeting.

18/  
SEPTEMBER



### XMT TECHNOLOGIES SIGNING

MRCB entered into a share sale agreement with XMT Technologies Holdings Sdn Bhd (XMT) for the disposal of MRCB's entire equity interest in its subsidiary, MRCB Technologies Sdn Bhd (MRCB Tech). The sale of MRCB Tech entails the disposal of 6 million ordinary shares of RM1.00 each and 5.5 million redeemable preference shares of RM0.01 each, for a total purchase price of RM7.81 million. MRCB encourages bumiputra entrepreneurship and supports potential entrepreneurs.



### MRCB HANDS OVER DONATION FOR MH17 TECHNICAL AND CABIN CREW MEMBERS

MRCB's Group Managing Director, YBhg. Tan Sri Mohamad Salim Fateh Din handed

over a cheque for RM512,000, which was collected for a charity match between him and CIMB Investment Bank's Chief Executive Officer, YM Tengku Dato' Zafrul Tengku Abdul Aziz during the CIMB Malaysian Open Squash Championships 2014, held at the NU Sentral retail mall on 23 August 2014. The amount donated was pledged and contributed by MRCB's business affiliates and community of contractors as a sincere contribution and as a mark of respect for the exemplary dedication and sacrifice of the technical and cabin crew members of MH17. A further RM54,000 was later collected later in the year, bringing the total donated to RM566,000.

14/  
OCTOBER



### MOSTI LAUNCHES AEDES ANTI LARVAE PRODUCT AT KUALA LUMPUR SENTRAL CBD

YB Datuk Dr. Ewon Ebin, Minister of Science, Technology and Innovation (MOSTI) and Entogenex Industries Sdn Bhd (Entogenex) rolled out a long term environmentally friendly anti larvae called MOUSTICIDE, as a prevention measure against Aedes and other mosquito larvae at Kuala Lumpur Sentral CBD.

## CORPORATE EVENTS 2014

02/  
NOVEMBER



### SIR EDWARD LISTER, LONDON DEPUTY MAYOR VISITS KUALA LUMPUR SENTRAL CBD

Sir Edward Lister stopped over at the CBD on his working visit to Malaysia and was briefed on MRCB's capability to develop large transport hubs that serve as convergence points for various land transportation modes, especially rail networks.

17/  
NOVEMBER



### MENTERI BESAR OF PERAK VISITS KUALA LUMPUR SENTRAL CBD

YAB Datuk Seri Diraja Dr Zambry bin Abdul Kadir, the Menteri Besar of Perak came to the Kuala Lumpur Sentral CBD in an official visit to gain insight on MRCB's development works and the Group's strategies for offering lifestyle based mixed development, including its unique Transport Oriented Development (TOD) approach.

11/  
NOVEMBER



### JALAN KLANG LAMA-NPE LINK BRIDGE GROUND BREAKING CEREMONY

A ground breaking ceremony was held to mark the beginning of MRCB's project to build a dedicated overhead bridge to connect Jalan Klang Lama with the link road from the Federal Highway leading to New Pantai Expressway (NPE).

YB Datuk Seri Tengku Adnan Tengku Mansor, Minister of Federal Territories, was the guest of honour who officiated the ground breaking ceremony at the construction site of the RM135 million overhead bridge project site, situated on the east bank of Sungai Klang, close to the third mile mark of Jalan Klang Lama.

14/  
NOVEMBER



### FRENCH AMBASSADOR VISITS KUALA LUMPUR SENTRAL CBD

His Excellency Christophe Penot the French Ambassador to Malaysia paid a visit to the Kuala Lumpur Sentral CBD as part of his familiarisation tour of the country. Among others, he was briefed on the advantages of the Kuala Lumpur Sentral CBD as a highly protected and exclusive environment, which can offer a balance between architectural aesthetics and security features that foreign embassies have always sought to incorporate in their building designs.

20/  
NOVEMBER



### NACRA 2014 AWARDS

MRCB became a finalist for the NACRA 2014 Awards, which promotes excellence in corporate reporting via greater transparency and accountability by the respective participating parties in their financial reporting/annual reports.

## CORPORATE EVENTS 2014

29/  
NOVEMBER



### MRCB CONTRIBUTES TO TREE PLANTING

MRCB contributed RM10,000 and took part in a tree planting event that saw its staff lending their time and efforts to plant fruit trees together with the staff and volunteers of 22 other corporations, developers and NGOs.

The tree planting event, which was part of a Green CSR programme organised by Kuala Lumpur City Hall (DBKL), was held at the Batu floodwater retention lake in Sentul and was officiated by YBhg. Datuk Seri Hj. Ahmad Phesal Hj. Talib, the Mayor of Kuala Lumpur.

30/  
NOVEMBER



### MAYOR OF LONDON VISITS KUALA LUMPUR SENTRAL CBD

MRCB hosted a visit by Mr Boris Johnson, the Mayor of London who arrived at Stesen Sentral Kuala Lumpur (SSKL), the country's largest transportation hub upon his arrival here from the Kuala Lumpur International Airport via the ERL express rail service.

The Mayor who was on a three-day visit to Kuala Lumpur was ushered to SSKL VIP Lounge for a briefing on the development of Kuala Lumpur Sentral CBD and the outlook for MRCB as a major property player in Malaysia. He was greeted by YBhg. Tan Sri Azlan Zainol, MRCB's Chairman and YBhg. Tan Sri Mohamad Salim Fateh Din and members of the senior management team from MRCB.

06/  
DECEMBER



### ANNUAL EMERGENCY RESPONSE EXERCISE 'EX SENTRAL'

The Ex-Sentral annual series of mock emergency response exercises was conducted at the SSKL to test the overall protocol and standard operating procedures under the SSKL Emergency Response Plan, which was designed to tackle various situations from fires and mishaps to bomb threats and natural disasters.

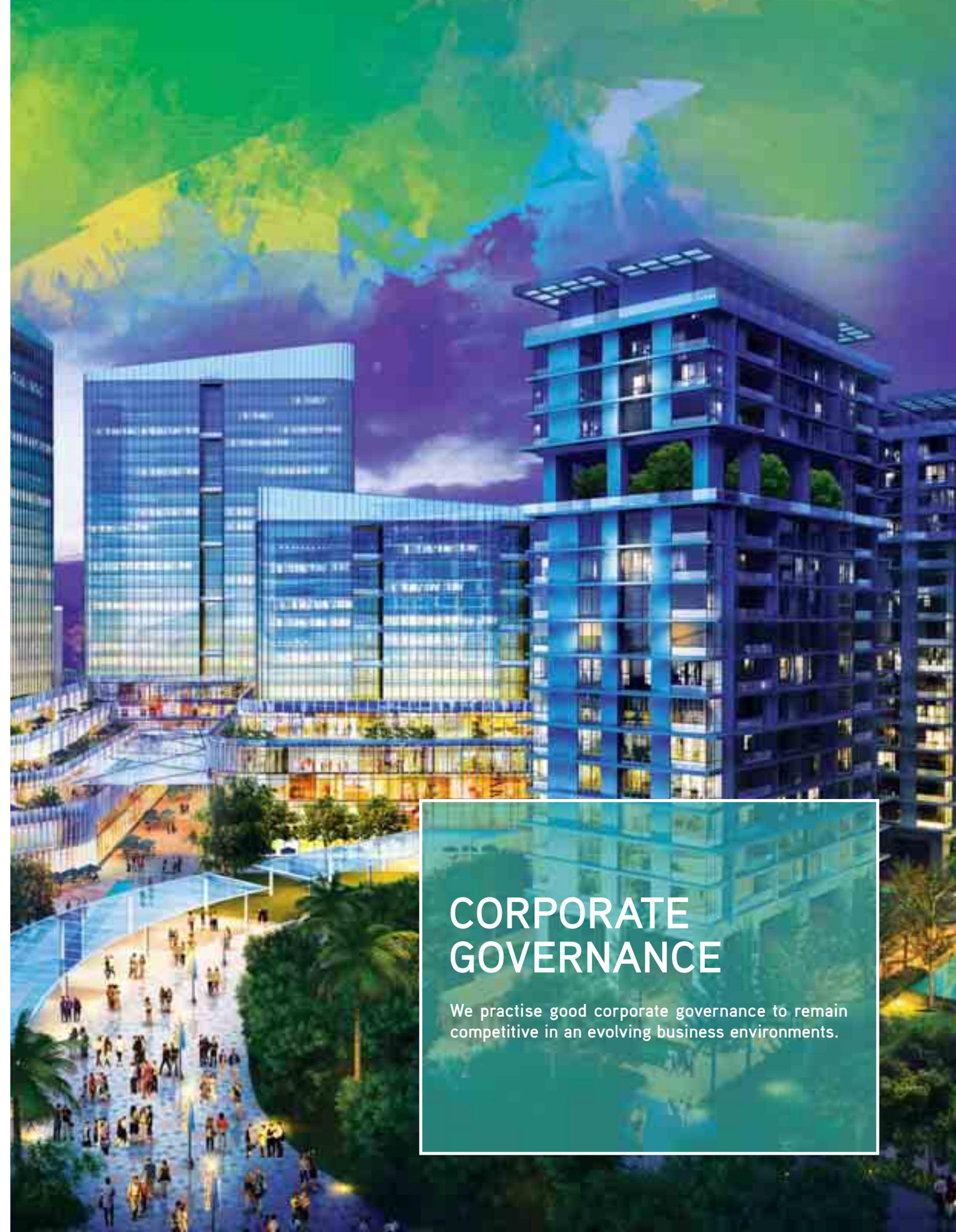
In 2014's 'bomb attack' scenario, the chain of events was set off when the SSSB Duty Officer was alerted by the Fire Control Centre (FCC) Operator about a bomb threat call received by a Customer Service Officer at the station's information counter.

12/  
DECEMBER



### SITE VISIT AT THE RIVER OF LIFE PROJECT

YB Senator Dato' Sri Idris Jala, Minister in the Prime Minister's Department and CEO of PEMANDU, visited the first phase of beautification works at Presint 7 for the River of Life project. The beautification project worth RM130 million involves the Masjid Jamek and Central Market areas and was awarded to a joint venture (JV) Company of Ekovest Bhd and MRCB.



# CORPORATE GOVERNANCE

We practise good corporate governance to remain competitive in an evolving business environments.

## STATEMENT ON CORPORATE GOVERNANCE

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

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

### 1. MRCB’S BOARD STRUCTURE

#### a. Composition of Members

As at 31 December 2014, the MRCB Board had 8 members, comprising the Chairman (Non-Independent Non-Executive), one (1) Executive Director and six (6) Non-Executive Directors. Four (4) of the Non-Executive Directors are Independent Directors and two (2) are Non-Independent Non-Executive Directors.

The profiles of each member of the Board, their designations and memberships on the Board Committees are set out on pages 46 to 54 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 the composition as at 31 December 2014, the Independent Directors constituted 50% of the Board and these Independent Directors provide effective debate and uphold the principles of objectivity and integrity during Board deliberations.

The Board believes that its present composition and size enables it to discharge its duties and responsibilities effectively and competently. From time to time, the Nomination 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 2014. As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a cumulative term of 12 years. The Board believes that this tenure provides a balance of effectiveness and independence that is appropriate for the Group.

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

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

During the year, Tan Sri Ahmad Fuad Ismail and Dato’ Johari Razak were appointed to the Board as Independent Directors on 5 February 2014. This was followed by the appointment of Puan Rohaya Mohammad Yusof as a Non-Independent Non-Executive Director on 6 March 2014. Two Independent Directors, Dato’ Ahmad Ibnihajar and Mr Che King Tow resigned from the Board on 10 January 2014 and 2 April 2014 respectively. Subsequently, Dato’ Ishak Haji Mohamed, a Non-Independent Non-Executive Director, and Tan Sri Ahmad Fuad Ismail, an Independent Director, had resigned on 8 October 2014.

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.

## STATEMENT ON CORPORATE GOVERNANCE

At the AGM held on 27 June 2014, Tan Sri Azlan Zainol 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, Tan Sri Mohamad Salim Fateh Din, Tan Sri Ahmad Fuad Ismail, Dato' Ishak Haji Mohamed, Dato' Johari Razak and Puan Rohaya Mohammad Yusof had retired pursuant to Article 106 of the Articles of Association of the Company and all of them were duly re-elected.

### c. Roles and Responsibilities

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

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

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

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

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

The Chairman is 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' Abdul Rahman Ahmad, chaired 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 twelve (12) Board of Directors' meetings were held between 1 January 2014 and 31 December 2014. All the directors have attended more than 50% of the Board of Directors' meetings during the period.

## STATEMENT ON CORPORATE GOVERNANCE

*Table 1: Details of attendance of the Directors at the Board Meetings held from 1 January 2014*

| Name of Director   | Number of Meetings Attended | Number of Meetings Held | Percentage (%) |
|--|-----------------------------|-------------------------|----------------|
| Tan Sri Azlan Zainol (Chairman)  | 11                          | 12                      | 92%            |
| Tan Sri Mohamad Salim Fateh Din<br>(Group Managing Director)                   | 12                          | 12                      | 100%           |
| Datuk Shahril Ridza Ridzuan  | 12                          | 12                      | 100%           |
| Dato' Abdul Rahman Ahmad   | 12                          | 12                      | 100%           |
| Dato' Chong Pah Aung   | 11                          | 12                      | 92%            |
| Jamaludin Zakaria  | 12                          | 12                      | 100%           |
| Dato' Johari Razak (appointed 5 Feb 2014)                                      | 9                           | 11                      | 82%            |
| Rohaya Mohammad Yusof (appointed 6 Mar 2014)                                   | 10                          | 10                      | 100%           |
| Che King Tow (resigned on 2 Apr 2014)  | 3                           | 3                       | 100%           |
| Dato' Ishak Haji Mohamed (resigned on 8 Oct 2014)                              | 6                           | 8                       | 75%            |
| Tan Sri Ahmad Fuad Ismail (appointed on 5 Feb 2014 and<br>resigned 8 Oct 2014) | 6                           | 7                       | 86%            |

Amongst the matters deliberated by the Board in 2014 were:

- Major business proposals and transactions (eg. PJ Sentral deal, Kwasa Land, Investment in a REIT);
- Business plan and budget for 2014 & 2015;
- Performance bonus and remuneration package for Senior Management;
- Reconstitution of the Committee of the Board and Senior Directors;
- Appointment of additional independent directors and non-independent non-executive directors;
- Remuneration package for the Group Managing Director, Group Chief Operating Officer and Chief Financial Officer; and
- Revision to the director's benefits.

### 2. BOARD COMMITTEES

The Board has established four (4) Committees, each with specific authorities and responsibilities, to assist the Board discharge its duties and responsibilities effectively. At these Committees, detailed review and deliberation of strategic issues are carried out and the Chairman of the various Committees will report on their respective deliberations and recommendations to the Board at the next Board meeting. However, the Board retains the ultimate responsibility for decisions made by the Committees.

During the year, the Nomination Committee and Remuneration Committee were disbanded and the Nomination and Remuneration Committee was formed. The Nomination and Remuneration Committee assumed the combined roles and responsibilities of the Committees that were disbanded.

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 148 to 151.

## STATEMENT ON CORPORATE GOVERNANCE

### b. Executive Committee (“EXCO”) of the Board

The Executive Committee of the Board (“EXCO”) was established to enhance the Board’s leadership and management of the Group. Comprised of two (2) Non-Executive Directors and the Group Managing Director, the main functions of the EXCO are:

- i) To guide Management in the implementation of the GLC Transformation Initiatives;
- ii) To review and recommend the annual business plan and budget of the Group to the Board for approval;
- iii) To consider and review significant and/or major issues relating to the business direction of the Group; and
- iv) To deliberate on all major business transactions and issues relating to the Group that require 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 2014, a total of five (5) EXCO meetings were held and these were fully attended by all the members of the EXCO.

*Table 2: Details of attendance of members at the EXCO meetings held from 1 January 2014 to 31 December 2014*

| NAME OF EXCO MEMBER   | ATTENDANCE |
|---|------------|
| Datuk Shahril Ridza Ridzuan (Chairman)  | 5/5        |
| Tan Sri Mohamad Salim Fateh Din   | 5/5        |
| Dato’ Chong Pah Aung  | 5/5        |
| Che King Tow (Resigned w.e.f. 2 Apr 14)   | 1/1        |
| Dato’ Ishak Haji Mohamed (Appointed w.e.f. 25 Feb 14, resigned w.e.f. 8 Oct 14) | 2/4        |

Among the activities carried out by the EXCO in 2014 were:

- Reviewed the progress of key projects;
- Deliberated on major business proposals and transactions;
- Reviewed the achievement of the budget for 2014;
- Reviewed the business plan and budget for 2015.

### c. Nomination and Remuneration Committee (“NRC”)

Prior to the disbandment of the Nomination Committee and Remuneration Committee on 25 February 2014, the Committees had each held one (1) meeting on 24 February 2014. Thereafter, after the establishment of the Nomination and Remuneration Committee, a total of three (3) NRC meetings were held in 2014 and these were fully attended by the members.

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

*Table 3: Details of attendance of members at the Nomination Committee meeting held from 1 January 2014 to 31 December 2014*

| NAME OF NOMINATION COMMITTEE MEMBER | ATTENDANCE |
|-------------------------------------|------------|
| Che King Tow (Chairman)             | 1/1        |
| Dato’ Abdul Rahman Ahmad            | 1/1        |
| Dato’ Chong Pah Aung                | 1/1        |

## STATEMENT ON CORPORATE GOVERNANCE

*Table 4: Details of attendance of members at the Remuneration Committee meeting held from 1 January 2014 to 31 December 2014*

| NAME OF REMUNERATION COMMITTEE MEMBER | ATTENDANCE |
|---------------------------------------|------------|
| Dato' Abdul Rahman Ahmad (Chairman)   | 1/1        |
| Che King Tow                          | 1/1        |
| Dato' Chong Pah Aung                  | 1/1        |

*Table 5: Details of attendance of members at the Nomination and Remuneration Committee meeting held from 1 January 2014 to 31 December 2014*

| NAME OF NOMINATION AND REMUNERATION COMMITTEE MEMBER | ATTENDANCE |
|--|------------|
| Dato' Johari Razak (Chairman)                        | 3/3        |
| Dato' Abdul Rahman Ahmad                             | 3/3        |
| Dato' Chong Pah Aung                                 | 3/3        |
| Tan Sri Ahmad Fuad Ismail (Resigned w.e.f. 8 Oct 14) | 2/2        |

Among the activities carried out by the Nomination Committee, Remuneration Committee and Nomination and Remuneration Committee in 2014 were:

- i) Reviewed the performance bonus and remuneration package for Senior Management;
- ii) Deliberated on the reconstitution of the Committee of the Board and Senior Directors;
- iii) Deliberated on the appointment of additional independent directors and non-independent non-executive directors;
- iv) Deliberated on the remuneration package for the Group Managing Director, Group Chief Operating Officer and Chief Financial Officer; and
- v) Deliberated on the revision to the director's benefits.

The principal duties and responsibilities of the Nomination and Remuneration Committee are:  
(*In relation to its nomination function*)

- i) To nominate and recommend to the Board, candidates to be appointed as Director of the Company.
- ii) To consider in making its recommendations, candidates for directorships proposed by the Group Managing Director or by any other senior executive or any director or shareholder.
- iii) To recommend to the Board, directors to fill the seats on board committees.
- iv) To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board.
- v) To assist the Board in implementing an assessment programme to assess the effectiveness of the Board as a whole, the committees of the Board and the individual director on an annual basis.

(*In relation to its remuneration function*)

- i) To determine and recommend to the Board the framework or broad policy for the remuneration packages of the Company's or Group's Chief Executive, the Chairman of the Company and such other members of the executive management of Grade 8 and above, as it is designated to consider.
- ii) To establish a formal and transparent procedure for developing policy on the total individual remuneration package of executive directors, chief executive officer and other designated executive management including, where appropriate, bonuses, incentives and share options.

## STATEMENT ON CORPORATE GOVERNANCE

- iii) To design remuneration package for all executive directors, chief executive officer and other designated executive management with the aim of attracting and retaining high-calibre designated executive management who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Group operates. Once formulated, to recommend to the Board for approval.
- iv) To review and recommend to the Board improvement (if any) on designated executive managements' remuneration policy and package and any other issues relating to benefits of designated executive management on an annual basis.
- v) To review any major changes in employee benefit structures throughout the Company or Group, and recommend to the Board for adoption if appropriate.
- vi) To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include:
  - Merit increment
  - Merit bonus
  - Project completion incentives.
- vii) To seek any information it requires from any employee of the Company in order to perform its duties.
- viii) To obtain, at the Company's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of the external advisers at its meeting if it considers necessary, and to obtain reliable, up-to-date information about the remuneration in other companies.

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

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

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

The ESOS Committee, which comprises three (3) members of the Board, meets as and when required and three (3) members form the quorum for a meeting. No ESOS Committee meeting was held during the year under review.

The members of the ESOS Committee are:

- Datuk Shahril Ridza Ridzuan (Chairman)
- Jamaludin Zakaria
- Dato' Johari Razak

## 3. BOARD REMUNERATION

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

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

## STATEMENT ON CORPORATE GOVERNANCE

### b. Directors' Remuneration

Details of the Directors' remuneration for financial year ended 31 December 2014 are set out in Tables 6 and 7 below.

The total Directors' remuneration for the financial year ended 31 December 2014 is approximately RM3.17 million, with the highest paid director being the Group Managing Director.

*Table 6: Details of Aggregate Directors' Remuneration for 2014*

| NAME OF DIRECTOR   | FEE<br>RM'000 | SALARY &<br>BONUS<br>RM'000 | EPF &<br>SOCSO<br>RM'000 | ALLOWANCE<br>RM'000 | CAR<br>ALLOWANCE<br>RM'000 | BENEFITS-<br>IN-KIND<br>RM'000 | TOTAL<br>RM'000 |
|--|---------------|-----------------------------|--------------------------|---------------------|----------------------------|--------------------------------|-----------------|
| Tan Sri Azlan Zainol<br>(Chairman)                           | 150           |                             |                          | 60                  |                            |                                | 210             |
| Tan Sri Mohamad Salim Fateh Din<br>(Group Managing Director) |               | 1,600                       | 345                      |                     | 120                        | 24                             | 2,089           |
| Datuk Shahril Ridza Ridzuan                                  | 100           |                             |                          | 120                 |                            | 7                              | 227             |
| Dato' Abdul Rahman Ahmad                                     | 100           |                             |                          |                     |                            |                                | 100             |
| Dato' Chong Pah Aung   | 100           |                             |                          |                     |                            |                                | 100             |
| Jamaludin Zakaria  | 100           |                             |                          |                     |                            |                                | 100             |
| Dato' Johari Razak   | 90            |                             |                          |                     |                            |                                | 90              |
| Rohaya Mohammad Yusuf  | 82            |                             |                          |                     |                            |                                | 82              |
| Dato' Ishak Haji Mohamed<br>(resigned on 8 Oct 2014)         | 77            |                             |                          |                     |                            |                                | 77              |
| Tan Sri Ahmad Fuad Ismail<br>(resigned on 8 Oct 2014)        | 67            |                             |                          |                     |                            |                                | 67              |
| Che King Tow<br>(resigned on 2 Apr 2014)                     | 25            |                             |                          |                     |                            |                                | 25              |
| Dato' Ahmad Ibnihajar<br>(resigned on 10 Jan 2014)           | 3             |                             |                          |                     |                            |                                | 3               |
| <b>Total</b>   | <b>894</b>    | <b>1,600</b>                | <b>345</b>               | <b>180</b>          | <b>120</b>                 | <b>31</b>                      | <b>3,170</b>    |

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

| DIRECTORS' REMUNERATION | EXECUTIVE<br>DIRECTORS | NON-EXECUTIVE<br>DIRECTORS | TOTAL     |
|-------------------------|------------------------|----------------------------|-----------|
| RM0 – RM50,000          | -                      | 2                          | 2         |
| RM50,001 – RM100,000    | -                      | 7                          | 7         |
| RM100,001 – RM150,000   | -                      | -                          | -         |
| RM150,001 and above     | 1                      | 2                          | 3         |
| <b>TOTAL</b>            | <b>1</b>               | <b>11</b>                  | <b>12</b> |

## STATEMENT ON CORPORATE GOVERNANCE

### 4. BOARD CONDUCT

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

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

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

#### b. Director's Training and Continuing Education Programme

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

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

*Table 8: Training Courses Attended by Directors in 2014*

| NAME OF DIRECTOR     | TRAINING COURSE ATTENDED  |
|----------------------|---|
| Tan Sri Azlan Zainol | <b>KPMG Training: Managing Risks in Islamic Banks for RHB Bank Berhad and RHB Islamic Bank Berhad Board of Directors</b><br>Date: 10 Feb 2014<br>Organiser: RHB Banking Group   |
|                      | <b>ICAAP Training</b><br>Date: 11 Mar 2014<br>Organiser: RHB Banking Group  |
|                      | <b>Breakfast Talk: Singapore National ICT Master Plan</b><br>Date: 28 May 2014<br>Organiser: RHB Banking Group  |
|                      | <b>FIDE (Financial Institute of Directors' Education) Programme &amp; Session – Board Dynamic: A Conversation with a Chairman</b><br>Date: 3 Jun 2014<br>Organiser: The ICLIF Leadership & Governance Centre                        |
|                      | <b>FIDE Forum Event – A Comprehensive Talent-based Approach to Board Recruitment</b><br>Date: 16 Jun 2014<br>Organiser: FIDE Forum  |
|                      | <b>Corporate Governance Conference: Panel speaker for “The Challenges of Corporate Governance in the Financial Services Sector”</b><br>Date: 6 Aug 2014<br>Organiser: Asian Institute of Chartered Bankers (formerly known as IBBM) |

## STATEMENT ON CORPORATE GOVERNANCE

| NAME OF DIRECTOR                | TRAINING COURSE ATTENDED  |
|---------------------------------|---|
| Tan Sri Mohamad Salim Fateh Din | <p><b>Directors' Continuing Education Programme 2014</b><br/>                     Date: 27 Jun 2014<br/>                     Organiser: In-house Corporate Training under British American Tobacco (Malaysia) Berhad organised by Guinness Anchor Berhad</p>  |
| Datuk Shahril Ridza Ridzuan     | <p><b>Board of Directors' Workshop</b><br/>                     Date: 24 Sep 2014<br/>                     Organiser: Media Prima Berhad</p>  |
| Dato' Abdul Rahman Ahmad        | <p><b>Malaysian Private Equity Forum</b><br/>                     Date: 9 – 10 Sep 2014<br/>                     Organiser: Ekuiti Nasional Berhad</p>  |
| Dato' Chong Pah Aung            | <p><b>Continuing Professional Development Talk on "Seminar on Understanding Valuation Requirements: MVS, IVS, &amp; SC's Asset Valuation Guidelines"</b><br/>                     Date: 8 Sep 2014<br/>                     Organiser: Persatuan Penilai, Pengurus Harta, Ejen Harta &amp; Perunding Harta Swasta Malaysia (PEPS)</p> <p><b>Board of Directors Breakfast Series – "Great Companies Deserve Great Boards"</b><br/>                     Date: 10 October 2014<br/>                     Organiser: Bursa Malaysia Berhad</p>   |
| Jamaludin Zakaria               | <p><b>Islamic Venture Capital and Private Equity</b><br/>                     Date: 25 Mar 2014<br/>                     Organiser: IBFIM</p> <p><b>Money, Banking and Capital Market</b><br/>                     Date: 9 Sep 2014<br/>                     Organiser: CHK Consultancy Sdn Bhd</p>   |
| Dato' Johari Razak              | <p><b>In-house Corporate Training programme in respect of "Roles &amp; Responsibilities of Directors Under the Listing Requirements" and "Updates on Corporate Governance Guide – 2nd Edition"</b><br/>                     Date: 5 May 2014<br/>                     Organiser: Tricor Knowledge House Sdn Bhd</p> <p><b>Risk Management &amp; Internal Control : Workshop for Audit Committee Members "An Integrated Assurance on Risk Management and Internal Control – Is Our Line of Defence Adequate and Effective?"</b><br/>                     Date: 3 Jun 2014<br/>                     Organiser: Bursa Malaysia &amp; CG Board Asia Pacific</p> |
| Rohaya Mohammad Yusuf           | <p><b>CIMB Asean Domestic Bond Markets Round Table Series</b><br/>                     Date: 3 Apr 2014<br/>                     Organiser: CIMB</p> <p><b>Innovative &amp; Creative Circle Programme (ICC)</b><br/>                     Date: 5 May 2014<br/>                     Organiser: KWSP</p>  |

## STATEMENT ON CORPORATE GOVERNANCE

| NAME OF DIRECTOR      | TRAINING COURSE ATTENDED  |
|-----------------------|---|
| Rohaya Mohammad Yusuf | <b>CMB 4th Annual Asia Pacific Conference @ Invest Malaysia Leading Leaders Programme</b><br>Date: 9 Jun 2014<br>Organiser: CIMB        |
|                       | <b>International Seminar “Demographic Changes Recognising the Challenge &amp; Opportunities”</b><br>Date: 8 Sep 2014<br>Organiser: KWSP |
|                       | <b>Malaysian Private Equity Forum</b><br>Date: 9 Sep 2014<br>Organiser: KWSP  |
|                       | <b>Asean Fixed Income Summit</b><br>Date: 29 Sep 2014<br>Organiser: Bank Negara Malaysia  |
|                       | <b>Leadership at the Peak in Singapore</b><br>Date: 1 – 5 Dec 2014<br>Organiser: Program Pembangunan Bakat (KWSP)                       |

### c. Performance Evaluation

The Board, through the Nomination and Remuneration Committee, reviews and evaluates its performance and the performance of individual Directors every two years. At the time of issuance of this statement, the performance evaluation of the directors for 2013/2014 was being conducted by an external consultant.

### 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. 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 have:

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

## STATEMENT ON CORPORATE GOVERNANCE

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

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

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

The Board has adopted a hands-on approach in discharging its role. During the year, the Directors made visits to the Company's project sites in 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 195 of this report under "Statement by Directors".

### h. Relationship with External Auditors

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

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

In recommending the External Auditors for reappointment, the Audit Committee reviews their performance, suitability and independence. For 2014, the Audit Committee has obtained a written assurance from PricewaterhouseCoopers, the External Auditors, that they have maintained their independence in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.

Further details on the activities of the Audit Committee in relation to the External Auditors is described on page 150.

## 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.

## STATEMENT ON CORPORATE GOVERNANCE

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

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

However, due to the limitations inherent in any system of internal control, the system designed can only manage rather than 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 156 to 158 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 Management's responsibility to set up the proper control processes to prevent and detect fraud. It defines what constitutes fraud and fraudulent activities, and puts together a framework for preventing fraud.

A Whistleblowing Policy has also been established. The Whistleblowing Policy outlines the avenues and procedures for whistleblowers to communicate their concerns to the Board (either through the Chairman of the Audit Committee or the Head of Corporate Governance) without Management's intervention and interference. The Whistleblowing Policy also describes the procedures to be taken for investigating and dealing with reports on the misconduct of employees.

### c. Corporate Integrity

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

With this Pledge, MRCB commits to, amongst others, promote values of integrity, transparency and good governance in carrying out its business activities, and comply with anti-corruption laws, policies and procedures.

### 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.

## STATEMENT ON CORPORATE GOVERNANCE

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### 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 2014, the Company is proposing a first and final single-tier dividend of 2.5% or 2.5 sen per ordinary share. This proposal is subject to the approval of the shareholders at the forthcoming 44th Annual General Meeting.

### c. Communication and Transparency

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

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

There is also a "Contact Us" icon on the Company's website, which leads to a webpage where shareholders and investors can conveniently forward their questions and comments to the Company. Shareholders and members of the public may also contact the Senior Independent Director of the Company, Dato' Abdul Rahman Ahmad, to convey their concerns or questions. Dato' Abdul Rahman Ahmad may be contacted at: Email: [arahman.dir@mrcb.com.my](mailto:arahman.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. Shareholders are encouraged to participate in the meeting and are given the opportunity to ask questions and state their views. Where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting.

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

## 7. ON-GOING GLC TRANSFORMATION INITIATIVES

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

## STATEMENT ON CORPORATE GOVERNANCE

### 8. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

#### a. CSR Programmes

The Group’s highlight of CSR activities for 2014 was its involvement in flood relief efforts for Peninsular Malaysia’s communities, especially those in the East Coast, which were hit with the worst flooding ever in several decades.

As guided by the framework outlined in the “Silver Book – Achieving Value through Social Responsibility” adopted since 2007 under the GLC Transformation Programme, MRCB mobilised its resources and provided warehousing facility and marshalled volunteers from among its staff for disaster relief work, apart from providing foodstuff and hygiene kits for families stricken by the unprecedented flooding in recent times.

MRCB volunteers joined flood remedial work at Sekolah Kebangsaan Kg Kerilla in Machang, Kelantan where they helped to clean and repaint the flood-damaged school. The volunteers also lent their time and energy for a similar work at Sekolah Kebangsaan Pulau Beluru in Tumpat, Kelantan.

In addition, MRCB presented RM1 million to the Girl Guides Association of Malaysia Flood Relief Fund, while further cash contributions of RM50,000 each were made to the Perak Flood Relief Fund and the Bera (Pahang) Flood Relief Fund, together with a contribution of RM100,000 to the Federal Territory Ministry to beef up the ministry’s own flood relief fund.

Earlier in the year, during a dry weather spell that hit the country in February, Tan Sri Mohamad Salim Fateh Din, MRCB’s Group Managing Director accompanied Yang Amat Berbahagia Datin Paduka Seri Rosmah Mansor, wife to the Prime Minister, to distribute 5.5-litre bottles of mineral water to more than 1,000 households at the Seri Perindu Apartment community in Taman Alam Damai and Taman Desa Baiduri in Cheras, which were experiencing water supply interruption during the dry spell.

Later in the year MRCB joined other GLCs and major corporations at the Batu floodwater retention lake in Sentul, which is one of the locations where Kuala Lumpur City Hall (DBKL) is creating a ‘Dusun Bandar’ or city fruit orchard for the greening of Kuala Lumpur. MRCB sponsored 100 trees for the tree planting activity that is one of nine Entry Point Projects (EPP) in the greater Kuala Lumpur National Key Economic Area (NKEA) agenda under the larger Economic Transformation Programme (ETP). MRCB also maintained its involvement in implementing another EPP under the ETP in Kuala Lumpur called The River of Life project, which aims to transform and revitalize Sungai Klang and Sungai Gombak.

While contributing its efforts to the environment, the Group also donated RM1.4 million in total to more than 30 associations, NGOs, charities, community and governmental initiatives such as the Genextor Carnival 2014, the Toh Puan Zurina Foundation, Majlis Yayasan Ehsan Seputeh, the yearly 2014 programme for the Member of Parliament and State Assemblymen Wives’ Association, Pertubuhan Kebajikan Ar-Redhuan Negeri Melaka, the Land Public Transport Symposium 2014, Malam Cinta Rasul in Putrajaya, financial grant assistance for the Yayasan Ehwat Siswa (YES) and spearheaded a donation drive for MH17’s technical and cabin crew families.

Apart from giving out regular donations as requested by numerous NGOs, charity and philanthropic bodies, MRCB conducted a unique hands-on initiative to assist those identified at the Stesen Sentral Kuala Lumpur (SSKL) and its vicinity who were found to be genuinely destitute, homeless and in need of assistance.

Led by MRCB’s senior management team, about 100 personnel took part in the initiative that was also joined by Kuala Lumpur City Hall (DBKL), Land Public Transport Commission (SPAD), the National Registration Department (JPN), the Immigration Department, the National Anti-Drug Agency Malaysia (AADK), Kuala Lumpur Hospital (KLH), Keretapi Tanah Melayu Berhad (KTMB), Express Rail Link Sdn Bhd (ERL) and Rapid KL.

This initiative has benefitted the homeless and destitute by empowering them to improve their life’s situation and find means of livelihood through the pooled efforts of the agencies and institutions that joined MRCB during an inspection of SSKL’s premises conducted from midnight to early morning on 16 March 2014.

## STATEMENT ON CORPORATE GOVERNANCE

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In 2014, MRCB continued to enthusiastically promote enhancement in the understanding of Mathematics, English and Science subjects in the PINTAR school programme for the seventh year running. Underprivileged and lower-performing students gained direct benefits from focused and specialized tutoring sessions from experienced former teachers and academicians. As of 2014, MRCB had adopted close to 18,000 students since becoming a member of PINTAR in 2007 and they will continue to touch other lives as they progress, mature and enter the job market in the future.

In 2014 too, MRCB's tradition of caring and giving continues with the giving of close to 800 school bags, shoes, socks and stationery sets to underprivileged students from its nine adopted PINTAR schools in Pulau Pinang, Perak, Kuala Lumpur and Pahang.

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

### **b. Awards and Recognition**

The Company continues to receive recognition and accolades in 2014. In a double win in early 2014, MRCB and its Group Managing Director Tan Sri Mohamad Salim Fateh Din received awards under two categories of the Global Leadership Award (GLA) 2014 held at the Putrajaya International Convention Centre.

Tan Sri Mohamad Salim Fateh Din and MRCB came out tops respectively in the "Masterclass CEO of the Year" award category and the best "Urban Regeneration Development" award category, signalling a significant recognition by industry specialists on the achievements of MRCB and its leadership.

MRCB was also declared "World Gold Winner" at the FIABCI Prix d'Excellence International Awards 2014 under the award's Sustainable Development category for Platinum Sentral, its office-campus style Green Building in the Kuala Lumpur Sentral CBD. Platinum Sentral edged out other candidates vying for this recognition, which came as no surprise because Platinum Sentral looked like a clear winner from the onset of this prestigious annual international competition, held at the Rockhal concert hall venue in Esch-sur-Alzette, Southern Luxembourg.

Selected as a winner of the Malaysia GreenTech Awards 2014 under a "Malaysia Top 30 Catalysts in 2014" category, MRCB received further accolade as one of the top drivers of the nation's green agenda. The award is organised by Malaysian Green Technology Corporation (GreenTech Malaysia), which is a non-profit organisation under the purview of the Ministry of Energy, Green Technology and Water Malaysia (KeTTHA).

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.

## STATEMENT ON CORPORATE GOVERNANCE

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

*(Pursuant to paragraph 15.26a 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 23 February 2015.**

## PENYATA MENGENAI TADBIR URUS KORPORAT

Lembaga Pengarah MRCB (“Lembaga”) amat percaya bahawa amalan tadbir urus korporat yang kukuh adalah penting bagi memastikan prestasi perniagaan boleh dikekalkan dan pembentukan nilai bagi pemegang-pemegang saham syarikat dan kekal komited dalam memastikan bahawa standard tertinggi etika perniagaan, integriti dan keprofesionalan diguna pakai dalam kesemua kegiatan MRCB dan anak-anak syarikatnya (“Kumpulan”).

Dalam penyata ini, Lembaga dengan sukacitanya menyatakan penggunaan prinsip-prinsip yang dinyatakan dalam Kod Tadbir Urus Korporat Malaysia dan juga syarat-syarat yang berkenaan yang dinyatakan dalam Syarat-syarat Penyenaraian Bursa Malaysia Securities Berhad (“MMLR”).

### 1. STRUKTUR LEMBAGA MRCB

#### a. Komposisi Ahli

Pada 31 Disember 2014, Lembaga MRCB mempunyai 8 orang ahli, terdiri daripada Pengerusi (Bukan Eksekutif Bukan Bebas), satu (1) Pengarah Eksekutif dan enam (6) Pengarah Bukan Eksekutif. Empat (4) Pengarah Bukan Eksekutif adalah Pengarah Bebas dan dua orang Pengarah Bukan Eksekutif Bebas.

Profil setiap ahli Lembaga, jawatan dan keahlian mereka dalam Jawatankuasa Lembaga dinyatakan pada muka surat 46 hingga 54 laporan ini.

Ahli-ahli Lembaga membawa bersama mereka pelbagai pengalaman dan pengetahuan mendalam dalam strategi korporat, kewangan, pengurusan perniagaan, pembangunan hartanah dan pengurusan hartanah. Bersama-sama dengan rangkaian kukuh mereka dalam sektor awam dan swasta, ahli-ahli Lembaga memberikan wawasan yang berkesan dan kepimpinan strategik kepada pasukan Pengurusan.

Dengan komposisi pada 31 Disember 2014, para Pengarah Bebas membentuk 50% daripada Lembaga dan para Pengarah Bebas ini memberikan hujah-hujah yang berkesan dan berpegang pada prinsip-prinsip objektiviti dan integriti semasa pertimbangan Lembaga.

Lembaga percaya bahawa komposisi semasa dan saiznya membolehkan Lembaga untuk menjalankan tugas dan tanggungjawabnya secara berkesan dan kompeten. Dari masa ke masa, Jawatankuasa Pelantikan Lembaga mengkaji campuran kemahiran, pengetahuan, pengalaman dan kebebasan ahli-ahlinya. Lembaga berpuas hati bahawa tidak ada kompromi kepada kebebasan para Pengarah Bebas pada 2014. Sebagai perkara dasar, Lembaga telah menetapkan bahawa tempoh para Pengarah tidak boleh melebihi tempoh kumulatif selama 12 tahun. Lembaga percaya bahawa tempoh ini memberikan keseimbangan keberkesanan dan kebebasan yang sewajarnya bagi Kumpulan.

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

Jawatankuasa Pelantikan & Imbuhan (“NRC”) telah diamanahkan dengan tanggungjawab untuk menilai calon-calon yang akan dilantik sebagai ahli-ahli Lembaga. Dalam menilai kesesuaian calon-calon bagi keahlian dalam Lembaga, NRC mengambil kira latar belakang, kemahiran, pengalaman, komitmen masa dan sumbangan yang berpotensi bagi calon-calon yang akan menganggotai Lembaga, dan untuk keperluan semasa dan masa hadapan perniagaan Kumpulan.

Dalam tahun, Tan Sri Ahmad Fuad Ismail dan Dato’ Johari Razak telah dilantik menganggotai Lembaga sebagai Pengarah Bebas pada 5 Februari 2014. Ini diikuti oleh pelantikan Puan Rohaya Mohammad Yusof sebagai Pengarah Bukan Eksekutif Bukan Bebas pada 6 Mac 2014. Dua orang Pengarah Bebas, Dato’ Ahmad Ibnihajar dan En Che King Tow telah meletakkan jawatan daripada Lembaga masing-masing pada 10 Januari 2014 dan 2 April 2014. Kemudiannya, Dato’ Ishak Haji Mohamed, Pengarah Bukan Eksekutif Bukan Bebas, dan Tan Sri Ahmad Fuad Ismail, Pengarah Bebas, telah meletakkan jawatan pada 8 Oktober 2014.

## PENYATA MENGENAI TADBIR URUS KORPORAT

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

Pada AGM yang diadakan pada 27 Jun 2014, Tan Sri Azlan Zainol dan Datuk Shahril Ridza Ridzuan, yang bersara selaras dengan Artikel 101 dan 102 Tataurus Pertubuhan Syarikat, telah dilantik dengan sewajarnya. Pada masa yang sama, Tan Sri Mohamad Salim Fateh Din, Tan Sri Ahmad Fuad Ismail, Dato' Ishak Haji Mohamed, Dato' Johari Razak dan Puan Rohaya Mohammad Yusof telah bersara selaras dengan Artikel 106 Tataurus Pertubuhan Syarikat dan semua daripada mereka yang telah dilantik semula dengan sewajarnya.

### c. Peranan dan Tanggungjawab

Lembaga mengawasi perniagaan dan hal ehwal Kumpulan dan pada dasarnya bertanggungjawab bagi perancangan strategik, pengurusan risiko, rancangan penggantian, pemantauan operasi dan mengkaji kecukupan maklumat pengurusan dan sistem kawalan dalaman Kumpulan. Lembaga dipandu oleh Piagam yang dikaji dan diterima pakai pada 20 November 2012. Antara lain, Piagam Lembaga menyatakan peranan utama Lembaga, fungsi, peranan, tanggungjawab dan kuasa Lembaga dan pelbagai jawatankuasanya. Kandungan Piagam Lembaga boleh dilihat dalam laman web syarikat, [www.mrcb.com](http://www.mrcb.com).

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

- Rancangan dan program korporat;
- Belanjawan tahunan, termasuk komitmen modal utama;
- Usaha niaga baru;
- Pengambilalihan dan pelupusan material akan usaha niaga dan hartanah; dan
- Perubahan kepada struktur pengurusan dan kawalan Syarikat dan anak-anak syarikatnya, termasuk dasar-dasar penting.

Pengarah Urusan Kumpulan bertanggungjawab bagi operasi perniagaan harian Kumpulan sementara para Pengarah Bukan Eksekutif bertanggungjawab bagi memberi keputusan dan penilaian bebas kepada keputusan yang dibuat oleh Lembaga dan untuk memberikan cabaran objektif kepada pengurusan. Para Pengarah Bukan Eksekutif tidak terlibat dalam apa-apa urusan perniagaan dengan Kumpulan untuk memastikan bahawa mereka berkeupayaan untuk melaksanakan keputusan bebas dan bertindak demi kepentingan terbaik Kumpulan dan pemegang-pemegang sahamnya.

Peranan Pengerusi dan Pengarah Urusan Kumpulan dipegang oleh individu berasingan, dengan pembahagian tanggung jawab dan kuasa yang jelas. Sementara Pengerusi, yang merupakan pengarah bukan eksekutif, bertanggungjawab bagi kepimpinan, memastikan kefungsan berkesan Lembaga dan menyediakan pemantauan operasi Kumpulan, Pengarah Urusan Kumpulan bertanggungjawab bagi membuat dan melaksana keputusan operasi dan pengurusan harian Kumpulan. Pengarah Urusan Kumpulan menentukan hala tuju keseluruhan Kumpulan, melapor dan mengkomunikasikan perkara-perkara dan cadangan-cadangan strategik kepada Lembaga, dan melaksanakan keputusan-keputusan yang dibuat oleh Lembaga.

Pengerusi bertanggungjawab bagi mempengerusikan mesyuarat-mesyuarat Lembaga dan memastikan bahawa terdapat pertimbangan dan penilaian cadangan dan maklumat yang disediakan oleh pengurusan. Dalam ketiadaan Pengerusi, Pengarah Bebas Kanan yang paling kanan, Dato' Abdul Rahman Ahmad, mempengerusikan mesyuarat Lembaga.

### d. Mesyuarat Lembaga Pengarah

Jadual Lembaga Pengarah bagi setiap tahun ditubuhkan sebelum akhir tahun sebelumnya bersama dengan jadual perkara-perkara yang akan dibincangkan dalam mesyuarat-mesyuarat ini. Selain daripada mesyuarat-mesyuarat yang dijadualkan, mesyuarat-mesyuarat tambahan boleh diminta oleh pengerusi untuk menimbangankan perkara-perkara segera dan penting yang memerlukan perhatian.

## PENYATA MENGENAI TADBIR URUS KORPORAT

Sebanyak dua belas (12) mesyuarat Lembaga Pengarah telah diadakan di antara 1 Januari 2014 dan 31 Disember 2014. Kesemua pengarah telah menghadiri lebih daripada 50% Mesyuarat Lembaga Pengarah dalam tempoh tersebut.

**Jadual 1: Butir-butir kehadiran para Pengarah dalam Mesyuarat Lembaga yang diadakan dari 1 Januari 2014**

| Nama Pengarah  | Bilangan Mesyuarat Dihadiri | Bilangan Mesyuarat Diadakan | Peratusan (%) |
|--|-----------------------------|-----------------------------|---------------|
| Tan Sri Azlan Zainol (Pengerusi)   | 11                          | 12                          | 92%           |
| Tan Sri Mohamad Salim Fateh Din<br>(Pengarah Urusan Kumpulan)                          | 12                          | 12                          | 100%          |
| Datuk Shahril Ridza Ridzuan  | 12                          | 12                          | 100%          |
| Dato' Abdul Rahman Ahmad   | 12                          | 12                          | 100%          |
| Dato' Chong Pah Aung   | 11                          | 12                          | 92%           |
| Jamaludin Zakaria  | 12                          | 12                          | 100%          |
| Dato' Johari Razak (dilantik 5 Feb 2014)   | 9                           | 11                          | 82%           |
| Rohaya Mohammad Yusof (dilantik 6 Mar 2014)  | 10                          | 10                          | 100%          |
| Che King Tow (meletak jawatan pada 8 Oktober 2014)                                     | 3                           | 3                           | 100%          |
| Dato' Ishak Haji Mohamed<br>(meletak jawatan pada 8 Oktober 2014)                      | 6                           | 8                           | 75%           |
| Tan Sri Ahmad Fuad Ismail<br>(dilantik pada 5 Feb 2014 dan meletak jawatan 8 Okt 2014) | 6                           | 7                           | 86%           |

Antara perkara yang dipertimbangkan oleh Lembaga pada 2014 adalah:

- Cadangan dam urus niaga perniagaan utama (cth. urusan PJ Sentral, Tanah Kwasa, Pelaburan dalam REIT);
- Rancangan perniagaan dan belanjawan bagi 2014 & 2015;
- Bonus prestasi dan pakej imbuhan bagi Pengurusan Kanan;
- Pembentukan semula Jawatankuasa Lembaga dan Pengarah Kanan;
- Pelantikan para pengarah bebas dan pengarah bukan eksekutif bukan bebas tambahan;
- Pakej imbuhan bagi Pengarah Urusan Kumpulan, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan; dan
- Semakan kepada manfaat-manfaat para pengarah.

## 2. JAWATANKUASA LEMBAGA

Lembaga telah menubuhkan empat (4) Jawatankuasa, setiap satu dengan kuasa dan tanggungjawab khusus, bagi membantu Lembaga melupuskan tugas dan tanggungjawab secara berkesan. Dalam jawatankuasa-jawatankuasa ini, kajian dan pertimbangan terperinci isu-isu strategik dilaksanakan dan Pengerusi beberapa Jawatankuasa akan melaporkan mengenai pertimbangan dan pengesyoran masing-masing kepada lembaga dalam mesyuarat Lembaga yang akan datang. Walau bagaimanapun, Lembaga mengekalkan tanggungjawab muktamad untuk keputusan yang dibuat oleh Jawatankuasa.

Dalam tahun, Jawatankuasa Pelantikan dan Jawatankuasa Imbuhan telah dibubarkan dan Jawatankuasa Pelantikan dan Imbuhan telah ditubuhkan. Jawatankuasa Pelantikan dan Imbuhan mengambil alih peranan dan tanggungjawab yang digabungkan bagi Jawatankuasa-jawatankuasa yang telah dibubarkan.

Komposisi, tanggungjawab dan aktiviti pelbagai Jawatankuasa dinyatakan di bawah.

### a. Jawatankuasa Audit

Laporan Jawatankuasa Audit, menyatakan keahliannya, peranan dan aktiviti dalam tahun dinyatakan pada muka surat 148 hingga 151.

## PENYATA MENGENAI TADBIR URUS KORPORAT

### b. Jawatankuasa Eksekutif (“EXCO”) Lembaga

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

- i) Untuk memberi panduan kepada pihak Pengurusan dalam pelaksanaan Inisiatif-inisiatif Transformasi GLC;
- ii) Untuk mengkaji dan mengesyorkan rancangan perniagaan tahunan dan belanjawan Kumpulan kepada Lembaga untuk kelulusan;
- iii) Untuk menimbang dan mengkaji isu-isu penting dan/atau utama berhubung dengan hala tuju perniagaan Kumpulan; dan
- iv) Untuk menimbang mengenai semua urusan niaga perniagaan utama dan isu-isu berhubung dengan Kumpulan yang memerlukan Kelulusan EXCO atau Lembaga selaras dengan Had-had Kuasa yang diluluskan.

Tiga (3) ahli membentuk kuorum bagi satu mesyuarat. Bagi 2014, sebanyak lima (5) mesyuarat EXCO telah diadakan dan ini telah dihadiri sepenuhnya oleh kesemua ahli EXCO.

#### *Jadual 2: Butir-butir kehadiran ahli mesyuarat EXCO yang diadakan dari 1 Januari 2014 hingga 31 Disember 2014*

| NAMA AHLI EXCO   | KEHADIRAN |
|--|-----------|
| Datuk Shahril Ridza Ridzuan (Pengerusi)  | 5/5       |
| Tan Sri Mohamad Salim Fateh Din  | 5/5       |
| Dato' Chong Pah Aung   | 5/5       |
| Che King Tow (Meletak jawatan berkuat kuasa 2 Apr 14)  | 1/1       |
| Dato' Ishak Haji Mohamed (Dilantik berkuatkuasa 25 Feb 14, meletak jawatan berkuat kuasa 8 Okt 2014) | 2/4       |

Di antara kegiatan-kegiatan yang dijalankan oleh EXCO pada 2014 adalah:

- Mengkaji kemajuan projek-projek penting;
- Menimbang cadangan dan urusan niaga perniagaan utama;
- Mengkaji pencapaian belanjawan bagi 2014;
- Mengkaji rancangan perniagaan dan belanjawan bagi 2015.

### c. Jawatankuasa Pelantikan dan Imbuan (“NRC”)

Sebelum pembubaran Jawatankuasa Pelantikan dan Jawatankuasa Imbuan pada 25 Februari 2014, Jawatankuasa masing-masing telah mengadakan satu (1) mesyuarat pada 24 Februari 2014. Kemudiannya selepas penubuhan Jawatankuasa Pelantikan dan Imbuan, sejumlah tiga (3) mesyuarat NRC telah diadakan pada 2014 dan ini telah dihadiri sepenuhnya oleh ahli-ahli.

NRC terdiri daripada tiga (3) ahli, kesemua yang mana adalah para Pengarah Bebas.

#### *Jadual 3: Butir-butir kehadiran ahli dalam mesyuarat Jawatankuasa Pelantikan yang diadakan dari 1 Januari 2014 hingga 31 Disember 2014*

| NAMA AHLI JAWATANKUASA PELANTIKAN | KEHADIRAN |
|-----------------------------------|-----------|
| Che King Tow (Pengerusi)          | 1/1       |
| Dato' Abdul Rahman Ahmad          | 1/1       |
| Dato' Chong Pah Aung              | 1/1       |

## PENYATA MENGENAI TADBIR URUS KORPORAT

**Jadual 4: Butir-butir kehadiran ahli dalam mesyuarat Jawatankuasa Imbuhan diadakan dari 1 Januari 2014 hingga 31 Disember 2014**

| NAMA AHLI JAWATANKUASA IMBUHAN       | KEHADIRAN |
|--------------------------------------|-----------|
| Dato' Abdul Rahman Ahmad (Pengerusi) | 1/1       |
| Che King Tow                         | 1/1       |
| Dato' Chong Pah Aung                 | 1/1       |

**Jadual 5: Butir-butir kehadiran ahli dalam mesyuarat Jawatankuasa Pelantikan dan Imbuhan yang diadakan dari 1 Januari 2014 hingga 31 Disember 2014**

| NAMA JAWATANKUASA PELANTIKAN DAN IMBUHAN                           | KEHADIRAN |
|--|-----------|
| Dato' Johari Razak (Pengerusi)                                     | 3/3       |
| Dato' Abdul Rahman Ahmad   | 3/3       |
| Dato' Chong Pah Aung   | 3/3       |
| Tan Sri Ahmad Fuad Ismail (Meletak jawatan berkuat kuasa 8 Okt 14) | 2/2       |

Antara aktiviti-aktiviti yang dijalankan oleh Jawatankuasa Pelantikan, Jawatankuasa Imbuhan dan Jawatankuasa Pelantikan dan Imbuhan pada 2014 adalah:

- i) Mengkaji bonus prestasi dan pakej imbuhan bagi Pengurusan Kanan;
- ii) Menimbangkan pembentukan semula Jawatankuasa Lembaga dan para Pengarah Kanan;
- iii) Menimbangkan mengenai pelantikan para pengarah bebas dan para pengarah bukan eksekutif bukan bebas tambahan;
- iv) Menimbangkan mengenai pakej imbuhan Pengarah Urusan Kumpulan, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan; dan
- v) Menimbangkan mengenai semakan kepada manfaat-manfaat para pengarah.

Tugas dan tanggungjawab Jawatankuasa Pelantikan dan Imbuhan adalah:  
(*Berhubung dengan fungsi pelantikannya*)

- i) Untuk menamakan dan mengesyorkan kepada Lembaga, calon-calon yang akan dilantik sebagai Pengarah Syarikat.
- ii) Untuk menimbangkan dalam membuat pengesyorannya, calon-calon bagi jawatan pengarah dicadangkan oleh Pengarah Urusan Kumpulan atau oleh mana-mana eksekutif kanan lain atau mana-mana pengarah atau pemegang saham.
- iii) Untuk mengesyorkan kepada Lembaga, para pengarah mengisi kekosongan tempat dalam jawatankuasa-jawatankuasa lembaga.
- iv) Untuk membantu Lembaga dalam kajian tahunannya bagi campuran kepakaran dan pengalaman yang diperlukannya dan lain-lain kualiti, termasuk kekompetenan teras yang para pengarah bukan eksekutif harus bawa ke dalam lembaga.
- v) Untuk membantu Lembaga dalam pelaksanaan program penilaian untuk menilai keberkesanan Lembaga secara keseluruhan, jawatankuasa-jawatankuasa Lembaga dan pengarah individu atas dasar tahunan.

(*Berhubung dengan fungsi imbuhan*)

- i) Untuk menentukan dan mengesyorkan kepada Lembaga rangka kerja atau dasar meluas bagi pakej imbuhan Ketua Eksekutif Syarikat atau Kumpulan, Pengerusi Syarikat dan ahli-ahli lain tertentu bagi pengurusan eksekutif Gred 8 dan ke atas, sebagaimana ia ditetapkan untuk dipertimbangkan.
- ii) Untuk mewujudkan prosedur rasmi dan telus bagi membangunkan dasar mengenai pakej imbuhan individu menyeluruh bagi pengarah eksekutif, ketua pegawai eksekutif dan pengurusan eksekutif lain termasuk, di mana wajar, bonus, insentif dan opsyen saham.

## PENYATA MENGENAI TADBIR URUS KORPORAT

- iii) Untuk merangka pakej imbuhan bagi semua pengarah eksekutif, ketua pegawai eksekutif dan lain-lain pengurusan eksekutif yang dilantik dengan tujuan untuk menarik dan mengekalkan pengurusan eksekutif dilantik yang amat berkualiti yang akan memberikan kejayaan bagi pemegang-pemegang saham dan perkhidmatan berstandard tinggi untuk para pelanggan, sambil mengambil kira kepada persekitaran perniagaan di mana Kumpulan beroperasi. Sebaik sahaja telah siap dirumuskan, akan mengesyorkan kepada Lembaga untuk kelulusan.
- iv) Untuk mengkaji dan mengesyorkan kepada Lembaga pembaikan (sekiranya ada) ke atas dasar dan pakej imbuhan pengurusan eksekutif dilantik dan mana-mana isu lain berhubung dengan manfaat pengurusan eksekutif dilantik atas dasar tahunan.
- v) Untuk mengkaji apa-apa perubahan utama dalam struktur manfaat kakitangan di seluruh Syarikat atau Kumpulan, dan mengesyorkan kepada Lembaga untuk diterima pakai sekiranya sesuai.
- vi) Untuk mengkaji dan mengesyorkan kepada Lembaga untuk penerimaan pakai rangka kerja bagi skim insentif tahunan Syarikat. Rangka kerja bagi skim insentif tahunan mungkin termasuk:
  - Kenaikan merit
  - Bonus merit
  - Insentif penyelesaian projek.
- vii) Untuk mencari maklumat yang ia perlukan daripada mana-mana kakitangan Syarikat untuk boleh melaksanakan tugasnya.
- viii) Untuk mendapatkan, atas tanggungan Syarikat, mana-mana nasihat undang-undang atau lain-lain profesional luar termasuk nasihat perunding imbuhan bebas, untuk memastikan kehadiran penasihat luar dalam mesyuaratnya jika difikirkannya perlu, dan untuk mendapatkan maklumat yang boleh dipercayai dan terkini mengenai imbuhan dalam syarikat-syarikat lain.

NRC hendaklah mempunyai kuasa penuh untuk memulakan apa-apa laporan tinjauan yang difikirkannya perlu untuk membantu ia melaksanakan obligasinya

### d. Jawatankuasa Skim Opsyen Saham Kakitangan (“ESOS”)

Jawatankuasa Skim Opsyen Saham Kakitangan (“ESOS”) telah ditubuhkan untuk memastikan bahawa pelaksanaan ESOS ditadbir secara adil selaras dengan undang-undang kecil Syarikat bagi ESOS yang diluluskan oleh Pemegang-pemegang Saham.

Jawatankuasa ESOS yang terdiri daripada tiga (3) orang ahli Lembaga, bermesyuarat apabila diperlukan dan tiga (3) orang ahli membentuk kuorum bagi mesyuarat. Tiada mesyuarat Jawatankuasa ESOS telah diadakan dalam tahun di bawah kajian.

Ahli-ahli Jawatankuasa ESOS adalah:

- Datuk Shahril Ridza Ridzuan (Pengerusi)
- Jamaludin Zakaria
- Dato’ Johari Razak

## 3. LEMBAGA IMBUHAN

### a. Dasar Imbuhan bagi para Pengarah dan Pengurusan Kanan

Imbuhan bagi Pengarah Urusan Kumpulan dan kakitangan pengurusan kanan dilantik adalah berdasarkan kajian Jawatankuasa Pelantikan dan Imbuhan dan penilaian terhadap pencapaian dan sumbangan setiap individu, yang diukur berdasarkan Petunjuk Prestasi Penting mereka masing-masing. Pengesyoran kemudiannya dibuat oleh Jawatankuasa Pelantikan dan Imbuhan untuk diputuskan oleh Lembaga Pengarah mengenai imbuhan yang sesuai bagi setiap personel.

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

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### b. Butir-butir Imbuhan

Para Pengarah bagi imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2014 dinyatakan dalam Jadual 6 dan 7 di bawah.

Jumlah imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2014 adalah lebih kurang RM3.17 juta, dengan pengarah yang menerima bayaran tertinggi adalah Pengarah Urusan Kumpulan.

*Jadual 6: Butir-butir Agregat Imbuhan Para Pengarah bagi 2014*

| NAMA PENGARAH  | YURAN<br>RM'000 | GAJI &<br>BONUS<br>RM'000 | EPF &<br>SOCISO<br>RM'000 | ELAUN<br>RM'000 | ELAUN<br>KERETA<br>RM'000 | MANFAAT BUKAN<br>BERUPA WANG<br>RM'000 | JUMLAH<br>RM'000 |
|--|-----------------|---------------------------|---------------------------|-----------------|---------------------------|--|------------------|
| Tan Sri Azlan Zainol<br>(Pengerusi)                            | 150             |                           |                           | 60              |                           |  | 210              |
| Tan Sri Mohamad Salim Fateh Din<br>(Pengarah Urusan Kumpulan)  |                 | 1,600                     | 345                       |                 | 120                       | 24                                     | 2,089            |
| Datuk Shahril Ridza Ridzuan                                    | 100             |                           |                           | 120             |                           | 7                                      | 227              |
| Dato' Abdul Rahman Ahmad                                       | 100             |                           |                           |                 |                           |  | 100              |
| Dato' Chong Pah Aung   | 100             |                           |                           |                 |                           |  | 100              |
| Jamaludin Zakaria  | 100             |                           |                           |                 |                           |  | 100              |
| Dato' Johari Razak   | 90              |                           |                           |                 |                           |  | 90               |
| Rohaya Mohammad Yusuf  | 82              |                           |                           |                 |                           |  | 82               |
| Dato' Ishak Haji Mohamed<br>(meletak jawatan pada 8 Okt 2014)  | 77              |                           |                           |                 |                           |  | 77               |
| Tan Sri Ahmad Fuad Ismail<br>(meletak jawatan pada 8 Okt 2014) | 67              |                           |                           |                 |                           |  | 67               |
| Che King Tow<br>(meletak jawatan pada 2 Apr 2014)              | 25              |                           |                           |                 |                           |  | 25               |
| Dato' Ahmad Ibnihajar<br>(meletak jawatan pada 10 Jan 2014)    | 3               |                           |                           |                 |                           |  | 3                |
| <b>Jumlah</b>  | <b>894</b>      | <b>1,600</b>              | <b>345</b>                | <b>180</b>      | <b>120</b>                | <b>31</b>                              | <b>3,170</b>     |

*Jadual 7: Analisis Imbuhan Para Pengarah mengikut Kumpulan sebanyak RM50,000*

| IMBUHAN PENGARAH      | PENGARAH<br>EKSEKUTIF | PENGARAH<br>BUKAN EKSEKUTIF | JUMLAH    |
|-----------------------|-----------------------|-----------------------------|-----------|
| RM0 – RM50,000        | -                     | 2                           | 2         |
| RM50,001 – RM100,000  | -                     | 7                           | 7         |
| RM100,001 – RM150,000 | -                     | -                           | -         |
| RM150,001 dan ke atas | 1                     | 2                           | 3         |
| <b>Jumlah</b>         | <b>1</b>              | <b>11</b>                   | <b>12</b> |

## PENYATA MENGENAI TADBIR URUS KORPORAT

### 4. PENGENDALIAN LEMBAGA

#### a. Kod Etika dan Tata Laku bagi Ahli-ahli Lembaga

Para Pengarah dikehendaki untuk mengendalikan diri mereka dengan standard etika tertinggi. Semua Pengarah Kumpulan diberi satu salinan Buku Panduan Eksekutif dan Kod Etika Perniagaan selepas pelantikan mereka.

Mematuhi peruntukan dalam dokumen-dokumen ini adalah dianggap sebagai sebahagian daripada terma-terma dan syarat-syarat perkhidmatan mereka. Antara lain, Buku Panduan Eksekutif dan Kod Etika Perniagaan menetapkan standard pengendalian dan tata laku apabila berurusan dengan pelanggan luar, pembekal dan situasi percanggahan kepentingan; dan memelihara kerahsiaan maklumat syarikat.

Pengarah dikehendaki untuk mendedahkan apa-apa situasi percanggahan kepentingan yang mereka mungkin ada dalam urusan Kumpulan sebaik sahaja mereka menyedari kepentingan tersebut dan berkecuali daripada sebarang pertimbangan mengenai perkara itu.

#### b. Program Latihan dan Pendidikan Berterusan Para Pengarah

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

Dalam tahun, ahli-ahli Lembaga telah menghadiri pelbagai kursus mengenai tadbir urus korporat, pengurusan risiko, teknik dan amalan dalam kepimpinan dan pengurusan di peringkat Lembaga. Butir-butir kursus yang dihadiri oleh para Pengarah adalah dinyatakan dalam Jadual 8 di bawah.

*Jadual 8: Kursus Latihan Dihadiri oleh Para Pengarah pada 2014*

| NAMA PENGARAH        | KURSUS LATIHAN YANG DIHADIRI  |
|----------------------|---|
| Tan Sri Azlan Zainol | <b>Latihan KPMG: Pengurusan Risiko dalam Bank-bank Islam bagi RHB Bank Berhad dan Lembaga Pengarah RHB Islamic Bank Berhad</b><br>Tarikh: 10 Feb 2014<br>Penganjur: RHB Banking Group   |
|                      | <b>Latihan ICAAP</b><br>Tarikh: 11 Mar 2014<br>Penganjur: RHB Banking Group   |
|                      | <b>Perbincangan Pagi: Singapore National ICT Master Plan</b><br>Tarikh: 28 Mei 2014<br>Penganjur: RHB Banking Group   |
|                      | <b>FIDE Program &amp; Sesi (Pendidikan Pengarah Institusi Kewangan) Dinamik Lembaga: Dialog bersama Pengerusi</b><br>Tarikh: 3 Jun 2014<br>Penganjur: Pusat Kepimpinan & Tadbir Urus ICLIF  |
|                      | <b>Acara Forum FIDE – A Comprehensive Talent-based Approach to Board Recruitment</b><br>Tarikh: 16 Jun 2014<br>Penganjur: FIDE Forum  |
|                      | <b>Persidangan Tadbir Urus Korporat: Penceramah Panel untuk “Cabaran-cabaran Tadbir Urus Korporat dalam Sektor Perkhidmatan Kewangan”</b><br>Tarikh: 6 Ogos 2014<br>Penganjur: Asian Institute of Chartered Bankers (dahulunya dikenali sebagai IBBM) |

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| NAMA PENGARAH                   | KURSUS LATIHAN YANG DIHADIRI   |
|---------------------------------|--|
| Tan Sri Mohamad Salim Fateh Din | <p><b>Program Pendidikan Berterusan Para Pengarah 2014</b><br/>           Tarikh: 27 Jun 2014<br/>           Penganjur: Latihan Korporat Dalam di bawah British American Tobacco (Malaysia) Berhad dianjurkan oleh Guinness Anchor Berhad</p>  |
| Datuk Shahril Ridza Ridzuan     | <p><b>Bengkel Lembaga Pengarah</b><br/>           Tarikh: 24 Sep 2014<br/>           Penganjur: Media Prima Berhad</p>   |
| Dato' Abdul Rahman Ahmad        | <p><b>Forum Ekuiti Persendirian Malaysia</b><br/>           Tarikh: 9 – 10 Sep 2014<br/>           Penganjur: Ekuiti Nasional Berhad</p>   |
| Dato' Chong Pah Aung            | <p><b>Ceramah Pembangunan Profesional Berterusan mengenai “Seminar mengenai Memahami Syarat-syarat Penilaian: Garis Panduan Penilaian Aset MVS, IVS, &amp; SC”</b><br/>           Tarikh: 8 Sep 2014<br/>           Penganjur: Persatuan Penilai, Pengurus Harta, Ejen Harta &amp; Perunding Harta Swasta Malaysia (PEPS)</p> <p><b>Board of Directors Breakfast Series – “Great Companies Deserve Great Boards”</b><br/>           Tarikh: 10 Okt 2014<br/>           Penganjur: Bursa Malaysia Berhad</p>  |
| Jamaludin Zakaria               | <p><b>Modal Teroka dan Ekuiti Persendirian Islam</b><br/>           Tarikh: 25 Mar 2014<br/>           Penganjur: IBFIM</p> <p><b>Wang, Perbankan dan Pasaran Modal</b><br/>           Tarikh: 9 Sep 2014<br/>           Penganjur: CHK Consultancy Sdn Bhd</p>  |
| Dato' Johari Razak              | <p><b>Program Latihan Korporat Dalam berhubung dengan “Peranan &amp; Tanggungjawab Para Pengarah Di Bawah Syarat-syarat Penyenaiaan” dan “Kemas Kini mengenai Panduan Tadbir Urus Korporat–Edisi Kedua”</b><br/>           Tarikh: 5 Mei 2014<br/>           Penganjur: Tricor Knowledge House Sdn Bhd</p> <p><b>Pengurusan Risiko &amp; Kawalan Dalam : Bengkel bagi Ahli Jawatankuasa Audit “Jaminan Bersepadu ke atas Pengurusan Risiko dan Kawalan Dalam– Adakah Barisan Pertahanan Kami Mencukupi dan Berkesan?”</b><br/>           Tarikh: 3 Jun 2014<br/>           Penganjur: Bursa Malaysia &amp; CG Board Asia Pacific</p> |
| Rohaya Mohammad Yusuf           | <p><b>Siri Meja Bulat Pasaran Bon Domestik CIMB Asean</b><br/>           Tarikh: 3 Apr 2014<br/>           Penganjur: CIMB</p> <p><b>Program Kumpulan Inovatif &amp; Kreatif (ICC)</b><br/>           Tarikh: 5 Mei 2014<br/>           Penganjur: KWSP</p>  |

## PENYATA MENGENAI TADBIR URUS KORPORAT

| NAMA PENGARAH         | KURSUS LATIHAN YANG DIHADIRI   |
|-----------------------|--|
| Rohaya Mohammad Yusuf | <b>Persidangan Asia Pasifik Tahunan Ke4 CIMB @ Program Peneraju-peneraju Terkemuka Pelaburan Malaysia</b><br>Tarikh: 9 Jun 2014<br>Penganjur: CIMB |
|                       | <b>Seminar Antarabangsa “Mengenali Perubahan Demografik Cabaran &amp; Peluang”</b><br>Tarikh: 8 Sep 2014<br>Penganjur: KWSP                        |
|                       | <b>Forum Ekuiti Persendirian Malaysia</b><br>Tarikh: 9 Sep 2014<br>Penganjur: KWSP   |
|                       | <b>Sidang Kemuncak Pendapatan Tetap Asian</b><br>Tarikh: 29 Sep 2014<br>Penganjur: Bank Negara Malaysia  |
|                       | <b>Kepimpinan Di Masa Puncak di Singapura</b><br>Tarikh: 1 – 5 Dis 2014<br>Penganjur: Program Pembangunan Bakat (KWSP)                             |

### c. Penilaian Prestasi

Lembaga melalui Jawatankuasa Pelantikan dan Imbuan, mengkaji dan menilai prestasinya dan prestasi Pengarah secara individu setiap dua tahun. Pada masa pengeluaran penyata ini, penilaian prestasi para pengarah bagi 2013/2014 dikenali oleh perunding luar.

### d. Perhubungan Lembaga dengan Pengurusan

Perhubungan di antara Lembaga dan Pengurusan kekal kukuh dan padu dalam tahun di bawah kajian dan Lembaga terus mempunyai akses langsung dan tidak terbatas kepada pasukan pengurusan Kumpulan. Lembaga menyokong Pengurusan dengan menyediakan kepimpinan, dan menetapkan sasaran perniagaan. Pada masa yang sama, Lembaga juga berperanan sebagai sekatan dan imbalan dengan mencabar dan mendebatkan keputusan yang dibuat oleh Pengurusan sebelum ia diendorskan dan diluluskan. Untuk melakukan ini, sistem pelaporan yang dibentuk dan distrukturkan telah disediakan di mana Lembaga secara kerap diberi taklimat dan kemas kini mengenai prestasi Kumpulan. Sistem ini membolehkan Lembaga untuk memantau dengan rapat pencapaian sasaran yang ditetapkan. Ganjaran kepada Pengurusan dan kakitangan, seperti bonus dan peruntukan ESOS, adalah berdasarkan prestasi kewangan dan pencapaian sasaran perniagaan utama.

### e. Akses Penuh kepada Maklumat

Dalam melaksanakan tugas mereka, para Pengarah mempunyai:

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

## PENYATA MENGENAI TADBIR URUS KORPORAT

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Setiausaha Syarikat adalah ahli Institut Setiausaha dan Pentadbir Berkanun Malaysia dan mempunyai pengalaman yang diperlukan untuk memberi nasihat tidak terbatas kepada Lembaga Pengarah untuk memastikan mereka berfungsi dengan berkesan dan mematuhi syarat-syarat berperaturan.

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

### f. Mengikuti Aktiviti Syarikat Tidak Kira Di Mana Jua

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

### g. Kebertanggungjawaban bagi Maklumat Kewangan

Lembaga mengaku janji untuk memastikan bahawa:

- i) penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham, laporan kepada pengawal atur 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 piawai perakaunan yang diguna pakai; dan
- iii) rekod-rekod perakaunan adalah tepat, mengikut margin kemunasabahan dan yang mendedahkan kedudukan kewangan Kumpulan dalam cara yang benar dan saksama.

Penyata oleh para pengarah selaras dengan Seksyen 169(15) Akta Syarikat, 1965 berhubung dengan penyediaan penyata kewangan dinyatakan pada muka surat 195 laporan ini di bawah "Penyata oleh Para Pengarah".

### h. Perhubungan dengan Juruaudit Luar

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

Jawatankuasa Audit bermesyuarat secara tetap dengan Juruaudit Luar untuk membincang dan mengkaji Rancangan Audit, keputusan kewangan tahunan, laporan pemeriksaan dan sebarang penemuan audit yang diketengahkan oleh Juruaudit Luar untuk perhatian Jawatankuasa Audit.

Dalam mengesyorkan pelantikan semula Juruaudit Luar, Jawatankuasa Audit mengkaji prestasi, kesesuaian dan kebebasan mereka. Bagi 2014, 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.

Butir-butir lanjut mengenai aktiviti Jawatankuasa Audit berhubung dengan Juruaudit Luar dijelaskan pada muka surat 150.

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### 5. PERLINDUNGAN NILAI PEMEGANG-PEMEGANG SAHAM

#### a. Pengurusan Risiko dan Kawalan Dalaman

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

Lembaga percaya bahawa sistem kawalan dalaman yang kukuh, kewangan atau sebaliknya, akan memberikan jaminan munasabah ke atas:

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

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

Penyata Pengurusan Risiko dan Kawalan Dalaman yang dinyatakan pada muka surat 156 hingga 158 laporan ini memberikan gambaran keseluruhan mengenai proses pengurusan risiko dan ciri-ciri utama sistem kawalan dalaman dalam Kumpulan.

#### b. Pencegahan Penipuan

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

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

#### c. Integriti Korporat

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

Dengan Ikrar ini, MRCB mengkomit untuk, antara lain, menggalakkan nilai-nilai integriti, ketelusan dan tadbir urus yang baik dalam menjalankan aktiviti perniagaan, dan mematuhi undang-undang, dasar-dasar dan prosedur anti rasuah.

#### d. Jaminan ke atas Prestasi Syarikat-syarikat Bersekutu

Untuk melindungi pelaburan Syarikat dalam syarikat-syarikat bersekutu dan untuk menyelia prestasi mereka, Syarikat melantik wakil-wakilnya ke Lembaga Pengarah syarikat-syarikat bersekutunya. Bagi syarikat-syarikat bersekutu yang aktif, maklumat kewangan penting dan isu-isu penting berhubung dengan syarikat-syarikat ini di minta dan dikaji oleh Lembaga MRCB atas dasar tetap.

## PENYATA MENGENAI TADBIR URUS KORPORAT

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### 6. PEMEGANG SAHAM, PELABUR DAN PEMEGANG PELBAGAI KEPENTINGAN

#### a. Menjaga Kepentingan Minoriti

Para Pengarah Bebas tidak mewakili mana-mana pemegang saham utama, justeru itu, mereka akan mewakili dan bertindak demi untuk kepentingan pemegang-pemegang saham, pelabur dan pemegang pelbagai kepentingan minoriti. Lembaga Pengarah juga mengekalkan komunikasi dengan Kumpulan Pemerhati Pemegang Saham Minoriti bagi kepentingan para pemegang-pemegang saham minoriti.

#### b. Dasar Dividen

Syarikat telah mewujudkan Dasar Dividen pada 2007, yang mana pemegang-pemegang saham boleh mendapat pembayaran dividen berjumlah sekurang-kurangnya 20% daripada Keuntungan Disatukan selepas Cukai dan Kepentingan Bukan Mengawal. Bagi tahun kewangan berakhir 31 Disember 2014, Syarikat mencadangkan dividen satu tier pertama dan akhir sebanyak 2.5% atau 2.5 sen setiap saham biasa. Cadangan ini adalah tertakluk kepada kelulusan pemegang-pemegang saham dalam Mesyuarat Agung Tahunan Ke44 yang akan datang.

#### c. Komunikasi dan Ketelusan

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

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

Terdapat juga ikon "Hubungi Kami" di laman web Syarikat yang memberi capaian ke laman web di mana para pemegang saham dan pelabur boleh dengan mudah mengemukakan soalan dan ulasan mereka kepada Syarikat. Pemegang-pemegang saham dan orang awam juga boleh menghubungi Pengarah Bebas Kanan Syarikat, Dato' Abdul Rahman Ahmad, untuk menyampaikan kemusykilan atau soalan mereka. Dato' Abdul Rahman Ahmad boleh dihubungi di: emel: [arahman.dir@mrcb.com.my](mailto:arahman.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. Pemegang saham digalakkan untuk mengambil bahagian dalam mesyuarat dan diberi peluang untuk mengajukan soalan serta menyatakan pandangan mereka. Jika perlu, Pengerusi Lembaga akan menyediakan jawapan bertulis kepada mana-mana soalan penting yang tidak berkesempatan dijawab ketika Mesyuarat Agung Tahunan dijalankan.

Sekiranya terdapat urusan khas atau di mana resolusi khas dicadangkan, penjelasan mengenai kesan urusan khas atau resolusi khas tersebut diberikan di dalam notis Mesyuarat Agung Tahunan dan di mana perlu, Pengerusi Lembaga boleh menyediakan jawapan bertulis kepada mana-mana soalan yang tidak dapat dijawab semasa Mesyuarat Agung Tahunan dan di mana wajar, perkara-perkara ini boleh dibawa untuk undian.

### 7. INISIATIF TRANSFORMASI GLC YANG BERTERUSAN

Kumpulan juga meneruskan usaha-usahnya untuk terus mempertingkatkan organisasi dan proses-proses ke arah menjadi entiti perniagaan, yang cekap dan lebih bersaing serta sebagai warga korporat yang bertanggungjawab sebagaimana dipandu oleh Jawatankuasa Putrajaya ke atas Inisiatif Transformasi GLC. Kumpulan percaya bahawa ini adalah proses yang berterusan dan akan mengawasi dan mempertingkatkan inisiatif-inisiatif sebagaimana yang perlu.

## PENYATA MENGENAI TADBIR URUS KORPORAT

### 8. TANGGUNGJAWAB SOSIAL KORPORAT ("CSR")

#### a. Program CSR

Kemuncak sorotan aktiviti CSR Kumpulan bagi 2014 adalah penglibatannya dalam usaha-usaha bantuan banjir bagi masyarakat Semenanjung Malaysia, terutamanya di Pantai Timur, yang telah dilanda banjir terburuk daripada yang pernah terjadi beberapa dekad.

Sebagaimana panduan diberi mengikut rangka kerja yang digariskan dalam "Buku Panduan Silver - Memperoleh Nilai Melalui Tanggungjawab Sosial" diterima pakai sejak 2007 di bawah Program Transformasi GLC, MRCB menggerakkan sumber dan menyediakan kemudahan pergudangan disediakan serta para sukarelawan dipilih dari kalangan kakitangannya untuk kerja-kerja bantuan bencana, selain menyediakan makanan dan peralatan kebersihan bagi keluarga yang dilanda malang oleh banjir yang tidak pernah berlaku sebegini sebelum ini.

Sukarelawan MRCB menyertai kerja-kerja pemulihan banjir di Sekolah Kebangsaan Kg Kerilla di Machang, Kelantan di mana mereka membantu untuk membersihkan dan mengecat semula sekolah yang rosak akibat banjir. Sukarelawan ini juga meluangkan masa dan tenaga mereka untuk kerja-kerja yang serupa di Sekolah Kebangsaan Pulau Beluru, Tumpat, Kelantan.

Selain itu, MRCB telah menyumbang RM1 juta kepada Tabung Bantuan Banjir Persatuan Pandu Puteri Malaysia, manakala sumbangan wang tunai tambahan sebanyak RM50,000 telah diberi kepada Tabung Bantuan Banjir Perak dan Tabung Bantuan Banjir Bera (Pahang), bersama-sama dengan sumbangan sebanyak RM100,000 kepada Kementerian Wilayah Persekutuan untuk meningkatkan dana bantuan banjir kementerian sendiri.

Pada awal tahun, semasa musim kemarau melanda negara ini pada Februari, Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB diiringi Yang Amat Berbahagia Datin Paduka Seri Rosmah Mansor, isteri kepada Perdana Menteri, telah mengagihkan botol air mineral 5.5 liter kepada lebih daripada 1,000 isi rumah di komuniti Pangsapuri Seri Perindu di Taman Alam Damai dan Taman Desa Baiduri, Cheras, yang telah mengalami gangguan bekalan air pada musim kemarau.

Lewat tahun tersebut MRCB menyertai GLC lain dan syarikat-syarikat besar di Tasik tahanan air banjir Batu di Sentul, yang merupakan salah satu lokasi di mana Dewan Bandaraya Kuala Lumpur (DBKL) mewujudkan 'Dusun Bandar' atau kebun buah-buahan bandar bagi menghijaukan Kuala Lumpur. MRCB telah menaja 100 batang pokok untuk kegiatan penanaman pokok yang merupakan salah satu daripada sembilan Projek Pusat Masuk (EPP) dalam agenda Bidang Utama Ekonomi Negara (NKEA) di bawah Program Transformasi Ekonomi (ETP). MRCB juga mengekalkan penglibatannya dalam melaksanakan satu lagi EPP di bawah ETP di Kuala Lumpur yang disebut projek Sungai Nadi kehidupan, yang bertujuan untuk mengubah dan memulihkan Sungai Klang dan Sungai Gombak.

Sambil menyumbangkan usaha-usahanya kepada alam sekitar, Kumpulan juga menyumbang kepada lebih 30 persatuan, NGO, badan amal, inisiatif kemasyarakatan dan kerajaan seperti Genextor Carnival 2014, Yayasan Toh Puan Zurina, Majlis Yayasan Ehsan Seputeh, program tahunan 2014 bagi Ahli Parlimen dan Persatuan Isteri Ahli Dewan Undangan Negeri, Pertubuhan Kebajikan ArRedhuan Negeri Melaka, Simposium Pengangkutan Awam Darat 2014, Malam Cinta Rasul di Putrajaya, bantuan pemberian kewangan bagi Yayasan Ehwal Siswa (YES) dan menerajui usaha pengutipan derma bagi ahli keluarga anak kapal teknikal dan kabin MH17.

Selain memberi derma secara sebagaimana yang diminta oleh pelbagai badan NGO, kebajikan dan bantuan kemanusiaan, MRCB telah membuat inisiatif unik untuk membantu mereka yang dikenal pasti di Stesen Sentral Kuala Lumpur (SSKL) dan kawasan berhampirannya yang didapati sememangnya hidup melarat, tiada tempat tinggal dan memerlukan bantuan.

Diketuai oleh pasukan pengurusan kanan MRCB, lebih kurang seramai 100 personel telah mengambil bahagian dalam inisiatif yang juga turut disertai oleh Dewan Bandaraya Kuala Lumpur (DBKL), Suruhanjaya Pengangkutan Awam Darat (SPAD), Jabatan Pendaftaran Negara (JPN), Jabatan Imigresen, Agensi Anti-Dadah Kebangsaan Malaysia (AADK), Kuala Lumpur Hospital (KLH), Keretapi Tanah Melayu Berhad (KTMB), Express Rail Link Sdn Bhd (ERL) dan Rapid KL.

## PENYATA MENGENAI TADBIR URUS KORPORAT

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Inisiatif ini telah banyak membantu mereka yang hidup melarat dan tidak mempunyai tempat tinggal dengan memberikan mereka semangat untuk memperbaiki keadaan kehidupan dan mencari sumber pendapatan melalui usaha bersama agensi-agensi dan institusi-institusi yang menyertai MRCB semasa pemeriksaan premis oleh SSKL yang dilakukan dari tengah malam hingga awal pagi pada 16 Mac 2014.

Pada 2014, MRCB terus bersemangat untuk menggalakkan peningkatan dalam memahami mata pelajaran Matematik, Bahasa Inggeris dan Sains tertakluk dalam program sekolah PINTAR bagi tahun ketujuh. Para pelajar yang kurang bernasib baik dan pelajar yang lemah mendapat faedah langsung daripada sesi tunjuk ajar yang memberi tumpuan dan pengkhususan daripada bekas-bekas guru dan ahli akademik. Mulai 2014, MRCB telah mengambil sebagai anak angkat hampir 18,000 pelajar sejak menjadi ahli PINTAR pada 2007 dan mereka akan terus membantu kehidupan yang lain sambil mereka memajukan diri, matang dan memasuki pasaran kerja di masa hadapan.

Pada 2014 juga, tradisi MRCB yang prihatin dan dermawan diteruskan dengan memberi hampir 800 beg sekolah, kasut, setokin dan set alat tulis kepada pelajar yang kurang bernasib baik daripada sembilan sekolah PINTAR yang ditaja di Pulau Pinang, Perak, Kuala Lumpur dan Pahang.

Selain kegiatan CSR kemasyarakatan ini, MRCB terus secara positif memberi impak positif kepada kehidupan lebih 1000 orang lagi dengan projek Hijau dan projek-projek boleh laksana berterusannya melalui projek Fasa 3 pemuliharaan muara Sungai Pahang di Pekan, Pahang yang bernilai RM130 juta (MRCB berjaya menyelesaikan Fasa 1 & 2) dan projek ikonik dan pertama sekali di Malaysia untuk memasang talian transmisi overhead voltan tinggi yang merentasi laut di Selat Melaka di kawasan pelancongan yang dipilih merentangi dari Pantai Siring ke Pulau Besar di Melaka.

### b. Anugerah dan Pengiktirafan

Syarikat terus menerima pengiktirafan dan penghargaan pada 2014. Dalam kemenangan berganda pada awal 2014, MRCB dan Pengarah Urusan Kumpulannya Tan Sri Mohamad Salim Fateh Din telah menerima anugerah di bawah dua kategori bagi Anugerah Kepimpinan Global (GLA) 2014 yang diadakan di Pusat Konvensyen Antarabangsa Putrajaya.

Tan Sri Mohamad Salim Fateh Din dan MRCB masing-masing menjadi pemenang dalam kategori anugerah "Masterclass CEO of the Year" dan kategori anugerah terbaik "Urban Regeneration Development", yang menunjukkan pengiktirafan ketara oleh pakar-pakar industri atas pencapaian MRCB dan kepimpinannya.

MRCB juga telah diisytiharkan "Pemenang Emas Dunia" di FIABCI Prix d'Excellence International Awards 2014 di bawah kategori Pembangunan Mampan bagi Platinum Sentral, Bangunan Hijau gaya pejabat-kampusnya di Kuala Lumpur Sentral CBD. Platinum Sentral mengatasi calon-calon lain yang menginginkan pengiktirafan ini, yang bukan suatu yang mengejutkan kerana Platinum Sentral memang nyata adalah pemenangnya dari permulaan pertandingan antarabangsa tahunan yang berprestij ini, diadakan di dewan konsert Rockha di Esch-sur-Alzette, Luxembourg Selatan.

Dipilih sebagai pemenang Malaysia GreenTech Awards 2014 di bawah kategori "30 Pemangkin Teratas Malaysia pada 2014", MRCB telah menerima pengiktirafan selanjutnya sebagai salah satu peneraju utama agenda hijau negara. Anugerah telah dianjurkan oleh Malaysian Green Technology Corporation (GreenTech Malaysia), yang merupakan sebuah organisasi bukan mementingkan keuntungan di bawah Kementerian Tenaga, Teknologi Hijau dan Air Malaysia (KeTTHA).

MRCB terus diwakili sebagai ahli jawatankuasa bahagian Malaysia bagi United Nations Global Compact ("UNGC") dalam memastikan tujuan Kumpulan menerima pakai standard antarabangsa bagi program dan visi CSRnya. Matlamat adalah untuk menggabungkan kesemua 10 prinsip UNGC mengenai hak asasi manusia, hak buruh, kebolehekekalan alam sekitar dan anti-rasuah ke dalam operasi dan strategi Kumpulan dan untuk melaporkan pelaksanaannya.

Butir-butir program CSR Kumpulan boleh didapati dalam laporan berasingan mengenai CSR, yang merupakan bahagian penting laporan ini.

## PENYATA MENGENAI TADBIR URUS KORPORAT

### 9. PENYATA TANGGUNGJAWAB BERHUBUNG DENGAN TAHUN KEWANGAN DI BAWAH KAJIAN

*(Selaras dengan perenggan 15.26a Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.)*

Lembaga memastikan bahawa Penyata Kewangan Teraudit telah disediakan selaras dengan Akta Syarikat, 1965 dan standard perakaunan diluluskan yang terpakai dinyatakan oleh Lembaga Piawaian Perakaunan Malaysia untuk membentangkan gambaran sebenar dan saksama hal ehwal Kumpulan dan untung rugi dan aliran tunai pada akhir tempoh perakaunan.

Dalam menyediakan Penyata Kewangan Teraudit, para Pengarah berpuas hati bahawa Standard Perakaunan diluluskan Di Malaysia telah dipatuhi dan keputusan dan anggaran munasabah dan berhemah telah dibuat. Penyata Kewangan Teraudit juga telah disediakan atas dasar berterusan memandangkan Lembaga mempunyai jangkaan yang munasabah, selepas membuat pertanyaan bahawa Kumpulan mempunyai sumber yang cukup untuk terus beroperasi bagi masa hadapan boleh ramal.

### 10. PENYATA PEMATUHAN DENGAN SYARAT-SYARAT BURSA MALAYSIA BERHUBUNG DENGAN PEMAKAIAN PRINSIP-PRINSIP DAN PENERIMAAN PAKAI AMALAN-AMALAN TERBAIK YANG DITETAPKAN DALAM KOD TADBIR URUS KORPORAT MALAYSIA 2012

*(Selaras dengan perenggan 15.25 Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.)*

Penyata-penyata di atas adalah gambaran jelas akan usaha-usaha nyata Lembaga MRCB dan Pengurusan untuk mengukuhkan proses tadbir urus korporat dan kedudukannya sebagai peneraju dalam pemakaian tadbir urus korporat.

Lembaga dengan suka citanya melaporkan kepada pemegang-pemegang saham bahawa Syarikat telah mematuhi prinsip-prinsip yang dinyatakan dalam Kod mengenai Tadbir Urus Korporat Malaysia 2012 dan Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad. Lembaga percaya ini sebagai satu proses yang berterusan dan akan terus berusaha untuk menerima pakai amalan-amalan terbaik dalam tadbir urus korporat.

**Penyata mengenai Tadbir Urus Korporat ini dibuat oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 23 Februari 2015.**





# STRATEGIC VISION

Turning opportunities into value added deliverables.

## AUDIT COMMITTEE REPORT

### 1. COMPOSITION OF THE COMMITTEE

The Audit Committee (“AC”) comprises four (4) members i.e. with three (3) members being Independent Directors of the Company with one (1) member being Non-Independent Non-Executive Director. During the year under review, the Chairman of the Audit Committee is Dato’ Abdul Rahman Ahmad, an Independent Director and also a member of the Malaysian Institute of Accountants (“MIA”). Dato’ Abdul Rahman Ahmad was appointed on 25 February 2014, following Dato’ Ahmad Ibnihajar’s retirement as both the Chairman of the AC and resignation as AC member on 10 January 2014.

During the year under review, Che King Tow resigned from the AC on 02 April 2014 with Rohaya Mohammad Yusof, a Non-Independent Non-Executive Director being appointed as member of AC on 12 May 2014. Tan Sri Ahmad Fuad bin Ismail, an Independent Director was being appointed as member of the AC on 25 February 2014 has subsequently resigned on 08 October 2014 whilst Dato’ Chong Pah Aung, an Independent Director being appointed as member of the AC on 16 December 2014.

A total of six (6) Audit Committee meetings were held during the financial year ended 31 December 2014 which were attended by the members as tabulated below:

**Table 1: Details of attendance of members at the Audit Committee’s meetings held between 1 January 2014 to 31 December 2014**

Name of Audit Committee members

| Date of Audit Committee Meeting | Dato’ Abdul Rahman Ahmad | Dato’ Ahmad Ibnihajar | Che King Tow          | Dato’ Chong Pah Aung | Jamaludin Zakaria | Tan Sri Ahmad Fuad     | Rohaya Mohammad Yusof  |
|---------------------------------|--------------------------|-----------------------|-----------------------|----------------------|-------------------|------------------------|------------------------|
| <b>Audit</b>                    | (Chairman)               |                       |                       |                      |                   |                        |                        |
| 24/02/2014                      | A                        | Resigned wef 10/01/14 | A                     | -                    | A                 | Appointed wef 25/02/14 | -                      |
| 11/04/2014                      | A                        | -                     | Resigned wef 02/04/14 | -                    | A                 | A                      | Appointed wef 12/05/14 |
| 19/05/2014                      | A                        | -                     | -                     | -                    | A                 | A                      | A                      |
| 11/08/2014                      | A                        | -                     | -                     | -                    | A                 | A                      | A                      |
| 21/08/2014                      | A                        | -                     | -                     | -                    | A                 | A                      | A                      |
| 18/11/2014                      | A                        | -                     | -                     | -                    | A                 | Resigned wef 08/10/14  | A                      |
| <b>Total</b>                    | <b>6/6</b>               | <b>-</b>              | <b>1/1</b>            | <b>-</b>             | <b>6/6</b>        | <b>4/4</b>             | <b>4/4</b>             |

The Company Secretary, who acts as secretary to the Audit Committee attends all meetings. Also in attendance are the Head of Internal Audit, the Group Chief Operating Officer and the Chief Financial Officer.

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

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

## AUDIT COMMITTEE REPORT

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

» BUSINESS REVIEW

### 2. AUTHORITY OF THE AUDIT COMMITTEE

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

- i) investigate any matter within its terms of reference;
- ii) have the resources which are required to perform its duties;
- iii) have full, free and unrestricted access to any information, records, properties and personnel of MRCB and its subsidiaries ("the Group") ;
- iv) have direct communication channels with the external auditors and internal auditors;
- v) be able to obtain independent professional or other advice; and
- vi) be able to have meetings with the external auditors and internal auditors together with other independent members of the Board (i.e. excluding the non-independent and executive members) at least twice a year or whenever deemed necessary. The Audit Committee should also be able to meet exclusively among itself whenever deemed necessary.

» GOVERNANCE

### 3. DUTIES AND RESPONSIBILITIES

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

- i) To consider the appointment of the external auditor, the audit fee and the reasons given for their resignation or dismissal;
- ii) To review the audit plan of the external auditor;
- iii) To discuss problems and reservations arising from interim and final audits, and any other matter the external auditor may wish to discuss (in the absence of Management, where necessary);
- iv) To review the audit report of the external auditor and their evaluation of the system of internal control;
- v) To review the quarterly and year-end financial statements of the Group and to make the appropriate recommendation to the Board for its approval;
- vi) To review the adequacy of scope, resources and authority of the Internal Audit function;
- vii) To review the Internal Audit plan and processes and the results of internal audit reviews and investigations conducted;
- viii) To review the appointment, determine the remuneration and assess the performance of the Head of Internal Audit;
- ix) To review and authorise an investigation into serious allegations on fraud, misconduct and criminal breach of trust and to review the findings of such investigations;
- x) To review related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or conduct that raises questions on Management's integrity;

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

## AUDIT COMMITTEE REPORT

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- xi) To oversee the risk management function of the Group;
- xii) To review arrangements established by the Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Group's operations; and
- xiii) To verify all Employees' Share Option Scheme allocations to ensure that they are done in compliance with the criteria disclosed by the Company to its employees.
- xiv) To consider other topics as defined by the Board.

### 4. ACTIVITIES

#### i) Reviews

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

- **Financial results**

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

- **Internal Audit**

- i) Reviewed and approved the Internal Audit Annual Plan proposed by the Head of Internal Audit;
- ii) Reviewed the structure of Internal Audit Department, the adequacy of its resources and budget;
- iii) Reviewed the findings of internal audit reports presented by the Head of Internal Audit on the Group;
- iv) Reviewed the effectiveness and adequacy of management's corrective actions in response to the internal audit reviews conducted;
- v) Reviewed the findings of follow-up audits to determine the status of implementation of management's corrective actions; and
- vi) Deliberated on findings of investigations and other ad-hoc special reviews on specific areas of operations to ascertain the root causes to the issues and the effectiveness of corrective actions taken to address the identified weaknesses.

- **External Audit**

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

## AUDIT COMMITTEE REPORT

- **Risk Management**

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

- **Related Party Transactions**

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

- **Employee's Share Option Scheme (ESOS) Allocation**

Reviewed and verified that the ESOS allocation during the year under review was done in accordance with the provisions of the scheme and the criteria for allocations to the employees.

- **Others**

Reviewed and approved proposed establishments or revisions to the Limits of Authority of subsidiaries.

### 5. INTERNAL AUDIT

The Internal Audit function of the Group is carried out by MRCB's Internal Audit Department which is an independent Department and separated from the Corporate Governance Department. The Internal Audit Department operates independently of management and reports directly to the Audit Committee.

The objectives, mission, scope, organisation, authority and responsibilities of the Internal Audit function are spelt out in the Internal Audit Charter. During the year under review, the Internal Audit function 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, property and construction projects including selected business units of the Group. Continuous follow-up reviews were also carried out to ascertain the status of management action plans that were provided in response to audit findings raised previously. The status of these management action plans were also reported to the Audit Committee for their information.

Staff of the Internal Audit Department also observed tender openings to ensure that appropriate control processes as set out in the Group's Policies and Procedures are complied with.

For 2014, the Internal Audit Department had incurred a total of RM 1,234,909 for its activities which included Internal Audit and facilitating the enterprise risk management process throughout the Group.

**This Audit Committee Report is approved by the Board of Directors in accordance to the resolution dated 23rd February 2015**

## LAPORAN JAWATANKUASA AUDIT

### 1. KOMPOSISI JAWATANKUASA

Jawatankuasa Audit ("AC") terdiri daripada empat (4) orang ahli iaitu dengan tiga (3) orang ahli merupakan Pengarah Bebas Syarikat dengan seorang (1) ahli merupakan Pengarah Bukan Eksekutif Bukan Bebas. Dalam tahun di bawah kajian, Pengerusi Jawatankuasa Audit adalah Dato' Abdul Rahman Ahmad, seorang Pengarah Bebas dan juga ahli Institut Akauntan Malaysia ("MIA"). Dato' Abdul Rahman Ahmad telah dilantik pada 25 Februari 2014, berikutan persaraan Dato' Ahmad Ibnihajar sebagai Pengerusi kedua-dua Pengerusi AC dan peletakan jawatan sebagai ahli AC pada 10 Januari 2014.

Pada tahun di bawah kajian, Che King Tow meletak jawatan daripada AC pada 02 April 2014 dengan Rohaya Mohammad Yusof, Pengarah Bukan Eksekutif Bukan Bebas yang dilantik sebagai ahli AC pada 12 Mei 2014. Tan Sri Ahmad Fuad bin Ismail, Pengarah Bebas yang telah dilantik sebagai ahli AC pada 25 Februari 2014 telah kemudiannya meletak jawatan pada 8 Oktober 2014 manakala Dato' Chong Pah Aung, Pengarah Bebas yang dilantik sebagai ahli AC pada 16 Disember 2014.

Sebanyak enam (6) mesyuarat Jawatankuasa Audit telah diadakan sepanjang tahun kewangan berakhir 31 Disember 2014 yang telah dihadiri oleh ahli-ahli sebagaimana ditunjukkan dalam jadual di bawah:

**Jadual 1: Butir-butir mengenai kehadiran ahli-ahli dalam mesyuarat Jawatankuasa Audit yang diadakan di antara 1 Januari 2014 hingga 31 Disember 2014**

Nama ahli-ahli Jawatankuasa Audit

| Tarikh Mesyuarat Jawatankuasa Audit | Dato' Abdul Rahman Ahmad | Dato' Ahmad Ibnihajar                 | Che King Tow                          | Dato' Chong Pah Aung | Jamaludin Zakaria | Tan Sri Ahmad Fuad                    | Rohaya Mohammad Yusof          |
|-------------------------------------|--------------------------|---------------------------------------|---------------------------------------|----------------------|-------------------|---------------------------------------|--------------------------------|
| <b>Audit</b>                        | <b>(Pengerusi)</b>       |                                       |                                       |                      |                   |                                       |                                |
| 24/02/2014                          | A                        | Meletak Jawatan berkuatkuasa 10/01/14 | A                                     | -                    | A                 | Dilantik berkuatkuasa 25/02/14        | -                              |
| 11/04/2014                          | A                        | -                                     | Meletak Jawatan berkuatkuasa 02/04/14 | -                    | A                 | A                                     | Dilantik berkuatkuasa 12/05/14 |
| 19/05/2014                          | A                        | -                                     | -                                     | -                    | A                 | A                                     | A                              |
| 11/08/2014                          | A                        | -                                     | -                                     | -                    | A                 | A                                     | A                              |
| 21/08/2014                          | A                        | -                                     | -                                     | -                    | A                 | A                                     | A                              |
| 18/11/2014                          | A                        | -                                     | -                                     | -                    | A                 | Meletak Jawatan berkuatkuasa 08/10/14 | A                              |
| <b>Jumlah</b>                       | <b>6/6</b>               | <b>-</b>                              | <b>1/1</b>                            | <b>-</b>             | <b>6/6</b>        | <b>4/4</b>                            | <b>4/4</b>                     |

## LAPORAN JAWATANKUASA AUDIT

Setiausaha Syarikat, yang bertindak sebagai setiausaha kepada Jawatankuasa Audit menghadiri semua mesyuarat. Turut hadir adalah Ketua Audit Dalaman, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan.

AC telah bermesyuarat dengan Juruaudit Luar dua kali setahun, tanpa kehadiran pihak Pengurusan.

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

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

### 2. KUASA JAWATANKUASA AUDIT

Untuk melaksanakan tanggungjawabnya di atas, Jawatankuasa Audit diberi kuasa oleh Lembaga Pengarah untuk:

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

### 3. TUGAS DAN TANGGUNGJAWAB

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

- i) Untuk mempertimbangkan pelantikan juruaudit luar, fi audit dan alasan yang diberikan bagi peletakan jawatan atau pemecatan mereka;
- ii) Untuk mengkaji rancangan audit juruaudit luar;
- iii) Untuk membincangkan masalah dan keraguan yang timbul daripada audit interim dan akhir, dan apa-apa perkara lain yang juruaudit luar mungkin berhasrat untuk bincangkan (dalam ketiadaan Pengurusan, di mana perlu);
- iv) Untuk mengkaji laporan audit mengenai juruaudit luar dan penilaian mereka terhadap sistem kawalan dalaman;
- v) Untuk mengkaji penyata kewangan suku tahunan dan akhir tahun Kumpulan dan untuk membuat pengesyoran yang sesuai kepada Lembaga untuk kelulusannya;

## LAPORAN JAWATANKUASA AUDIT

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- vi) Untuk mengkaji kecukupan ruang lingkup, sumber dan kuasa fungsi Audit Dalaman;
- vii) Untuk mengkaji rancangan Audit Dalaman dan proses serta hasil kajian audit dalaman dan siasatan dijalankan;
- viii) Untuk mengkaji pelantikan, menentukan imbuhan dan menilai prestasi Ketua Audit Dalaman;
- ix) Untuk mengkaji dan memberi kuasa bagi penyiasatan terhadap dakwaan serius mengenai penipuan, salah laku dan pecah amanah dan untuk mengkaji penemuan siasatan tersebut;
- x) Untuk mengkaji urus niaga pihak berkaitan dan keadaan percanggahan kepentingan yang mungkin timbul dalam Kumpulan termasuk sebarang urus niaga, prosedur atau tatacara yang mungkin timbul dalam Kumpulan termasuk mana-mana urus niaga, prosedur atau perjalanan tindakan yang menimbulkan persoalan ketelusan Pengurusan;
- xi) Untuk mengawasi fungsi pengurusan risiko Kumpulan;
- xii) Untuk mengkaji pengaturan yang diwujudkan oleh Pengurusan bagi pematuhan mana-mana keperluan berperaturan atau laporkan laporan luaran lain, undang-undang kecil dan peraturan berkaitan dengan operasi Kumpulan; dan
- xiii) Untuk menentusahkan semua peruntukan Skim Opsyen Saham Kakitangan bagi memastikan bahawa ia telah dilakukan dengan mematuhi kriteria yang dizahirkan oleh Syarikat kepada kakitangannya.
- xiv) Untuk mempertimbangkan topik lain sebagaimana ditakrifkan oleh Lembaga.

### 4. AKTIVITI-AKTIVITI

#### i) Kajian

Ringkasan kajian yang dijalankan oleh Jawatankuas Audit bagi tahun di bawah kajian adalah seperti berikut:

- **Keputusan kewangan**
  - i) Mengkaji keputusan kewangan teraudit suku tahunan dan tahunan Kumpulan dan pengumumannya mengiringinya dan membuat pengesyoran yang berkaitan kepada Lembaga untuk kelulusan; dan
  - ii) Mengkaji pencapaian Kumpulan bagi petunjuk prestasi pentingnya.
- **Audit dalaman**
  - i) Mengkaji dan meluluskan Rancangan Tahunan Audit Dalaman yang dicadangkan oleh Ketua Audit Dalaman;
  - ii) Mengkaji struktur Jabatan Audit Dalaman, kecukupan sumber dan belanjawannya;
  - iii) Mengkaji penemuan laporan audit dalaman yang dibentangkan oleh Ketua Audit Dalaman mengenai Kumpulan;
  - iv) Mengkaji keberkesanan dan kecukupan tindakan pembedahan pengurusan sebagai tindak balas kepada kajian audit dalaman yang dijalankan;
  - v) Mengkaji penemuan audit susulan untuk menentukan status pelaksanaan tindakan pembedahan pengurusan; dan
  - vi) Mempertimbangkan penemuan siasatan dan kajian khas ad-hoc lain dalam bidang tertentu operasi bagi memastikan punca masalah kepada isu-isu dan keberkesanan tindakan pembedahan yang telah diambil untuk menangani kelemahan yang dikenal pasti.

## LAPORAN JAWATANKUASA AUDIT

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

Mengkaji aktiviti pengurusan risiko perusahaan Kumpulan dan aktiviti Jawatankuasa Kerja Pengurusan Risiko.
- **Urus Niaga Pihak Berkaitan**

Mengkaji kesaksamaan dan ketelusan urus niaga pihak berkaitan dan pendedahan yang sewajarnya telah dibuat selaras dengan Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.
- **Peruntukan Skim Opsyen Saham Kakitangan (ESOS)**

Mengkaji dan menentusahkan bahawa peruntukan ESOS dalam tahun di bawah kajian telah dilakukan mengikut peruntukan skim dan kriteria bagi peruntukan kepada kakitangan.
- **Lain-lain**

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

### 5. AUDIT DALAMAN

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

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

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

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

Kakitangan Jabatan Audit Dalaman juga memantau pembukaan tender untuk memastikan bahawa proses kawalan yang sesuai sebagaimana dinyatakan dalam Dasar dan Prosedur Kumpulan telah dipatuhi.

Bagi tahun 2014, Jabatan Audit Dalaman telah membelanjakan sebanyak RM1,234,909 bagi aktivitinya yang termasuk Audit Dalaman dan melengkapkan proses pengurusan risiko perusahaan seluruh Kumpulan.

Laporan Jawatankuasa Audit dibuat oleh Lembaga Pengarah selaras dengan resolusi bertarikh 23 Februari 2015.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

### 1. RISK MANAGEMENT

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

All employees of the Group are responsible for managing risks within their respective areas of responsibilities. The Group Managing Director is accountable for the implementation of the Enterprise Risk Management Framework and Policy, ensuring its continued application in the MRCB Group, and for ensuring that business and risk strategies are aligned. Key risk exposures are brought to the attention of the Group Managing Director and Group Chief Operating Officer as soon as they are known and risk mitigating actions are discussed and agreed. The progress of implementation of the risk mitigating actions is monitored through updates provided by the management team at subsequent meetings. This approach provides for faster response and close tracking of key risk exposures. The effectiveness of the risk mitigating actions are closely monitored and where necessary, adjustments to the risk mitigating actions are made.

The Corporate Governance Department is responsible for developing, coordinating and facilitating the Enterprise Risk Management processes within the Group. During the year under review, the Corporate Governance Department continued to promote the awareness of risk and the risk management processes by conducting briefing sessions and engaging with the management team and employees of the Group to enhance their understanding of risks and internal controls.

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

Key elements of the Group's risk management and internal control system, which have been in place throughout the financial year under review and up to the date of the Directors' Report are as follows:

#### a. Control Environment

- i) Clearly defined lines of authority within a divisional organisation structure to facilitate the supervision and monitoring of the conduct and operations of individual business units and group support service departments.
- ii) Limits of Authority have been established for the Group and key subsidiaries. These Limits of Authority specify clear division and delegation of responsibilities from the Board to Board Committees and to members of management and the authorisation levels for various aspects of operations. The effectiveness of the Limits of Authority are reviewed quarterly and where necessary enhancements or revisions are proposed by the management team. All revisions to the Limits of Authority are approved by the Board with the recommendation of the Audit Committee.
- iii) Clearly documented internal policies and procedures have been set out in a series of standard operating procedure manuals which are periodically reviewed and updated to reflect changes in business structures, processes as well as changes in external environments. All changes in policy require the approval of the Board.
- iv) Joint Project Management Committees, which include the participation of external business partners, where relevant, deliberate on and evaluate parties that are invited to quote and the subsequent award of contracts to ensure transparency and integrity of the award process.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- v) Annual budgets are prepared in advance of the coming year using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the senior management team and the EXCO before it is recommended to the Board for approval. Performance against the budget is tracked on a monthly basis and on a semi-annual basis, a comprehensive budget review exercise is undertaken.
- vi) The Group's assets and insurable operational risks are adequately covered by insurance policies to ensure that the Group is insured against financial losses in the event of untoward incidences.
- vii) A Safety, Health and Environment policy is in place and the Group Safety, Health and Environment Department continues to enhance the awareness of safety, health and environment practices throughout the Group and monitors the compliance with the relevant regulations and best practices.
- viii) All employees of the Group are governed by a Code of Conduct and are required to acknowledge having read and understood the Code upon commencement of employment.
- ix) A whistleblowing process has been established to provide an avenue for whistleblowers to communicate their concerns on matters of integrity in a confidential manner. Where the concerns pertain to senior members of management, a direct communication channel to the Audit Committee Chairman is also available.

### b. Information and Communication Processes

- i) Regular and comprehensive information are provided by the Management to the Board and its Committees, covering financial performance, achievement of key performance indicators, progress of key projects, utilisation of funds and cash flow position.
- ii) Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management make effective decisions.
- iii) Meetings are held with investment analysts on a quarterly basis where the Group's financial performance approved by the Board is presented and investment analysts are given the opportunity to pose questions and have a dialogue with the senior management team of the Group.

### c. Monitoring Processes

- i) The performance of the business divisions and the status of key projects are monitored by the senior management through periodic reports submitted by the Heads of Projects and the financial management team.
- ii) Heads of Division meetings are held on a fortnightly basis where operational issues and key risk exposures are discussed and where appropriate, action plans are identified to mitigate and address the risks and issues identified.
- iii) The Internal Audit Department conducts regular reviews of operations to assess the effectiveness and efficiency of the system of internal control. Significant risk exposures and non-compliances to the policies and procedures of the Group are highlighted for management's attention and recommendations for improvement are given to management for consideration. The findings of these reviews along with management's responses are reported to the Audit Committee on a quarterly basis for deliberation.

## 3. KEY RISKS OF THE GROUP FOR 2014

### a. Competition risk

The Group faced keen competition from other companies in all its business segments in 2014. However, with demand at an active level, the Group experienced minimal impact on its product launches and sales. Market fluctuations and changes in demand patterns were closely monitored by the management team and the business strategy was aligned accordingly. The management team took effective measures to participate in competitive bidding and negotiations to secure contracts, ensure quality products and services and developed innovative marketing strategies to stay competitive.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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### b. Business risk

Banks and financial institutions were more cautious in their lending for property transactions in 2014. However, demand for the Group's property launches remained at an encouraging level. This was attributed to active monitoring of shifts in market patterns, strategically aligning the products to match market demand and adopting marketing strategies to remain competitive. These included offering products with good infrastructure and amenities, at locations in close proximity to transport hubs and locking in sales and tenants early in the development cycle.

### c. Financial risk

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

The Board regularly reviews the Group's risk profile and the effectiveness of the mitigating measures implemented by management. 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 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 limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants.

RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

**This Statement on Risk Management and Internal Control is made by the Board of Directors in accordance to its resolution dated 23 February 2015.**

## PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Lembaga Pengarah mengesahkan tanggungjawabnya yang menyeluruh dalam mewujudkan dan memelihara sistem pengurusan risiko dan kawalan dalaman yang mencukupi dan berkesan untuk melindungi pelaburan pemegang saham dan aset MRCB dan anak-anak syarikatnya ("Kumpulan"). Lembaga juga menegaskan komitmennya dalam mengkaji keberkesanan, kecukupan dan kewibawaan sistem-sistem tersebut bagi memastikan supaya ia kekal relevan dan berkesan dalam menghadapi keadaan perniagaan Kumpulan yang berubah-ubah.

Pihak Pengurusan telah ditugaskan untuk mengenal pasti dan menilai risiko-risiko yang dihadapi oleh Kumpulan dan mewujudkan langkah-langkah kawalan yang berkesan untuk mengurangkan risiko. Kecukupan dan keberkesanan langkah-langkah kawalan ini dikaji secara tetap oleh Lembaga melalui Jawatankuasa Audit.

Walau bagaimanapun, perlu diakui bahawa disebabkan oleh batasan-batasan sedia ada dalam mana-mana sistem kawalan dalaman, ia direka untuk mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan. Selaras dengan itu, ia hanya mampu menyediakan jaminan munasabah, bukan muktamad terhadap salah nyataan material, kerugian atau penipuan.

### 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. Satu Rangka Kerja dan Manual Pengurusan Risiko yang menjadi panduan dokumentari bagi dasar pengurusan risiko, proses pengurusan risiko dan rangka kerja pelaporan Kumpulan telah disampaikan kepada pasukan pengurusan dan dimasukkan ke dalam intranet Kumpulan untuk rujukan oleh semua kakitangan Kumpulan.

Semua kakitangan Kumpulan bertanggungjawab bagi pengurusan risiko dalam lingkungan bidang tanggungjawab masing-masing. Pengarah Urusan Kumpulan bertanggungjawab bagi melaksanakan Rangka Kerja dan Dasar Pengurusan Risiko Perusahaan, dan untuk memastikan bahawa strategi perniagaan dan risiko adalah sejajar. Pendedahan risiko penting telah dibawa kepada Pengarah Urusan Kumpulan dan Ketua Pegawai Operasi Kumpulan sebaik sahaja ia diketahui dan tindakan pengurangan risiko telah dibincangkan dipersetujui. Kemajuan pelaksanaan tindakan pengurangan risiko diawasi melalui kemas kini yang diberikan oleh pasukan pengurusan dalam mesyuarat berikutnya. Pendekatan ini memberikan tindak balas yang segera dan pengesanan rapi akan pendedahan risiko-risiko penting. Keberkesanan tindakan pengurangan risiko dipantau dengan rapat dan di mana perlu, pelarasan kepada tindakan pengurangan risiko dibuat.

Jabatan Tadbir Urus Korporat bertanggungjawab bagi membangun, menyelaras dan melengkapkan proses-proses Pengurusan Risiko Perusahaan dalam Kumpulan. Dalam tahun di bawah kajian, Jabatan Tadbir Urus Korporat terus menggalakkan kesedaran risiko dan proses-proses pengurusan risiko dengan mengadakan sesi taklimat dan melibatkan pasukan pengurusan dan kakitangan Kumpulan untuk meningkatkan pemahaman mereka mengenai risiko dan kawalan dalaman.

### 2. UNSUR-UNSUR PENTING SISTEM PENGURUSAN RISIKO DAN KAWALAN DALAMAN KUMPULAN

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

#### a. Persekitaran Kawalan

- i) Bidang kuasa yang ditetapkan dengan jelas dalam struktur organisasi bahagian bagi memudahkan penyeliaan dan pemantauan pengendalian dan operasi unit-unit perniagaan individu dan jabatan perkhidmatan sokongan Kumpulan.
- ii) Had-had Kuasa telah diwujudkan bagi Kumpulan dan anak-anak syarikat penting. Had-had kuasa ini menggariskan dengan jelas pembahagian dan pengagihan tanggungjawab daripada Lembaga kepada Jawatankuasa Lembaga dan kepada ahli-ahli pengurusan serta peringkat kelulusan bagi pelbagai aspek operasi. Semua semakan ke atas Had-had Autoriti diluluskan oleh Lembaga dengan saranan daripada Jawatankuasa Audit. Keberkesanan Had-had Kuasa dikaji secara tahunan dan di mana perlu peningkatan atau semakan dicadangkan oleh pasukan pengurusan. Semua kajian terhadap Had-had Kuasa diluluskan oleh Lembaga dengan pengesyoran Jawatankuasa Audit.
- iii) Dasar dan prosedur yang didokumenkan dengan jelas telah diperuntukkan dalam beberapa siri manual prosedur operasi standard yang dikaji dan dikemas kini secara berkala untuk menunjukkan perubahan dalam struktur perniagaan, proses-proses dan perubahan pada persekitaran luar. Semua perubahan dasar memerlukan kelulusan Lembaga.

## PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

- iv) Jawatankuasa Pengurusan Projek Bersama yang meliputi penyertaan rakan-rakan kongsi perniagaan luar, di mana berkenaan, membincangkan mengenai dan menilai pihak-pihak yang dipelawa untuk membuat sebut harga dan kemudian mengaward kontrak bagi memastikan ketelusan dan kewibawaan proses award tersebut
- v) Belanjawan tahunan disediakan terlebih awal sebelum tahun berikutnya 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 berasaskan bulanan dan atas dasar separuh tahun, satu langkah kajian belanjawan yang menyeluruh dijalankan.
- vi) Aset-aset Kumpulan dan risiko operasi boleh dilindungi dengan secukupnya oleh polisi-polisi insurans untuk memastikan bahawa Kumpulan dilindungi terhadap kerugian kewangan sekiranya berlaku sebarang peristiwa yang tidak diingini.
- vii) Dasar Keselamatan, Kesihatan dan Alam Sekitar telah disediakan dan Jabatan Keselamatan, Kesihatan dan Alam Sekitar Kumpulan terus berusaha mempertingkatkan kesedaran terhadap amalan keselamatan, kesihatan dan alam sekitar dalam Kumpulan serta memantau pematuhan peraturan dan amalan-amalan terbaik yang berkaitan.
- viii) Semua kakitangan Kumpulan ditadbir oleh Kod Tata Laku dan dikehendaki mengesahkan bahawa mereka telah membaca dan memahami Kod tersebut sebaik sahaja mereka mula bekerja.
- ix) Satu proses pemantauan diwujudkan untuk menyediakan landasan bagi para pemantau menyampaikan kemusykilan mereka berhubung hal-hal kewibawaan secara rahsia. Jika kemusykilan tersebut membabitkan ahli pengurusan kanan, satu saluran komunikasi langsung kepada Pengerusi Jawatankuasa Audit juga disediakan.

### b. Proses Maklumat dan Komunikasi

- i) Maklumat tetap dan komprehensif disediakan oleh Pengurusan kepada Lembaga dan Jawatankuasa-jawatankuasanya meliputi prestasi kewangan, pencapaian petunjuk prestasi penting, kemajuan projek-projek penting, penggunaan dana dan kedudukan aliran tunai.
- ii) Pelbagai sistem pengurusan maklumat beroperasi dengan baik untuk menyediakan maklumat mengikut masa dan tepat kepada Pihak Pengurusan mengenai prestasi Kumpulan dan untuk membantu pihak pengurusan membuat keputusan yang berkesan.
- iii) Mesyuarat diadakan dengan para penganalisis pelaburan pada setiap suku tahun di mana laporan prestasi kewangan Kumpulan yang telah diluluskan oleh Lembaga dibentangkan penganalisis pelaburan diberi peluang untuk mengemukakan soalan dan berdialog dengan pasukan pengurusan kanan Kumpulan.

### c. Proses Pemantauan

- i) Prestasi bahagian-bahagian perniagaan dan status projek-projek penting adalah diawasi oleh pasukan pengurusan kanan melalui laporan berkala yang dikemukakan oleh Ketua-ketua Projek dan pasukan pengurusan kewangan
- ii) Mesyuarat Ketua-ketua Bahagian diadakan pada setiap minggu di mana prestasi setiap bahagian dan jabatan serta status projek-projek penting dipantau dan dikaji oleh pasukan pengurusan kanan. Isu-isu operasi dan pendedahan risiko penting turut dibincangkan dan jika perlu, rancangan tindakan dikenal pasti untuk mengurangkan dan menangani risiko dan isu-isu yang dikenal pasti.
- iii) Jabatan Audit Dalaman menjalankan kajian operasi secara tetap untuk menilai keberkesanan dan kecekapan sistem kawalan dalaman. Pendedahan risiko penting dan ketidakpatuhan kepada dasar dan prosedur Kumpulan diketengahkan untuk perhatian pihak pengurusan dan saranan-saranan bagi penambahbaikan dikemukakan kepada pihak pengurusan untuk pertimbangan. Penemuan-penemuan ini berserta kajian-kajian ini serta tindak balas Pihak Pengurusan dilaporkan kepada Jawatankuasa Audit untuk dibincangkan.

## 3. PENDEDAHAN RISIKO PENTING BAGI KUMPULAN UNTUK 2014

### a. Risiko Persaingan

Kumpulan menghadapi persaingan sengit daripada syarikat-syarikat lain dalam semua segmen perniagaannya pada 2014. Walau bagaimanapun, dengan permintaan pada tahap aktif, Kumpulan mengalami kesan minimum atas pelancaran produk dan jualan. Turun naik pasaran dan perubahan dalam corak permintaan dipantau rapi oleh pihak pengurusan dan strategi perniagaan telah diselaraskan dengan sewajarnya. Pasukan pengurusan telah mengambil langkah-langkah berkesan untuk mengambil bahagian dalam pembidaan bersaing dan rundingan untuk mendapatkan kontrak, memastikan produk dan perkhidmatan yang berkualiti dan membangunkan strategi pemasaran yang inovatif untuk kekal berdaya saing.

## PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

### b. Risiko perniagaan

Bank-bank dan institusi kewangan adalah lebih berhati-hati dalam pemberian pinjaman mereka bagi transaksi hartanah pada 2014. Walau bagaimanapun, permintaan untuk pelancaran hartanah Kumpulan kekal pada tahap yang memberangsangkan. Ini dikaitkan dengan pemantauan aktif perubahan pola pasaran, strategik menjajarkan produk supaya selari dengan permintaan pasaran dan menerima pakai strategi pemasaran untuk kekal berdaya saing. Ini termasuk menawarkan produk dengan infrastruktur dan kemudahan yang baik, di lokasi berhampiran dengan hab pengangkutan dan mengunci jualan dan penyewa lebih awal dalam kitaran pembangunan.

### c. Risiko kewangan

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

Lembaga secara tetap mengkaji profil risiko Kumpulan dan keberkesanan langkah-langkah pengurangan yang dilaksanakan oleh pengurusan. Lembaga Pengarah percaya bahawa pembangunan sistem kawalan dalaman merupakan satu proses berterusan dan telah mengambil langkah-langkah sepanjang tahun di bawah kajian untuk memperbaiki sistem kawalan dalaman dan akan terus berbuat demikian.

Pemantauan, penilaian dan pengaturan pelaporan yang disediakan memberi jaminan yang munasabah bahawa struktur kawalan dan operasinya adalah sesuai dengan operasi Kumpulan dan bahawa risiko-risiko berada di tahap yang boleh diterima dalam seluruh perniagaan Kumpulan. Walau bagaimanapun, pengaturan sedemikian, tidak menghapuskan kemungkinan kesilapan manusia, pemintasan prosedur kawalan secara sengaja oleh kakitangan dan lain-lain atau berlaku keadaan di luar jangkaan munasabah. Lembaga telah menerima jaminan daripada Ketua Pegawai Kewangan Syarikat bahawa pengurusan risiko dan sistem kawalan dalaman Kumpulan beroperasi secara mencukupi dan berkesan, dalam semua aspek material, berdasarkan sistem pengurusan risiko dan kawalan dalaman Kumpulan. Lembaga dengan demikian berpendapat bahawa sistem pengurusan risiko dan kawalan dalaman yang disediakan bagi tahun di bawah kajian adalah kukuh dan mencukupi untuk melindungi pelaburan, kepentingan pemegang pelbagai kepentingan dan aset-aset Kumpulan.

### USAHA SAMA DAN SYARIKAT-SYARIKAT BERSEKUTU MATERIAL

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

### KAJIAN PENYATA OLEH JURUAUDIT LUAR

Seperti yang dikehendaki oleh Perenggan 15.23 Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad, juruaudit luar telah mengkaji Penyata Mengenai 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 memberikan pendapat berhubung kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman Kumpulan.

Penyata mengenai Pengurusan Risiko dan Kawalan Dalaman dibuat oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 23 Februari 2015.

## 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 2014.

### (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 2014.

### (III) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants and convertible securities during the financial year ended 2014 save for the following:

#### a) Warrants

On 27 June 2014, an additional 31,087,819 warrants were issued to Gapurna Sdn Bhd and Employees Provident Fund Board as part of the consideration on the acquisition of 70% equity interest in P.J Sentral Development Sdn Bhd from Nusa Gapurna Development Sdn Bhd.

As at 31 December 2014, a total of 568,975,424 warrants were listed on Bursa Securities and no warrants were exercised during the financial year ended December 2014.

#### b) Employees' Share Options Scheme (ESOS)

The ESOS of the Company expired on 30 October 2012 and was extended by another 5 years, expiring on 30 October 2017.

During the financial year ended 31 December 2014, a total of 60,000 options over the ordinary shares were exercised pursuant to the ESOS.

In accordance with the ESOS Bye-Law, the aggregate maximum allocation applicable to Directors and Senior Management shall not exceed 50% of the options available under the scheme. As at 31 December 2014, the actual percentage of options granted to them in aggregate was 1.5%.

The details of options granted since the commencement of the scheme is disclosed in Note 31 to the Financial Statements (pages 296 to 298 of the Annual Report).

### (IV) AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year 2014.

### (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 2014.

### (VI) NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group and Company for the financial year 2014 were RM2,361,000 and RM1,791,000 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 2014.

### (IX) MATERIAL CONTRACTS

There has been no material contracts involving directors and major shareholders' interests entered into during the financial year 2014.

### (X) LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on page 182 to 188 of this Annual Report. There was no revaluation of properties of the Company during the financial year 2014.

### (XI) RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions during the financial year 2014 except for those disclosed in the audited financial statement which are exempted under the Listing Requirements.

## MAKLUMAT PEMATUHAN TAMBAHAN

### (I) PENGGUNAAN KUTIPAN YANG DIKUMPUL DARIPADA CADANGAN KORPORAT

Tiada kutipan yang dikumpul oleh syarikat pada tahun kewangan berakhir 31 Disember 2014.

### (II) PEMBELIAN BALIK SAHAM

Syarikat tidak mendapatkan sebarang kuasa daripada para pemegang saham berhubung cadangan pembelian balik saham pada tahun kewangan 2014.

### (III) OPSYEN, WARAN DAN SEKURITI BOLEH DITUKAR

Syarikat tidak mengeluarkan sebarang opsyen, waran dan sekuriti boleh ditukar pada tahun kewangan berakhir 2014 kecuali yang berikut:

#### a) Waran

Pada 27 Jun 2014, sebanyak 31,087,819 waran tambahan telah dikeluarkan kepada Gapurna Sdn Bhd dan Employees Provident Fund Board sebagai sebahagian balasan daripada pengambilalihan 70% kepentingan ekuiti dalam P.J Sentral Development Sdn Bhd dari Nusa Gapurna Development Sdn Bhd.

Pada 31 Disember 2014, sejumlah 568,975,424 waran telah disenaraikan di Bursa Securities dan tiada waran telah dilaksanakan sepanjang tahun kewangan berakhir Disember 2014.

#### b) Skim Opsyen Saham Kakitangan ("ESOS")

ESOS Syarikat tamat pada 30 Oktober 2012 dan telah dilanjutkan selama 5 tahun lagi, tamat pada 30 Oktober 2017.

Dalam tahun kewangan berakhir 31 Disember 2014, sejumlah 60,000 opsyen ke atas saham biasa telah dilaksanakan di bawah ESOS.

Selaras dengan Undang-undang Kecil ESOS, peruntukan maksimum agregat yang diguna pakai kepada para Pengarah dan Pengurusan Kanan tidak boleh melebihi 50% daripada opsyen yang tersedia di bawah skim tersebut. Pada 31 Disember 2014, peratusan sebenar opsyen yang diberikan kepada mereka dalam agregat adalah 1.5%.

Butir-butir opsyen yang diberikan sejak bermulanya skim ini terdapat dalam Nota 31 kepada Penyata Kewangan (mukasurat 296 ke 298 dalam Laporan Tahunan ini).

### (IV) RESIT DEPOSITORI AMERIKA ("ADR") ATAU RESIT DEPOSITORI GLOBAL ("GDR")

Syarikat tidak menaja sebarang program ADR dan GDR pada tahun kewangan 2014.

### (V) SEKATAN DAN/ATAU DENDA YANG DIKENAKAN

Tiada sekatan dan/atau denda penting yang dikenakan oleh badan-badan penguatkuasaan berkaitan terhadap MRCB atau syarikat subsidiarinya, para pengarah atau pengurusan pada tahun kewangan 2014.

### (VI) YURAN BUKAN AUDIT

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar oleh Kumpulan dan Syarikat bagi tahun kewangan 2014 masing-masing adalah sebanyak RM2,361,000 dan RM1,791,000.

### (VII) PERBEZAAN KEPUTUSAN

Tiada perbezaan sebanyak 10% atau lebih dalam keputusan kewangan berbanding anggaran/ramalan/unjuran keuntungan dan keputusan tidak beraudit yang diumumkan.

### (VIII) JAMINAN KEUNTUNGAN

Tiada jaminan keuntungan yang diberi oleh Syarikat dalam tahun kewangan 2014.

### (IX) KONTRAK-KONTRAK PENTING

Tiada kontrak penting yang melibatkan kepentingan pengarah dan para pemegang saham utama telah dimeterai sepanjang tahun kewangan 2014.

### (X) SENARAI HARTANAH DAN DASAR PENILAIAN SEMULA

Senarai hartanah disediakan di muka surat 182 hingga 188 dalam Laporan Tahunan ini. Tiada penilaian semula hartanah Syarikat telah dilaksanakan pada tahun kewangan 2014.

### (XI) URUSNIAGA PIHAK BERKAITAN YANG BERULANG BERBENTUK HASIL ATAU PERDAGANGAN

Tiada urusan niaga pihak berkaitan yang berulang pada tahun kewangan 2014 melainkan yang dibentangkan dalam penyata kewangan beraudit yang dikecualikan di bawah Keperluan Penyenaaran.

## MATERIAL CONTRACTS

### MRCB (January 2014 – December 2014)

#### 1. Sale Agreement between Malaysian Resources Corporation Berhad and Wira Kristal Sdn Bhd and Ekovest Construction Sdn Bhd and Ekovest Berhad

Malaysian Resources Corporation Berhad (“MRCB”) has on 29th January 2014 entered into a Sale Agreement (“SA”) with Wira Kristal Sdn Bhd (“WKSb”) and Ekovest Construction Sdn Bhd (“ECSb”) and Ekovest Berhad (“EB”) (WKSb, ECSb and EB collectively referred to as “Purchasers”) to divest its entire 1,500,000 ordinary shares and 13,500,000 preference shares held in Nuzen Corporation Sdn Bhd (“Nuzen Shares”) and all its 585 preference shares held in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (“KESTURI RPS”) and all its 54,000,000 secured junior bonds issued by Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (“KESTURI Junior Bonds”) (collectively referred to as “Sale Shares” and “Junior Bonds”) for the total consideration price of RM228,000,000.00 only. The transaction has since completed on 30th June 2014.

#### 2. Sale and Purchase Agreement between MRCB Sentral Properties Sdn Bhd and Maybank Trustees Berhad

MRCB Sentral Properties Sdn Bhd (“MSPSB”) a wholly owned subsidiary of Malaysian Resources Corporation Berhad have on 10th April 2014 entered into a Sale and Purchase Agreement with Maybank Trustees Berhad for the sale and purchase of the property identified as Platinum Sentral consisting of five (5) blocks of four (4) to seven (7) commercial buildings which consist of office-cum retail space, a multi purpose hall together with two (2) levels of car park erected on part of Lot 73, Geran No. 46222, Seksyen 70, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan for the total consideration price of RM740,000,000.00 which shall be satisfied by way of cash consideration of RM476,000,000.00 (“Cash Consideration”) and by way of issuance of 206,250,000 new Units at an issue price of RM1.28 per Unit (“Consideration Units”) equivalent to RM264,000,000.00 only. The transaction has since completed on 30th March 2015.

#### 3. Sale and Purchase Agreement between Malaysian Resources Corporation Berhad and Bisraya Acres Sdn Bhd

Malaysian Resources Corporation Berhad (“MRCB”) has on 14th April 2014 entered into a Sale and Purchase Agreement with Bisraya Acres Sdn Bhd as vendor for the sale and purchase of the three (3) pieces of land known as P.T. 27758 held under H.S.(D) No. 93832, P.T. No. 27759 held under H.S.(D) No. 93833 and P.T. No. 29301 held under H.S.(D) No. 95375 all of Mukim Sungai Buloh, District of Petaling, State of Selangor (“Properties”) at the total purchase price of RM83,000,000.00 only. The transaction has since completed on 22nd July 2014.

#### 4. Share Sale Agreement between Malaysian Resources Corporation Berhad and Capitaland Recm Pte Ltd

Malaysian Resources Corporation Berhad (“MRCB”) has on 10th April 2014 entered into a Share Sale Agreement with Capitaland Recm Pte Ltd (“Vendor”) for the acquisition of the 400,000 ordinary shares representing 40% of the issued share capital in Quill Capita Management Sdn Bhd held by the Vendor for the total consideration price of RM5,739,352.00 only. The acquisition has since completed on 31st March 2015.

#### 5. Share Sale Agreement between Malaysian Resources Corporation Berhad and Quill Resources Holding Sdn Bhd and Coast Capital Sdn Bhd

Malaysian Resources Corporation Berhad (“MRCB”) has on 10th April 2014 entered into a Share Sale Agreement with Quill Resources Holding Sdn Bhd (“Quill”) and Coast Capital Sdn Bhd (“Vendor”) for the sale and purchase of the 10,000 ordinary shares being one per cent (1%) of the entire issued and paid-up capital held by the Vendor in Quill Capita Management Sdn Bhd for the total consideration price of RM143,483.80 only. The transaction has since completed on 31st March 2015.

## MATERIAL CONTRACTS

### 6. Sale and Purchase Agreement between Malaysian Resources Corporation Berhad and ASPL M3A Limited

Malaysian Resources Corporation Berhad (“MRCB”) has on 20th June 2014 entered into a Sale and Purchase Agreement with ASPL M3A Limited (“Vendor”) for the sale and purchase of 2,000,000 ordinary shares equivalent to 40% of the share equity of Excellent Bonanza Sdn Bhd (“Company”) and 62,406 non-cumulative redeemable preference shares held by the Vendor in the Company at the total consideration price of RM16,960,000.00 only. The transaction has since completed on 19th August 2014.

### 7. Share Sale Agreement between Malaysian Resources Corporation Berhad and PKNS Holdings Sdn Bhd

Malaysian Resources Corporation Berhad (“MRCB”) has on 20th June 2014 entered into a Share Sale Agreement with PKNS Holdings Sdn Bhd (“Vendor”) for the acquisition of the 58,247,400 ordinary shares and 83,679 redeemable preference shares representing 30% of the total issued and paid-up share capital in PJ Sentral Development Sdn Bhd held by the Vendor for the total consideration price of RM85,300,000.00 only. The acquisition has since completed on 25th September 2014.

### 8. Development Agreement between PJ Sentral Development Sdn Bhd and PKNS Holdings Sdn Bhd

PJ Sentral Development Sdn Bhd (“PJSD”) a subsidiary of Malaysian Resources Corporation Berhad (“MRCB”) has on 20th June 2014 entered into a Development Agreement with PKNS Holdings Sdn Bhd (“PKNSH”) to grant development rights to PKNSH to carry out the Tower 2 Development at its own costs and expense in compliance with the development order, the building design guidelines and the building footprint layout plan in accordance with the approved net floor area.

### 9. Share Sale Agreement between Malaysian Resources Corporation Berhad and Pelaburan Hartanah Berhad

Malaysian Resources Corporation Berhad (“MRCB”) has on 24th July 2014 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad (“Vendor”) for the acquisition of the entire shares held by the Vendor in Penang Sentral Sdn Bhd (“the Company”) representing 51% of the paid-up share capital of the Company held by the Vendor at a total consideration price of RM50,751,000.00 only. The acquisition has since completed on 8th August 2014.

### 10. Share Sale agreement between Malaysian Resources Corporation Berhad and XMT Technologies Holdings Sdn Bhd

Malaysian Resources Corporation Berhad (“MRCB”) has on 18th September 2014 entered into a Share Sale Agreement with XMT Technologies Holdings Sdn Bhd (“Purchaser”) for the disposal of its entire equity interest in MRCB Technologies Sdn Bhd, a wholly owned subsidiary of MRCB for a total consideration price of RM7,810,000.00 only. The transaction has since completed on 16th October 2014.

## KONTRAK-KONTRAK PENTING

### MRCB (Januari 2014 – Disember 2014)

#### 1. Perjanjian Penjualan di antara Malaysian Resources Corporation Berhad dan Wira Kristal Sdn Bhd dan Ekovest Construction Sdn Bhd dan Ekovest Berhad

Malaysian Resources Corporation Berhad ("MRCB") telah pada 29hb Januari 2014 menandatangani Perjanjian Penjualan ("Perjanjian") dengan Wira Kristal Sdn Bhd ("WKSBB") dan Ekovest Construction Sdn Bhd ("ECSB") dan Ekovest Berhad ("EB") (WKSBB, ECSB dan EB secara kolektif dirujuk sebagai "Pembeli") untuk melupuskan 1,500,000 saham biasa dan saham keutamaan 13,500,000 di dalam Nuzen Corporation Sdn Bhd ("Saham Nuzen") dan keseluruhan 585 saham keutamaan yang dipegang di dalam Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Saham Keutamaan Boleh Tebus Kesturi") dan keseluruhan 54,000,000 bon rendah yang diterbitkan oleh Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Bon Rendah") (secara kolektif dirujuk sebagai "Saham Jualan" dan "Bon Rendah") bagi jumlah RM228,000,000.00 sahaja. Transaksi ini telah disempurnakan pada 30hb Jun 2014.

#### 2. Perjanjian Jual Beli di antara MRCB Sentral Properties Sdn Bhd dan Maybank Trustees Berhad

MRCB Sentral Properties Sdn Bhd ("MSPSB") anak syarikat milik penuh Malaysian Resources Corporation Berhad ("MRCB") telah pada 10hb April 2014 menandatangani Perjanjian Jual Beli dengan Maybank Trustees Berhad bagi penjualan dan pembelian bangunan yang dikenali sebagai Platinum Sentral terdiri daripada lima (5) blok mempunyai empat (4) hingga tujuh (7) tingkat mengandungi bangunan komersial ruang pejabat dan kedai, dewan serbaguna serta dua (2) tingkat tempat letak kereta yang didirikan di atas sebahagian Lot 73, Geran No. 46222, Seksyen 70, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan bagi jumlah RM740,000,000.00 yang akan dibayar secara tunai berjumlah RM476,000,000.00 ("Balasan Tunai") dan melalui pengeluaran 206,250,000 Unit saham baru pada harga RM1.28 seunit ("Saham Balasan") berjumlah RM264,000,000.00 sahaja. Transaksi jual beli tersebut telah disempurnakan pada 30hb Mac 2015.

#### 3. Perjanjian Jual Beli di antara Malaysian Resources Corporation Berhad and Bisraya Acres Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 14hb April 2014 menandatangani Perjanjian Jual Beli dengan Bisraya Acres Sdn Bhd sebagai penjual bagi penjualan dan pembelian tiga (3) bidang tanah dikenali sebagai PT 27758, dipegang di bawah H.S. (D) No. 93832, PT No. 27759 dipegang di bawah H.S. (D) No. 93833 dan PT No. 29301 dipegang di bawah H.S. (D) 95375 Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor ("Hartanah") pada harga pembelian berjumlah RM83,000,000.00 sahaja. Transaksi jual beli tersebut telah disempurnakan pada 22hb Julai 2014.

#### 4. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Capitaland Recm Pte Ltd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 10hb April 2014 menandatangani Perjanjian Penjualan Saham dengan Capitaland Recm Pte Ltd ("Penjual") untuk pembelian 400,000 saham biasa bersamaan 40% modal saham terbitan di dalam Quill Capita Management Sdn Bhd dimiliki oleh Penjual berjumlah RM5,739,352.00 sahaja. Transaksi tersebut telah disempurnakan pada 31hb Mac 2015.

#### 5. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Quill Resources Holding Sdn Bhd dan Coast Capital Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 10hb April 2014 menandatangani Perjanjian Penjualan Saham dengan Quill Resources Holding Sdn Bhd ("Quill") dan Coast Capital Sdn Bhd ("Penjual") bagi penjualan dan pembelian 10,000 saham biasa mewakili satu peratus (1%) daripada keseluruhan modal berbayar dimiliki oleh Penjual di dalam Quill Capita Management Sdn Bhd pada harga RM143,483.80. Transaksi tersebut telah disempurnakan pada 31hb Mac 2015.

## KONTRAK-KONTRAK PENTING

### 6. Perjanjian Jual Beli di antara Malaysian Resources Corporation Berhad dan ASPL M3A Limited

Malaysian Resources Corporation Berhad ("MRCB") telah pada 20hb Jun 2014 menandatangani Perjanjian Jual Beli dengan ASPL M3A Limited ("Penjual") bagi penjualan dan pembelian 2,000,000 saham biasa bersamaan dengan 40% daripada ekuiti saham di dalam Excellent Bonanza Sdn Bhd ("Syarikat") dan 62,406 saham keutamaan boleh tebus bukan kumulatif dimiliki oleh Penjual di dalam Syarikat berjumlah RM16,960,000.00 sahaja. Transaksi ini telah disempurnakan pada 19hb Ogos 2014.

### 7. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan PKNS Holdings Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 20hb Jun 2014 menandatangani Perjanjian pembelian Saham dengan PKNS Holdings Sdn Bhd ("Penjual") bagi pembelian 58,247,400 saham biasa dan 83,679 saham keutamaan boleh tebus yang mewakili 30% jumlah saham terbitan dan modal saham berbayar di dalam PJ Sentral Development Sdn Bhd yang dipegang oleh Penjual untuk harga jualan RM85,300,000.00 sahaja. Transaksi ini telah disempurnakan pada 25hb September 2014.

### 8. Perjanjian Pembangunan di antara PJ Sentral Development Sdn Bhd dan PKNS Holdings Sdn Bhd

PJ Sentral Development Sentral Sdn Bhd ("PJSD") sebuah anak syarikat Malaysian Resources Corporation Berhad ("MRCB") telah pada 20hb Jun 2014 menandatangani Perjanjian Pembangunan dengan PKNS Holdings Sdn Bhd ("PKNSH") untuk memberikan hak pembangunan kepada PKNSH untuk menjalankan Pembangunan Menara 2 pada kos dan perbelanjaan sendiri menurut perintah pembangunan, garis panduan reka bentuk bangunan dan pelan susun atur bangunan mengikut keluasan lantai yang telah diluluskan.

### 9. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Pelaburan Hartanah Berhad

Malaysian Resources Corporation Berhad ("MRCB") telah pada 24hb Julai 2014 menandatangani Perjanjian Penjualan Saham dengan Pelaburan Hartanah Berhad ("Penjual") bagi pengambilalihan keseluruhan saham yang dipegang oleh Penjual di dalam Penang Sentral Sdn Bhd ("Syarikat") mewakili 51% modal saham berbayar di dalam Syarikat yang dimiliki oleh Penjual berjumlah RM50,751,000.00 sahaja. Pengambilalihan ini telah disempurnakan pada 8hb Ogos 2014.

### 10. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan XMT Technologies Holdings Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 18hb September 2014 menandatangani Perjanjian Penjualan Saham dengan XMT Technologies Holdings Sdn Bhd ("Pembeli") untuk melupuskan keseluruhan kepentingan ekuitinya di dalam MRCB Technologies Sdn Bhd sebuah anak syarikat milik penuh MRCB bagi jumlah RM7,810,000.00 sahaja. Penjualan tersebut telah disempurnakan pada 16hb Oktober 2014.

An aerial photograph of a modern city skyline. The central focus is a large, multi-story building with a white facade and blue-tinted windows. The building has 'MIDA' and 'SENTRAL' logos on its upper levels. To the right, several other tall skyscrapers with glass facades rise into the sky. In the foreground, there is a curved road with a red-paved section, a parking lot with several cars, and a landscaped area with green trees and a circular walkway. The sky is bright and clear.

# PROMOTING ARCHITECTURAL EXCELLENCE

Kuala Lumpur Sentral CBD is a testament of our capability to create a next generation Central Business District.



## ANALYSIS OF SHAREHOLDINGS

As at 16 March 2015

|                          |                                 |
|--------------------------|---------------------------------|
| Authorised Share Capital | : 5,000,000,000                 |
| Paid-up Share Capital    | : 1,786,580,857                 |
| Type of Shares           | : Ordinary Share of RM1.00 each |
| No. of Shareholders      | : 34,679                        |
| Voting Rights            | : One vote for every share      |

### DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS                    | NO. OF<br>HOLDERS<br>SHAREHOLDERS | (%)           | NO. OF<br>SHARES     | CAPITAL (%)   |
|--|-----------------------------------|---------------|----------------------|---------------|
| less than 100                            | 4,134                             | 11.92         | 160,092              | 0.01          |
| 100 to 1,000                             | 8,739                             | 25.20         | 5,356,652            | 0.30          |
| 1,001 to 10,000                          | 16,565                            | 47.77         | 69,984,919           | 3.91          |
| 10,001 to 100,000                        | 4,648                             | 13.40         | 138,128,653          | 7.73          |
| 100,001 to less than 5% of issued shares | 590                               | 1.70          | 408,904,390          | 22.89         |
| 5% and above of issued shares            | 3                                 | 0.01          | 1,164,046,151        | 65.16         |
| <b>TOTAL</b>                             | <b>34,679</b>                     | <b>100.00</b> | <b>1,786,580,857</b> | <b>100.00</b> |

### DIRECTORS' SHAREHOLDINGS

| NO. NAME OF DIRECTORS               | DIRECT INTEREST  |      | INDIRECT INTEREST |       |
|-------------------------------------|------------------|------|-------------------|-------|
|                                     | NO. OF<br>SHARES | %    | NO. OF<br>SHARES  | %     |
| 1. Tan Sri Azlan Zainol             | -                | -    | -                 | -     |
| 2. Tan Sri Mohamad Salim Fateh Din  | -                | -    | 298,322,581 *     | 16.70 |
| 3. Mohd Imran Tan Sri Mohamad Salim | -                | -    | 298,322,581 **    | 16.70 |
| 4. Datuk Shahril Ridza Ridzuan      | 500,000          | 0.03 | -                 | -     |
| 5. Dato' Abdul Rahman Ahmad         | -                | -    | -                 | -     |
| 6. Dato' Chong Pah Aung             | -                | -    | -                 | -     |
| 7. Jamaludin Zakaria                | -                | -    | -                 | -     |
| 8. Dato' Johari Razak               | -                | -    | -                 | -     |
| 9. Rohaya Mohammad Yusof            | -                | -    | -                 | -     |

\* held through Gapurna Sdn Bhd

\*\* deemed interested through his parents' shareholdings in Gapurna Sdn Bhd

### SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

| NAME                              | SHAREHOLDINGS | %     |
|-----------------------------------|---------------|-------|
| 1. EMPLOYEES PROVIDENT FUND BOARD | 685,457,897   | 38.37 |
| 2. GAPURNA SDN BHD                | 298,322,581   | 16.70 |
| 3. LEMBAGA TABUNG HAJI            | 180,265,673   | 10.09 |

## ANALISIS PEGANGAN SAHAM

Pada 16 Mac 2015

|                                   |   |
|-----------------------------------|---|
| Modal Saham Dibenarkan            | : 5,000,000,000                           |
| Modal Saham Terbitan dan Berbayar | : 1,786,580,857                           |
| Jenis Saham                       | : Saham Biasa bernilai RM1.00 setiap satu |
| Bil. Pemegang Saham               | : 34,679                                  |
| Hak Mengundi                      | : Satu undi untuk setiap saham            |

### PECAHAN PEGANGAN SAHAM

| SAIZ PEGANGAN SAHAM                             | BILANGAN PEMEGANG SAHAM | (%)           | BILANGAN SAHAM       | (%)           |
|---|-------------------------|---------------|----------------------|---------------|
| Kurang dari 100                                 | 4,134                   | 11.92         | 160,092              | 0.01          |
| 100 hingga 1,000                                | 8,739                   | 25.20         | 5,356,652            | 0.30          |
| 1,001 hingga 10,000                             | 16,565                  | 47.77         | 69,984,919           | 3.91          |
| 10,001 hingga 100,000                           | 4,648                   | 13.40         | 138,128,653          | 7.73          |
| 100,001 hingga kurang dari 5% saham diterbitkan | 590                     | 1.70          | 408,904,390          | 22.89         |
| 5% dan lebih saham diterbitkan                  | 3                       | 0.01          | 1,164,046,151        | 65.16         |
| <b>JUMLAH</b>                                   | <b>34,679</b>           | <b>100.00</b> | <b>1,786,580,857</b> | <b>100.00</b> |

### PEGANGAN SAHAM PENGARAH

| NAMA PENGARAH                       | KEPENTINGAN LANGSUNG |      | KEPENTINGAN TIDAK LANGSUNG |       |
|-------------------------------------|----------------------|------|----------------------------|-------|
|                                     | BILANGAN SAHAM       | %    | BILANGAN SAHAM             | %     |
| 1. Tan Sri Azlan Zainol             | -                    | -    | -                          | -     |
| 2. Tan Sri Mohamad Salim Fateh Din  | -                    | -    | 298,322,581 *              | 16.70 |
| 3. Mohd Imran Tan Sri Mohamad Salim | -                    | -    | 298,322,581 **             | 16.70 |
| 4. Datuk Shahril Ridza Ridzuan      | 500,000              | 0.03 | -                          | -     |
| 5. Dato' Abdul Rahman Ahmad         | -                    | -    | -                          | -     |
| 6. Dato' Chong Pah Aung             | -                    | -    | -                          | -     |
| 7. Jamaludin Zakaria                | -                    | -    | -                          | -     |
| 8. Dato' Johari Razak               | -                    | -    | -                          | -     |
| 9. Rohaya Mohammad Yusof            | -                    | -    | -                          | -     |

\* dipegang melalui Gapurna Sdn Bhd

\*\* dianggap mempunyai kepentingan melalui pegangan saham ibu bapanya dalam Gapurna Sdn Bhd

### PEMEGANG SAHAM UTAMA (5% DAN KE ATAS)

| NAMA                              | BILANGAN SAHAM | %     |
|-----------------------------------|----------------|-------|
| 1. EMPLOYEES PROVIDENT FUND BOARD | 685,457,897    | 38.37 |
| 2. GAPURNA SDN BHD                | 298,322,581    | 16.70 |
| 3. LEMBAGA TABUNG HAJI            | 180,265,673    | 10.09 |

## TOP 30 LARGEST SHAREHOLDERS

As at 16 March 2015

### 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<br><i>Employees Provident Fund Board</i>  | 685,457,897   | 38.37 |
| 2. Gapurna Sdn Bhd   | 298,322,581   | 16.70 |
| 3. Lembaga Tabung Haji   | 174,949,773   | 9.79  |
| 4. Citigroup Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Citibank New York (Norges Bank 1)</i>                                    | 19,018,835    | 1.06  |
| 5. Citigroup Nominees (Asing) Sdn Bhd<br><i>CBNY For Dimensional Emerging Markets Value Fund</i>                                   | 17,330,900    | 0.97  |
| 6. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustees Bhd For AMB Value Trust Fund (4249)</i>                                | 13,880,000    | 0.78  |
| 7. Tokio Marine Life Insurance Malaysia Bhd<br><i>As Beneficial Owner (PF)</i>   | 13,261,000    | 0.74  |
| 8. Citigroup Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Citibank New York (Norges Bank 12)</i>                                   | 13,034,100    | 0.73  |
| 9. Citigroup Nominees (Asing) Sdn Bhd<br><i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i> | 10,547,800    | 0.59  |
| 10. Hong Leong Assurance Berhad<br><i>As Beneficial Owner (Life Par)</i>   | 10,523,400    | 0.59  |
| 11. Citigroup Nominees (Asing) Sdn Bhd<br><i>CBNY For DFA Emerging Markets Small Cap Series</i>                                    | 8,415,150     | 0.47  |
| 12. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>                       | 7,622,134     | 0.43  |
| 13. Cartaban Nominees (Asing) Sdn Bhd<br><i>Exempt AN For State Street Bank &amp; Trust Company (West CLT OD67)</i>                | 7,461,200     | 0.42  |
| 14. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Credit Suisse (SG BR-TST-Asing)</i>  | 7,154,500     | 0.40  |
| 15. Citigroup Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Citibank New York (Norges Bank 14)</i>                                  | 6,325,600     | 0.35  |

## TOP 30 LARGEST SHAREHOLDERS

As at 16 March 2015

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS

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

| NAME   | NO. OF SHARES | %    |
|--|---------------|------|
| 16. Amanahraya Trustees Berhad<br><i>Public Islamic Sector Select Fund</i>   | 5,606,800     | 0.31 |
| 17. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Bank Julius Baer &amp; Co. Ltd (Singapore BCH)</i>                                 | 5,572,065     | 0.31 |
| 18. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>                                     | 5,500,000     | 0.31 |
| 19. DB (Malaysia) Nominee (Asing) Sdn Bhd<br><i>SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, Ltd</i>                         | 4,888,000     | 0.27 |
| 20. CIMB Commerce Trustee Berhad<br><i>Public Focus Select Fund</i>  | 4,800,800     | 0.27 |
| 21. Citigroup Nominees (Tempatan) Sdn Bhd<br><i>Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)</i>                                    | 4,500,200     | 0.25 |
| 22. CIMB Group Nominees (Tempatan) Sdn Bhd<br><i>CIMB Islamic Trustee Berhad For Pacific Dana Aman (3717 TR01)</i>                       | 4,160,750     | 0.23 |
| 23. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad<br><i>Deutsche Trustees Malaysia Berhad For Eastspring Investmentdana Al-Ilham</i> | 3,202,500     | 0.18 |
| 24. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (AIM 6939-405)</i>                     | 3,200,000     | 0.18 |
| 25. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For AMB Ethical Trust Fund (4526)</i>                                    | 2,906,600     | 0.16 |
| 26. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (LPEQ-CIMB)</i>                     | 2,796,400     | 0.16 |
| 27. DB (Malaysia) Nominee (Asing) Sdn Bhd<br><i>SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund</i>                | 2,772,243     | 0.16 |
| 28. Amanahraya Trustees Berhad<br><i>Public Islamic Select Treasures Fund</i>  | 2,657,700     | 0.15 |
| 29. Cartaban Nominees (Tempatan) Sdn Bhd<br><i>Exempt AN Account For Standard Chartered Bank HK Pte Ltd (SCBMB with MGMT)</i>            | 2,656,600     | 0.15 |
| 30. Citigroup Nominees (Tempatan) Sdn Bhd<br><i>Universal Trustee (Malaysia) Berhad For CIMB-Principal Equity Fund 2</i>                 | 2,571,500     | 0.14 |

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## 30 PEMEGANG SAHAM TERBESAR

Pada 16 Mac 2015

### 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<br><i>Employees Provident Fund Board</i>  | 685,457,897    | 38.37 |
| 2. Gapurna Sdn Bhd   | 298,322,581    | 16.70 |
| 3. Lembaga Tabung Haji   | 174,949,773    | 9.79  |
| 4. Citigroup Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Citibank New York (Norges Bank 1)</i>                                    | 19,018,835     | 1.06  |
| 5. Citigroup Nominees (Asing) Sdn Bhd<br><i>CBNY For Dimensional Emerging Markets Value Fund</i>                                   | 17,330,900     | 0.97  |
| 6. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustees Bhd For AMB Value Trust Fund (4249)</i>                                | 13,880,000     | 0.78  |
| 7. Tokio Marine Life Insurance Malaysia Bhd<br><i>As Beneficial Owner (PF)</i>   | 13,261,000     | 0.74  |
| 8. Citigroup Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Citibank New York (Norges Bank 12)</i>                                   | 13,034,100     | 0.73  |
| 9. Citigroup Nominees (Asing) Sdn Bhd<br><i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i> | 10,547,800     | 0.59  |
| 10. Hong Leong Assurance Berhad<br><i>As Beneficial Owner (Life Par)</i>   | 10,523,400     | 0.59  |
| 11. Citigroup Nominees (Asing) Sdn Bhd<br><i>CBNY For DFA Emerging Markets Small Cap Series</i>                                    | 8,415,150      | 0.47  |
| 12. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>                       | 7,622,134      | 0.43  |
| 13. Cartaban Nominees (Asing) Sdn Bhd<br><i>Exempt AN For State Street Bank &amp; Trust Company (West CLT OD67)</i>                | 7,461,200      | 0.42  |
| 14. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Credit Suisse (SG BR-TST-Asing)</i>  | 7,154,500      | 0.40  |
| 15. Citigroup Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Citibank New York (Norges Bank 14)</i>                                  | 6,325,600      | 0.35  |

## 30 PEMEGANG SAHAM TERBESAR

Pada 16 Mac 2015

### 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 | %    |
|--|----------------|------|
| 16. Amanahraya Trustees Berhad<br><i>Public Islamic Sector Select Fund</i>   | 5,606,800      | 0.31 |
| 17. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt An For Bank Julius Baer &amp; Co. Ltd (Singapore BCH)</i>                                 | 5,572,065      | 0.31 |
| 18. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>                                     | 5,500,000      | 0.31 |
| 19. DB (Malaysia) Nominee (Asing) Sdn Bhd<br><i>SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, Ltd</i>                         | 4,888,000      | 0.27 |
| 20. CIMB Commerce Trustee Berhad<br><i>Public Focus Select Fund</i>  | 4,800,800      | 0.27 |
| 21. Citigroup Nominees (Tempatan) Sdn Bhd<br><i>Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)</i>                                    | 4,500,200      | 0.25 |
| 22. CIMB Group Nominees (Tempatan) Sdn Bhd<br><i>CIMB Islamic Trustee Berhad For Pacific Dana Aman (3717 TR01)</i>                       | 4,160,750      | 0.23 |
| 23. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad<br><i>Deutsche Trustees Malaysia Berhad For Eastspring Investmentdana Al-Ilham</i> | 3,202,500      | 0.18 |
| 24. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (AIM 6939-405)</i>                     | 3,200,000      | 0.18 |
| 25. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For AMB Ethical Trust Fund (4526)</i>                                    | 2,906,600      | 0.16 |
| 26. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (LPEQ-CIMB)</i>                     | 2,796,400      | 0.16 |
| 27. DB (Malaysia) Nominee (Asing) Sdn Bhd<br><i>SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund</i>                | 2,772,243      | 0.16 |
| 28. Amanahraya Trustees Berhad<br><i>Public Islamic Select Treasures Fund</i>  | 2,657,700      | 0.15 |
| 29. Cartaban Nominees (Tempatan) Sdn Bhd<br><i>Exempt An Account For Standard Chartered Bank HK Pte Ltd (SCBMB with MGMT)</i>            | 2,656,600      | 0.15 |
| 30. Citigroup Nominees (Tempatan) Sdn Bhd<br><i>Universal Trustee (Malaysia) Berhad For CIMB-Principal Equity Fund 2</i>                 | 2,571,500      | 0.14 |

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## ANALYSIS OF WARRANT HOLDINGS

As at 16 March 2015

|   |  |
|---|--|
| Number of Outstanding Warrants              | : 576,519,012                            |
| Exercise Price of Warrants                  | : RM2.30                                 |
| Exercise Period of Warrants                 | : 17 September 2013 to 16 September 2018 |
| Voting Rights at Meeting of Warrant Holders | : One (1) vote per Warrant               |

### DISTRIBUTION OF WARRANT HOLDINGS

| SIZE OF WARRANT HOLDINGS                  | NO. OF<br>WARRANT<br>HOLDERS | (%)           | NO. OF<br>WARRANTS | (%)           |
|---|------------------------------|---------------|--------------------|---------------|
| less than 100                             | 6,528                        | 19.83         | 204,403            | 0.04          |
| 100 to 1,000                              | 13,762                       | 41.80         | 6,479,037          | 1.12          |
| 1,001 to 10,000                           | 8,988                        | 27.30         | 30,475,101         | 5.29          |
| 10,001 to 100,000                         | 2,914                        | 8.85          | 110,641,745        | 19.19         |
| 100,001 to less than 5% of issued warrant | 733                          | 2.22          | 343,483,703        | 59.58         |
| 5% and above of issued warrant            | 1                            | 0.00          | 85,235,023         | 14.78         |
| <b>TOTAL</b>                              | <b>32,926</b>                | <b>100.00</b> | <b>576,519,012</b> | <b>100.00</b> |

### DIRECTORS' WARRANT HOLDINGS

| NO. NAME OF DIRECTORS               | DIRECT INTEREST    |      | INDIRECT INTEREST  |       |
|-------------------------------------|--------------------|------|--------------------|-------|
|                                     | NO. OF<br>WARRANTS | %    | NO. OF<br>WARRANTS | %     |
| 1. Tan Sri Azlan Zainol             | -                  | -    | -                  | -     |
| 2. Tan Sri Mohamad Salim Fateh Din  | -                  | -    | 85,235,023 *       | 14.78 |
| 3. Mohd Imran Tan Sri Mohamad Salim | -                  | -    | 85,235,023 **      | 14.78 |
| 4. Datuk Shahril Ridza Ridzuan      | 166,667            | 0.03 | -                  | -     |
| 5. Dato' Abdul Rahman Ahmad         | -                  | -    | -                  | -     |
| 6. Dato' Chong Pah Aung             | -                  | -    | -                  | -     |
| 7. Jamaludin Zakaria                | -                  | -    | -                  | -     |
| 8. Dato' Johari Razak               | -                  | -    | -                  | -     |
| 9. Rohaya Mohammad Yusof            | -                  | -    | -                  | -     |

\* held through Gapurna Sdn Bhd

\*\* deemed interested through his parents' warrant holdings in Gapurna Sdn Bhd

### SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE)

| NAME               | NO. OF WARRANTS | %     |
|--------------------|-----------------|-------|
| 1. GAPURNA SDN BHD | 85,235,023      | 14.78 |

## ANALISIS PEGANGAN WARAN

Pada 16 Mac 2015

|   |  |
|---|--|
| Bilangan Waran Tertunggak                     | : 576,519,012                                |
| Harga Pelaksanaan Waran                       | : RM2.30                                     |
| Tempoh Pelaksanaan Waran                      | : 17 September 2013 hingga 16 September 2018 |
| Hak Mengundi di Mesyuarat bagi Pemegang Waran | : Satu (1) undi untuk setiap Waran           |

### PECAHAN PEGANGAN WARAN

| SAIZ PEGANGAN WARAN                             | BILANGAN PEMEGANG WARAN | (%)           | BILANGAN WARAN     | (%)           |
|---|-------------------------|---------------|--------------------|---------------|
| Kurang dari 100                                 | 6,528                   | 19.83         | 204,403            | 0.04          |
| 100 hingga 1,000                                | 13,762                  | 41.80         | 6,479,037          | 1.12          |
| 1,001 hingga 10,000                             | 8,988                   | 27.30         | 30,475,101         | 5.29          |
| 10,001 hingga 100,000                           | 2,914                   | 8.85          | 110,641,745        | 19.19         |
| 100,001 hingga kurang dari 5% waran diterbitkan | 733                     | 2.22          | 343,483,703        | 59.58         |
| 5% dan lebih waran diterbitkan                  | 1                       | 0.00          | 85,235,023         | 14.78         |
| <b>JUMLAH</b>                                   | <b>32,926</b>           | <b>100.00</b> | <b>576,519,012</b> | <b>100.00</b> |

### PEGANGAN WARAN PENGARAH

| NAMA PENGARAH                       | KEPENTINGAN LANGSUNG |      | KEPENTINGAN TIDAK LANGSUNG |       |
|-------------------------------------|----------------------|------|----------------------------|-------|
|                                     | BILANGAN WARAN       | %    | BILANGAN WARAN             | %     |
| 1. Tan Sri Azlan Zainol             | -                    | -    | -                          | -     |
| 2. Tan Sri Mohamad Salim Fateh Din  | -                    | -    | 85,235,023 *               | 14.78 |
| 3. Mohd Imran Tan Sri Mohamad Salim | -                    | -    | 85,235,023 **              | 14.78 |
| 4. Datuk Shahril Ridza Ridzuan      | 166,667              | 0.03 | -                          | -     |
| 5. Dato' Abdul Rahman Ahmad         | -                    | -    | -                          | -     |
| 6. Dato' Chong Pah Aung             | -                    | -    | -                          | -     |
| 7. Jamaludin Zakaria                | -                    | -    | -                          | -     |
| 8. Dato' Johari Razak               | -                    | -    | -                          | -     |
| 9. Rohaya Mohammad Yusof            | -                    | -    | -                          | -     |

\* dipegang melalui Gapurna Sdn Bhd

\*\* dianggap mempunyai kepentingan melalui pegangan waran ibu bapanya dalam Gapurna Sdn Bhd

### PEMEGANG WARAN UTAMA (5% DAN KE ATAS)

| NAMA               | BILANGAN WARAN | %     |
|--------------------|----------------|-------|
| 1. GAPURNA SDN BHD | 85,235,023     | 14.78 |

## TOP 30 LARGEST WARRANT HOLDERS

As at 16 March 2015

### LIST OF THIRTY (30) LARGEST WARRANTHOLDERS

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

| NAME  | NO. OF WARRANT | %     |
|---|----------------|-------|
| 1. Gapurna Sdn Bhd  | 85,235,023     | 14.78 |
| 2. Maybank Nominees (Tempatan) Sdn Bhd<br><i>Pledged Securities Account for Wong Siew Chan</i>                                | 15,488,300     | 2.69  |
| 3. Lim Bee San  | 12,895,600     | 2.24  |
| 4. Lim Bee San  | 10,720,600     | 1.86  |
| 5. Maybank Nominees (Tempatan) Sdn Bhd<br><i>Pledged Securities Account for Kek Lian Lye</i>                                  | 7,600,000      | 1.32  |
| 6. Chin Swee Chew   | 6,000,000      | 1.04  |
| 7. Abdull Star Khan bin Amirullah Khan  | 5,166,667      | 0.90  |
| 8. Eow Yin Kam  | 4,700,000      | 0.82  |
| 9. Maybank Securities Nominees (Tempatan) Sdn Bhd<br><i>Pledged Securities Account for Ong Fee Chong<br/>(REM 157-Margin)</i> | 3,700,000      | 0.64  |
| 10. Mohd Fauzi bin Mohd Anuar   | 3,600,000      | 0.62  |
| 11. Low Chee Meng   | 3,500,700      | 0.61  |
| 12. Fong Tuck Seng  | 3,400,000      | 0.59  |
| 13. Khoo Kooi Chiew   | 3,270,000      | 0.57  |
| 14. Teo Ah Seng   | 3,050,000      | 0.53  |
| 15. Ng Leong Huat   | 3,000,000      | 0.52  |
| 16. Lim Kien Hua  | 2,653,400      | 0.46  |
| 17. Ong Teng Soon   | 2,548,500      | 0.44  |
| 18. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>                  | 2,530,629      | 0.44  |

## TOP 30 LARGEST WARRANT HOLDERS

As at 16 March 2015

### LIST OF THIRTY (30) LARGEST WARRANTHOLDERS

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

| NAME   | NO. OF WARRANT | %    |
|--|----------------|------|
| 19. Lim Teck Hee   | 2,170,000      | 0.38 |
| 20. Foo Chong Chin   | 2,138,500      | 0.37 |
| 21. Ng Sau Chan  | 2,000,000      | 0.35 |
| 22. Phang Ah Kow @ Phang Fut Yow   | 2,000,000      | 0.35 |
| 23. Ang Swee Kuang   | 1,975,000      | 0.34 |
| 24. Foo Fook Min   | 1,903,000      | 0.33 |
| 25. Cheng Kong Ming  | 1,900,000      | 0.33 |
| 26. Maybank Nominees (Tempatan) Sdn Bhd<br><i>Exempt AN For Maybank Islamic Asset Management Sdn Bhd (Resident) (475391)</i> | 1,900,000      | 0.33 |
| 27. Lee Hooi Seng  | 1,800,000      | 0.31 |
| 28. Soon Chin Choy   | 1,800,000      | 0.31 |
| 29. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Bank Julius Baer &amp; Co. Ltd. (Singapore BCH)</i>                    | 1,760,687      | 0.31 |
| 30. Lim Kian Teck  | 1,750,000      | 0.30 |

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## 30 PEMEGANG WARAN TERBESAR

Pada 16 Mac 2015

### SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

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

| NAMA  | BILANGAN WARAN | %     |
|---|----------------|-------|
| 1. Gapurna Sdn Bhd  | 85,235,023     | 14.78 |
| 2. Maybank Nominees (Tempatan) Sdn Bhd<br><i>Pledged Securities Account for Wong Siew Chan</i>                                | 15,488,300     | 2.69  |
| 3. Lim Bee San  | 12,895,600     | 2.24  |
| 4. Lim Bee San  | 10,720,600     | 1.86  |
| 5. Maybank Nominees (Tempatan) Sdn Bhd<br><i>Pledged Securities Account for Kek Lian Lye</i>                                  | 7,600,000      | 1.32  |
| 6. Chin Swee Chew   | 6,000,000      | 1.04  |
| 7. Abdull Star Khan bin Amirullah Khan  | 5,166,667      | 0.90  |
| 8. Eow Yin Kam  | 4,700,000      | 0.82  |
| 9. Maybank Securities Nominees (Tempatan) Sdn Bhd<br><i>Pledged Securities Account for Ong Fee Chong<br/>(REM 157-Margin)</i> | 3,700,000      | 0.64  |
| 10. Mohd Fauzi bin Mohd Anuar   | 3,600,000      | 0.62  |
| 11. Low Chee Meng   | 3,500,700      | 0.61  |
| 12. Fong Tuck Seng  | 3,400,000      | 0.59  |
| 13. Khoo Kooi Chiew   | 3,270,000      | 0.57  |
| 14. Teo Ah Seng   | 3,050,000      | 0.53  |
| 15. Ng Leong Huat   | 3,000,000      | 0.52  |
| 16. Lim Kien Hua  | 2,653,400      | 0.46  |
| 17. Ong Teng Soon   | 2,548,500      | 0.44  |
| 18. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>                  | 2,530,629      | 0.44  |

## 30 PEMEGANG WARAN TERBESAR

### Pada 16 Mac 2015

#### SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

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

| NAMA   | BILANGAN WARAN | %    |
|--|----------------|------|
| 19. Lim Teck Hee   | 2,170,000      | 0.38 |
| 20. Foo Chong Chin   | 2,138,500      | 0.37 |
| 21. Ng Sau Chan  | 2,000,000      | 0.35 |
| 22. Phang Ah Kow @ Phang Fut Yow   | 2,000,000      | 0.35 |
| 23. Ang Swee Kuang   | 1,975,000      | 0.34 |
| 24. Foo Fook Min   | 1,903,000      | 0.33 |
| 25. Cheng Kong Ming  | 1,900,000      | 0.33 |
| 26. Maybank Nominees (Tempatan) Sdn Bhd<br><i>Exempt AN For Maybank Islamic Asset Management Sdn Bhd (Resident) (475391)</i> | 1,900,000      | 0.33 |
| 27. Lee Hooi Seng  | 1,800,000      | 0.31 |
| 28. Soon Chin Choy   | 1,800,000      | 0.31 |
| 29. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN For Bank Julius Baer &amp; Co. Ltd. (Singapore BCH)</i>                    | 1,760,687      | 0.31 |
| 30. Lim Kian Teck  | 1,750,000      | 0.30 |

## PROPERTIES OF THE GROUP

31 December 2014

| Description / Existing Use  | Location  | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure                                   | Age of Building (Years) | Encumbrance |
|---|---|------------------|--|--------------------------------|--|-------------------------|-------------|
| Kompleks Sentral - 6 storey industrial buildings/ flatted factories and warehouse | 33, Jalan Segambut Atas, Segambut, 51200 Kuala Lumpur, Wilayah Persekutuan.   | 72,098           | 30,130                                   | 1982                           | Leasehold 66 years expiring on 2.2.2044  | 29                      | Yes         |
| Land for proposed mixed housing development                                       | P.T. No. 35730, 35759, 33632, 33653, 33654, 33468 and 6748 (part), Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan. | 17,180           | 3,820                                    | 1987                           | Freehold                                 | -                       | Nil         |
| Land for proposed condominium development   | Country lease No. 015146120, Minicipality and District of Kota 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           | 13,222                                   | 1992                           | Leasehold 99 years expiring on 15.9.2092 | -                       | Nil         |
| Plaza Alam Sentral - 7 storey shopping complex                                    | H.S. (D) 79956 P.T. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.   | 68,233           | 74,262                                   | 1992                           | Leasehold 99 years expiring on 15.9.2092 | 15                      | Yes         |
| Land for proposed high-end residential development at Batu Feringghi, Penang      | Lot 365, 366, 461 (PT 100), 465 and 467 (PT 102) Seksyen 1, Bandar Batu Feringghi, Daerah Timur Laut, Pulau Pinang.             | 13,520           | 28,659                                   | 2009                           | Freehold                                 | -                       | Nil         |

## PROPERTIES OF THE GROUP

31 December 2014

| Description / Existing Use   | Location   | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure                                   | 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           | 396,891                                  | 1999                           | Freehold                                 | 2                       | Yes         |
| Development land and infrastructure surrounding Kuala Lumpur Sentral station | Lot 74 Sek. 70 Mukim Bandar Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.  | 23,080           | 512,410                                  | 1999                           | Freehold                                 | -                       | Nil         |
| Industrial land  | Plot No. 143 & 145, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.  | 18,210           | 6,269                                    | 1997                           | Freehold                                 | -                       | Nil         |
| 4 storey shop office   | Sub Lot 4, 5 & 6 H.S. (D) 49729, Lot PT 33487, Taman Kajang Utama Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan.                        | 1,485            | 1,014                                    | 1999                           | Freehold                                 | 15                      | Nil         |
| 2 storey shop office   | Lot 55, HS (D) No. 6101, PT No. 7709 within Phase 1A of Dataran Iskandar, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan. | 156              | 180                                      | 2005                           | Leasehold 99 years expiring on 18.3.2102 | 12                      | Nil         |

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## PROPERTIES OF THE GROUP

31 December 2014

| Description / Existing Use                             | Location  | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure   | Age of Building (Years) | Encumbrance |
|--|---|------------------|--|--------------------------------|--|-------------------------|-------------|
| Several parcels of land for proposed mixed development | Lot 1210-1241<br>Lot 1271-1308,<br>Lot 1310-1393,<br>Lot 1399-1494,<br>PT 721-763,<br>PT 1647-1719,<br>PT 1723-1770,<br>PT 1771-1734,<br>PT 1989-1993,<br>PT 1997,<br>PT 1999-2003,<br>PT 2005-2012,<br>PT 2014-2023,<br>PT 2025-2026,<br>PT 2028-2030,<br>PT 3030-3049,<br>PT 3080<br>KM 36, Jalan Ipoh<br>Lumut, Bandar Seri<br>Iskandar, Bota,<br>District of Perak<br>Tengah, Perak<br>Darul Ridzuan. | 243,625          | 31,410                                   | 2001, 2002,<br>2009 & 2010     | Leasehold<br>99 years<br>expiring<br>between<br>13.3.2100 to<br>18.10.2109 | -                       | Nil         |
| Sooka Sentral - 6 storey clubhouse                     | Geran 46225,<br>Lot 77 Sek 70,<br>Bandar Kuala Lumpur<br>District of Kuala Lumpur,<br>Wilayah Persekutuan.  | 5,661            | 50,026                                   | 2007                           | Freehold   | 7                       | Yes         |
| Plaza Sentral corporate office suite                   | Suite 1B-G-1,<br>Suite 1B-3-1,<br>Suite 1B-3-2<br>Block 1B,<br>Plaza Sentral<br>Jalan Stesen<br>Sentral 5,<br>50470<br>Kuala Lumpur,<br>Wilayah Persekutuan.  | 759              | 2,287                                    | 2008                           | Freehold   | 8                       | Nil         |

## PROPERTIES OF THE GROUP

31 December 2014

| Description / Existing Use  | Location   | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure                                    | Age of Building (Years) | Encumbrance |
|---|--|------------------|--|--------------------------------|---|-------------------------|-------------|
| Menara Shell - 33 storey office block on 5 storey podium with 4 storey car park | Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.                             | 8,475            | 431,697                                  | 2007                           | Freehold                                  | 2                       | Yes         |
| Ascott Sentral - 21 storey block of service residence apartments                | Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.                             |                  | 96,828                                   | 2007                           | Freehold                                  | 1                       | 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          | 169,269                                  | 2011                           | Leasehold 99 years expiring on 4.7.2110   | -                       | Yes         |
| Land for proposed condominium development                                       | PN No: 27016, Lot 82, Seksyen 63, Bandar and Mukim of Kuala Lumpur, Wilayah Persekutuan.                         | 4,072            | 60,542                                   | 2011                           | Leasehold 99 years expiring on 9.8.2113   | -                       | Nil         |
| Commercial land for 32 storey office building and 3 storey basement car park    | HSD 277413, Lot PT11, Section 52, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.             | 8,326            | 137,148                                  | 2013                           | Leasehold 99 years expiring on 10.11.2110 | -                       | Yes         |

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31 December 2014

| Description / Existing Use  | Location  | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure                                   | Age of Building (Years) | Encumbrance |
|---|---|------------------|--|--------------------------------|--|-------------------------|-------------|
| Land for proposed commercial building   | Geran 803, Lot 19 Precint 2, Bandar Putrajaya, District of Putrajaya, Federal Territory of Putrajaya.     | 7,450            | 37,518                                   | 2013                           | Freehold                                 | -                       | Nil         |
| Land for proposed development   | GRN 163848, Lot 50700, Town of Subang Jaya, District of Petaling, Selangor Darul Ehsan.                   | 12,947           | 60,074                                   | 2013                           | Freehold                                 | -                       | Nil         |
| Land for proposed mixed development   | PT 68-69 & PT 8617 (partial), Section 98 Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan. | 39,138           | 78,431                                   | 2013                           | Leasehold 99 years expiring on 11.5.2109 | -                       | Nil         |
| Land for proposed development of two blocks of four and five storey residential buildings | 391, 393-399 Burwood Highway, 59 & 61 Middleborough Road, Burwood 3125, Melbourne, Australia.             | 5,025            | 25,746                                   | 2009                           | Freehold                                 | -                       | Nil         |
| Land for proposed commercial office and serviced apartment with car park                  | HS(D) 93833, PT 27759 Bukit Rahman Putra, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan. | 18,421           | 45,343                                   | 2014                           | Freehold                                 | -                       | Nil         |

## PROPERTIES OF THE GROUP

31 December 2014

| Description / Existing Use                                | Location  | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure                                    | Age of Building (Years) | Encumbrance |
|---|---|------------------|--|--------------------------------|---|-------------------------|-------------|
| Land for proposed residential development - Terrace house | H.S. (D) 95375, PT 29301 Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.                    | 22,293           | 23,713                                   | 2014                           | Freehold                                  | -                       | Nil         |
| Land for proposed residential development - Condominium   | H.S. (D) 93832, PT 27758 Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.                    | 16,647           | 16,503                                   | 2014                           | Freehold                                  | -                       | Nil         |
| 2 units of single storey warehouse                        | Plot No. 143, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.                                   | 1,490            | 925                                      | 2014                           | Freehold                                  | 1                       | Nil         |
| Land for proposed mixed development                       | Lot 12 Section 26, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.                       | 18,468           | 172,737                                  | 2010                           | Leasehold 99 years expiring on 09.02.2108 | -                       | Nil         |
| Land for proposed development of service apartment        | Lot 63-65, Lot 2246-2249 Seksyen 4, Bandar Betterworth, Daerah Seberang Seberang Perai Utara, Pulau Pinang. | 10,158           | 26,417                                   | 2013                           | Freehold                                  | -                       | Nil         |

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## PROPERTIES OF THE GROUP

31 December 2014

| Description / Existing Use                                   | Location   | Area (Sq.Metres) | Net Book Value as at 31/12/2014 (RM'000) | Date of Acquisition/ Valuation | Tenure   | Age of Building (Years) | Encumbrance |
|--|--|------------------|--|--------------------------------|--|-------------------------|-------------|
| Land under development for Bus terminal, Retail Mall & Hotel | Lot 235-238, Lot 389-391, Lot 776-789, 2211, Holding No.1020, Holding No.1052, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang. | 47,268           | 115,008                                  | 2014                           | Freehold   | -                       | Yes         |
|  | PT 711 Seksyen 4 Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.  |                  |  |                                | Freehold   | -                       | Nil         |
|  | Lot 368,3401 & 1753, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.   |                  |  |                                | Freehold   | -                       | Nil         |
|  | Lot 2627 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.   |                  |  |                                | Leasehold<br>60 years<br>expiring on<br>15.07.2070 | -                       | Nil         |
|  | PT 698 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.   |                  |  |                                | Leasehold<br>60 years<br>expiring on<br>27.09.2069 | -                       | Yes         |
|  | PT 709 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.   |                  |  |                                | Leasehold<br>99 years<br>expiring on<br>26.02.2111 | -                       | Yes         |



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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 2014.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

### FINANCIAL RESULTS

|  | Group<br>RM'000 | Company<br>RM'000 |
|--|-----------------|-------------------|
| Profit for the financial year attributable to: |                 |                   |
| Equity holders of the Company                  | 152,634         | 245,154           |
| Non controlling interests                      | 30,885          | -                 |
|  | 183,519         | 245,154           |

### DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2013 of 1.0% or 1 sen per ordinary share, amounting to RM17,601,183 on 23 July 2014.

The Directors recommend the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2014 of 2.5% or 2.5 sen per ordinary share, amounting to approximately RM44,665,000 at the date of this report 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' REPORT

### DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

|   |                              |
|---|------------------------------|
| Tan Sri Azlan Mohd Zainol (Chairman)                      |                              |
| Tan Sri Mohamad Salim Fateh Din (Group Managing Director) |                              |
| Datuk Shahril Ridza Ridzuan                               |                              |
| Dato' Abdul Rahman Ahmad                                  |                              |
| Dato' Chong Pah Aung                                      |                              |
| Dato' Ahmad Johari Tun Abdul Razak                        |                              |
| Jamaludin Zakaria   |                              |
| Rohaya Mohammad Yusof                                     |                              |
| Mohd Imran Tan Sri Mohamad Salim                          | (Appointed on 1 March 2015)  |
| Che King Tow  | (Resigned on 2 April 2014)   |
| Dato' Ishak Haji Mohamed                                  | (Resigned on 8 October 2014) |
| Tan Sri Ahmad Fuad Ismail                                 | (Resigned on 8 October 2014) |

In accordance with Articles 101 and 102 of the Company's Articles of Association, Dato' Abdul Rahman Ahmad, Dato' Chong Pah Aung and Jamaludin Zakaria retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 106 of the Company's Article of Association, Mohd Imran Tan Sri Mohamad Salim who was appointed to the Board during the period subsequent to the last Annual General Meeting of the Company, retire from office at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

### DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for options over shares granted by the Company to Executive Directors of the Group pursuant to the Employees' Share Option Scheme (ESOS).

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than Directors' remuneration and benefits disclosed in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS (CONTINUED)

According to the Register of Directors' Shareholdings, particulars of the interests of the Directors who held office at the end of the financial year in shares and warrants over shares in the Company and its related corporations were as follows:

| Company                          | No. of ordinary shares of RM1.00 each               |            |      |                  |
|----------------------------------|---|------------|------|------------------|
|                                  | At<br>1.1.2014                                      | Acquired   | Sold | At<br>31.12.2014 |
| <u>Direct</u>                    |   |            |      |                  |
| Datuk Shahril Ridza Ridzuan      | 500,000   | -          | -    | 500,000          |
| <u>Indirect</u>                  |   |            |      |                  |
| Tan Sri Mohamad Salim Fateh Din* | 206,635,604   | 65,284,419 | -    | 271,920,023      |
|                                  |   |            |      |                  |
|                                  | No. of warrants over ordinary shares of RM1.00 each |            |      |                  |
|                                  | At<br>1.1.2014                                      | Granted    | Sold | At<br>31.12.2014 |
| <u>Direct</u>                    |   |            |      |                  |
| Datuk Shahril Ridza Ridzuan      | 166,667   | -          | -    | 166,667          |
| <u>Indirect</u>                  |   |            |      |                  |
| Tan Sri Mohamad Salim Fateh Din* | 59,038,745  | 18,652,690 | -    | 77,691,435       |

\* Deemed interest by virtue of his shareholding in Gapurna Sdn. Bhd. which in turn holds an equity interest of 15.45% (2013: 12.51%) in the Company.

Mohd Imran Tan Sri Mohamad Salim who was appointed on 1 March 2015 as a Director of the Company has an indirect interest in the Company by virtue of his parent's shareholdings in Gapurna Sdn. Bhd. which holds an equity interest of 15.45% (2013: 12.51%) in the Company.

The other Directors in office at the end of the financial year did not hold any interest in shares and warrants over shares or debentures of the Company and its related corporations during the financial year.

### ISSUE OF SHARES AND WARRANTS

During the financial year, 108,807,365 new ordinary shares of RM1.00 each and 31,087,819 free detachable warrants were issued by the Company pursuant to the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. as reflected in Note 5 to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The salient terms of the free warrants are set out in Note 31 to the financial statements.

## 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 of the Company had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are set out in Note 31 to the financial statements.

There were no options being held by the Directors as at the date of this report.

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

## DIRECTORS' REPORT

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### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements 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 48 to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, except for the significant events subsequent to the financial year as disclosed in Note 49 to the financial statements.

### AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 31 March 2015.



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



**DATO' ABDUL RAHMAN AHMAD**  
Director

## STATEMENT BY DIRECTORS

pursuant to section 169(15) of the Companies Act, 1965

We, Tan Sri Mohamad Salim Fateh Din and Dato' Abdul Rahman Ahmad, two of the Directors of Malaysian Resources Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 198 to 335 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 2014 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

The information set out in Note 52 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to the Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

In accordance with a resolution of the Board of Directors dated 31 March 2015.



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



**DATO' ABDUL RAHMAN AHMAD**  
Director

## STATUTORY DECLARATION

pursuant to section 169(16) of the Companies Act, 1965

I, Ann Wan Tee, the Officer primarily responsible for the financial management of Malaysian Resources Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 198 to 336 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



**ANN WAN TEE**

Subscribed and solemnly declared by the above named Ann Wan Tee at Kuala Lumpur, Malaysia on 31 March 2015.

Before me,



COMMISSIONER FOR OATHS

## INDEPENDENT AUDITORS' REPORT

to the members of Malaysian Resources Corporation Berhad (Incorporated in Malaysia)(Company No. 7994 D)

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### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Malaysian Resources Corporation Berhad on pages 198 to 335, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 51.

#### Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

## 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 of subsidiaries of which we have not acted as auditors, which are indicated in Note 46 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER REPORTING RESPONSIBILITIES

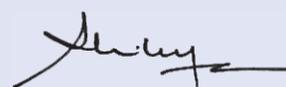
The supplementary information set out in Note 52 on page 336 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants



**SHIRLEY GOH**  
(No. 1778/08/16(J))  
Chartered Accountant

Kuala Lumpur  
31 March 2015

## STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Continuing operations</u>                              |      |                |                |                |                |
| Revenue   | 6    | 1,514,767      | 940,910        | 284,152        | 240,797        |
| Cost of sales   | 7    | (1,145,012)    | (915,758)      | (82,278)       | (111,750)      |
| Gross profit  |      | 369,755        | 25,152         | 201,874        | 129,047        |
| Other income  | 8    | 219,009        | 128,282        | 132,217        | 4,655          |
| Selling and distribution costs                            |      | (39,689)       | (14,168)       | (1,123)        | (270)          |
| Administrative expenses                                   |      | (109,799)      | (78,412)       | (50,219)       | (33,332)       |
| Other operating expenses:                                 |      |                |                |                |                |
| - (allowance for)/write back of impairment losses         |      | (2,696)        | (761)          | 2,858          | (50,917)       |
| - write back of/(allowance for) impairment of receivables |      |                |                |                |                |
| • subsidiaries  |      | -              | -              | 6,022          | 15,935         |
| • others  |      | (816)          | (1,188)        | (3)            | 11             |
| - others  |      | (58,058)       | (49,892)       | (18,186)       | (12,864)       |
| Finance income  | 8    | 38,409         | 23,494         | 6,985          | 13,255         |
| Finance costs   | 12   | (171,193)      | (147,905)      | (29,236)       | (19,075)       |
| Share of results of associates                            | 20   | 12,252         | 6,010          | -              | -              |
| Share of results of joint venture                         | 21   | (36,556)       | (979)          | -              | -              |
| Profit/(loss) before income tax                           | 9    | 220,618        | (110,367)      | 251,189        | 46,445         |
| Income tax expense  | 13   | (53,276)       | (12,481)       | (6,035)        | (26,465)       |
| Profit/(loss) from continuing operations                  |      | 167,342        | (122,848)      | 245,154        | 19,980         |
| <u>Discontinuing operations</u>                           |      |                |                |                |                |
| Profit from discontinuing operations (net of tax)         | 51   | 16,177         | 4,897          | -              | -              |
| Profit/(loss) for the financial year                      |      | 183,519        | (117,951)      | 245,154        | 19,980         |

## STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Profit/(loss) for the financial year   |      | 183,519        | (117,951)      | 245,154        | 19,980         |
| Other comprehensive loss for the financial year, net of tax:   |      |                |                |                |                |
| Item that may be reclassified subsequently to comprehensive income   |      |                |                |                |                |
| - currency translation differences   |      | (148)          | (939)          | -              | -              |
| Item that will not be reclassified subsequently to comprehensive income  |      |                |                |                |                |
| - re-measurement of post-employment benefit obligations  | 36   | (2,242)        | (275)          | (2,151)        | (84)           |
| Total comprehensive income/(loss) for the financial year, net of tax   |      | 181,129        | (119,165)      | 243,003        | 19,896         |
| Profit/(loss) for the financial year attributable to:  |      |                |                |                |                |
| Equity holders of the Company  |      |                |                |                |                |
| - from continuing operations   |      | 136,457        | (114,029)      | 245,154        | 19,980         |
| - from discontinuing operations  | 51   | 16,177         | 4,897          | -              | -              |
| Non controlling interests  | 19   | 152,634        | (109,132)      | 245,154        | 19,980         |
|  |      | 30,885         | (8,819)        | -              | -              |
|  |      | 183,519        | (117,951)      | 245,154        | 19,980         |
| Total comprehensive income/(loss) for the financial year attributable to:  |      |                |                |                |                |
| Equity holders of the Company  |      |                |                |                |                |
| - from continuing operations   |      | 133,944        | (114,957)      | 243,003        | 19,896         |
| - from discontinuing operations  | 51   | 16,177         | 4,897          | -              | -              |
| Non controlling interests  | 19   | 150,121        | (110,060)      | 243,003        | 19,896         |
|  |      | 31,008         | (9,105)        | -              | -              |
|  |      | 181,129        | (119,165)      | 243,003        | 19,896         |
| Earnings/(loss) per share attributable to the ordinary equity holders of the Company during the financial year (sen) |      |                |                |                |                |
| Basic and diluted earnings/(loss)  | 14   |                |                |                |                |
| - from continuing operations   |      | 7.99           | (7.71)         |                |                |
| - from discontinuing operations  |      | 0.94           | 0.33           |                |                |

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

|   | Note  | Group            |                  | Company          |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2014<br>RM'000   | 2013<br>RM'000   | 2014<br>RM'000   | 2013<br>RM'000   |
| <b>ASSETS</b>   |       |                  |                  |                  |                  |
| Non current assets                                    |       |                  |                  |                  |                  |
| Property, plant and equipment                         | 15    | 228,586          | 37,879           | 1,581            | 2,729            |
| Investment properties                                 | 16    | 812,958          | 857,481          | 55,095           | 55,985           |
| Land held for property development                    | 17(a) | 1,041,962        | 818,996          | -                | -                |
| Service concession asset                              | 18(b) | 1,237,295        | -                | -                | -                |
| Subsidiaries  | 19    | -                | -                | 1,518,760        | 1,117,272        |
| Associates  | 20    | 84,240           | 90,957           | 78,255           | 98,345           |
| Joint venture   | 21    | 58,432           | 94,988           | 102,000          | 102,000          |
| Long term loan and receivables                        | 22    | 5,924            | 531,909          | 15,000           | 15,000           |
| Available for sale financial assets                   | 23    | 577              | 577              | 577              | 577              |
| Intangible assets                                     | 24    | 271,787          | 291,100          | -                | -                |
| Deferred tax assets                                   | 25    | 35,784           | 33,513           | -                | -                |
|   |       | 3,777,545        | 2,757,400        | 1,771,268        | 1,391,908        |
| Current assets  |       |                  |                  |                  |                  |
| Inventories   | 26    | 42,626           | 8,399            | 7,220            | 7,220            |
| Property development costs                            | 17(b) | 831,524          | 716,443          | -                | -                |
| Trade and other receivables                           | 27    | 1,314,032        | 649,160          | 165,703          | 82,651           |
| Amounts due from subsidiaries                         | 27    | -                | -                | 1,031,638        | 831,768          |
| Amounts due from joint venture                        | 27    | 5,813            | 537              | 14,736           | 14,799           |
| Tax recoverable                                       |       | 4,649            | 10,480           | -                | 2,241            |
| Financial assets at fair value through profit or loss | 29    | 3,229            | 4,533            | 3,229            | 4,533            |
| Deposits, cash and bank balances                      | 30    | 660,688          | 603,435          | 123,877          | 137,553          |
|   |       | 2,862,561        | 1,992,987        | 1,346,403        | 1,080,765        |
| Assets held for sale                                  | 18(a) | 401,817          | 1,852,337        | -                | 128,848          |
| <b>Total assets</b>                                   |       | <b>7,041,923</b> | <b>6,602,724</b> | <b>3,117,671</b> | <b>2,601,521</b> |
| <b>EQUITY</b>   |       |                  |                  |                  |                  |
| Equity attributable to equity holders of the Company  |       |                  |                  |                  |                  |
| Share capital   | 31    | 1,760,178        | 1,651,311        | 1,760,178        | 1,651,311        |
| Share premium   | 32    | 323,986          | 247,780          | 323,986          | 247,780          |
| (Accumulated losses)/retained earnings                |       | (154,845)        | (275,056)        | 38,771           | (189,170)        |
| Other reserves  |       | 55,937           | 51,381           | 26,285           | 21,367           |
|   |       | 1,985,256        | 1,675,416        | 2,149,220        | 1,731,288        |
| Non controlling interests                             | 19    | 79,253           | 61,318           | -                | -                |
| <b>Total equity</b>                                   |       | <b>2,064,509</b> | <b>1,736,734</b> | <b>2,149,220</b> | <b>1,731,288</b> |

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

|   | Note  | Group            |                  | Company          |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2014<br>RM'000   | 2013<br>RM'000   | 2014<br>RM'000   | 2013<br>RM'000   |
| <b>LIABILITIES</b>                              |       |                  |                  |                  |                  |
| Non current liabilities                         |       |                  |                  |                  |                  |
| Loan stocks at cost                             | 33    | 7,000            | 7,000            | -                | -                |
| Provision for other liabilities and charges     | 34    | -                | 10,609           | -                | -                |
| Senior and Junior Sukuk                         | 35    | 1,058,459        | -                | -                | -                |
| Post-employment benefit obligations             | 36    | 16,539           | 16,396           | 6,895            | 5,102            |
| Long term borrowings                            | 37    | 1,234,681        | 908,986          | 510,186          | 399,000          |
| Long term liabilities                           | 38    | 3                | 123              | -                | -                |
| Deferred tax liabilities                        | 25    | 90,219           | 95,068           | -                | -                |
|   |       | 2,406,901        | 1,038,182        | 517,081          | 404,102          |
| Current liabilities                             |       |                  |                  |                  |                  |
| Provisions for other liabilities and charges    | 34    | 43,734           | 81,363           | -                | 28,200           |
| Trade and other payables                        | 39    | 1,114,979        | 1,020,749        | 88,188           | 78,825           |
| Amounts due to subsidiaries                     | 39    | -                | -                | 137,565          | 124,106          |
| Current tax liabilities                         |       | 14,674           | 9,639            | 617              | -                |
| Senior and Junior Sukuk                         | 35    | -                | 1,058,462        | -                | -                |
| Short term borrowings                           | 41    | 1,390,521        | 1,535,851        | 225,000          | 120,000          |
| Guaranteed return to a non controlling interest | 42    | -                | 115,000          | -                | 115,000          |
|   |       | 2,563,908        | 3,821,064        | 451,370          | 466,131          |
| Liabilities associated with asset held for sale | 18(a) | 6,605            | 6,744            | -                | -                |
| <b>Total liabilities</b>                        |       | <b>4,977,414</b> | <b>4,865,990</b> | <b>968,451</b>   | <b>870,233</b>   |
| <b>Total equity and liabilities</b>             |       | <b>7,041,923</b> | <b>6,602,724</b> | <b>3,117,671</b> | <b>2,601,521</b> |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

|   | Attributable to equity holders of the Company |                                |                            |                                |                           |              |                                  | Total equity RM'000 |
|---|---|--------------------------------|----------------------------|--------------------------------|---------------------------|--------------|----------------------------------|---------------------|
|   | Share capital (Note 31) RM'000                | Share premium (Note 32) RM'000 | Revaluation reserve RM'000 | Other reserve (Note(a)) RM'000 | Accumulated losses RM'000 | Total RM'000 | Non controlling interests RM'000 |                     |
| At 1 January 2014   | 1,651,311                                     | 247,780                        | 28,090                     | 23,291                         | (275,056)                 | 1,675,416    | 61,318                           | 1,736,734           |
| <u>Comprehensive profit</u>                               | -   | -                              | -                          | -                              | -                         | -            | -                                | -                   |
| - Profit for the financial year                           | -   | -                              | -                          | -                              | 152,634                   | 152,634      | 30,885                           | 183,519             |
| <u>Other comprehensive income/(losses)</u>                | -   | -                              | -                          | (257)                          | -                         | (257)        | 109                              | (148)               |
| - Currency translation differences                        | -   | -                              | -                          | (257)                          | -                         | (257)        | 109                              | (148)               |
| - Actuarial loss on post employment benefit obligations   | -   | -                              | -                          | (2,256)                        | -                         | (2,256)      | 14                               | (2,242)             |
| Total comprehensive income/(losses)                       | -   | -                              | -                          | (2,513)                        | 152,634                   | 150,121      | 31,008                           | 181,129             |
| <u>Transactions with owners</u>                           |   |                                |                            |                                |                           |              |                                  |                     |
| Issued upon acquisition of a subsidiary (Note 5(i))       | 108,807                                       | 76,165                         | -                          | -                              | -                         | 184,972      | 95,478                           | 280,450             |
| - ordinary shares   | -   | -                              | -                          | 7,461                          | -                         | 7,461        | -                                | 7,461               |
| - warrants  | -   | -                              | -                          | -                              | -                         | -            | -                                | -                   |
| Issue of share  | 60  | 37                             | -                          | -                              | -                         | 97           | -                                | 97                  |
| - exercise ESOS options                                   | -   | -                              | -                          | -                              | -                         | -            | -                                | -                   |
| Acquisition of additional equity interest in subsidiaries | -   | -                              | -                          | -                              | (15,210)                  | (15,210)     | (107,894)                        | (123,104)           |
| Employees' share option scheme (Note 31)                  | -   | 4                              | -                          | (4)                            | -                         | -            | -                                | -                   |
| - options exercised                                       | -   | -                              | -                          | (388)                          | 388                       | -            | -                                | -                   |
| - options lapsed  | -   | -                              | -                          | -                              | -                         | -            | -                                | -                   |
| Dividends (Note 50)                                       | -   | -                              | -                          | -                              | (17,601)                  | (17,601)     | -                                | (17,601)            |
| - financial year ended 31 December 2013                   | -   | -                              | -                          | -                              | (17,601)                  | (17,601)     | -                                | (17,601)            |
| Profit distribution                                       | -   | -                              | -                          | -                              | -                         | -            | (657)                            | (657)               |
| - financial year ended 31 December 2014                   | -   | -                              | -                          | -                              | -                         | -            | (657)                            | (657)               |
| Total transactions with owners                            | 108,867                                       | 76,206                         | -                          | 7,069                          | (32,423)                  | 159,719      | (13,073)                         | 146,646             |
| At 31 December 2014                                       | 1,760,178                                     | 323,986                        | 28,090                     | 27,847                         | (154,845)                 | 1,985,256    | 79,253                           | 2,064,509           |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

|   | Attributable to equity holders of the Company |   |                                  |   |                                 |                 |                           | Non<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
|---|---|---|----------------------------------|---|---------------------------------|-----------------|---------------------------|---|---------------------------|
|   | Share<br>capital<br>(Note 31)<br>RM'000       | Share<br>premium<br>(Note 32)<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Other<br>reserve<br>(Note(a))<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 | Total<br>equity<br>RM'000 |   |                           |
| At 1 January 2013                                       | 1,387,811                                     | 134,475                                 | 28,090                           | 4,179                                   | (140,759)                       | 1,413,796       | 69,134                    | 1,482,930                                 |                           |
| <b>Comprehensive loss</b>                               | -   | -                                       | -                                | -                                       | (109,132)                       | (109,132)       | (8,819)                   | (117,951)                                 |                           |
| - Loss for the financial year                           | -   | -                                       | -                                | -                                       | (109,132)                       | (109,132)       | (8,819)                   | (117,951)                                 |                           |
| <b>Other comprehensive losses</b>                       | -   | -                                       | -                                | (657)                                   | -                               | (657)           | (282)                     | (939)                                     |                           |
| - Currency translation differences                      | -   | -                                       | -                                | (657)                                   | -                               | (657)           | (282)                     | (939)                                     |                           |
| - Actuarial loss on post employment benefit obligations | -   | -                                       | -                                | (271)                                   | -                               | (271)           | (4)                       | (275)                                     |                           |
| <b>Total comprehensive losses</b>                       | -   | -                                       | -                                | (928)                                   | (109,132)                       | (110,060)       | (9,105)                   | (119,165)                                 |                           |
| <b>Transactions with owners</b>                         | -   | -                                       | -                                | -                                       | -                               | -               | -                         | -   |                           |
| Issued upon acquisition of subsidiaries (Note 5)        | 263,500                                       | 113,305                                 | -                                | -                                       | -                               | 376,805         | -                         | 376,805                                   |                           |
| - ordinary shares                                       | -   | -                                       | -                                | 19,574                                  | -                               | 19,574          | -                         | 19,574                                    |                           |
| - warrants  | -   | -                                       | -                                | -                                       | -                               | -               | -                         | -   |                           |
| Acquisition of a subsidiary                             | -   | -                                       | -                                | -                                       | -                               | -               | 1,491                     | 1,491                                     |                           |
| Employees' share option scheme (Note 31)                | -   | -                                       | -                                | 1,669                                   | -                               | 1,669           | -                         | 1,669                                     |                           |
| - options granted                                       | -   | -                                       | -                                | 1,669                                   | -                               | 1,669           | -                         | 1,669                                     |                           |
| - options lapsed  | -   | -                                       | -                                | (1,203)                                 | 1,203                           | -               | -                         | -   |                           |
| Dividends (Note 50)                                     | -   | -                                       | -                                | -                                       | (26,368)                        | (26,368)        | -                         | (26,368)                                  |                           |
| - financial year ended 31 December 2012                 | -   | -                                       | -                                | -                                       | (26,368)                        | (26,368)        | -                         | (26,368)                                  |                           |
| - financial year ended 31 December 2013                 | -   | -                                       | -                                | -                                       | -                               | -               | (202)                     | (202)                                     |                           |
| <b>Total transactions with owners</b>                   | 263,500                                       | 113,305                                 | -                                | 20,040                                  | (25,165)                        | 371,680         | 1,289                     | 372,969                                   |                           |
| At 31 December 2013                                     | 1,651,311                                     | 247,780                                 | 28,090                           | 23,291                                  | (275,056)                       | 1,675,416       | 61,318                    | 1,736,734                                 |                           |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

**Note (a)**

**Other reserves**

|   | Other reserves<br>RM'000 | Currency translation differences<br>RM'000 | Share option reserve<br>RM'000 | Warrant reserve<br>RM'000 | Retirement benefit reserve<br>RM'000 | Total<br>RM'000 |
|---|--------------------------|--|--------------------------------|---------------------------|--------------------------------------|-----------------|
| At 1 January 2014                                       | 1,666                    | 445  | 1,877                          | 19,574                    | (271)                                | 23,291          |
| <u>Other comprehensive loss</u>                         |                          |  |                                |                           |                                      |                 |
| - Currency translation differences                      | -                        | (257)                                      | -                              | -                         | -                                    | (257)           |
| - Actuarial loss on post employment benefit obligations | -                        | -  | -                              | -                         | (2,256)                              | (2,256)         |
| Total other comprehensive loss                          | -                        | (257)                                      | -                              | -                         | (2,256)                              | (2,513)         |
| <u>Transaction with owners</u>                          |                          |  |                                |                           |                                      |                 |
| Issued upon acquisition of a subsidiary (Note 5)        | -                        | -  | -                              | 7,461                     | -                                    | 7,461           |
| Employees' share option scheme (Note 31)                |                          |  |                                |                           |                                      |                 |
| - options exercised                                     | -                        | -  | (4)                            | -                         | -                                    | (4)             |
| - options lapsed  | -                        | -  | (388)                          | -                         | -                                    | (388)           |
| Total transactions with owners                          | -                        | -  | (392)                          | 7,461                     | -                                    | 7,069           |
| At 31 December 2014                                     | 1,666                    | 188  | 1,485                          | 27,035                    | (2,527)                              | 27,847          |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

### Note (a)

#### Other reserves

|  | Other<br>reserves<br>RM'000 | Currency<br>translation<br>differences<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Warrant<br>reserve<br>RM'000 | Retirement<br>benefit<br>reserve<br>RM'000 | Total<br>RM'000 |
|--|-----------------------------|--|--------------------------------------|------------------------------|--|-----------------|
| At 1 January 2013  | 1,666                       | 1,102  | 1,411                                | -                            | -  | 4,179           |
| <u>Other comprehensive loss</u>                            |                             |  |                                      |                              |  |                 |
| - Currency translation differences                         | -                           | (657)  | -                                    | -                            | -  | (657)           |
| - Actuarial loss on post employment<br>benefit obligations | -                           | -  | -                                    | -                            | (271)                                      | (271)           |
| Total other comprehensive loss                             | -                           | (657)  | -                                    | -                            | (271)                                      | (928)           |
| <u>Transaction with owners</u>                             |                             |  |                                      |                              |  |                 |
| Issued upon acquisition of<br>subsidiaries (Note 5)        | -                           | -  | -                                    | 19,574                       | -  | 19,574          |
| Employees' share option scheme (Note 31)                   |                             |  |                                      |                              |  |                 |
| - options granted  | -                           | -  | 1,669                                | -                            | -  | 1,669           |
| - options lapsed   | -                           | -  | (1,203)                              | -                            | -  | (1,203)         |
| Total transactions with owners                             | -                           | -  | 466                                  | 19,574                       | -  | 20,040          |
| At 31 December 2013  | 1,666                       | 445  | 1,877                                | 19,574                       | (271)                                      | 23,291          |

## COMPANY STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

|   | Share<br>capital<br>(Note 31)<br>RM'000 | Share<br>premium<br>(Note 32)<br>RM'000 | Other<br>reserve<br>(Note(b))<br>RM'000 | Retained<br>earnings/<br>Accumulated<br>losses<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|--|-----------------|
| At 1 January 2014                                       | 1,651,311                               | 247,780                                 | 21,367                                  | (189,170)  | 1,731,288       |
| <u>Comprehensive income</u>                             |   |   |   |  |                 |
| - Profit for the financial year                         | -                                       | -                                       | -                                       | 245,154  | 245,154         |
| <u>Other comprehensive loss</u>                         |   |   |   |  |                 |
| - Actuarial loss on post-employment benefit obligations | -                                       | -                                       | (2,151)                                 | -  | (2,151)         |
| Total other comprehensive income/(loss)                 | -                                       | -                                       | (2,151)                                 | 245,154  | 243,003         |
| <u>Transactions with owners</u>                         |   |   |   |  |                 |
| Issued upon acquisition of a subsidiary (Note 5)        |   |   |   |  |                 |
| - ordinary shares                                       | 108,807                                 | 76,165                                  | -                                       | -  | 184,972         |
| - warrants  | -                                       | -                                       | 7,461                                   | -  | 7,461           |
| Issue of ordinary shares                                |   |   |   |  |                 |
| - exercise ESOS options                                 | 60                                      | 37                                      | -                                       | -  | 97              |
| Employees' share option scheme (Note 31)                |   |   |   |  |                 |
| - options exercised                                     | -                                       | 4                                       | (4)                                     | -  | -               |
| - options lapsed  | -                                       | -                                       | (388)                                   | 388  | -               |
| Dividend (Note 50)                                      |   |   |   |  |                 |
| - financial year ended 31 December 2013                 | -                                       | -                                       | -                                       | (17,601)   | (17,601)        |
| Total transactions with owners                          | 108,867                                 | 76,206                                  | 7,069                                   | (17,213)   | 174,929         |
| At 31 December 2014                                     | 1,760,178                               | 323,986                                 | 26,285                                  | 38,771   | 2,149,220       |

## COMPANY STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

|   | Share<br>capital<br>(Note 31)<br>RM'000 | Share<br>premium<br>(Note 32)<br>RM'000 | Other<br>reserve<br>(Note(b))<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---------------------------------|-----------------|
| At 1 January 2013                                       | 1,387,811                               | 134,475                                 | 1,411                                   | (183,985)                       | 1,339,712       |
| <u>Comprehensive income</u>                             |   |   |   |                                 |                 |
| - Profit for the financial year                         | -                                       | -                                       | -                                       | 19,980                          | 19,980          |
| <u>Other comprehensive loss</u>                         |   |   |   |                                 |                 |
| - Actuarial loss on post-employment benefit obligations | -                                       | -                                       | (84)                                    | -                               | (84)            |
| Total other comprehensive (loss)/income                 | -                                       | -                                       | (84)                                    | 19,980                          | 19,896          |
| <u>Transactions with owners</u>                         |   |   |   |                                 |                 |
| Issued upon acquisition of subsidiaries (Note 5)        |   |   |   |                                 |                 |
| -ordinary shares  | 263,500                                 | 113,305                                 | -                                       | -                               | 376,805         |
| -warrants   | -                                       | -                                       | 19,574                                  | -                               | 19,574          |
| Employees' share option scheme (Note 31)                |   |   |   |                                 |                 |
| - options granted                                       | -                                       | -                                       | 1,669                                   | -                               | 1,669           |
| - options lapsed  | -                                       | -                                       | (1,203)                                 | 1,203                           | -               |
| Dividend (Note 50)                                      |   |   |   |                                 |                 |
| - financial year ended 31 December 2012                 | -                                       | -                                       | -                                       | (26,368)                        | (26,368)        |
| Total transactions with owners                          | 263,500                                 | 113,305                                 | 20,040                                  | (25,165)                        | 371,680         |
| At 31 December 2013                                     | 1,651,311                               | 247,780                                 | 21,367                                  | (189,170)                       | 1,731,288       |

## COMPANY STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

### Note (b)

#### Other reserves

|   | Share<br>option<br>reserve<br>RM'000 | Warrant<br>reserve<br>RM'000 | Retirement<br>benefit<br>reserves<br>RM'000 | Total<br>RM'000 |
|---|--------------------------------------|------------------------------|---|-----------------|
| At 1 January 2014                                       | 1,877                                | 19,574                       | (84)  | 21,367          |
| <u>Other comprehensive loss</u>                         |                                      |                              |   |                 |
| - Actuarial loss on post-employment benefit obligations | -                                    | -                            | (2,151)                                     | (2,151)         |
| Total other comprehensive loss                          | -                                    | -                            | (2,151)                                     | (2,151)         |
| <u>Transactions with owners</u>                         |                                      |                              |   |                 |
| Issued upon acquisition of a subsidiary (Note 5)        | -                                    | 7,461                        | -   | 7,461           |
| Employees' share option scheme (Note 31)                |                                      |                              |   |                 |
| - options exercised                                     | (4)                                  | -                            | -   | (4)             |
| - options lapsed  | (388)                                | -                            | -   | (388)           |
| Total transactions with owners                          | (392)                                | 7,461                        | -   | 7,069           |
| At 31 December 2014                                     | 1,485                                | 27,035                       | (2,235)                                     | 26,285          |
| At 1 January 2013                                       | 1,411                                | -                            | -   | 1,411           |
| <u>Other comprehensive loss</u>                         |                                      |                              |   |                 |
| - Actuarial loss on post-employment benefit obligations | -                                    | -                            | (84)  | (84)            |
| Total other comprehensive loss                          | -                                    | -                            | (84)  | (84)            |
| <u>Transactions with owners</u>                         |                                      |                              |   |                 |
| Issued upon acquisition of subsidiaries (Note 5)        | -                                    | 19,574                       | -   | 19,574          |
| Employees' share option scheme (Note 31)                |                                      |                              |   |                 |
| - options granted                                       | 1,669                                | -                            | -   | 1,669           |
| - options lapsed  | (1,203)                              | -                            | -   | (1,203)         |
| Total transactions with owners                          | 466                                  | 19,574                       | -   | 20,040          |
| At 31 December 2013                                     | 1,877                                | 19,574                       | (84)  | 21,367          |

## STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

|   | Note  | Group          |                | Company        |                |
|---|-------|----------------|----------------|----------------|----------------|
|   |       | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| OPERATING ACTIVITIES  |       |                |                |                |                |
| Profit/(loss) from operations   |       | 136,457        | (114,029)      | 245,154        | 19,980         |
| Adjustments for:  |       |                |                |                |                |
| Tax   |       | 53,276         | 12,481         | 6,035          | 26,465         |
| Non controlling interests   |       | 30,885         | (8,819)        | -              | -              |
| Share of results of   |       |                |                |                |                |
| - associates  |       | (12,252)       | (6,010)        | -              | -              |
| - joint venture   |       | 36,556         | 979            | -              | -              |
| Dividend income   | 6     | (279)          | (225)          | (142,139)      | (109,906)      |
| Finance income  | 8     | (38,409)       | (23,494)       | (6,985)        | (13,255)       |
| Gain on disposal  |       |                |                |                |                |
| - a subsidiary  | 8     | (236)          | -              | (1,310)        | -              |
| - an associate  | 8     | (94,868)       | -              | (94,868)       | -              |
| Re-measurement gain arising from step acquisition of a subsidiary                 | 8     | (7,326)        | -              | -              | -              |
| Employees' share option scheme  |       |                |                |                |                |
| - value of service provided   | 10    | -              | 1,669          | -              | 350            |
| Finance costs   | 12    | 171,193        | 147,905        | 29,236         | 19,075         |
| Fair value adjustment to financial assets at inception                            |       | 929            | 58,046         | 6,020          | -              |
| Impairment/(write back) on investments in   |       |                |                |                |                |
| - subsidiaries  | 19    | -              | -              | (4,245)        | 51,391         |
| - property development costs  | 17(b) | -              | 326            | -              | -              |
| - goodwill  | 24    | 1,309          | 1,321          | -              | -              |
| Fair value profit/(loss) of financial assets at fair value through profit or loss |       | 1,387          | (560)          | 1,387          | (474)          |
| Bad debt recovered  |       | -              | (56)           | -              | (56)           |
| Provision for/(write back) of receivables and amount due from subsidiaries        |       | 816            | 1,188          | (6,019)        | (15,946)       |
| Property, plant and equipment   |       |                |                |                |                |
| - depreciation  |       | 12,592         | 8,739          | 1,278          | 1,240          |
| - written off   |       | 667            | -              | 0              | -              |
| - net (gain)/loss on disposal   |       | (71)           | 7              | -              | 0              |
| Depreciation of investment properties   |       | 13,689         | 8,735          | 890            | 891            |
| Amortisation of intangible assets   |       |                |                |                |                |
| - service concession asset  | 18(a) | 21,422         | -              | -              | -              |
| - order book  | 24    | 4,736          | 3,685          | -              | -              |
| Provision for   |       |                |                |                |                |
| - liabilities and charges   | 34    | (15,971)       | 38,740         | (18,200)       | 12,450         |
| - post-employment benefits  | 36    | 2,141          | 1,845          | 729            | 621            |
| Gain on disposal of financial assets at fair value through profit or loss         |       | -              | 11             | -              | -              |
| Unrealised losses on currency translation differences                             |       | 198            | 518            | 272            | 518            |
| Write back of long outstanding payables   |       | -              | (4,096)        | -              | (2,453)        |
| Realised gain on transactions with an associate                                   |       | (905)          | (2,209)        | -              | -              |

## STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Operating profit/(loss) from operations before changes in working capital  |      | 317,936        | 126,697        | 17,235         | (9,109)        |
| Changes in working capital:  |      |                |                |                |                |
| Property development costs   |      | 110,437        | (207,767)      | -              | -              |
| Inventories  |      | (34,228)       | 1,350          | -              | -              |
| Receivables  |      | (273,989)      | 258,549        | (87,208)       | (24,689)       |
| Amounts due from subsidiaries (net)  |      | -              | -              | 1,449          | (39,321)       |
| Amounts due from joint venture (net)   |      | (5,276)        | 212            | 64             | 11,806         |
| Amounts due to related parties (net)   |      | -              | -              | (121)          | (7)            |
| Payables   |      | 120,088        | 86,746         | 7,393          | 31,282         |
| Net cash flow from operations  |      | 234,968        | 265,787        | (61,188)       | (30,038)       |
| Interest income received   |      | 7,494          | 14,292         | 2,701          | 5,371          |
| Dividends received from  |      |                |                |                |                |
| - subsidiaries   |      | -              | -              | 2,245          | 82,272         |
| - financial assets at fair value through profit or loss  |      | 229            | 245            | 229            | 245            |
| Tax refunded   |      | 10,666         | 8,842          | 2,384          | -              |
| Tax paid   |      | (63,615)       | (30,389)       | (5,562)        | -              |
| Interest expenses paid   |      | (180,605)      | (172,677)      | (26,644)       | (18,874)       |
| Credit facilities arrangement fees paid  |      | (7,294)        | (1,758)        | (5,450)        | (238)          |
| Retirement benefits paid   |      | (3,719)        | (2,805)        | (1,087)        | (929)          |
| Liability and charges paid   |      | (16,822)       | (7,266)        | (10,000)       | -              |
| Payment of guaranteed return to a non controlling interest (Pledged)/released of bank balances and fixed deposits as security for borrowings |      | (115,000)      | -              | (115,000)      | -              |
|  |      | (57,953)       | (48,138)       | (50,510)       | 24,993         |
| Net cash flow from operations  |      | (191,651)      | 26,133         | (267,882)      | 62,802         |
| Net cash flow from discontinuing operations  | 51   | 13,527         | 16,431         | -              | -              |
| Net cash flow (used in)/generated from operating activities  |      | (178,124)      | 42,564         | (267,882)      | 62,802         |

## STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

|   | Note | Group     |           | Company   |           |
|---|------|-----------|-----------|-----------|-----------|
|   |      | 2014      | 2013      | 2014      | 2013      |
| <b>INVESTING ACTIVITIES</b>                                   |      |           |           |           |           |
| Redemption of preference shares in a subsidiary               |      | -         | -         | 14,700    | 9,175     |
| Redemption of Junior Bonds in an associate                    |      | -         | 15,000    | -         | 15,000    |
| Proceeds from capital reduction of an associate               |      | -         | 1,245     | -         | 1,245     |
| Net cash inflow from disposal of a subsidiary                 |      | 3,749     | -         | 3,749     | -         |
| Proceeds from disposal of asset held for sale                 |      | 228,000   | -         | 228,000   | -         |
| Proceeds from disposal of property, plant and equipment       |      | 77        | 45        | -         | 0         |
| Purchase of property, plant and equipment                     |      | (44,130)  | (7,005)   | (130)     | (2,319)   |
| Purchase of investment properties                             |      | (38,375)  | (155,991) | -         | -         |
| Purchase for land held for property development               |      | (85,968)  | -         | -         | -         |
| Balance of payment for disposal of a subsidiary in prior year |      | 45,000    | -         | -         | -         |
| Payment for additional equity interest in subsidiaries        |      | (48,478)  | (73,741)  | (67,711)  | -         |
| Subscription of shares in                                     |      |           |           |           |           |
| - subsidiaries  |      | (22,733)  | -         | (28,719)  | (93,351)  |
| - associate   |      | (21,560)  | (22,600)  | (21,560)  | (22,600)  |
| - long term loan and receivables                              |      | -         | (54,000)  | -         | (84,000)  |
| Acquisition of available for sale financial assets            |      | (83)      | -         | (83)      | (268)     |
| Repayment of advances by subsidiaries                         |      | -         | -         | 139,112   | 33,135    |
| Advances to subsidiaries                                      |      | -         | -         | (267,159) | (108,575) |
| Net cash flow generated from/(used in) investing activities   |      | 15,499    | (297,047) | 199       | (252,558) |
| <b>FINANCING ACTIVITIES</b>                                   |      |           |           |           |           |
| Proceeds from term loans                                      |      | 669,840   | 808,383   | 328,000   | 115,000   |
| Repayment of term loans                                       |      | (489,364) | (616,625) | (107,000) | -         |
| Proceeds from share options exercised                         |      | 97        | -         | 97        | -         |
| Dividend paid   |      | (17,601)  | (26,570)  | (17,601)  | (26,368)  |
| Profit distribution by a joint venture                        |      | (657)     | -         | -         | -         |
| Net cash flow generated from financing activities             |      | 162,315   | 165,188   | 203,496   | 88,632    |
| CHANGES IN CASH AND CASH EQUIVALENTS                          |      | (310)     | (89,295)  | (64,187)  | (101,124) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR  |      | 308,520   | 397,815   | 105,331   | 206,455   |
| CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR         | 30   | 308,210   | 308,520   | 41,144    | 105,331   |

Note

"0" denotes as amount less than RM1,000.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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### 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, joint venture and associates are described in Note 46 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

Level 33A, Menara NU 2  
No. 203, Jalan Tun Sambanthan  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 31 March 2015.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards (FRS) in Malaysia.

The Group includes transitioning entities and has elected to continue to apply FRS during the financial year. In the next financial year, the Group and the Company will continue to apply FRS. The Group and the Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (MFRS) for the financial year ending 31 December 2017. In adopting the new framework, the Group and the Company will be applying MFRS 1 "First-time Adoption of MFRS".

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 BASIS OF PREPARATION (CONTINUED)

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

(a) The new/revised accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2014 are as follows:

- Amendments to FRS 10, FRS 12 and FRS 127 introduce an exception to consolidation of investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.
- 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.
- Amendments to FRS 136, "Recoverable Amount Disclosures for Non-Financial Assets" removed the requirement to disclose the recoverable amount when no impairment loss has been recognised. It clarifies that recoverable amount is required to be disclosed only when an impairment loss is recognised or reversed.
- IC Interpretation 21, "Levies" sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the legislation that triggers the payment of the levy.

The adoption of the above standards, amendments to published standards and interpretations to existing standards did not have material financial impact on the results of the Group and of the Company for the financial year ended 31 December 2014.

(b) Standards early adopted by the Group and the Company

There are no standards early adopted by the Group and the Company.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the following new standards, amendments to published standards and interpretations:

#### Financial year beginning on/after 1 January 2016

- Amendment to FRS 11 "Joint Arrangements" requires an investor to apply the principles of FRS 3 "Business Combination" when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 BASIS OF PREPARATION (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the following new standards, amendments to published standards and interpretations (continued):

##### Financial year beginning on/after 1 January 2016 (continued)

- Amendments to FRS 116 “Property, Plant and Equipment” and FRS 138 “Intangible Assets” clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to FRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- Amendments to FRS 10 and FRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture resolve a current inconsistency between FRS 10 and FRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a ‘business’. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors’ interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

##### Financial year beginning on/after 1 January 2017

- MFRS 15 “Revenue from Contracts with Customers” requires when there are multiple goods or services bundled in a single arrangement, MFRS 15 requires that the consideration to be allocated to each of those goods and services based on the price an entity would charge a customer on a stand-alone basis for each goods or services. If a stand-alone selling price is not directly observable, an entity will need to estimate by considering all information that is reasonably available to the entity.

MFRS 15 requires an estimate of variable consideration to be recognised as revenue when performance obligations are satisfied if it is highly probable that the amount will not result in a significant revenue reversal if estimates change. Transaction price should be adjusted for the time value of money if the contract includes a significant financing component.

MFRS 15 requires that incremental costs of obtaining a contract are capitalised as an asset and are amortised on a systematic basis as the goods or services to which the contract relate are transferred to the customer.

Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts. Significant management judgements and changes in those judgements that management made to determine revenue are also required to be disclosed.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 BASIS OF PREPARATION (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the following new standards, amendments to published standards and interpretations (continued):

##### Financial year beginning on/after 1 January 2018

- MFRS 9 "Financial Instruments" will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and Company are in the process of making an assessment on the potential impact of these standards on the financial statements.

#### 2.2 ECONOMIC ENTITIES IN THE GROUP

- (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are consolidated using the acquisition method of accounting.

Subsidiaries that were consolidated prior to 1 January 2002 are in accordance with Malaysian Accounting Standard 2 'Accounting for Acquisitions and Mergers', the generally accepted accounting principles prevailing at that time.

The Group has taken advantage of the transitional provision provided by FRS 3 (revised) to apply these standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these standards.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

##### (a) Subsidiaries (continued)

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Acquisition related costs are recognised as expenses when incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to the fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note 2.7 on intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling 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 subsidiaries are attributable to the parent and the non-controlling interest, even if the attributable losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit and loss attributable to non-controlling interests for prior year is not restated.

The Group has changed its accounting policy on business combinations and accounting for non-controlling interest when it adopted the revised FRS 3 "Business Combinations" and FRS 127 "Consolidated and Separate Financial Statements".

Previously, contingent consideration in a business combination was recognised when it is probable that payments will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

The Group has applied the new policies prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

Previously, the Group had stopped attributing losses to the non-controlling interest because the losses exceeded the carrying amount of the non-controlling interest. The Group has applied this policy prospectively. On the date of adoption of the new policy, the non-controlling interest reflects its previous carrying amount.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

##### (a) Subsidiaries (continued)

The Group had adopted FRS 10 “Consolidated Financial Statements” with effective for financial year beginning 1 January 2013 and resulted in changes to the following policies:

- Control exists when the Group is expected, or has rights, to variable from its involvement with the entity and has the ability to the effect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such right are substantive. In the previous financial years, potential voting rights are considered with assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee’s return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy had been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 had no significant impact to the financial statements of the Group.

##### Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when the control is lost, with the change in carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amount previously recognised in other comprehensive income are reclassified to profit or loss.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

##### (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) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, establishment by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group had adopted FRS 11 "Joint Arrangements" with effect from 1 January 2013. As a result, joint arrangement are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to assets and obligations for the liabilities relating to the arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangement. The Group accounts for its interest in the joint venture using the equity method.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

###### (d) Joint arrangements (continued)

Investments in joint ventures are stated at cost in the separate financial statements. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Results and interests in joint venture are equity accounted in the venturer's financial statements of the Group.

Equity accounting involves recognising the venturer's share of the post acquisition results of joint ventures in the profit or loss and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

##### 2.3 FOREIGN CURRENCIES

###### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Ringgit Malaysian ("RM"), which is the Company's functional currency.

###### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

All foreign exchange gains and losses are presented in the statements of comprehensive income within other expenses.

The principal closing rates used in translation of foreign currency amounts were as follows:

| Foreign currency    | 31.12.2014<br>RM | 31.12.2013<br>RM |
|---------------------|------------------|------------------|
| 100 Thai Baht       | 10.63            | 9.92             |
| 1 Australian Dollar | 2.86             | 2.92             |
| 1 UK Pound          | 5.44             | 5.42             |
| 1 Singapore Dollar  | 2.64             | 2.59             |
| 1 US Dollar         | 3.49             | 3.28             |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 FOREIGN CURRENCIES (CONTINUED)

##### (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, joint ventures 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 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognised from the statement of financial position. The difference between the net disposal proceeds and the carrying amount is credited or charged to the profit or loss in the financial year of the retirement or disposal.

Investment properties also include properties that are under construction for future use as investment properties. These investments are also carried at cost.

The Directors have applied the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of FRS 117 "Leases" which allows the prepaid lease payments (leasehold land) to be stated at its previous year's valuation less amortisation. Accordingly, the valuation has not been updated.

Leasehold land are amortised over the period of the respective leases ranging from 66 years to 99 years. Amortisation is computed on the straight line method to write off the cost of each asset over its estimated useful life. The principal annual depreciation rate for related building is 2% per annum.

##### 2.7 INTANGIBLE ASSETS

###### (a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, joint ventures and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note 2.21 to the financial statements on impairment of non-financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.7 INTANGIBLE ASSETS (CONTINUED)

(b) Development rights – finite life

The Group capitalises purchased development rights. The development rights, which has finite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The intangible assets is amortised based on the percentage of completion over the development period. The amortisation period and method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an impairment indication exists, the carrying amount of the development rights is assessed and written down immediately to its recoverable amount.

(c) Order book – finite life

The order book with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated over the estimated construction period related to the relative order book values. Where an impairment indication exists, the carrying amount of the order book is assessed and written down immediately to its recoverable amount.

#### 2.8 LEASES

##### Finance Lease

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charges is charged to the profit or loss over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the assets and the lease term.

##### Operating Lease

Leases of assets where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the profit or loss on the straight-line basis over the lease period.

#### 2.9 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 201<sup>2004</sup> "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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.9 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

###### (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.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Borrowing costs are capitalised in accordance with Note 2.22 to the financial statements.

Where revenue recognised in the profit or loss exceed billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

##### 2.10 SERVICE CONCESSION ASSET

Where the Group provides construction services in exchange for the concession assets, the contract revenue is recognised at its fair value using the percentage of completion method in accordance with the accounting policy stipulated in Note 2.13 Construction Contracts, with the corresponding entry recorded as Service Concession Asset (SCA) in the statement of financial position. The SCA represents the Group's rights (licence) to collect toll from users of the highway.

The SCA is amortised upon the commencement of the concession period. The amortisation formula applied in arriving at the annual amortisation charge is as follows:

|   |       |
|---|-------|
| Cumulative traffic volume to-date                               |       |
| -----   | X SCA |
| Projected total traffic volume for the entire concession period |       |

Where an indication of impairment exists, the carrying amount of the SCA is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and related allocation costs attributable to property development activities.

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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.14 EMPLOYEE BENEFITS (CONTINUED)

##### (b) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices. These benefits plans are either defined contribution or defined benefit plans.

##### Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years. A defined contribution plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors, such as age, years of service or compensation.

The Group's and the Company's contributions to defined contribution plan are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### Defined benefit plan

The Group and the Company provide for unfunded retirement benefits to eligible employees that have been in the service of the Group and the Company for a continuous period of at least ten (10) years.

This scheme is closed to new employees since 1 September 2002.

The Group determines the present value of the defined benefit obligation with sufficient regularity such that the liability recognised in the financial statements does not differ materially from the amount that would have been determined as at that date. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified independent actuary after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 16 December 2014.

The current service cost recognised in the profit or loss is calculated based on the present value of the benefits accruing over the financial year following the valuation date with reference to the number of eligible employees and projected final salaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in profit or loss, unless the changes to the plan are conditional on the related employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.14 EMPLOYEE BENEFITS (CONTINUED)

##### (c) Share-based compensation

The Group and the Company operate an equity-settled, share-based compensation plan for the employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group and the Company revise its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

#### 2.15 PROVISIONS

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group provides for estimated liability on projects still under progress at the reporting date. This provision is calculated based on contract agreements/past histories.

#### 2.16 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.20 INCOME TAX (CONTINUED)

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

#### 2.21 IMPAIRMENT OF NON – FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverse an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

#### 2.22 BORROWING COSTS

Interest incurred on general and specific borrowings to finance the construction of property, plant and equipment and investment properties is capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the assets for its intended use. Interests relating to property development activities, construction contracts are accounted for in a similar manner. All other borrowings costs are expensed on an effective interest rate method.

#### 2.23 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company's activities. Revenue is shown net of service tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue relating to long term engineering contracts and property development activities are accounted for using the percentage of completion method.

Other revenues earned by the Group and the Company are recognised on the following bases:

|                               |  |
|-------------------------------|--|
| Rental income                 | - on the straight line basis                                     |
| Interest income               | - on the effective interest rate method                          |
| Dividend income               | - when the shareholder's right to receive payment is established |
| Building maintenance services | - on the accrual basis   |
| Management fees               | - on the accrual basis   |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.24 INTERIM PAYMENT FROM GOVERNMENT

Interim payment from the government are recognised at their fair value where there is a reasonable assurance that the amount will be received and the Group will comply with all attached conditions.

Interim payment from Government as reimbursements of costs are recognised in profit or loss over the periods to match the related costs for which the payments are intended.

##### 2.25 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

###### Financial assets

###### Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition:

- Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or incurred principally for the purpose of selling or re-purchasing it in the short-term. Assets in this category are classified as current assets;
- Loans and receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are classified as current assets or non-current assets for maturities greater than 12 months after the end of the reporting period; and
- Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial assets that cannot be classified as financial assets at fair value through profit or loss, loans and receivables or cash and cash equivalents. These assets are included in non-current assets unless the financial assets mature or management intends to dispose of it within 12 months of the end of the reporting period.

###### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset).

Financial assets other than financial assets carried at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.25 FINANCIAL INSTRUMENTS (CONTINUED)

##### Financial assets (continued)

##### Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and cash and cash equivalents are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the profit or loss in the period in which they arise.

Changes in the fair value of the “financial assets available-for-sale” category are recognised in other comprehensive income. When assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss.

Fair values for quoted investments are based on observable market prices.

##### Subsequent measurement - impairment of financial assets

##### Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial re-organisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The asset’s carrying amount 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.25 FINANCIAL INSTRUMENTS (CONTINUED)

###### Financial assets (continued)

###### Assets carried at amortised cost (continued)

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.

###### Offsetting financial assets

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

###### De-recognition

Financial assets are de-recognised when the right to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivable that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available for sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.25 FINANCIAL INSTRUMENTS (CONTINUED)

##### Financial liabilities

The Group classifies its financial liabilities as other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

##### Other financial liabilities

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

#### 2.26 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the board of directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's and of the Company's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.27 NON CURRENT ASSETS HELD-FOR-SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/DISCONTINUED OPERATIONS

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

##### 2.28 SHARE CAPITAL

###### (a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. See accounting policy Note 2.29 on borrowings.

###### (b) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against share premium account.

###### (c) Dividend distribution

Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

###### (d) Warrants reserve

Proceed from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to share premium reserve upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

##### 2.29 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.30 FAIR VALUE MEASUREMENTS

From 1 January 2013, the Group adopted FRS 13 "Fair Value Measurement" which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into accounts a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the group's assets or liabilities other than the additional disclosure.

### 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:

#### Critical accounting estimates

(a) Impairment of land held for development and development cost

The Group carries out the impairment test based on a variety of estimation including value-in-use of the cash generating unit (CGU) to which the land held for development and development costs are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Revenue recognition - Property Development and Construction Contracts

The Group and the Company recognise property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development cost incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development costs, as well as the recoverability of the projects.

The Group and the Company recognise construction contract revenue based on percentage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the revenue on the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and work of specialists.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### Critical accounting judgements

- (a) Impairment of goodwill and other intangible assets with indefinite useful lives

The Group tests at least annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Notes 2.7 and 2.21. The recoverable amounts of cash generated units have been determined based on value-in-used and/or fair value less cost to sell calculations as appropriate. These calculations require the use of estimates. Refer to Note 2.21 for details of impairment testing of goodwill and other intangible assets with definite or indefinite useful lives.

- (b) Provision for Liquidated Ascertained Damages (LAD)

LAD is a possible obligation that arise from the late delivery of property development or construction activities. In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the Extension of Time application based on circumstances of the projects, specific past experiences with the employers and expert advice.

#### 4 FINANCIAL RISK MANAGEMENT

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, foreign currency risk, liquidity and cash flow risks, credit risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Group does not trade in financial instruments.

- (i) Interest rate risk

Interest rate risks arise mainly from the Group's short-term deposits and borrowings. The Group's short-term deposits are placed at prevailing interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk through the use of fixed and floating rate debt.

The Group's outstanding borrowings as at year end at variable rates on which hedges have not been entered into, are denominated in RM. If the borrowings at variable rates on which hedges have not been entered, its annual interest rates increase/decrease by 1% respectively (2013: 1%) with all other variables including tax rate being held constant, the result after tax will be lower/higher by 6.6% (2013: 8.5%) as a result of higher/lower interest expense on these borrowings.

- (ii) Foreign currency risk

The Group and the Company are not exposed to significant foreign currency risk.

- (iii) Liquidity and cash flow risk

The Group manages its liquidity risk by maintaining sufficient levels of cash or cash convertible investments and available credit facilities to meet its working capital requirements.

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) (iii) Liquidity and cash flow risk (continued)

|  | Within<br>1 year<br>RM'000 | Between 1<br>and 5 years<br>RM'000 | Over 5<br>years<br>RM'000 | Total<br>RM'000  |
|--|----------------------------|------------------------------------|---------------------------|------------------|
| <b>The Group</b>                                   |                            |                                    |                           |                  |
| <u>At 31 December 2014</u>                         |                            |                                    |                           |                  |
| Trade and other payables                           | 1,096,831                  | 5                                  | -                         | 1,096,836        |
| Borrowings   | 1,474,620                  | 1,368,174                          | 39,304                    | 2,882,098        |
| Sukuk  | 98,333                     | 389,345                            | 1,289,616                 | 1,777,294        |
| Loan stocks  | -                          | 16,800                             | -                         | 16,800           |
|  | <b>2,669,784</b>           | <b>1,774,324</b>                   | <b>1,328,920</b>          | <b>5,773,028</b> |
| <u>At 31 December 2013</u>                         |                            |                                    |                           |                  |
| Trade and other payables                           | 1,012,237                  | 133                                | -                         | 1,012,370        |
| Provision for other liabilities<br>and charges     | 24,914                     | -                                  | -                         | 24,914           |
| Borrowings   | 1,644,379                  | 995,747                            | -                         | 2,640,126        |
| Sukuk  | 1,084,922                  | -                                  | -                         | 1,084,922        |
| Loan stocks  | -                          | 16,800                             | -                         | 16,800           |
| Guaranteed return to a<br>non controlling interest | 115,000                    | -                                  | -                         | 115,000          |
|  | <b>3,881,452</b>           | <b>1,012,680</b>                   | <b>-</b>                  | <b>4,894,132</b> |
| <u>The Company</u>                                 |                            |                                    |                           |                  |
| <u>At 31 December 2014</u>                         |                            |                                    |                           |                  |
| Trade and other payables                           | 88,188                     | -                                  | -                         | 88,188           |
| Amounts due to subsidiaries                        | 137,565                    | -                                  | -                         | 137,565          |
| Borrowings   | 262,888                    | 587,202                            | -                         | 850,090          |
|  | <b>488,641</b>             | <b>587,202</b>                     | <b>-</b>                  | <b>1,075,843</b> |
| <u>At 31 December 2013</u>                         |                            |                                    |                           |                  |
| Trade and other payables                           | 78,825                     | -                                  | -                         | 78,825           |
| Provision for other liabilities<br>and charges     | 10,000                     | -                                  | -                         | 10,000           |
| Amounts due to subsidiaries                        | 124,106                    | -                                  | -                         | 124,106          |
| Borrowings   | 139,923                    | 459,022                            | -                         | 598,945          |
| Guaranteed return to a<br>non controlling interest | 115,000                    | -                                  | -                         | 115,000          |
|  | <b>467,854</b>             | <b>459,022</b>                     | <b>-</b>                  | <b>926,876</b>   |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (a) (iv) Credit risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. The Group seeks to invest cash assets safely and profitably. Credit risks are minimised given the Group's policy of selecting only counterparties with high creditworthiness.

The Group closely monitors collections from these customers. In addition, the Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

The Group has significant concentrations of credit risk as disclosed in Note 22 to the financial statements.

In respect of the credit risk of receivables, the Group has significant credit risk on the sales derived from property development customers, Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd. totalling RM556,212,325 (2013: RM531,909,092), of which the Group considers the risk of default is low.

The Group has no other significant concentrations of credit risk, notwithstanding that all of its deposits are placed with financial institutions in Malaysia. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings.

##### (v) Capital risk

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

As part of its capital management plan, the Group and the Company may adjust the amount of dividends paid to the shareholder, return capital to shareholder or sell assets to reduce debt.

Management monitors capital based on the Company's gearing ratio. The gearing ratio is calculated as total debt divided by total equity. 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 2014 and 31 December 2013 were as follows;

|               | Group          |                |
|---------------|----------------|----------------|
|               | 2014<br>RM'000 | 2013<br>RM'000 |
| Total debt    | 3,690,661      | 3,510,299      |
| Total equity  | 1,985,256      | 1,675,416      |
| Total capital | 5,675,917      | 5,185,715      |
| Gearing ratio | 1.86           | 2.10           |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Fair values

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables (including non-trade amounts due to/from related companies) and short term borrowings.

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that cause the transfer.

#### Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 December 2014.

#### Assets

|   | Group  |         | Company |        |
|---|--------|---------|---------|--------|
|   | 2014   | 2013    | 2014    | 2013   |
|   | RM'000 | RM'000  | RM'000  | RM'000 |
| <u>Level 1</u>  |        |         |         |        |
| Available for sale financial assets                   | 577    | 577     | 577     | 577    |
| Financial assets at fair value through profit or loss | 3,229  | 4,533   | 3,229   | 4,533  |
| <u>Level 2</u>  |        |         |         |        |
| Long term loan and receivables                        | 5,924  | 531,909 | 15,000  | 15,000 |

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the Group's and the Company's assets and liabilities that are not measured at fair value as at 31 December 2014 are disclosed in the respective notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

##### Financial year ended 31 December 2014

##### (i) P.J Sentral Development Sdn. Bhd.

During the financial year ended 31 December 2014, the Company completed the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. ("P.J Sentral") in accordance with the terms and conditions of the Share Sale Agreement with Nusa Gapurna Development Sdn. Bhd. ("NGD SSA"), signed on 8 February 2013 and amended and varied by the Supplementary NGD SSA dated 3 June 2013 and Supplementary NGD letter dated 19 August 2013.

On 24 June 2014, the Company paid the cash consideration of RM30,348,584 and allotted 108,807,365 ordinary shares to the parties nominated by the vendors of the Gapurna Companies. As a result of the acquisition, the Group is expected to increase its presence in the development property market.

The following table summarises the consideration paid for P.J Sentral and the fair value of assets and liabilities assumed at the acquisition date.

| <u>Consideration at 24 June 2014</u>                          | RM'000  |
|---|---------|
| Cash  | 30,349  |
| Ordinary shares issued (108,807,365 @ RM1.70/share)           | 184,972 |
| Free detachable warrants issued (31,087,819 @ RM0.24/warrant) | 7,461   |
|   | 222,782 |

The fair value of the 108,807,365 ordinary shares issued as part of the consideration paid for P.J Sentral was based on the published share price of RM1.70 per share on 24 June 2014. The fair value of 31,087,819 free detachable warrants issued as part of the purchase consideration paid for P.J Sentral was RM0.24 per warrant based on the published warrants price on 24 June 2014.

##### Fair value of identifiable assets acquired and liabilities assumed

|   |          |
|---|----------|
| Property, plant and equipment (Note 15)                 | 166      |
| Property development costs (Note 17(b))                 |          |
| - land, at cost   | 304,371  |
| - development costs                                     | 35,783   |
| Other receivables                                       | 11       |
| Cash and bank balances                                  | 27,642   |
| Other payables  | (49,713) |
| Non controlling interest                                | (95,478) |
|   | 222,782  |
| Purchase consideration                                  | 222,782  |
|   | 30,349   |
| Cash consideration paid                                 | 30,349   |
| Less: cash and cash equivalent of a subsidiary acquired |          |
| - cash and bank balances                                | (27,642) |
|   | 2,707    |
| Cash outflow on acquisition                             | 2,707    |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(i) P.J Sentral Development Sdn. Bhd. (continued)

In addition to the above, the Company had on 20 June 2014, together with NGD entered into a settlement agreement with PKNS Holding Sdn. Bhd. ("PKNS"), a non controlling interest of P.J Sentral to resolve all disputes, conflict, differences, claims and complaints against each other. On the same day, the Company also entered into a share sale agreement with PKNS for the acquisition of the remaining 30% equity interest in P.J Sentral held by PKNS for a cash consideration of RM85,300,000.

Simultaneous with the execution of the settlement agreement, P.J Sentral and PKNS had entered into a development agreement for the purpose of granting development rights to PKNS over the development of a building identified as Tower 2 which is to be constructed/developed on a parcel of development land held by P.J Sentral. Consequently, Tower 2 land valued at RM91,119,462 was sold to PKNS by P.J Sentral.

Along with the Tower 2 land, the Group had also transferred its right to construct on Tower 2 land valued at RM15,525,600 to PKNS (Note 24).

Upon obtaining shareholders' approval at the Company's Extraordinary General Meeting held on 23 September 2014, the acquisition of the remaining 30% equity interest in P.J Sentral was completed. The 30% equity interest acquisition was accounted for as a transaction with a non controlling interest, resulting in a net loss of RM5,305,389 recognised in the accumulated losses of the Group.

The effects of the above to the financial results of the Group from the date of the acquisitions are as follows:

|   | <u>2014</u><br>RM'000 |
|---|-----------------------|
| Revenue                                 | 161,681               |
| Cost of sales                           | (145,623)             |
| Gross profit                            | 16,058                |
| Other operating income                  | 421                   |
| Operating costs                         | (3,526)               |
| Profit from operations                  | 12,953                |
| Finance income                          | 362                   |
| Profit before taxation                  | 13,315                |
| Taxation                                | (8,899)               |
| Profit after taxation                   | 4,416                 |
| Non controlling interest                | (42)                  |
| Net profit attributable to shareholders | 4,374                 |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(i) P.J Sentral Development Sdn. Bhd. (continued)

The effects of the above to the financial position of the Group as at 31 December 2014 are as follows:

|                                  | As at<br>31.12.2014<br>RM'000 |
|----------------------------------|-------------------------------|
| Property, plant and equipment    | 65                            |
| Property development costs       | 243,773                       |
| Trade and other receivables      | 114,537                       |
| Tax recoverable                  | 601                           |
| Deposits, cash and bank balances | 20,577                        |
| Trade and other payables         | (56,876)                      |
|                                  | 322,677                       |

(ii) Penang Sentral Sdn. Bhd.

The Company had on 24 July 2014 entered into a share sale agreement with Pelaburan Hartanah Berhad ("PHB") to acquire PHB's 51% equity interest in Penang Sentral Sdn. Bhd. ("PSSB"), consisting 12,750,000 ordinary shares of RM1.00 each and 30,600,000 redeemable non-cumulative preference shares of RM0.10 each for a total cash consideration of RM50,750,000.

The acquisition was completed on 8 August 2014. Following the acquisition, the Company increased its shareholding from 49% to 100% in PSSB and the later became a wholly owned subsidiary of the Company.

In accordance with the requirements of FRS 3 (revised) "Business Combinations", a re-measurement gain of RM7,325,637 was recognised on the Company's existing 49% equity interest in PSSB in the Group's statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(ii) Penang Sentral Sdn. Bhd. (continued)

The details of the provisional fair value of PSSB's identifiable assets and liabilities assumed at the date of acquisition are as follows:

|   | RM'000   |
|---|----------|
| Property, plant and equipment (Note 15)   | 46,548   |
| Investment property (Note 16)   | 24,007   |
| Land held for property development (Note 17(a))                                 | 22,361   |
| Trade and other receivables   | 13,100   |
| Cash and bank balances  | 643      |
| Trade and other payables  | (4,430)  |
| Amount due to related companies   | (2,052)  |
| Deferred tax liabilities (Note 25)  | (3,589)  |
|   | 96,588   |
| Goodwill on consolidation (Note 24)   | 2,922    |
| Fair value of 100% equity interest  | 99,510   |
| Less: fair value of 49% existing equity interest at the date of acquisition     | (48,760) |
| Purchase consideration  | 50,750   |
| Cash and cash equivalent of the subsidiary acquired<br>- cash and bank balances | (643)    |
| Cash outflow on acquisition   | 50,107   |

The effects of the above acquisition to the financial results of the Group from the date of the acquisitions are as follows:

|                                       | <u>2014</u><br>RM'000 |
|---------------------------------------|-----------------------|
| Revenue                               | 588                   |
| Cost of sales                         | (1,457)               |
| Gross loss                            | (869)                 |
| Other operating income                | 71                    |
| Operating costs                       | (617)                 |
| Loss on operations                    | (1,415)               |
| Finance income                        | 1                     |
| Loss before taxation                  | (1,414)               |
| Taxation                              | -                     |
| Net loss attributable to shareholders | (1,414)               |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

##### (ii) Penang Sentral Sdn. Bhd. (continued)

The effects of the above acquisition to the financial position of the Group as at 31 December 2014 are as follows:

|                                    | As at<br>31.12.2014<br>RM'000 |
|------------------------------------|-------------------------------|
| Property, plant and equipment      | 80,700                        |
| Investment property                | 34,666                        |
| Land held for property development | 26,417                        |
| Trade and other receivables        | 4,543                         |
| Cash and bank balances             | 35                            |
| Trade and other payables           | (47,597)                      |
| Deferred tax liabilities           | (3,589)                       |
|                                    | 95,175                        |
| Goodwill on consolidation          | 2,922                         |
|                                    | 98,097                        |

Had P.J Sentral and PSSB been consolidated from 1 January 2014, the consolidated statements of comprehensive income would show pro-forma revenue of RM1,508,746,258 and profit after taxation of RM175,521,549.

##### (iii) MRCB Technologies Sdn. Bhd.

The Company had on 18 September 2014 entered into a Conditional Share Sale Agreement with XMT Technologies Holdings Sdn. Bhd. for the disposal of the Company's entire equity interest in MRCB Technologies Sdn. Bhd., a wholly owned subsidiary, for cash consideration of RM7,810,000.

The proposed disposal was completed on 16 October 2014 with a disposal gain of RM235,807 recognised in the statement of comprehensive income (Note 8).

The effects of the above disposal to the financial position of the Group as at the date of disposal were as follows:

|  | As at<br>16.10.2014<br>RM'000 |
|--|-------------------------------|
| Property, plant and equipment              | 468                           |
| Trade and other receivables                | 11,787                        |
| Amount due to related companies            | 5,767                         |
| Tax recoverable                            | 21                            |
| Cash and bank balances                     | 4,061                         |
| Trade and other payables                   | (14,538)                      |
| Retained earnings                          | 244                           |
|  | 7,810                         |
| Total consideration received from disposal | 7,810                         |
| Less: cash and bank balances               | (4,061)                       |
| Net cash inflow from disposal              | 3,749                         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2013

##### (iv) Gapurna Companies

During the financial year ended 31 December 2013, the Company acquired 100% of the share capital of Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd. and Puncak Wangi Sdn. Bhd. (collectively known as "NGD Subsidiaries"), Gelanggang Harapan Construction Sdn. Bhd. ("GHC") and Gapurna Global Services Sdn. Bhd. ("GGS") (collectively known as "Gapurna Companies").

On 27 August 2013, the Company paid the cash consideration of RM60,651,416 and allotted 263,499,755 ordinary shares to the parties nominated by the vendors of the Gapurna Companies. As a result of the acquisition, the Group is expected to increase its presence in the property development market.

The following table summarises the consideration paid for the Gapurna Companies, the provisional fair value of assets acquired and all liabilities assumed at the acquisition date.

Consideration at 27 August 2013

|   | <b>RM'000</b>  |
|---|----------------|
| Cash  | 60,651         |
| Ordinary shares issued (263,499,755 @ RM1.43/share)           | 376,805        |
| Free detachable warrants issued (75,285,644 @ RM0.26/warrant) | 19,574         |
|   | <u>457,030</u> |

Fair value of identifiable assets acquired and liabilities assumed

|  |                |
|--|----------------|
| Property, plant and equipment (Note 15)            | 917            |
| Investment property (Note 16)                      | 74,172         |
| Intangible assets - order book (Note 24)           | 140,589        |
| Land held for property development (Note 17(b))    | 188,497        |
| Trade and other receivables                        | 24,032         |
| Tax recoverable                                    | 1,568          |
| Cash and bank balances                             | 16,386         |
| Trade and other payables                           | (60,519)       |
| Deferred tax liabilities (Note 25)                 | (55,164)       |
| Long term liabilities                              | (417)          |
| Assets held for sale                               | 153,411        |
| Liabilities held for sale                          | (108,411)      |
|  | <u>375,061</u> |
| Goodwill on acquisition (Note 24)                  | 81,969         |
|  | <u>457,030</u> |
| Purchase consideration                             | 457,030        |
| Cash and cash equivalent of subsidiaries acquired: |                |
| - Cash and bank balances                           | (16,386)       |
|  | <u>440,644</u> |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2013 (continued)

##### (iv) Gapurna Companies (continued)

Acquisition related costs of RM6,690,500 was charged to administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2013.

The fair value of the 263,499,755 ordinary shares issued as part of the consideration paid for the Gapurna Companies was based on the published share price of RM1.43/share on 27 August 2013. The fair value of the 75,285,644 free detachable warrants issued as part of the purchase consideration paid for the Gapurna Companies was RM0.26/warrant using the Black-Scholes valuation model.

The fair value of the intangible assets - order book of RM140,589,000 was determined using the discounted projected cash flow of future construction contract.

As at 31 December 2014, the purchase price allocation for the acquisition of the Gapurna Companies was completed with no changes being made to the provisional fair values on the identifiable net asset acquired.

##### (v) MRCB Putra Sdn. Bhd. (formerly known as Arch Angel Capital Sdn. Bhd.)

The Company had on 23 December 2013 entered into the followings agreements:-

(a) Share Sale and Subscription Agreements (“SSSA”) with MRCB Putra Sdn. Bhd. (“MPSB”) and Arch Angel DMC Sdn. Bhd. (“AADMC”) to:

- acquire 2.0 million ordinary shares of RM1.00 each in MPSB from AADMC for cash consideration of RM2.5 million;
- subscribe 1.5 million new ordinary shares of RM1.00 each in MPSB; and
- subscribe up to 300,000 redeemable cumulative preference shares of RM1.00 each at a subscription price of RM100.00 per share in MPSB.

The above effectively resulted in the Company having a 70% equity interest in MPSB.

(b) A Shareholders’ Agreements (“SHA”) with MPSB and AADMC for the purpose of determining the terms and conditions of the joint venture and regulating the relationship of MPSB’s shareholders.

MPSB is principally involved in property development, property investment and investment holding and had acquired a piece of freehold land known as Plot 2C4, Precinct 2, Putrajaya.

The acquisition and subscription of shares were completed on 30 December 2013. The effect of the acquisition to the financial position of the Group as at 31 December 2013 were as follows:

|  | <b>As at date of<br/>acquisition<br/>RM’000</b> |
|--|---|
| Land held for property development                 | 36,837  |
| Bank balance                                       | 4,524   |
| Trade and other payables                           | (5,870)   |
| Non controlling interest                           | (1,491)   |
| Purchase consideration                             | 34,000  |
| Cash and cash equivalent of subsidiaries acquired: |   |
| - cash and bank balances                           | (4,524)   |
|  | <b>29,476</b>                                   |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 6 REVENUE

|                             | Group            |                | Company        |                |
|-----------------------------|------------------|----------------|----------------|----------------|
|                             | 2014<br>RM'000   | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Property development        | 771,133          | 335,618        | -              | -              |
| Construction contracts      | 518,989          | 483,093        | 95,833         | 91,354         |
| Rental income               | 93,985           | 47,190         | 16,499         | 14,084         |
| Building services           | 77,522           | 66,799         | -              | -              |
| Toll concession             | 48,992           | -              | -              | -              |
| Rendering of other services | 2,239            | 7,145          | -              | -              |
| Dividend income (gross)     | 279              | 225            | 142,139        | 109,906        |
| Management fees             | 840              | 840            | 28,468         | 24,240         |
| Others                      | 788              | -              | 1,213          | 1,213          |
|                             | <b>1,514,767</b> | <b>940,910</b> | <b>284,152</b> | <b>240,797</b> |

The property development revenue for financial year ended 31 December 2013 includes the reduction in the fair value of sales proceeds for Lot G office towers by RM55,432,257 as a result of the extended credit period of three (3) years from 18 December 2012 to 18 December 2015.

### 7 COST OF SALES

|                             | Group            |                | Company        |                |
|-----------------------------|------------------|----------------|----------------|----------------|
|                             | 2014<br>RM'000   | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Property development        | 562,569          | 297,414        | -              | -              |
| Construction contract       | 434,882          | 522,014        | 71,502         | 101,137        |
| Rental income               | 59,209           | 43,678         | 10,776         | 10,613         |
| Building services           | 58,796           | 44,855         | -              | -              |
| Toll concession             | 28,795           | -              | -              | -              |
| Cost of inventories sold    | -                | 1,890          | -              | -              |
| Rendering of other services | 761              | 5,907          | -              | -              |
|                             | <b>1,145,012</b> | <b>915,758</b> | <b>82,278</b>  | <b>111,750</b> |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 8 OTHER INCOME

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Gain on disposal of:  |                |                |                |                |
| - a subsidiary  | 236            | -              | 1,310          | -              |
| - an associate (Note 18(a))   | 94,868         | -              | 94,868         | -              |
| Re-measurement gain arising from<br>step acquisition of a subsidiary (Note 5) | 7,326          | -              | -              | -              |
| Rental income from land and buildings   | 2,734          | 2,013          | 2,319          | 2,146          |
| Interim payment from Government<br>of Malaysia (Note 18(a))                   | 62,872         | 100,287        | -              | -              |
| Reversal of provision no longer required                                      | -              | 8,450          | -              | -              |
| Building maintenance services   | 13,221         | 13,801         | -              | -              |
| Settlement payment for termination of<br>construction contract (Note 18(a))   | 33,700         | -              | 33,700         | -              |
| Others  | 4,052          | 3,731          | 20             | 2,509          |
|   | 219,009        | 128,282        | 132,217        | 4,655          |
| Finance income from   |                |                |                |                |
| - unwinding of discount for financial assets                                  | 28,434         | 13,151         | 4,284          | 7,885          |
| - fixed deposits  | 8,525          | 5,815          | 2,701          | 3,772          |
| - others  | 1,450          | 4,528          | -              | 1,598          |
|   | 38,409         | 23,494         | 6,985          | 13,255         |

#### 9 PROFIT/(LOSS) BEFORE INCOME TAX

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Profit/(loss) before income tax is arrived<br>at after charging/(crediting): |                |                |                |                |
| Auditors' remuneration   |                |                |                |                |
| - statutory audit  | 850            | 677            | 125            | 107            |
| - other services   |                |                |                |                |
| - audit related  | 208            | 640            | 208            | 640            |
| - non audit related  | 2,361          | 1,415          | 1,791          | 928            |
| Other auditors   |                |                |                |                |
| - statutory audit  | 2              | 74             | -              | -              |
| - other services   |                |                |                |                |
| - non audit related  | -              | 102            | -              | -              |
| Staff costs (including remuneration<br>of executive director) (Note 10)      | 105,931        | 85,621         | 32,176         | 20,590         |
| Depreciation of investment properties  | 13,689         | 8,735          | 890            | 891            |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 9 PROFIT/(LOSS) BEFORE INCOME TAX (CONTINUED)

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Profit/(loss) before income tax is arrived<br>at after charging/(crediting): (continued) |                |                |                |                |
| Property, plant and equipment  |                |                |                |                |
| - depreciation   | 12,592         | 8,739          | 1,278          | 1,240          |
| - written off  | 667            | -              | -              | -              |
| - net (gain)/loss on disposal  | (71)           | 7              | -              | (0)            |
| Amortisation of:   |                |                |                |                |
| - service concession asset   | 21,422*        | -              | -              | -              |
| - order book   | 4,736          | 3,685          | -              | -              |
| Impairment losses/(write back) on  |                |                |                |                |
| - subsidiaries   | -              | -              | (4,245)        | 51,391         |
| - property development costs   | -              | 326            | -              | -              |
| - goodwill   | 1,309          | 1,321          | -              | -              |
| Provision for/(write back) of receivable<br>and amount due from subsidiaries             | 816            | 1,188          | (6,019)        | (15,946)       |
| Gain on disposal of  |                |                |                |                |
| - a subsidiary   | (236)          | -              | (1,310)        | -              |
| - an associate   | (94,868)       | -              | (94,868)       | -              |
| Re-measurement gain arising from<br>step acquisition of a subsidiary                     | (7,326)        | -              | -              | -              |
| Bad debts recovered  | -              | (56)           | -              | (56)           |
| Fair value loss of financial assets<br>at fair value through profit or loss              | 1,387          | (560)          | 1,387          | (474)          |
| Rental of  |                |                |                |                |
| - premises   | 17,378         | 12,092         | 12,572         | 12,480         |
| - motor vehicles   | 12             | 594            | 12             | -              |
| - office equipment   | 540            | 594            | 119            | 123            |
| (Write back)/provision for<br>liabilities and charges                                    | (15,971)       | 38,740         | (18,200)       | 12,450         |
| Unrealised gain on foreign exchange  | 198            | 518            | 272            | 518            |

\* Represents amortisation of service concession asset of RM84,377,504 (Note 18(b)) net of RM62,955,148 received from Government of Malaysia ("GoM") for the delay in gazetting the toll collection pursuant to the Concession Agreement between the Group and the GoM in relation to the Eastern Dispersal Link Expressway ("EDL").

Included in cost of sales were direct operating expenses from investment properties that generated rental income of the Group and of the Company during the financial year amounted to RM13,719,765 (2013: RM12,436,936) and RM1,215,956 (2013: RM1,156,022) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 10 STAFF COSTS

|                                | Group          |                | Company        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Wages, salaries and bonus      | 83,754         | 66,223         | 24,830         | 15,164         |
| Defined contribution plan      | 10,164         | 8,248          | 3,428          | 2,035          |
| Defined benefit plan (Note 36) | 2,141          | 1,845          | 729            | 621            |
| Share options (Note 31)        | -              | 1,669          | -              | 350            |
| Other employee benefits        | 9,872          | 7,636          | 3,189          | 2,420          |
|                                | 105,931        | 85,621         | 32,176         | 20,590         |

The number of persons employed by the Group and the Company at the end of the financial year were 1,449 (2013: 1,249) and 259 (2013: 186) 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' Chong Pah Aung  
 Datuk Ahmad Johari Tun Abdul Razak  
 Jamaludin Zakaria  
 Rohaya Mohammad Yusof  
 Che King Tow  
 Dato' Ishak Haji Mohamed  
 Tan Sri Ahmad Fuad Ismail

(Resigned on 2 April 2014)  
 (Resigned on 8 October 2014)  
 (Resigned on 8 October 2014)

##### Executive Director

Tan Sri Mohamad Salim Fateh Din (Group Managing Director)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 11 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year were as follows:

|                                | Group and Company |                |
|--------------------------------|-------------------|----------------|
|                                | 2014<br>RM'000    | 2013<br>RM'000 |
| <u>Non-executive Directors</u> |                   |                |
| - fees                         | 895               | 1,068          |
| - emoluments                   | 180               | 180            |
|                                | 1,075             | 1,248          |
| <u>Executive Director</u>      |                   |                |
| - salaries and bonus           | 1,600             | 397            |
| - defined contribution plan    | 345               | 87             |
| - other employee benefits      | 120               | 40             |
|                                | 2,065             | 524            |
|                                | 3,140             | 1,772          |
| <u>Benefits-in-kind</u>        |                   |                |
| Non-executive director         | 7                 | -              |
| Executive director             | 24                | 2              |
|                                | 31                | 2              |

### 12 FINANCE COSTS

|                                    | Group          |                | Company        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Arrangement fees for borrowings    | 1,844          | 1,758          | 1,143          | 238            |
| Interest expense on                |                |                |                |                |
| - Senior and Junior Sukuk          | 82,425         | 81,844         | -              | -              |
| - term loans                       | 82,968         | 60,682         | 28,093         | 18,837         |
| - hire purchase                    | 20             | 53             | -              | -              |
| - loan stock                       | 490            | 490            | -              | -              |
| Amortisation of loan issuance cost | 3,446          | 3,078          | -              | -              |
|                                    | 171,193        | 147,905        | 29,236         | 19,075         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 13 INCOME TAX EXPENSE

##### (a) Tax charged/(credited) for the financial year

|   | Group              |                    | Company        |                |
|---|--------------------|--------------------|----------------|----------------|
|   | 2014<br>RM'000     | 2013<br>RM'000     | 2014<br>RM'000 | 2013<br>RM'000 |
| In Malaysia   |                    |                    |                |                |
| Current tax   | 68,135             | 27,164             | 6,180          | 26,189         |
| (Over)/under provision in prior years               | (4,150)            | (2,400)            | (145)          | 276            |
| Deferred tax (Note 25)                              | 63,985<br>(10,709) | 24,764<br>(12,283) | 6,035<br>-     | 26,465<br>-    |
| Income tax expense                                  | 53,276             | 12,481             | 6,035          | 26,465         |
| Current tax:  |                    |                    |                |                |
| Current year  | 68,135             | 27,164             | 6,180          | 26,189         |
| (Over)/under provision in prior years               | (4,150)            | (2,400)            | (145)          | 276            |
| Deferred tax:                                       |                    |                    |                |                |
| Origination net of reversa of temporary differences | (10,709)           | (12,283)           | -              | -              |
|   | 53,276             | 12,481             | 6,035          | 26,465         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 13 INCOME TAX EXPENSE (CONTINUED)

#### (b) Numerical reconciliation of income tax expense

The explanation of the relationship between income tax expense and profit/(loss) before income tax is as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Profit/(loss) before income tax                                | 220,618        | (110,367)      | 251,189        | 46,445         |
| Tax calculated at the Malaysian tax rate of 25% (2013: 25%)    | 55,155         | (27,592)       | 62,797         | 11,611         |
| Tax effects of:  |                |                |                |                |
| Income not subject to tax                                      | (38,181)       | (13,153)       | (60,910)       | (7,290)        |
| Expenses not deductible for tax purposes                       | 37,775         | 22,635         | 7,950          | 19,220         |
| Net utilisation of tax losses not recognised in previous years | (804)          | (209)          | -              | -              |
| Movement of unrecognised deductible temporary differences      | (6,992)        | 13,337         | (3,657)        | 2,648          |
| (Over)/under provision of tax in prior years                   | (4,150)        | (2,400)        | (145)          | 276            |
| Current year tax losses not recognised                         | 10,473         | 19,863         | -              | -              |
| Income tax expense   | 53,276         | 12,481         | 6,035          | 26,465         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 14 EARNINGS/(LOSS) PER SHARE

##### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) 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     |           |
|--|-----------|-----------|
|  | 2014      | 2013      |
| Profit/(loss) attributable to the equity holders of the Company (RM'000) |           |           |
| - from continuing operations   | 136,457   | (114,029) |
| - from discontinuing operations  | 16,177    | 4,897     |
|  | 152,634   | (109,132) |
| Weighted average number of ordinary shares in issue ('000)               | 1,708,565 | 1,479,495 |
| Basic earnings/(loss) per share (sen)                                    |           |           |
| - from continuing operations   | 7.99      | (7.71)    |
| - from discontinuing operations  | 0.94      | 0.33      |
|  | 8.93      | (7.38)    |
| <b>(b) Diluted earnings/(loss) per share</b>                             |           |           |
| Profit/(loss) attributable to the equity holders of the Company (RM'000) |           |           |
| - from continuing operations   | 136,457   | (114,029) |
| - from discontinuing operations  | 16,177    | 4,897     |
|  | 152,634   | (109,132) |
| Weighted average number of ordinary shares in issue ('000)               | 1,708,565 | 1,479,495 |
| Adjustment for share options ('000)                                      | 5         | 16        |
| Adjusted weighted average number of ordinary shares in issue ('000)      | 1,708,570 | 1,479,511 |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 14 EARNINGS/(LOSS) PER SHARE (CONTINUED)

#### (b) Diluted earnings/(loss) per share (continued)

|   | Group |        |
|---|-------|--------|
|   | 2014  | 2013   |
| Diluted earnings/(loss) per share (sen) |       |        |
| - from continuing operations            | 7.99  | (7.71) |
| - from discontinuing operations         | 0.94  | 0.33   |
|   | 8.93  | (7.38) |

For the purpose of calculating diluted earnings/(loss) per share, the weighted average number of ordinary shares issued during the financial year were adjusted for the dilutive effects of all potential ordinary shares i.e. share options granted to employees issued in the previous financial years.

Certain tranches of share options and warrants issued were not included in the calculation because the fair value of the issued ordinary shares as at 31 December 2014 was lower than the said option's and warrant's exercise prices.

### 15 PROPERTY, PLANT AND EQUIPMENT

|                                      | Freehold<br>land and<br>buildings<br>RM'000 | Plant<br>and<br>machinery<br>RM'000 | Furniture,<br>fittings,<br>office<br>equipment<br>and<br>computers<br>RM'000 | Motor<br>vehicles<br>RM'000 | Construction<br>in progress<br>RM'000 | Total<br>RM'000 |
|--------------------------------------|---|-------------------------------------|--|-----------------------------|---------------------------------------|-----------------|
| <u>Group</u>                         |   |                                     |  |                             |                                       |                 |
| <u>2014</u>                          |   |                                     |  |                             |                                       |                 |
| <u>Cost/valuation</u>                |   |                                     |  |                             |                                       |                 |
| At 1.1.2014                          | 15,684                                      | 20,592                              | 68,790   | 7,474                       | -                                     | 112,540         |
| Additions                            | 19,139                                      | 4,471                               | 13,833   | 221                         | 20,061                                | 57,725          |
| Acquisition of subsidiaries (Note 5) | 46,533                                      | 6                                   | 175  | -                           | -                                     | 46,714          |
| Disposal of subsidiary (Note 5)      | -   | -                                   | (1,769)  | -                           | -                                     | (1,769)         |
| Disposals                            | -   | (126)                               | (5,184)  | (148)                       | -                                     | (5,458)         |
| Written off                          | -   | -                                   | (15,657)   | -                           | -                                     | (15,657)        |
| Reclassification                     | -   | 16                                  | (16)   | -                           | -                                     | -               |
| Transferred from investment property | 99,092                                      | -                                   | 908  | -                           | -                                     | 100,000         |
| At 31.12.2014                        | 180,448                                     | 24,959                              | 61,080   | 7,547                       | 20,061                                | 294,095         |
| <u>Accumulated depreciation</u>      |   |                                     |  |                             |                                       |                 |
| At 1.1.2014                          | 2,904                                       | 8,252                               | 54,652   | 6,422                       | -                                     | 72,230          |
| Charge for the financial year        | 4,780                                       | 2,375                               | 4,995  | 442                         | -                                     | 12,592          |
| Disposal of subsidiary               | -   | -                                   | (1,301)  | -                           | -                                     | (1,301)         |
| Released on disposals                | -   | (126)                               | (5,178)  | (148)                       | -                                     | (5,452)         |
| Written off                          | (28)  | -                                   | (14,246)   | -                           | -                                     | (14,274)        |
| At 31.12.2014                        | 7,656                                       | 10,501                              | 38,922   | 6,716                       | -                                     | 63,795          |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

|                                      | Freehold<br>land and<br>buildings<br>RM'000 | Plant<br>and<br>machinery<br>RM'000 | Furniture,<br>fittings,<br>office<br>equipment<br>and<br>computers<br>RM'000 | Motor<br>vehicles<br>RM'000 | Construction<br>in progress<br>RM'000 | Total<br>RM'000 |
|--------------------------------------|---|-------------------------------------|--|-----------------------------|---------------------------------------|-----------------|
| <u>Group</u>                         |   |                                     |  |                             |                                       |                 |
| <u>2014</u>                          |   |                                     |  |                             |                                       |                 |
| <u>Accumulated impairment losses</u> |   |                                     |  |                             |                                       |                 |
| At 1.1.2014                          | -   | -                                   | 2,431  | -                           | -                                     | 2,431           |
| Written off                          | -   | -                                   | (717)  | -                           | -                                     | (717)           |
| At 31.12.2014                        | -   | -                                   | 1,714  | -                           | -                                     | 1,714           |
| <u>Group</u>                         |   |                                     |  |                             |                                       |                 |
| <u>2013</u>                          |   |                                     |  |                             |                                       |                 |
| <u>Cost/valuation</u>                |   |                                     |  |                             |                                       |                 |
| At 1.1.2013                          | 11,511                                      | 20,592                              | 62,449   | 7,447                       | 3,259                                 | 105,258         |
| Additions                            | -   | -                                   | 6,075  | -                           | 930                                   | 7,005           |
| Acquisition of subsidiaries (Note 5) | -   | -                                   | 737  | 180                         | -                                     | 917             |
| Disposals                            | -   | -                                   | (487)  | (153)                       | -                                     | (640)           |
| Reclassification                     | 4,173                                       | -                                   | 16   | -                           | (4,189)                               | -               |
| At 31.12.2013                        | 15,684                                      | 20,592                              | 68,790   | 7,474                       | -                                     | 112,540         |
| <u>Accumulated depreciation</u>      |   |                                     |  |                             |                                       |                 |
| At 1.1.2013                          | 1,141                                       | 6,221                               | 50,923   | 5,792                       | -                                     | 64,077          |
| Charge for the financial year        | 1,763                                       | 2,031                               | 4,171  | 776                         | -                                     | 8,741           |
| Released on disposals                | -   | -                                   | (442)  | (146)                       | -                                     | (588)           |
| At 31.12.2013                        | 2,904                                       | 8,252                               | 54,652   | 6,422                       | -                                     | 72,230          |
| <u>Accumulated impairment losses</u> |   |                                     |  |                             |                                       |                 |
| At 1.1.2013/31.12.2013               | -   | -                                   | 2,431  | -                           | -                                     | 2,431           |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Group                 | Freehold<br>land and<br>buildings<br>RM'000 | Plant<br>and<br>machinery<br>RM'000 | Furniture,<br>fittings,<br>office<br>equipment<br>and<br>computers<br>RM'000 | Motor<br>vehicles<br>RM'000 | Construction<br>in progress<br>RM'000 | Total<br>RM'000 |
|-----------------------|---|-------------------------------------|--|-----------------------------|---------------------------------------|-----------------|
| <u>Net book value</u> |   |                                     |  |                             |                                       |                 |
| At 31.12.2014         | 172,792                                     | 14,458                              | 20,444   | 831                         | 20,061                                | 228,586         |
| At 31.12.2013         | 12,780                                      | 12,340                              | 11,707   | 1,052                       | -                                     | 37,879          |

Details of the freehold land and buildings of the Group are as follows:

| Group                           | Freehold<br>land<br>RM'000 | Buildings<br>RM'000 | Total<br>RM'000 |
|---------------------------------|----------------------------|---------------------|-----------------|
| <u>2014</u>                     |                            |                     |                 |
| <u>Cost</u>                     |                            |                     |                 |
| At 1.1.2014                     | 6,269                      | 9,415               | 15,684          |
| Additions                       | 13,752                     | 5,387               | 19,139          |
| Acquisition of subsidiary       | 46,533                     | -                   | 46,533          |
| Reclassification                | 14,782                     | 84,310              | 99,092          |
| At 31.12.2014                   | 81,336                     | 99,112              | 180,448         |
| <u>Accumulated depreciation</u> |                            |                     |                 |
| At 1.1.2014                     | -                          | 2,904               | 2,904           |
| Charge for the financial year   | -                          | 4,780               | 4,780           |
| Written off                     | -                          | (28)                | (28)            |
| At 31.12.2014                   | -                          | 7,656               | 7,656           |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of the freehold land and buildings of the Group are as follows: (continued)

|                                 | Freehold<br>land<br>RM'000 | Buildings<br>RM'000 | Total<br>RM'000 |
|---------------------------------|----------------------------|---------------------|-----------------|
| <u>Group</u>                    |                            |                     |                 |
| <u>2013</u>                     |                            |                     |                 |
| <u>Cost</u>                     |                            |                     |                 |
| At 1.1.2013                     | 6,269                      | 5,242               | 11,511          |
| Reclassification                | -                          | 4,173               | 4,173           |
| At 31.12.2013                   | 6,269                      | 9,415               | 15,684          |
| <u>Accumulated depreciation</u> |                            |                     |                 |
| At 1.1.2013                     | -                          | 1,141               | 1,141           |
| Charge for the financial year   | -                          | 1,763               | 1,763           |
| At 31.12.2013                   | -                          | 2,904               | 2,904           |
| <u>Net book value</u>           |                            |                     |                 |
| At 31.12.2014                   | 81,336                     | 91,456              | 172,792         |
| At 31.12.2013                   | 6,269                      | 6,511               | 12,780          |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

|                                 | Furniture<br>fittings,<br>office<br>equipment<br>and<br>computers<br>RM'000 | Motor<br>vehicles<br>RM'000 | Total<br>RM'000 |
|---------------------------------|---|-----------------------------|-----------------|
| <u>Company</u>                  |   |                             |                 |
| <u>2014</u>                     |   |                             |                 |
| <u>Cost</u>                     |   |                             |                 |
| At 1.1.2014                     | 11,701  | 172                         | 11,873          |
| Additions                       | 130   | -                           | 130             |
| Written off                     | (3,171)   | -                           | (3,171)         |
| At 31.12.2014                   | 8,660   | 172                         | 8,832           |
| <u>Accumulated depreciation</u> |   |                             |                 |
| At 1.1.2014                     | 8,972   | 172                         | 9,144           |
| Charge for the financial year   | 1,278   | -                           | 1,278           |
| Written off                     | (3,171)   | -                           | (3,171)         |
| At 31.12.2014                   | 7,079   | 172                         | 7,251           |
| <u>2013</u>                     |   |                             |                 |
| <u>Cost</u>                     |   |                             |                 |
| At 1.1.2013                     | 9,383   | 172                         | 9,555           |
| Additions                       | 2,319   | -                           | 2,319           |
| Disposals                       | (1)   | -                           | (1)             |
| At 31.12.2013                   | 11,701  | 172                         | 11,873          |
| <u>Accumulated depreciation</u> |   |                             |                 |
| At 1.1.2013                     | 7,746   | 159                         | 7,905           |
| Charge for the financial year   | 1,227   | 13                          | 1,240           |
| Released on disposals           | (1)   | -                           | (1)             |
| At 31.12.2013                   | 8,972   | 172                         | 9,144           |
| <u>Net book value</u>           |   |                             |                 |
| At 31.12.2014                   | 1,581   | -                           | 1,581           |
| At 31.12.2013                   | 2,729   | -                           | 2,729           |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 |                |
|----------------|----------------|----------------|
|                | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Group</u>   |                |                |
| Motor vehicles | 49             | 323            |

Borrowings costs of RM644,978 (2013: Nil) for the Group has been capitalised in the construction of hotel during the financial year.

#### 16 INVESTMENT PROPERTIES

|  | Land &<br>building<br>RM'000 | Construction<br>in progress<br>RM'000 | Total<br>RM'000 |
|--|------------------------------|---------------------------------------|-----------------|
| <u>Group</u>                                 |                              |                                       |                 |
| <u>2014</u>                                  |                              |                                       |                 |
| <u>Cost</u>                                  |                              |                                       |                 |
| At 1.1.2014                                  | 841,511                      | 129,272                               | 970,783         |
| Additions                                    | 4,791                        | 40,368                                | 45,159          |
| Acquisition of subsidiary (Note 5)           | 24,007                       | -                                     | 24,007          |
| Transfer to property, plant<br>and equipment | (100,000)                    | -                                     | (100,000)       |
| Reclassification                             | 90,823                       | (90,823)                              | -               |
| At 31.12.2014                                | 861,132                      | 78,817                                | 939,949         |
| <u>Accumulated depreciation</u>              |                              |                                       |                 |
| At 1.1.2014                                  | 69,463                       | -                                     | 69,463          |
| Charge for the financial year                | 13,689                       | -                                     | 13,689          |
| At 31.12.2014                                | 83,152                       | -                                     | 83,152          |
| <u>Accumulated impairment loss</u>           |                              |                                       |                 |
| At 1.1.2014/31.12.2014                       | 43,839                       | -                                     | 43,839          |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 16 INVESTMENT PROPERTIES (CONTINUED)

|   | Land &<br>building<br>RM'000 | Construction<br>in progress<br>RM'000 | Total<br>RM'000 |
|---|------------------------------|---------------------------------------|-----------------|
| <u>Group</u>                                  |                              |                                       |                 |
| <u>2013</u>                                   |                              |                                       |                 |
| <u>Cost</u>                                   |                              |                                       |                 |
| At 1.1.2013                                   | 822,944                      | 330,113                               | 1,153,057       |
| Additions                                     | 21,835                       | 135,496                               | 157,331         |
| Acquisition of subsidiary (Note 5)            | 55,000                       | 19,172                                | 74,172          |
| Reclassification                              | 355,509                      | (355,509)                             | -               |
| Transfer to assets held for sale<br>(Note 18) | (413,777)                    | -                                     | (413,777)       |
| At 31.12.2013                                 | 841,511                      | 129,272                               | 970,783         |
| <u>Accumulated depreciation</u>               |                              |                                       |                 |
| At 1.1.2013                                   | 68,523                       | -                                     | 68,523          |
| Charge for the financial year                 | 17,826                       | -                                     | 17,826          |
| Transfer to assets held for sale<br>(Note 18) | (16,886)                     | -                                     | (16,886)        |
| At 31.12.2013                                 | 69,463                       | -                                     | 69,463          |
| <u>Accumulated impairment loss</u>            |                              |                                       |                 |
| At 1.1.2013/31.12.2013                        | 43,839                       | -                                     | 43,839          |
| <u>Net book value</u>                         |                              |                                       |                 |
| At 31.12.2014                                 | 734,141                      | 78,817                                | 812,958         |
| At 31.12.2013                                 | 728,209                      | 129,272                               | 857,481         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 16 INVESTMENT PROPERTIES (CONTINUED)

|                                 | Land &<br>building<br>RM'000 | Total<br>RM'000 |
|---------------------------------|------------------------------|-----------------|
| <u>Company - 2014</u>           |                              |                 |
| <u>Cost</u>                     |                              |                 |
| At 1.1.2014/31.12.2014          | 60,510                       | 60,510          |
| <u>Accumulated depreciation</u> |                              |                 |
| At 1.1.2014                     | 4,525                        | 4,525           |
| Charge for the financial year   | 890                          | 890             |
| At 31.12.2014                   | 5,415                        | 5,415           |
| <u>Company - 2013</u>           |                              |                 |
| <u>Cost</u>                     |                              |                 |
| At 1.1.2013/31.12.2013          | 60,510                       | 60,510          |
| <u>Accumulated depreciation</u> |                              |                 |
| At 1.1.2013                     | 3,634                        | 3,634           |
| Charge for the financial year   | 891                          | 891             |
| At 31.12.2013                   | 4,525                        | 4,525           |
| <u>Net book value</u>           |                              |                 |
| At 31.12.2014                   | 55,095                       | 55,095          |
| At 31.12.2013                   | 55,985                       | 55,985          |

The investment properties of the Group and the Company with net book value of RM749,126,966 and RM55,095,073 respectively (2013: RM825,685,038 and RM55,985,284) have been charged as security for term loan facilities of the Group and of the Company (Notes 37 and 41).

Borrowings costs of RM2,494,657 (2013: RM8,437,554) for the Group has been capitalised in the construction in progress for the investment properties during the financial year.

At 31 December 2014, there were no contractual obligations for future repairs and maintenance (2013: Nil).

The leasehold land have unexpired periods of leases ranging from 30 years to 78 years.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 16 INVESTMENT PROPERTIES (CONTINUED)

#### Fair value information

The fair value of the investment properties are categorised as follows:

|                   | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 |
|-------------------|-------------------|-------------------|-------------------|-----------------|
| <u>Group</u>      |                   |                   |                   |                 |
| <u>2014</u>       |                   |                   |                   |                 |
| Land and Building | -                 | 75,000            | 936,983           | 1,011,983       |
|                   | -                 | 75,000            | 936,983           | 1,011,983       |
| <u>2013</u>       |                   |                   |                   |                 |
| Land and Building | -                 | 75,000            | 934,674           | 1,009,674       |
|                   | -                 | 75,000            | 934,674           | 1,009,674       |
| <u>Company</u>    |                   |                   |                   |                 |
| <u>2014/2013</u>  |                   |                   |                   |                 |
| Land and Building | -                 | 75,000            | -                 | 75,000          |
|                   | -                 | 75,000            | -                 | 75,000          |

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that cause the transfer.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within level 1 that are observable for investment property, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this approach is price per square foot of comparable properties.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 16 INVESTMENT PROPERTIES (CONTINUED)

##### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The following table shows a reconciliation of Level 3 fair value:

| <u>Group</u>                                 | 2014<br>RM'000 | 2013<br>RM'000 |
|--|----------------|----------------|
| At 1 January                                 | 934,674        | 1,240,519      |
| Additions                                    | 166,309        | 444,155        |
| Transfer to property, plant and equipment    | (164,000)      | -              |
| Transfer to asset held for sale (Note 18(a)) | -              | (750,000)      |
| At 31 December                               | 936,983        | 934,674        |

The following table shows the valuation techniques used in determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models:

| <u>Valuation<br/>Technique</u> | <u>Significant<br/>Unobservable Inputs</u> | <u>Inter-relationship Between Significant<br/>Unobservable Inputs and Fair Value Measurement</u> |
|--------------------------------|--|--|
|                                |  | The estimated fair value would increase/(decrease) if  |
| Discounted cash flow           | - Expected market rental growth : 3%       | - Expected market rental growth were higher/(lower)  |
|                                | - Yield: 7.5%                              | - Yield rate were higher/(lower)   |
|                                | - Discount rate: 5%                        | - Discount rates were lower/(higher)   |

##### Valuation process applied by the Group for Level 3 fair value

The fair value of the properties as at the statement of financial position date was determined by the Directors, having recent experience in location and category of property being valued.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 17 PROPERTY DEVELOPMENT ACTIVITIES

#### 17(a) Land held for property development

|  | Group          |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| Freehold land, at cost                                     | 321,326        | 214,652        |
| Freehold land, at valuation                                | 3,058          | 3,058          |
| Leasehold land, at cost                                    | 275,653        | 206,409        |
| Leasehold land, at valuation                               | 42,356         | 42,356         |
| Development expenditure                                    | 430,695        | 383,647        |
|  | 1,073,088      | 850,122        |
| Less: Accumulated impairment losses                        | (31,126)       | (31,126)       |
|  | 1,041,962      | 818,996        |
|  | 818,996        | 620,904        |
| At start of financial year                                 | 818,996        | 620,904        |
| Development expenditure incurred                           | 42,667         | 3,896          |
| Transfer from/(to) property development costs (Note 17(b)) | 71,970         | (5,974)        |
| Acquisition of freehold land                               | 84,314         | -              |
| Acquisition of leasehold land                              | 1,654          | -              |
| Transfer from customer on contracts                        | -              | 163,333        |
| Upon acquisition of a subsidiary                           |                |                |
| - freehold land, at cost                                   | 22,361         | 29,382         |
| - development costs  | -              | 7,455          |
|  | 1,041,962      | 818,996        |

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 RM512,410,192 (2013: RM498,445,336) 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 2023. The subsidiary's directors have reviewed and approved a five (5) year period cash flow projection in deriving the value in use calculation. 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

### 31 December 2014

#### 17 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

##### 17(b) Property development costs

|  | Group          |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| At start of financial year                                       |                |                |
| - land, at cost  | 437,739        | 383,307        |
| - development costs  | 751,238        | 885,638        |
| - accumulated costs charged to statement of comprehensive income | (464,663)      | (778,929)      |
| - impairment charged to profit or loss                           | (7,871)        | (8,255)        |
|  | 716,443        | 481,761        |
| Costs incurred during the financial year                         |                |                |
| - transfer from land held for property development (Note 17(a))  |                |                |
| - land, at cost  | 367            | 5,346          |
| - development costs  | -              | 628            |
|  | 367            | 5,974          |
| - land, at cost  | 1,362          | -              |
| - development costs  | 398,896        | 334,648        |
|  | 400,625        | 340,622        |
| Foreign currency translation                                     |                |                |
| - land, at cost  | (344)          | (1,477)        |
| - development costs  | (179)          | (798)          |
| - impairment   | 158            | 710            |
|  | (365)          | (1,565)        |
| Transfer to land held for property development (Note 17(a))      |                |                |
| - land, at cost  | (52,730)       | -              |
| - development costs  | (19,607)       | -              |
|  | (72,337)       | -              |
| Upon acquisition of subsidiaries (Note 5)                        |                |                |
| - land, at cost  | 304,371        | 152,904        |
| - development costs  | 35,783         | 35,593         |
|  | 340,154        | 188,497        |
| Costs charged to profit or loss                                  | (552,996)      | (292,546)      |
| Impairment charged to statement of comprehensive income*         | -              | (326)          |
| Reversal upon completion of projects                             |                |                |
| - land, at cost  | (69,134)       | (102,341)      |
| - development costs  | (62,149)       | (504,471)      |
| - accumulated costs charged to statement of comprehensive income | 131,283        | 606,812        |
| At end of financial year   | 831,524        | 716,443        |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 17 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

#### 17(b) Property development costs (continued)

|  | Group          |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| Analysed as follows  |                |                |
| - land, at cost  | 621,631        | 437,739        |
| - development costs  | 1,103,982      | 751,238        |
| - accumulated costs charged to statement of comprehensive income | (886,376)      | (464,663)      |
| - impairment charged to comprehensive income                     | (7,713)        | (7,871)        |
|  | 831,524        | 716,443        |

\* Development costs incurred to date in respect of a project for which no significant work has been undertaken was fully impaired by a subsidiary.

Included in development expenditure are the following charges made during the financial year:

|                      | Group          |                |
|----------------------|----------------|----------------|
|                      | 2014<br>RM'000 | 2013<br>RM'000 |
| Interest capitalised | 17,698         | 21,895         |

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).

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/SERVICE CONCESSION ASSET

##### (a) Asset held for sale and liabilities associated with asset held for sale

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Non-current assets held for sale</u>                |                |                |                |                |
| Service concession asset ("SCA")                       | -              | 1,321,672      | -              | -              |
| Investment property                                    | 396,891        | 396,891        | -              | -              |
| Deferred tax asset in relation to investment property  | 4,926          | 4,926          | -              | -              |
| Long term loan and receivables                         | -              | 128,848        | -              | 128,848        |
|  | 401,817        | 1,852,337      | -              | 128,848        |
| <u>Liabilities associated with asset held for sale</u> |                |                |                |                |
| Other payables   | (6,605)        | (6,744)        | -              | -              |
| Net assets held for sale                               | 395,212        | 1,845,593      | -              | 128,848        |

The movement during the financial year relating to net assets held for sale are as follows:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| At 1 January  | 1,845,593      | 1,321,672      | 128,848        | -              |
| Transfer to SCA (Note A)                              | (1,321,672)    | -              | -              | -              |
| Transfer from investment property (Note B)            | -              | 396,891        | -              | -              |
| Transfer from deferred tax asset (Note B)             | -              | 4,926          | -              | -              |
| Disposal of long term loan and receivables (Note C)   | (128,848)      | -              | (128,848)      | -              |
| Transfer from long term loan and receivables (Note C) | -              | 128,848        | -              | 128,848        |
| Reduction in/(transfer from) other payables (Note B)  | 139            | (6,744)        | -              | -              |
| At 31 December  | 395,212        | 1,845,593      | -              | 128,848        |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/SERVICE CONCESSION ASSET (CONTINUED)

#### (a) Asset held for sale and liabilities associated with asset held for sale (continued)

##### Note A

The service concession asset (“SCA”) is in relation to the Concession Agreement between MRCB Lingkaran Selatan Sdn. Bhd. (“MLSSB”), a wholly owned subsidiary of the Group, and the Government of Malaysia (GoM) in connection with the construction, operation, maintenance and toll collection of the Eastern Dispersal Link Expressway (“EDL”) for a concession period of 34 years, ending in 2042. The construction of EDL was completed on 31 March 2012 and was opened to traffic on 1 April 2012. Upon completion of the construction of the EDL, the toll collection rights with a carrying value of RM1,321,672,431 was recognised as SCA.

Following the confirmation received from the Malaysian Highway Authority on the Government’s intention to take over the expressway via an Interim Agreement, the SCA was classified as asset held for sale.

Pending conclusion of the settlement terms of the take-over, the GoM approved interim payments to reimburse the operating and maintenance expenses inclusive of finance cost in relation to the expressway incurred by MLSSB.

On 31 July 2014, MLSSB entered into a Termination Agreement with GoM to terminate the Interim Agreement followed by a Supplementary Agreement to amend and vary the relevant provisions of the principal Concession Agreement, whereby, the rights to the toll collection commencing from 1 August 2014 was granted to MLSSB.

Accordingly the EDL was transferred from assets held for sale to SCA (intangible asset) (Note 18(b)).

Upon the transfer, the carrying amount of the SCA was adjusted for the amortisation that would have been recognised, had the SCA not been classified as asset held for sale.

##### Note B

The investment property represents Platinum Sentral, a property owned by a wholly owned subsidiary of the Company, MRCB Sentral Properties Sdn. Bhd. (“MSPSB”). The investment property and its related tenants’ deposits have been presented as assets held for sale and liabilities associated with assets held for sale following the Group’s decision to dispose the investment property. On 29 January 2014, MSPSB entered into a Heads of Agreement with Maybank Trustees Berhad, acting as trustee for Quill Capita Trust (“Quill REIT”) to dispose Platinum Sentral for a cash consideration of RM750,000,000.

On 9 September 2014, the disposal consideration was revised to RM740,000,000 based on a revision to the market value of Platinum Sentral.

MSPSB and Maybank have via a Supplementary Agreement dated 8 October 2014 mutually agreed to extend the conditional period to fulfil all the conditional precedents of the Sale and Purchase Agreement to 9 January 2015. The date has been further extended to 9 April 2015 via a second supplementary letter dated 8 January 2015 entered into by both parties.

The completion date of the transaction is expected to be within the next twelve (12) months from the financial year ended 31 December 2014.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/SERVICE CONCESSION ASSET (CONTINUED)

##### (a) Asset held for sale and liabilities associated with asset held for sale (continued)

###### Note C

The long term loan and receivables is in relation to the Company's investment in the Series A Redeemable Preference Shares of RM1.00 each of RM74,847,991 and Redeemable Secured Junior Bonds of RM54,000,000 issued by Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd. ("Kesturi"), a wholly owned subsidiary of the Company's associate, Nuzen Corporation Sdn. Bhd. (collectively known as "Investment in DUKE"). The Investment in DUKE was presented as asset held for sale following the Company's decision to dispose of the investment in the previous financial year.

The disposal was completed on 30 June 2014 for a total cash consideration of RM228,000,000, resulting in a disposal gain recognised by the Group of RM94,868,238 and a settlement payment received from Ekovest Berhad, the holding company of Nuzen Corporation Sdn. Bhd. for the construction contract termination of DUKE 2 highway of RM33,700,000 (Note 8).

##### (b) Service concession asset

|   | Group<br>2014<br>RM'000 |
|---|-------------------------|
| <u>Cost</u>                                       |                         |
| Balance as at 1 January                           | -                       |
| Transferred from asset held for sale (Note 18(a)) | 1,321,672               |
| Balance as at 1 December                          | 1,321,672               |
| Less:   |                         |
| <u>Accumulated amortisation</u>                   |                         |
| Balance as at 1 January                           | -                       |
| Charge for the financial year (Note 9)            | (84,377)                |
| Balance as at 1 December                          | (84,377)                |
| As at 31 December                                 | 1,237,295               |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 19 SUBSIDIARIES

|  | Company        |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| Unquoted shares at cost in Malaysia *        | 1,757,809      | 1,360,566      |
| Less: Accumulated impairment losses          |                |                |
| - At start of financial year                 | (243,294)      | (191,903)      |
| - Write back/(charge) for the financial year | 4,245          | (51,391)       |
|  | (239,049)      | (243,294)      |
|  | 1,518,760      | 1,117,272      |
| Loan stocks                                  | 17,333         | 17,333         |
| Less: Accumulated impairment losses          | (17,333)       | (17,333)       |
|  | -              | -              |
| At 31 December                               | 1,518,760      | 1,117,272      |

\* Includes the guaranteed return to a non controlling interest in a subsidiary of RM115 million which is recoverable from the non controlling interest's portion of future profits distribution by the subsidiary (Note 42).

The loan stocks issued by a subsidiary pursuant to a Joint Venture Agreement dated 18 April 1996 was due for redemption on 1 January 2002 at 100% of its nominal value for all loan stocks not previously redeemed or purchased together with all accrued interest thereon. The joint venture parties have consented to extend the redemption to 31 December 2016, or within 6 months from the completion of joint venture project, whichever shall be earlier under the Supplemental Joint Venture Agreement dated 19 February 2003.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

|  | Excellent<br>Bonanza<br>Sdn Bhd<br>RM'000 | Cosy<br>Bonanza<br>Sdn Bhd<br>RM'000 | Prema<br>Bonanza<br>Sdn Bhd<br>RM'000 | Country<br>Annexe<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>subsidiaries<br>RM'000 | Total<br>RM'000 |
|--|---|--------------------------------------|---------------------------------------|--|---|-----------------|
| <u>Group - 2014</u>  |   |                                      |                                       |  |   |                 |
| NCI percentage of ownership interest and voting interest               | -   | 34.3%                                | 49.0%                                 | 30.0%                                  |   |                 |
| Accumulated NCI as at 31 December                                      | -   | 60,770                               | 19,227                                | (2,927)                                | 2,183   | 79,253          |
| (Loss)/profit allocated to NCI during the financial year               | (1,335)                                   | 32,204                               | 7,740                                 | (3,009)                                | (4,715)   | 30,885          |
| Other comprehensive income   | -   | -                                    | -                                     | -                                      | 123   | 123             |
|  | (1,335)                                   | 32,204                               | 7,740                                 | (3,009)                                | (4,592)   | 31,008          |
| <u>Summarised financial information before intra-group elimination</u> |   |                                      |                                       |  |   |                 |
| As at 31 December  |   |                                      |                                       |  |   |                 |
| Non current assets   | -   | -                                    | 2,004                                 | 168,009                                | 69,579  | 239,592         |
| Current assets   | -   | 332,695                              | 385,198                               | 22,953                                 | 65,890  | 806,736         |
| Non current liabilities  | -   | -                                    | (62,712)                              | -                                      | (714)   | (63,426)        |
| Current liabilities  | -   | (155,523)                            | (287,811)                             | (200,731)                              | (146,228)   | (790,293)       |
| Net assets/(deficits)  | -   | 177,172                              | 36,679                                | (9,769)                                | (11,473)  | 192,609         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

|   | Excellent<br>Bonanza<br>Sdn Bhd<br>RM'000 | Cosy<br>Bonanza<br>Sdn Bhd<br>RM'000 | Prema<br>Bonanza<br>Sdn Bhd<br>RM'000 | Country<br>Annexe<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>subsidiaries<br>RM'000 | Total<br>RM'000 |
|---|---|--------------------------------------|---------------------------------------|--|---|-----------------|
| <u>Group - 2014</u>   |   |                                      |                                       |  |   |                 |
| Year ended 31 December  |   |                                      |                                       |  |   |                 |
| Revenue   | 1,427                                     | 436,570                              | 116,683                               | 9,500                                  | 33,628  | 597,808         |
| (Loss)/profit for the financial year                              | (3,338)                                   | 93,889                               | 15,796                                | (10,031)                               | (15,373)  | 80,943          |
| Total comprehensive (loss)/income                                 | (3,338)                                   | 93,889                               | 15,796                                | (10,031)                               | (14,963)  | 81,353          |
| Net cash generated from/(used in)<br>operating activities         | -   | 217,825                              | (43,968)                              | (167)                                  | (885)   | 172,805         |
| Net cash used in investing activities                             | -   | -                                    | (282)                                 | -                                      | (13)  | (295)           |
| Net cash (used in)/generated from<br>financing activities         | -   | (195,059)                            | 69,649                                | 8,107                                  | 1,968   | (115,335)       |
| Net cash arising from acquisition<br>of NCI (Note 48(b),(d), (h)) | (87)                                      | -                                    | -                                     | -                                      | (1,443)   | (1,530)         |
| Net (decrease)/increase in cash and<br>cash equivalents           | (87)                                      | 22,766                               | 25,399                                | 7,940                                  | (373)   | 55,645          |
| Cash and cash equivalents   |   |                                      |                                       |  |   |                 |
| - at beginning of the year  | 87  | 13,713                               | 25,231                                | 2                                      | 31,105  | 70,138          |
| - at end of the year  | -   | 36,479                               | 50,630                                | 7,942                                  | 30,732  | 125,783         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

|  | Excellent<br>Bonanza<br>Sdn Bhd<br>RM'000 | Cosy<br>Bonanza<br>Sdn Bhd<br>RM'000 | Prema<br>Bonanza<br>Sdn Bhd<br>RM'000 | Country<br>Annexe<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>subsidiaries<br>RM'000 | Total<br>RM'000 |
|--|---|--------------------------------------|---------------------------------------|--|---|-----------------|
| <u>Group - 2013</u>  |   |                                      |                                       |  |   |                 |
| NCI percentage of ownership interest and voting interest               | 40.0%                                     | 34.3%                                | 49.0%                                 | 30.0%                                  |   |                 |
| Accumulated NCI as at 31 December                                      | 7,378                                     | 28,566                               | 11,487                                | 82                                     | 13,805  | 61,318          |
| (Loss)/profit allocated to NCI during the financial year               | (31,891)                                  | 13,618                               | 10,288                                | 276                                    | (1,110)   | (8,819)         |
| Other comprehensive income   | -   | -                                    | -                                     | -                                      | (286)   | (286)           |
|  | (31,891)                                  | 13,618                               | 10,288                                | 276                                    | (1,396)   | (9,105)         |
| <u>Summarised financial information before intra-group elimination</u> |   |                                      |                                       |  |   |                 |
| As at 31 December  |   |                                      |                                       |  |   |                 |
| Non current assets   | 484,903                                   | -                                    | 2,956                                 | 165,000                                | 69,503  | 722,362         |
| Current assets   | 17,177                                    | 416,430                              | 312,731                               | 15,797                                 | 94,906  | 857,041         |
| Non current liabilities  | (10,609)                                  | -                                    | -                                     | (134,152)                              | (733)   | (145,494)       |
| Current liabilities  | (473,028)                                 | (333,147)                            | (294,805)                             | (46,383)                               | (146,045)   | (1,293,408)     |
| Net assets   | 18,443                                    | 83,283                               | 20,882                                | 262                                    | 17,631  | 140,501         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

|   | Excellent<br>Bonanza<br>Sdn Bhd<br>RM'000 | Cosy<br>Bonanza<br>Sdn Bhd<br>RM'000 | Prema<br>Bonanza<br>Sdn Bhd<br>RM'000 | Country<br>Annexe<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>subsidiaries<br>RM'000 | Total<br>RM'000 |
|---|---|--------------------------------------|---------------------------------------|--|---|-----------------|
| <u>Group - 2013</u>                                       |   |                                      |                                       |  |   |                 |
| Year ended 31 December                                    |   |                                      |                                       |  |   |                 |
| Revenue   | (43,117)                                  | 237,263                              | 136,780                               | 31,663                                 | 33,613  | 396,202         |
| (Loss)/profit for the financial year                      | (79,728)                                  | 39,702                               | 20,995                                | 919                                    | (1,093)   | (19,205)        |
| Total comprehensive (loss)/income                         | (79,728)                                  | 39,702                               | 20,995                                | 919                                    | (2,045)   | (20,157)        |
| Net cash generated from/(used in)<br>operating activities | 156,405                                   | (98,954)                             | (11,677)                              | (34,130)                               | 3,175   | 14,819          |
| Net cash used in investing activities                     | -   | -                                    | (939)                                 | -                                      | (13)  | (952)           |
| Net cash (used in)/generated from<br>financing activities | (156,654)                                 | 101,081                              | 2,154                                 | 34,126                                 | (169)   | (19,462)        |
| Net cash generated from acquisition<br>of a subsidiary    | -   | -                                    | -                                     | -                                      | 4,524   | 4,524           |
| Net (decrease)/increase in cash and<br>cash equivalents   | (249)                                     | 2,127                                | (10,462)                              | (4)                                    | 7,517   | (1,071)         |
| Cash and cash equivalents                                 |   |                                      |                                       |  |   |                 |
| - at beginning of the year                                | 336                                       | 11,586                               | 35,693                                | 6                                      | 23,588  | 71,209          |
| - at end of the year                                      | 87  | 13,713                               | 25,231                                | 2                                      | 31,105  | 70,138          |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 20 ASSOCIATES

##### In Malaysia

Unquoted investments at cost  
Share of post-acquisition accumulated profit  
Unrealised gains

| Group  |        |
|--------|--------|
| 2014   | 2013   |
| RM'000 | RM'000 |

|          |          |
|----------|----------|
| 78,255   | 98,345   |
| 19,268   | 6,801    |
| (13,283) | (14,189) |

|        |        |
|--------|--------|
| 84,240 | 90,957 |
|--------|--------|

Analysis of associates are as follows:

Group's share of tangible assets  
Goodwill of acquisition

|        |        |
|--------|--------|
| 84,239 | 90,956 |
| 1      | 1      |

|        |        |
|--------|--------|
| 84,240 | 90,957 |
|--------|--------|

##### In Malaysia

Unquoted investments at cost

| Company |        |
|---------|--------|
| 2014    | 2013   |
| RM'000  | RM'000 |

|        |        |
|--------|--------|
| 78,255 | 98,345 |
|--------|--------|

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates.

|  | One IFC<br>Sdn Bhd<br>RM'000 | UEMB-<br>MRCB JV<br>Sdn Bhd<br>RM'000 | Ekovest-<br>MRCB JV<br>Sdn Bhd<br>RM'000 | Ekovest-<br>MRCB<br>Construction<br>Sdn Bhd<br>RM'000 | Penang<br>Sentral<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>associates<br>RM'000 | Total<br>RM'000 |
|--|------------------------------|---------------------------------------|--|---|--|---|-----------------|
| <u>Group - 2014</u>                                  |                              |                                       |  |   |  |   |                 |
| <u>Summarised financial information</u>              |                              |                                       |  |   |  |   |                 |
| Percentage of ownership interest and voting interest | 30%                          | 49%                                   | 40%                                      | 40%   | 0%                                     |   |                 |
| <u>As at 31 December</u>                             |                              |                                       |  |   |  |   |                 |
| Non current assets                                   | 228,527                      | 6,921                                 | 184                                      | 174   | -                                      | 61  | 235,867         |
| Current assets                                       | 166,765                      | 306,231                               | 6,355                                    | 21,476  | -                                      | 1,100   | 501,927         |
| Non current liabilities                              | (70,902)                     | (3,708)                               | -  | -   | -                                      | -   | (74,610)        |
| Current liabilities                                  | (67,448)                     | (275,581)                             | (379)                                    | (18,819)  | -                                      | (326)   | (362,553)       |
| Net assets   | 256,942                      | 33,863                                | 6,160                                    | 2,831   | -                                      | 835   | 300,631         |
| <u>Year ended 31 December</u>                        |                              |                                       |  |   |  |   |                 |
| Profit/(loss) from operations                        | (453)                        | 21,260                                | 5,722                                    | 843   | (477)                                  | (102)   | 26,793          |
| Other comprehensive income                           | -                            | -                                     | -  | -   | -                                      | -   | -               |
| Total comprehensive income/(loss)                    | (453)                        | 21,260                                | 5,722                                    | 843   | (477)                                  | (102)   | 26,793          |
| <u>Included in total comprehensive income is:</u>    |                              |                                       |  |   |  |   |                 |
| Revenue  | 61,034                       | 545,519                               | 11,379                                   | 7,673   | 470                                    | -   | 626,075         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

|  | One IFC<br>Sdn Bhd<br>RM'000 | UEMB-<br>MRCB JV<br>Sdn Bhd<br>RM'000 | Ekovest-<br>MRCB JV<br>Sdn Bhd<br>RM'000 | Ekovest-<br>MRCB<br>Construction<br>Sdn Bhd<br>RM'000 | Penang<br>Sentral<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>associates<br>RM'000 | Total<br>RM'000 |
|--|------------------------------|---------------------------------------|--|---|--|---|-----------------|
| <u>Group - 2014</u>                                    |                              |                                       |  |   |  |   |                 |
| <u>Reconciliation of net assets to carrying amount</u> |                              |                                       |  |   |  |   |                 |
| <u>As at 31 December</u>                               |                              |                                       |  |   |  |   |                 |
| Group's share of net assets                            | 77,082                       | 16,593                                | 2,464                                    | 1,132   | -                                      | 251   | 97,522          |
| Goodwill   | -                            | 1                                     | -  | -   | -                                      | -   | 1               |
| Elimination of unrealised profit                       | (13,283)                     | -                                     | -  | -   | -                                      | -   | (13,283)        |
| Carrying amount in the statement of financial position | 63,799                       | 16,594                                | 2,464                                    | 1,132   | -                                      | 251   | 84,240          |
| <u>Group's share of results</u>                        |                              |                                       |  |   |  |   |                 |
| <u>Year ended 31 December</u>                          |                              |                                       |  |   |  |   |                 |
| Group's share of profit or loss from operations        |                              |                                       |  |   |  |   |                 |
| - current year   | (136)                        | 10,417                                | 2,289                                    | 337   | (234)                                  | (30)  | 12,643          |
| - over recognition in prior year                       | -                            | (293)                                 | -  | -   | (97)                                   | (1)   | (391)           |
| Group's share of total comprehensive income/(loss)     | (136)                        | 10,124                                | 2,289                                    | 337   | (331)                                  | (31)  | 12,252          |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

|  | One IFC<br>Sdn Bhd<br>RM'000 | UEMB-<br>MRCB JV<br>Sdn Bhd<br>RM'000 | Penang<br>Sentral<br>Sdn Bhd<br>RM'000 | Other<br>individually<br>immaterial<br>associates<br>RM'000 | Total<br>RM'000 |
|--|------------------------------|---------------------------------------|--|---|-----------------|
| <u>Group - 2013</u>                                    |                              |                                       |  |   |                 |
| <u>Summarised financial information</u>                |                              |                                       |  |   |                 |
| Percentage of ownership interest and voting interest   | 30%                          | 49%                                   | 49%                                    |   |                 |
| <u>As at 31 December</u>                               |                              |                                       |  |   |                 |
| Non current assets                                     | 111,538                      | 8,165                                 | 19,248                                 | 240   | 139,191         |
| Current assets   | 188,776                      | 288,554                               | 28,058                                 | 4,727   | 510,115         |
| Non current liabilities                                | (5)                          | (3,877)                               | -                                      | -   | (3,882)         |
| Current liabilities                                    | (42,915)                     | (279,640)                             | (6,069)                                | (1,603)   | (330,227)       |
| Net assets   | 257,394                      | 13,202                                | 41,237                                 | 3,364   | 315,197         |
| <u>Year ended 31 December</u>                          |                              |                                       |  |   |                 |
| Profit/(loss) from operations                          | 7,189                        | 11,251                                | 360                                    | (5,077)   | 13,723          |
| Other comprehensive income                             | -                            | -                                     | -                                      | -   | -               |
| Total comprehensive income/(loss)                      | 7,189                        | 11,251                                | 360                                    | (5,077)   | 13,723          |
| <u>Included in total compressive income is:</u>        |                              |                                       |  |   |                 |
| Revenue  | 89,441                       | 262,276                               | 995                                    | 6,649   | 359,361         |
| <u>Reconciliation of net assets to carrying amount</u> |                              |                                       |  |   |                 |
| <u>As at 31 December</u>                               |                              |                                       |  |   |                 |
| Group's share of net assets                            | 77,218                       | 6,469                                 | 20,206                                 | 1,252   | 105,145         |
| Goodwill   | -                            | 1                                     | -                                      | -   | 1               |
| Elimination of unrealised profit                       | (14,189)                     | -                                     | -                                      | -   | (14,189)        |
| Carrying amount in the statement of financial position | 63,029                       | 6,470                                 | 20,206                                 | 1,252   | 90,957          |
| <u>Group's share of results</u>                        |                              |                                       |  |   |                 |
| <u>Year ended 31 December</u>                          |                              |                                       |  |   |                 |
| Group's share of profit or loss from operations        |                              |                                       |  |   |                 |
| - current year   | 2,157                        | 5,513                                 | 176                                    | (810)   | 7,036           |
| - under/(over) recognition in prior year               | -                            | 324                                   | (127)                                  | (1,223)   | (1,026)         |
| Group's share of total comprehensive income/(loss)     | 2,157                        | 5,837                                 | 49                                     | (2,033)   | 6,010           |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 20 ASSOCIATES (CONTINUED)

One IFC Sdn. Bhd. (“One IFC”) is involved in the development of St. Regis Hotel and Residences in Kuala Lumpur Sentral. One IFC is a strategic partnership for the Group, enhancing the Group’s involvement in the property development and property investment business.

Penang Sentral Sdn. Bhd. (“PSSB”) is involved in the development of an integrated transportation hub in Malaysia’s northern region which is part of the Northern Corridor Economic Region (“NCER”) launched by the Government, enhancing the Group’s involvement in the development of transportation hub, similar to Kuala Lumpur Sentral development. The Company had on 8 August 2014 completed its acquisition of the remaining 51% equity interest from Pelaburan Hartanah Berhad. With this, PSSB became a wholly owned subsidiary of the Company (Note 5(ii)).

UEMB-MRCB JV Sdn. Bhd. is a strategic partnership for the Group to undertake the RM1.4 billion PLUS contract awarded to construct a fourth lane from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and from Nilai Utara to Seremban, enhancing the Group’s involvement in the construction of highway.

Ekovest-MRCB JV Sdn. Bhd. is engaged as the Project Delivery Partner for the River of Life Entry Point Project. The project is involved in up stream river cleaning and beautification works. Ekovest-MRCB Construction Sdn. Bhd. is the appointed contractor for River of Life project.

The results of associates are accounted for by using equity method.

No dividend were received from associates during the financial year (2013: Nil).

The Group does not have any capital commitments or contingent liabilities in relation to its interest in the associates as at 31 December 2014 (2013: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 21 JOINT VENTURE

|                                    | Group          |                | Company        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>In Malaysia</u>                 |                |                |                |                |
| Unquoted investments at cost       | 102,000        | 102,000        | 102,000        | 102,000        |
| Share of post-acquisition reserves | (43,568)       | (7,012)        | -              | -              |
|                                    | 58,432         | 94,988         | 102,000        | 102,000        |

The following table summarises the information of the Group's joint venture and reconcile the information to the carrying amount of the Group's interest in the joint venture.

|  | Nu Sentral Sdn. Bhd. |                |
|--|----------------------|----------------|
|  | 2014<br>RM'000       | 2013<br>RM'000 |
| <u>Summarised financial information</u>              |                      |                |
| Percentage of ownership interest and voting interest | 51%                  | 51%            |
| <u>As at 31 December</u>                             |                      |                |
| Non current assets                                   | 781,568              | 729,100        |
| Current assets                                       | 42,656               | 56,506         |
| Non current liabilities                              | (598,501)            | (526,063)      |
| Current liabilities                                  | (111,149)            | (73,291)       |
| Net assets   | 114,574              | 186,252        |
| <u>Year ended 31 December</u>                        |                      |                |
| Losses from operations                               | (71,678)             | (1,831)        |
| Other comprehensive income                           | -                    | -              |
| Total comprehensive loss                             | (71,678)             | (1,831)        |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 21 JOINT VENTURE (CONTINUED)

|   | Nu Sentral Sdn. Bhd. |        |
|---|----------------------|--------|
|   | 2014                 | 2013   |
|   | RM'000               | RM'000 |
| Included in total comprehensive income/(loss) are as follows: |                      |        |
| Revenue   | 28,459               | -      |
| Depreciation  | (236)                | (6)    |
| Interest income   | 1,231                | 1,991  |
| Interest expenses   | (28,435)             | (730)  |
| Income tax credit/(expenses)                                  | 3                    | (18)   |
| <u>Reconciliation of net assets to carrying amount</u>        |                      |        |
| <u>As at 31 December</u>                                      |                      |        |
| Group's share of net assets                                   | 58,432               | 94,988 |
| Carrying amount in statement of financial position            | 58,432               | 94,988 |
| <u>Group's share of results</u>                               |                      |        |
| <u>Year ended 31 December</u>                                 |                      |        |
| Group's share of loss from operations                         |                      |        |
| - current year  | (36,556)             | (934)  |
| - under recognition in prior year                             | -                    | (45)   |
| Group's share of other comprehensive income                   | -                    | -      |
| Group's share of total comprehensive loss                     | (36,556)             | (979)  |

Nu Sentral Sdn. Bhd. owns Nu Sentral retail mall, the first integrated green lifestyle retail mall in Malaysia, enhancing the Group's involvement in the property investment business.

The results of joint venture are accounted for by using equity method.

No dividend were received from joint venture during the financial year (2013: Nil).

The Group does not have any capital commitments except for the performance guarantee of RM1,311,000 extended to third party in relation to its interest in the joint venture as at 31 December 2014 (2013: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 22 LONG TERM LOAN AND RECEIVABLES

|  | Group          |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>In Malaysia</u>                                       |                |                |
| Trade receivables  | 5,924          | 531,909        |
| Series A Redeemable Preference Shares                    | -              | 58,500         |
| Secured Junior Bonds                                     | -              | 54,000         |
|  | -              | 112,500        |
| Add: Cumulative unwinding discounts for financial assets | -              | 23,468         |
| Less: Accumulated impairment losses                      | -              | (7,120)        |
|  | -              | 128,848        |
| Transferred to assets held for sale (Note 18(a))         | -              | (128,848)      |
|  | -              | -              |
|  |                |                |
|  | Company        |                |
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>In Malaysia</u>                                       |                |                |
| Series A Redeemable Preference Shares                    | -              | 58,500         |
| Secured Junior Bonds                                     | -              | 54,000         |
| Non Convertible Redeemable Preference Shares             | 15,000         | 15,000         |
|  | 15,000         | 127,500        |
| Add: Cumulative unwinding discounts for financial assets | -              | 16,348         |
|  | 15,000         | 143,848        |
| Transferred to assets held for sale (Note 18(a))         | -              | (128,848)      |
|  | 15,000         | 15,000         |

The carrying amounts of the Group's long term loan and receivables approximate their fair values, which are based on cash flows discounted using the current market interest rates. The fair values are within Level 2 of the fair value hierarchy.

The Series A Redeemable Preference Shares and Secured Junior Bonds were held in an associate, Konsortium Lebunraya Utara-Timur (KL) Sdn. Bhd. ("Kesturi"), and had been transferred to assets held for sale as at 31 December 2013 (Note 18(a)).

The Non Convertible Redeemable Preference Shares of RM15,000,000 are held in Country Annexe Sdn. Bhd., a 70% equity owned subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 23 AVAILABLE FOR SALE FINANCIAL ASSETS

|  | Group and Company |                |
|--|-------------------|----------------|
|  | 2014<br>RM'000    | 2013<br>RM'000 |
| At 1 January/31 December                                   | 577               | 577            |
| Available for sale financial assets include the following: |                   |                |
| Shares in a corporation, quoted outside Malaysia           | 910               | 910            |
| Less: Accumulated impairment losses                        | (642)             | (642)          |
|  | 268               | 268            |
| Unquoted investments                                       | 7,717             | 7,717          |
| Less: Accumulated impairment losses                        | (7,408)           | (7,408)        |
|  | 309               | 309            |
| Total  | 577               | 577            |

Available for sale financial assets are denominated in the following currencies:

|                  | Group and Company |                |
|------------------|-------------------|----------------|
|                  | 2014<br>RM'000    | 2013<br>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.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 24 INTANGIBLE ASSETS

The carrying amount of goodwill, development rights and order book on consolidation are as follows:

|  | Group          |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Goodwill</u>  |                |                |
| At 1 January   | 151,179        | 69,210         |
| Arising on consolidation (Note 5(ii))  | 2,922          | 81,969         |
| At 31 December   | 154,101        | 151,179        |
| <u>Accumulated impairment loss</u>   |                |                |
| At 1 January   | (13,660)       | (12,339)       |
| Addition   | (1,309)        | (1,321)        |
| At 31 December   | (14,969)       | (13,660)       |
|  | 139,132        | 137,519        |
| <u>Development rights</u>  |                |                |
| At 1 January/31 December   | 18,017         | 18,017         |
| <u>Order book</u>  |                |                |
| At 1 January   | 135,564        | -              |
| Arising on consolidation (Note 5(iv))  | -              | 140,589        |
| Amortisation charge  | (4,736)        | (3,685)        |
| Capitalised in investment properties   | (664)          | (1,340)        |
| Transferred to accumulated losses upon the acquisition of non controlling interest of a subsidiary (Note 5(i)) | (15,526)       | -              |
| At 31 December   | 114,638        | 135,564        |
| Total  | 271,787        | 291,100        |

Goodwill – 348 Sentral Sdn. Bhd. (RM53,118,877)

The goodwill of RM53,118,877 arising from the acquisition of 348 Sentral Sdn. Bhd., an investment holding company in 2010, was tested for impairment using fair value less cost to sell method (2013: fair value less cost to sell method).

Based on the impairment assessment performed by the Group, no impairment is required for the goodwill attributable to 348 Sentral Sdn. Bhd..

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 24 INTANGIBLE ASSETS (CONTINUED)

##### Goodwill – 348 Sentral Sdn. Bhd. (RM53,118,877) (continued)

Key assumptions used in the fair value less cost to sell calculation is as follows:

|                                       | <u>2014/2013</u>    |
|---------------------------------------|---------------------|
| Average selling price per square feet | RM1,200             |
| Incidental cost to sell               | 2% of selling price |

There will be no impact to the Group's results if the average selling price per square feet is reduced by 2% with all other variables being held constant.

##### Goodwill – Gapurna Companies (RM81,969,755)

The goodwill of RM81,969,755 arising from the acquisition of Gapurna Companies as disclosed in Note 5 was tested for impairment using the value in use ("VIU") method.

Based on the impairment assessment performed by the Group, no impairment is required for the goodwill attributed to the Gapurna Companies.

##### 2014

The recoverable amount of Cash Generated Unit ("CGU") in respect of the goodwill was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by the Board of Directors covering a five (5) year period (financial years 2015 to 2019) for the Gapurna Companies, namely Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd., Puncak Wangi Sdn. Bhd. and Gelanggang Harapan Construction Sdn. Bhd..

Key assumptions used in the VIU calculations for the goodwill impairment assessment is as follows:

|               | <u>2014</u> |
|---------------|-------------|
| Discount rate | 7.57%       |

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.

Goodwill arising from the acquisition of Penang Sentral Sdn. Bhd. (Note 5(ii)) during the financial year of RM2,922,674 is arrived based on a provisional purchase price allocation.

##### Development rights

Development rights of RM18,016,809 allocated to 59 INC Sdn. Bhd., a property development company was tested for impairment using the VIU method.

The recoverable amount of CGU in development rights was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period.

Key assumptions used in the VIU calculations for development rights are as follows:

|               | <u>2014</u> | <u>2013</u> |
|---------------|-------------|-------------|
|               | %           | %           |
| Discount rate | 12.9        | 12.9        |

Based on the impairment test, no impairment is required for the development rights attributable to 59 INC Sdn. Bhd..

There will be no impact to the Group's results if the discount rate is 1% higher with all other variables including tax rate being held constant.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 25 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Deferred tax assets  | 35,784         | 33,513         | -              | -              |
| Deferred tax liabilities   | (90,219)       | (95,068)       | -              | -              |
|  | (54,435)       | (61,555)       | -              | -              |
| The movements during the financial year relating to deferred tax are as follows: |                |                |                |                |
| At start of financial year   | (61,555)       | (12,113)       | -              | -              |
| (Charged)/credited to statement of comprehensive income (Note 13)                |                |                |                |                |
| Property, plant and equipment  | 340            | (1,929)        | 257            | (557)          |
| Investment property  | (43)           | (2,659)        | (43)           | (2,659)        |
| Property development cost  | (2,532)        | (2,311)        | -              | -              |
| Provisions   | (1,288)        | 13,937         | (214)          | 3,216          |
| Order book   | 4,863          | 884            | -              | -              |
| Tax losses   | 4,866          | 3,564          | -              | -              |
| Service concession asset   | 4,503          | -              | -              | -              |
| Others   | -              | 797            | -              | -              |
|  | 10,709         | 12,283         | -              | -              |
| Acquisition of subsidiaries (Note 5)   | (3,589)        | (55,164)       | -              | -              |
| Transferred to assets held for sale (Note 18(b))                                 | -              | (4,926)        | -              | -              |
| <u>Discontinuing operations</u>  |                |                |                |                |
| Investment property (Note 51)  | -              | (1,635)        | -              | -              |
| At end of financial year   | (54,435)       | (61,555)       | -              | -              |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 25 DEFERRED TAX (CONTINUED)

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Subject to income tax</u>                        |                |                |                |                |
| <u>Deferred tax assets (before offsetting)</u>      |                |                |                |                |
| Property, plant and equipment                       | 138            | 108            | -              | -              |
| Property development cost                           | 15,673         | 19,545         | -              | -              |
| Provisions  | 27,191         | 28,479         | 3,002          | 3,216          |
| Tax losses  | 18,291         | 13,425         | -              | -              |
| Service concession asset                            | 4,503          | -              | -              | -              |
|   | 65,796         | 61,557         | 3,002          | 3,216          |
| Offsetting  | (30,012)       | (28,044)       | (3,002)        | (3,216)        |
|   | 35,784         | 33,513         | -              | -              |
| <u>Deferred tax liabilities (before offsetting)</u> |                |                |                |                |
| Property, plant and equipment                       | (8,474)        | (5,195)        | (300)          | (557)          |
| Investment property                                 | (11,872)       | (11,829)       | (2,702)        | (2,659)        |
| Property development cost                           | (71,891)       | (73,231)       | -              | -              |
| Order book  | (27,994)       | (32,857)       | -              | -              |
|   | (120,231)      | (123,112)      | (3,002)        | (3,216)        |
| Offsetting  | 30,012         | 28,044         | 3,002          | 3,216          |
|   | (90,219)       | (95,068)       | -              | -              |

The amounts of deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax assets are recognised in the statement of financial position are as follows:

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Deductible temporary differences | 48,263         | 76,231         | 1,723          | 16,353         |
| Tax losses                       | 181,314        | 142,638        | -              | -              |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 26 INVENTORIES

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Completed properties for sale, at cost | 7,740          | 7,740          | 7,220          | 7,220          |
| Raw materials                          | 34,388         | 161            | -              | -              |
| Land held for sale                     | 498            | 498            | -              | -              |
|  | 42,626         | 8,399          | 7,220          | 7,220          |

The carrying value of inventories included RM626,397 (2013: RM626,397) stated at net realisable values.

Inventories where the net realisable values are expected to be below the carrying value have been written down. The amount written down during the financial year was Nil (2013: Nil).

### 27 TRADE AND OTHER RECEIVABLES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Trade receivables                                   | 764,709        | 226,263        | 150            | 2,340          |
| Less: Provision for impairment of trade receivables | (16,362)       | (18,656)       | -              | (2,340)        |
|   | 748,347        | 207,607        | 150            | -              |
| Amounts due from customers on contracts (Note 28)   | 174,059        | 191,296        | 30,457         | 34,159         |
| Accrued billings in respect of property development | 230,991        | 165,324        | -              | -              |
| Amounts due from related parties                    | 589            | 4,152          | 377            | 242            |
| Deposits  | 16,681         | 9,711          | 4,125          | 2,680          |
| Prepayments   | 12,644         | 2,302          | -              | -              |
| Other receivables                                   | 163,146        | 116,180        | 143,428        | 73,485         |
| Less: Provision for impairment of other receivables | (32,425)       | (47,412)       | (12,834)       | (27,915)       |
|   | 160,046        | 80,781         | 134,719        | 48,250         |
|   | 1,314,032      | 649,160        | 165,703        | 82,651         |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 27 TRADE AND OTHER RECEIVABLES (CONTINUED)

|   | Company        |                |
|---|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 |
| Amounts due from subsidiaries*                                  | 1,223,605      | 1,029,758      |
| Less: Provision for impairment of amounts due from subsidiaries | (191,967)      | (197,990)      |
|   | 1,031,638      | 831,768        |

\* Amounts due from subsidiaries include Redeemable Cumulative Preference Shares of RM30,000,000 held by the Company in MRCB Putra Sdn. Bhd. (formerly known as Arch Angel Capital Sdn. Bhd.), a 70% equity owned subsidiary.

|                                | Group          |                | Company        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Amounts due from joint venture | 5,813          | 537            | 14,736         | 14,799         |

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 (2013: range from 30 to 60 days).

Other than receivables that are impaired, trade and other receivables comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development activities arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 27 TRADE AND OTHER RECEIVABLES (CONTINUED)

#### Trade and other receivables that are past due but not impaired

As at 31 December 2014, the Group's and the Company's trade receivables of RM93,529,939 (2013: RM87,892,022) and RM 149,610 (2013: RM Nil) 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        |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Trade receivables</u>        |                |                |                |                |
| Less than three months          | 33,582         | 49,940         | -              | -              |
| Between three to six months     | 10,079         | 8,625          | -              | -              |
| Between six months and one year | 23,004         | 5,933          | -              | -              |
| More than one year              | 26,865         | 23,394         | 150            | -              |
|                                 | 93,530         | 87,892         | 150            | -              |

As at 31 December 2014, the Group's and the Company's other receivables of RM3,865,934 (2013: RM4,339,271) and RM885,271 (2013: RM1,068,767) 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        |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Other receivables</u>        |                |                |                |                |
| Less than three months          | 380            | 1,708          | 1              | -              |
| Between three to six months     | 1,183          | 5              | -              | -              |
| Between six months and one year | 25             | 129            | -              | 117            |
| More than one year              | 2,278          | 2,498          | 884            | 952            |
|                                 | 3,866          | 4,340          | 885            | 1,069          |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 27 TRADE AND OTHER RECEIVABLES (CONTINUED)

##### Trade and other receivables that are impaired

As at 31 December 2014, the Group's and the Company's trade and other receivables were individually impaired either because of difficulties in collecting promptly or the debtors are in financial difficulty. The aging of these receivables are as follows:

|                          | Group          |                | Company        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Trade receivables</u> |                |                |                |                |
| Within 6 months          | -              | -              | -              | -              |
| More than 6 months       | 16,362         | 18,656         | -              | 2,340          |
|                          | 16,362         | 18,656         | -              | 2,340          |
| <u>Other receivables</u> |                |                |                |                |
| Within 6 months          | -              | -              | -              | -              |
| More than 6 months       | 32,425         | 47,412         | 12,834         | 27,915         |
|                          | 32,425         | 47,412         | 12,834         | 27,915         |

Movements of the provision for impairment of trade and other receivables during the year are as follows:-

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Trade receivables</u>                |                |                |                |                |
| At start of financial year              | 18,656         | 18,306         | 2,340          | 2,364          |
| Provision for impairment of receivables | 742            | 1,177          | -              | -              |
| Reversal of impairment                  | (24)           | (162)          | (2,340)        | (24)           |
| Written off                             | (2,526)        | (13)           | -              | -              |
| Reversal upon disposal of a subsidiary  | (486)          | -              | -              | -              |
| Reclassified to other receivables       | -              | (652)          | -              | -              |
| At end of financial year                | 16,362         | 18,656         | -              | 2,340          |
| <u>Other receivables</u>                |                |                |                |                |
| At start of financial year              | 47,412         | 47,910         | 27,915         | 27,901         |
| Provision for impairment of receivables | 150            | 377            | 3              | 14             |
| Reversal of impairment                  | (52)           | (204)          | -              | -              |
| Written off                             | (15,085)       | (1,323)        | (15,084)       | -              |
| Reclassified from trade receivables     | -              | 652            | -              | -              |
| At end of financial year                | 32,425         | 47,412         | 12,834         | 27,915         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 27 TRADE AND OTHER RECEIVABLES (CONTINUED)

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 2014 is the carrying value of each class of receivables mentioned above.

Amounts due from subsidiaries, joint venture and related parties are unsecured, interest free and repayable on demand. There is no material difference between the carrying value of the trade and other receivables and their fair values, due to the short term duration of these receivables.

The Group does not has any significant exposure to any individual customer or counterparty nor does the Group has any major concentration of credit risk, other than the concentration of credit risk from property development customers in respect of amounts due from Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd. of RM556,212,325 (2013: RM531,909,092). The Group has carried out an assessment on the recoverability of these balances and the Directors have concluded that no impairment is required.

#### Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and liabilities that have been set off for presentation purposes:

| <u>Company</u>                | <u>Note</u> | <u>Gross<br/>amount<br/>RM'000</u> | <u>Balance<br/>that are<br/>set off<br/>RM'000</u> | <u>Net carrying<br/>amount in the<br/>statement<br/>financial<br/>position<br/>RM'000</u> |
|-------------------------------|-------------|------------------------------------|--|---|
| <u>2014</u>                   |             |                                    |  |   |
| Amounts due from subsidiaries | 27          | 1,259,342                          | (35,737)   | 1,223,605   |
| Amounts due to subsidiaries   | 39          | 158,990                            | (21,425)   | 137,565   |
| <u>2013</u>                   |             |                                    |  |   |
| Amounts due from subsidiaries | 27          | 1,107,584                          | (77,826)   | 1,029,758   |
| Amounts due to subsidiaries   | 39          | 127,755                            | (3,649)  | 124,106   |

Certain trade receivables and trade payables, amounts due from subsidiaries and amounts due to subsidiaries were set off for presentation purposes because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 28 CONSTRUCTION CONTRACTS

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Aggregate costs incurred to date                             | 4,509,774      | 5,448,067      | 533,342        | 502,337        |
| Attributable profits on contract works performed to date     | 220,083        | 262,875        | 11,386         | 6,348          |
| Less: Provision for foreseeable losses                       | (37,448)       | (24,382)       | -              | -              |
|  | 4,692,409      | 5,686,560      | 544,728        | 508,685        |
| Less: Progress billings                                      | (4,534,733)    | (5,502,236)    | (524,855)      | (474,526)      |
|  | 157,676        | 184,324        | 19,873         | 34,159         |
| Amounts due from customers on contracts (Note 27)            | 174,059        | 191,296        | 30,457         | 34,159         |
| Amounts due to customers on contracts (Note 39)              | (16,383)       | (6,972)        | (10,584)       | -              |
|  | 157,676        | 184,324        | 19,873         | 34,159         |
| Retention sum on contracts, included under trade receivables | 58,880         | 43,661         | -              | -              |

The borrowing costs capitalised in construction contracts during the financial year was RM438,318 (2013: RM Nil).

#### 29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Shares in corporations, quoted in Malaysia | 3,229          | 4,533          | 3,229          | 4,533          |

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 30 DEPOSITS, CASH AND BANK BALANCES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Deposits with licensed banks                  | 133,582        | 195,338        | 22,542         | 84,449         |
| Deposits with licensed financial institutions | 22,389         | 35,846         | 22,389         | 35,846         |
| Cash held under Housing Development Accounts  | 81,466         | 49,328         | -              | -              |
| Cash and bank balances                        | 423,251        | 322,923        | 78,946         | 17,258         |
|   | 660,688        | 603,435        | 123,877        | 137,553        |

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 RM352,477,979 (2013: RM294,524,812) and RM82,732,669 (2013: RM32,222,293) 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 equivalents of the Group and of the Company comprise:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Deposits, cash and bank balances                                 | 660,688        | 603,435        | 123,877        | 137,553        |
| Less:  |                |                |                |                |
| Cash and bank balances and fixed deposits held as security value | (352,478)      | (294,524)      | (82,733)       | (32,222)       |
| Bank overdraft   | -              | (391)          | -              | -              |
|  | 308,210        | 308,520        | 41,144         | 105,331        |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 30 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currency denomination of the deposits, cash and bank balances of the Group and of the Company are as follows:

|                   | Group          |                | Company        |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Ringgit Malaysia  | 659,733        | 602,614        | 123,847        | 137,522        |
| Australian Dollar | 165            | 77             | 30             | 31             |
| Thai Baht         | 790            | 744            | -              | -              |
|                   | 660,688        | 603,435        | 123,877        | 137,553        |

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   |           |
|---|-----------|-----------|-----------|-----------|
|   | 2014<br>% | 2013<br>% | 2014<br>% | 2013<br>% |
| Deposits with licensed banks                  | 3.01      | 2.84      | 3.19      | 2.63      |
| Deposits with licensed financial institutions | 3.39      | 2.96      | 3.39      | 2.96      |

The maturity periods of deposits with licensed banks and licensed financial institutions as at the financial year end were as follows:

|   | Group        |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2014<br>days | 2013<br>days | 2014<br>days | 2013<br>days |
| Deposits with licensed banks                  | 7 - 365      | 2 - 365      | 7 - 365      | 7 - 365      |
| Deposits with licensed financial institutions | 7            | 2 - 7        | 7            | 2 - 7        |

Bank balances are held at call except for the restricted monies.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 31 SHARE CAPITAL

|   | Group and Company |                |
|---|-------------------|----------------|
|   | 2014<br>RM'000    | 2013<br>RM'000 |
| <u>Authorised:</u>  |                   |                |
| Ordinary shares of RM1.00 each<br>At 1 January  | 5,000,000         | 2,000,000      |
| Increase during the year  | -                 | 3,000,000      |
| At 31 December  | 5,000,000         | 5,000,000      |
| <u>Issued and fully paid:</u>   |                   |                |
| Ordinary shares of RM1.00 each<br>At 1 January  | 1,651,311         | 1,387,811      |
| Allotment of shares pursuant to the acquisition of<br>P.J Sentral Development Sdn. Bhd. (Note 5(i)) | 108,807           | 263,500        |
| Exercise of option under 2007/2017 ESOS   | 60                | -              |
| At 31 December  | 1,760,178         | 1,651,311      |

#### Employees' Share Option Scheme

The Company proposed a Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) following the expiry of the 2002/2007 ESOS on 5 September 2007. The 2007/2012 ESOS was approved by the shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, the Board of Director had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are as follows:

- (a) The Scheme is set up for the participation in the ordinary share capital of the Company only.

The total number of shares to be offered under the 2007/2017 ESOS shall not exceed 15% of the total number of issued and fully paid ordinary shares of the Company at any time during the tenure of the Scheme, which shall be in force for a period of ten (10) years commencing 31 October 2007.

- (b) Eligible employees (including Executive Directors) are those who must have been confirmed in his/her position as an employee with a minimum of six (6) months continuous service on or prior to the date of offer of the 2007/2017 ESOS.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 31 SHARE CAPITAL (CONTINUED)

##### Employees' Share Option Scheme (continued)

- (c) The Scheme is administered by an ESOS Committee which consists of such persons duly appointed by the Board from time to time.
- (d) An option granted under the 2007/2017 ESOS is capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer and expiring on 30 October 2017.
- (e) Options granted for each year may be exercised in full or in such lesser number of shares.
- (f) The option price of each share shall be either at premium or at a discount of not more than 10% from the weighted average market price of the shares of the Company as stated in the Daily Official Listing issued by the Malaysia Securities Exchange Berhad for the five (5) market days immediately preceding the date of offer and shall not be less than the par value of the share.
- (g) An eligible employee can only participate in one ESOS implemented by any company in the Group at any one time.
- (h) All the new ordinary shares issued arising from the 2007/2017 ESOS shall rank pari passu in all respects with the existing ordinary shares of the Company.

##### 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<br>31.12.2014 |
|---------|--------------|--------|---|---------|-----------|-------------|------------------|
|         |              |        | At<br>1.1.2014  | Granted | Exercised | Lapsed      |                  |
| 1       | 21 Dec 2007  | RM2.79 | 499,410   | -       | -         | -           | 499,410          |
| 2       | 28 Apr 2009  | RM1.14 | 76,058  | -       | -         | (3,389)     | 72,669           |
| 3       | 24 Aug 2010  | RM2.00 | 737,500   | -       | -         | (321,500)   | 416,000          |
| 4       | 27 June 2011 | RM2.48 | 13,000  | -       | -         | -           | 13,000           |
| 5       | 28 Feb 2013  | RM1.61 | 25,329,485  | -       | (60,000)  | (5,112,166) | 20,157,319       |
|         |              |        | 26,655,453  | -       | (60,000)  | (5,437,055) | 21,158,398       |

\* The options prices for tranches 1 & 2 have been adjusted for the effect of the rights issue of seventy four (74) new options for every one thousand ("1,000") existing options, granted by the Company on 11 March 2010.

At financial year end, the outstanding options included 21,158,398 units which are exercisable.

60,000 options were exercised during the financial year and the options outstanding at financial year end have remaining contractual life of 34 months.

All options granted during the option period will expire on 30 October 2017.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 31 SHARE CAPITAL (CONTINUED)

#### Warrants

During the financial year ended 31 December 2014, 31,087,819 warrants of the Company were offered as part of the purchase consideration to acquire 70% equity interest in P.J Sentral Development Sdn. Bhd. as disclosed in Note 5(i) to the financial statements ("Consideration Warrants").

The warrants of the Company are constituted by a deed poll dated 22 August 2013.

At financial year end, the outstanding warrants included 568,975,424 units which are exercisable.

No warrants were exercised during the financial year and the warrants outstanding at the financial year end have remaining contractual life until 16 September 2018.

The salient terms of the warrants are as follows:

- (a) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM1.00 each of the Company at any time during the five (5) years period commencing on and including 17 September 2013 ("First Issue Date"), to 16 September 2018 ("Exercise Period") at RM2.30 per new share of the Company ("Exercise Price") subject to adjustments in accordance with the provisions of the deed poll dated 22 August 2013 constituting the warrants;
- (b) Any warrants not exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose; and
- (c) The new shares of the Company allotted and issued upon exercise of the warrants shall rank pari passu in all aspects with the existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movement of the warrants are as follows:

|                                | No. of ordinary shares of RM1.00 each covered under warrants |            |           | At<br>31.12.2014 |
|--------------------------------|--|------------|-----------|------------------|
|                                | At<br>1.1.2014   | Granted    | Exercised |                  |
| Number of unexercised warrants | 537,887,605  | 31,087,819 | -         | 568,975,424      |

### 32 SHARE PREMIUM

|  | Group and Company |                |
|--|-------------------|----------------|
|  | 2014<br>RM'000    | 2013<br>RM'000 |
| At 1 January   | 247,780           | 134,475        |
| Allotment of shares pursuant to the acquisition of P.J Sentral Development Sdn. Bhd. (Note 5(i)) | 76,165            | 113,305        |
| Exercise of options under 2007/2017 ESOS   | 37                | -              |
| Transferred from share options reserve   | 4                 | -              |
| At 31 December   | 323,986           | 247,780        |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 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<br>rental<br>scheme<br>RM'000 | Liquidated<br>ascertained<br>damages<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|--|--|--|------------------|-----------------|
| At 1 January 2014                            | 14,914                                   | 67,058   | 10,000           | 91,972          |
| Charged to statement of comprehensive income | 531                                      | 2,092  | 4,983            | 7,606           |
| Utilised during the financial year           | -  | (1,839)  | (14,983)         | (16,822)        |
| Unutilised amounts reversed                  | -  | (23,577)                                       | -                | (23,577)        |
| Reclassified to trade and other payables     | (15,445)                                 | -  | -                | (15,445)        |
| At 31 December 2014                          | -  | 43,734   | -                | 43,734          |
| Current                                      | -  | 43,734   | -                | 43,734          |
| At 31 December 2014                          | -  | 43,734   | -                | 43,734          |
| At 1 January 2013                            | 8,045                                    | 31,703   | 20,750           | 60,498          |
| Charged to statement of comprehensive income | 14,914                                   | 38,230   | 1,250            | 54,394          |
| Utilised during the financial year           | -  | (266)  | (7,000)          | (7,266)         |
| Unutilised amounts reversed                  | (8,045)                                  | (2,609)  | (5,000)          | (15,654)        |
| At 31 December 2013                          | 14,914                                   | 67,058   | 10,000           | 91,972          |
| Current                                      | 4,305                                    | 67,058   | 10,000           | 81,363          |
| Non current                                  | 10,609                                   | -  | -                | 10,609          |
| At 31 December 2013                          | 14,914                                   | 67,058   | 10,000           | 91,972          |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

Company

|  | Liquidated<br>ascertained<br>damages<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|--|--|------------------|-----------------|
| At 1 January 2014                            | 18,200   | 10,000           | 28,200          |
| Utilised during the financial year           | -  | (10,000)         | (10,000)        |
| Unutilised amounts reversed                  | (18,200)                                       | -                | (18,200)        |
| At 31 December 2014                          | -  | -                | -               |
| At 1 January 2013                            | 7,000  | 8,750            | 15,750          |
| Charged to statement of comprehensive income | 11,200   | 1,250            | 12,450          |
| At 31 December 2013                          | 18,200   | 10,000           | 28,200          |

(a) Liquidated ascertained damages

Provision for liquidated ascertained damages (LAD) is recognised for expected LAD claims based on the contract agreement, circumstances of projects and management's past experience.

(b) Others

Others relate to provisions made by the Company for potential litigation claims based on the estimate made by external consultants.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 35 SENIOR AND JUNIOR SUKUK

##### Group

##### Senior Sukuk

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| Nominal value                                 | 845,000        | 845,000        |
| Less: Unamortised cost of issue               | (11,698)       | (12,992)       |
|   | 833,302        | 832,008        |
| Senior Sukuk                                  | 845,000        | 845,000        |
| Less: Issuance expenses                       | (20,805)       | (20,805)       |
| Net proceeds                                  | 824,195        | 824,195        |
| Accumulated amortisation of issuance expenses | 9,107          | 7,813          |
|   | 833,302        | 832,008        |

##### Junior Sukuk

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| Nominal value                                 | 230,000        | 230,000        |
| Less: Issuance expenses                       | (300)          | (300)          |
| Net proceeds                                  | 229,700        | 229,700        |
| Accumulated amortisation of issuance expenses | 334            | 219            |
| Less: Accumulated unwinding of premium        | (4,877)        | (3,465)        |
|   | 225,157        | 226,454        |
| Total Senior and Junior Sukuk                 | 1,058,459      | 1,058,462      |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 35 SENIOR AND JUNIOR SUKUK (CONTINUED)

- (i) In 2008, a subsidiary issued RM845 million Senior Sukuk and RM199 million Junior Sukuk which proceeds were used to finance the EDL project. Tenure of the Senior Sukuk ranges from 10.0 to 17.5 years and Junior Sukuk ranges from 18.0 to 19.5 years from the date of issue and carry profit rates, which have been fixed in accordance with the Syariah principles, at profit ratios ranging from 6.33% to 8.35% per annum for Senior Sukuk and 10.05% to 10.40% per annum for Junior Sukuk respectively. Both Sukuk are payable semi annually from its respective issue dates and traded on the Scriptless Securities Trading System operated and managed by Bank Negara Malaysia.
- (ii) Proceeds from the issue of both Sukuk were channelled to Designated Accounts. Permitted withdrawals relating to the EDL project from these Designated Accounts are subject to terms and conditions of the Project Account Agreement (Note 30).
- (iii) In 2012, the service concession asset ("SCA") has been classified as asset held for sale following the GoM's decision to take over the SCA. The completion date for the transaction was expected to be within twelve (12) months from the financial year ended 2012. Correspondingly, the Senior and Junior Sukuk which were secured by the EDL project (Note 18(a)) was reclassified as current liabilities in the previous financial year.

On 31 July 2014, MLSSB entered into a Termination Agreement with GoM to terminate the Interim Agreement followed by a Supplementary Agreement which came into effect on 1 August 2014 to amend and vary the relevant provisions of the principal Concession Agreement.

Upon execution of the above agreements, MLSSB commenced tolling on 1 August 2014 and accordingly the EDL was transferred from non-current assets held for sale to intangible asset as SCA. Accordingly, the Senior and Junior Sukuk have been reclassified as non current liabilities based on the Group's original contractual terms with the Sukuk holders.

- (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 September 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 16 December 2014.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The defined benefit plan exposed the Group and the Company to actuarial risk such as interest rate risk and salary inflation risk.

|  | Group          |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Defined benefit plan</u>  |                |                |
| At 1 January   | 16,396         | 17,081         |
| Charged to statement of comprehensive income   | 2,141          | 1,845          |
| Utilised during the financial year   | (3,719)        | (2,805)        |
| Re-measurement of post employment benefit obligations recognised in other comprehensive income |                |                |
| - current year   | 2,242          | 275            |
| - disposal of subsidiary   | 8              | -              |
| Reversal upon disposal of a subsidiary (Note 5(iii))   | (529)          | -              |
| At 31 December   | 16,539         | 16,396         |

|  | Company        |                |
|--|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Defined benefit plan</u>  |                |                |
| At 1 January   | 5,102          | 5,325          |
| Charged to statement of comprehensive income   | 729            | 621            |
| Utilised during the financial year   | (1,087)        | (929)          |
| Re-measurement of post employment benefit obligations recognised in other comprehensive income |                |                |
|  | 2,151          | 85             |
| At 31 December   | 6,895          | 5,102          |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The amounts recognised in the Group's and the Company's statement of financial positions are analysed as follows based on valuation carried out on 16 December 2014:

|   | Group<br>RM'000 | Company<br>RM'000 |
|---|-----------------|-------------------|
| Present value of unfunded obligations – Non current |                 |                   |
| At 31 December 2014                                 | 16,539          | 6,895             |
| At 31 December 2013                                 | 16,396          | 5,102             |
| At 31 December 2012                                 | 17,081          | 5,325             |
| At 31 December 2011                                 | 16,893          | 5,953             |
| At 31 December 2010                                 | 15,922          | 5,542             |

The expenses recognised in the Group's and the Company's statement of comprehensive income are analysed as follows:

|                      | Group          |                |
|----------------------|----------------|----------------|
|                      | 2014<br>RM'000 | 2013<br>RM'000 |
| Current service cost | 1,310          | 1,171          |
| Interest cost        | 831            | 908            |
| Past service credit  | -              | (234)          |
| At 31 December       | 2,141          | 1,845          |

|                      | Company        |                |
|----------------------|----------------|----------------|
|                      | 2014<br>RM'000 | 2013<br>RM'000 |
| Current service cost | 475            | 394            |
| Interest cost        | 254            | 314            |
| Past service credit  | -              | (87)           |
| At 31 December       | 729            | 621            |

The above charge to the statement of comprehensive income was included in administrative expenses of the year.

The change in the retirement age from 55 years to 60 years resulted in a credit of RM234,389 recognised in the statement of comprehensive income in previous financial year.

At 31 December 2014, the weighted-average duration of the defined benefit obligation was 9.7 years (2013: 10 years).

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used by the valuers in the valuation carried out on 16 December 2014 in respect of the Group's and the Company's defined benefit plan is as follows:

|                                   | Group and<br>Company<br>% |
|-----------------------------------|---------------------------|
| Discount rate                     | 5.2                       |
| Expected rate of salary increases | 6.0                       |

There is no material effect to the defined benefit obligations should there be a 1% movement in the above assumed discounted rate.

#### 37 LONG TERM BORROWINGS – SECURED

(a)

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Term loans                                    | 2,473,782      | 2,281,753      | 590,000        | 399,000        |
| Less: Unamortised cost of issue               | (7,155)        | (5,787)        | (4,814)        | -              |
|   | 2,466,627      | 2,275,966      | 585,186        | 399,000        |
| Less: Due within 12 months (Note 41)          | (1,231,946)    | (1,366,980)    | (75,000)       | -              |
|   | 1,234,681      | 908,986        | 510,186        | 399,000        |
| Term loans                                    | 2,473,782      | 2,281,753      | 590,000        | 399,000        |
| Less: Issuance expenses                       | (13,335)       | (12,237)       | (5,450)        | -              |
| Net proceeds                                  | 2,460,447      | 2,269,516      | 584,550        | 399,000        |
| Accumulated amortisation of issuance expenses | 6,180          | 6,450          | 636            | -              |
|   | 2,466,627      | 2,275,966      | 585,186        | 399,000        |
| Less: Due within 12 months (Note 41)          | (1,231,946)    | (1,366,980)    | (75,000)       | -              |
|   | 1,234,681      | 908,986        | 510,186        | 399,000        |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 37 LONG TERM BORROWINGS – SECURED (CONTINUED)

(b) The repayment period of the term loans (before issuance cost) are as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Analysis of term loans:  |                |                |                |                |
| Payable within one year  | 1,233,248      | 1,369,037      | 75,000         | -              |
| Payable between one and two years                                | 280,556        | 224,766        | 100,000        | 75,000         |
| Payable between two and five years                               | 922,688        | 687,950        | 415,000        | 324,000        |
| Payable after five years   | 37,290         | -              | -              | -              |
|  | 2,473,782      | 2,281,753      | 590,000        | 399,000        |
| Representing term loans:   |                |                |                |                |
| Due within 12 months   | 1,233,248      | 1,369,037      | 75,000         | -              |
| Due after 12 months  | 1,240,534      | 912,716        | 515,000        | 399,000        |
|  | 2,473,782      | 2,281,753      | 590,000        | 399,000        |
|  |                |                |                |                |
|  | Group          | Company        | 2014           | 2013           |
|  | 2014           | 2013           | 2014           | 2013           |
|  | %              | %              | %              | %              |
| (c) Weighted average year end effective interest rates per annum | 5.10           | 4.65           | 5.35           | 4.45           |

(d) All borrowings are denominated in Ringgit Malaysia.

(e) The fair value of the borrowings have been estimated from the perspective of market participants that hold similar borrowings at the reporting date and are within Level 2 of the fair value hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 37 LONG TERM BORROWINGS – SECURED (CONTINUED)

##### A. Effective interest rate and maturity profile of borrowings

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows:

| The Group              | Effective<br>Interest<br>rate as at<br>year end<br>% p.a | Total<br>carrying<br>amount<br>RM'000 | < 1 year<br>RM'000 | 1 - 2 years<br>RM'000 | 2 - 5 years<br>RM'000 | > 5 years<br>RM'000 |
|------------------------|--|---------------------------------------|--------------------|-----------------------|-----------------------|---------------------|
| Floating interest rate |  |                                       |                    |                       |                       |                     |
| <b>2014</b>            |  |                                       |                    |                       |                       |                     |
| <u>Secured</u>         |  |                                       |                    |                       |                       |                     |
| Revolving credit 1     | 4.63   | 1,225                                 | 1,225              | -                     | -                     | -                   |
| Revolving credit 2     | 5.08   | 7,350                                 | 7,350              | -                     | -                     | -                   |
| <u>Unsecured</u>       |  |                                       |                    |                       |                       |                     |
| Revolving credit 3     | 4.51   | 150,000                               | 150,000            | -                     | -                     | -                   |
|                        |  | 158,575                               | 158,575            | -                     | -                     | -                   |
| Fixed interest rate    |  |                                       |                    |                       |                       |                     |
| <u>Secured</u>         |  |                                       |                    |                       |                       |                     |
| Term loan 1            | 4.92   | 380,000                               | 380,000            | -                     | -                     | -                   |
| Floating interest rate |  |                                       |                    |                       |                       |                     |
| Term loan 2            | 5.29   | 194,568                               | 45,848             | 52,844                | 95,876                | -                   |
| Term loan 3            | 5.20   | 265,122                               | 202,411            | 62,711                | -                     | -                   |
| Term loan 4            | 4.95   | 380,000                               | 380,000            | -                     | -                     | -                   |
| Term loan 5            | 5.17   | 342,000                               | 75,000             | 100,000               | 167,000               | -                   |
| Term loan 6            | 5.60   | 243,186                               | -                  | -                     | 243,186               | -                   |
| Term loan 7            | 4.88   | 134,726                               | 134,726            | -                     | -                     | -                   |
| Term loan 8            | 4.81   | 442,923                               | 13,961             | 25,000                | 403,962               | -                   |
| Term loan 9            | 4.63   | 84,102                                | -                  | 40,000                | 6,812                 | 37,390              |
|                        |  | 2,086,627                             | 851,946            | 280,555               | 916,836               | 37,390              |
|                        |  | 2,625,202                             | 1,390,521          | 280,555               | 916,836               | 37,390              |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 37 LONG TERM BORROWINGS – SECURED (CONTINUED)

#### A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows: (continued)

| <u>The Group</u>              | Effective<br>Interest<br>rate as at<br>year end<br>% p.a | Total<br>carrying<br>amount<br>RM'000 | < 1 year<br>RM'000 | 1 - 2 years<br>RM'000 | 2 - 5 years<br>RM'000 | > 5 years<br>RM'000 |
|-------------------------------|--|---------------------------------------|--------------------|-----------------------|-----------------------|---------------------|
| <u>Floating interest rate</u> |  |                                       |                    |                       |                       |                     |
| <u>2013</u>                   |  |                                       |                    |                       |                       |                     |
| <u>Secured</u>                |  |                                       |                    |                       |                       |                     |
| Revolving credit 1            | 4.50   | 41,503                                | 41,503             | -                     | -                     | -                   |
| Revolving credit 2            | 5.00   | 7,368                                 | 7,368              | -                     | -                     | -                   |
| <u>Unsecured</u>              |  |                                       |                    |                       |                       |                     |
| Revolving credit 3            | 4.23   | 120,000                               | 120,000            | -                     | -                     | -                   |
|                               |  | 168,871                               | 168,871            | -                     | -                     | -                   |
| <u>Fixed interest rate</u>    |  |                                       |                    |                       |                       |                     |
| <u>Secured</u>                |  |                                       |                    |                       |                       |                     |
| Term loan 1                   | 4.81   | 380,000                               | 380,000            | -                     | -                     | -                   |
| <u>Floating interest rate</u> |  |                                       |                    |                       |                       |                     |
| Term loan 2                   | 4.92   | 218,504                               | 218,504            | -                     | -                     | -                   |
| Term loan 3                   | 4.96   | 195,473                               | 195,473            | -                     | -                     | -                   |
| Term loan 4                   | 4.34   | 380,000                               | 380,000            | -                     | -                     | -                   |
| Term loan 10                  | 4.63   | 193,003                               | 193,003            | -                     | -                     | -                   |
| Term loan 5                   | 4.45   | 399,000                               | -                  | 75,000                | 324,000               | -                   |
| Term loan 7                   | 4.75   | 134,152                               | -                  | 134,152               | -                     | -                   |
| Term loan 8                   | 4.83   | 375,834                               | -                  | 15,000                | 360,834               | -                   |
|                               |  | 1,895,966                             | 986,980            | 224,152               | 684,834               | -                   |
|                               |  | 2,444,837                             | 1,535,851          | 224,152               | 684,834               | -                   |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 37 LONG TERM BORROWINGS – SECURED (CONTINUED)

##### A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows: (continued)

| The Company        | Effective interest rate as at year end % p.a | Total Carrying Amount RM'000 | < 1 year RM'000        | 1 - 2 years RM'000 | 2 - 5 years RM'000 | > 5 years RM'000 |
|--------------------|--|------------------------------|------------------------|--------------------|--------------------|------------------|
|                    |  |                              | Floating interest rate |                    |                    |                  |
| <u>2014</u>        |  |                              |                        |                    |                    |                  |
| <u>Unsecured</u>   |  |                              |                        |                    |                    |                  |
| Revolving credit 1 | 4.51   | 150,000                      | 150,000                | -                  | -                  | -                |
| <u>Secured</u>     |  |                              |                        |                    |                    |                  |
| Term loan 5        | 5.17   | 342,000                      | 75,000                 | 100,000            | 167,000            | -                |
| Term loan 6        | 5.60   | 243,186                      | -                      | -                  | 243,186            | -                |
|                    |  | 585,186                      | 75,000                 | 100,000            | 410,186            | -                |
|                    |  | 735,186                      | 225,000                | 100,000            | 410,186            | -                |
| <u>2013</u>        |  |                              |                        |                    |                    |                  |
| <u>Unsecured</u>   |  |                              |                        |                    |                    |                  |
| Revolving credit 1 | 4.23   | 120,000                      | 120,000                | -                  | -                  | -                |
| <u>Secured</u>     |  |                              |                        |                    |                    |                  |
| Term loan 5        | 4.45   | 399,000                      | -                      | 75,000             | 324,000            | -                |
|                    |  | 519,000                      | 120,000                | 75,000             | 324,000            | -                |

##### B. Principal features borrowings

###### Term Loan 1

Term loan 1 of RM380,000,000 (2013: RM380,000,000) is secured by way of:

- (i) Fixed and floating charge over the investment property amounting to RM396,891,365 (2013: RM396,891,365) held for sale (Note 18(a)); and
- (ii) A corporate guarantee by the Company.

###### Term Loan 2

Term loan 2 of RM194,568,000 (2013: RM218,504,000) is secured by way of:

- (i) Fixed charge over the Group's service concession asset amounting to RM1,237,294,907 (2013: RM1,321,672,431) (Note 18(b)); and
- (ii) First charge over Debt Service Reserve Account and second charge over the Redemption Account.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 37 LONG TERM BORROWINGS – SECURED (CONTINUED)

#### B. Principal features borrowings (continued)

##### Term Loan 3

Term loan 3 of RM265,122,468 (2013: RM195,473,699) is secured by way of a freehold land of the Group held for development with a carrying value amounts of RM140,000,000 (Note 17(b)).

##### Term Loan 4

Term loan 4 of RM380,000,000 (2013: RM380,000,000) is secured over trade receivables in respect of the sale of two (2) office towers by the Group (Note 27).

##### Term Loan 5

Term loan 5 of RM342,000,000 (2013: RM399,000,000) is secured by way of:

- (i) First and third parties legal charge over the Group's investment properties with a carrying value of RM154,417,567 (2013: RM158,161,903) (Note 16);
- (ii) Assignment of rental income from the investment properties above;
- (iii) Assignment of the Company's beneficial rights arising from certain investments;
- (iv) Power of Attorney to initiate disposal of the pledged properties/investments upon occurrence of Trigger Events or Event of Fault; and
- (v) Assignment over proceeds from receivables of the Group with a carrying amount of RM556,212,325 (Note 27).

##### Term Loan 6

Term loan 6 (Sukuk Murabahah Programme) of RM243,185,833 (2013: RM Nil) is secured by way of:

- (i) Third party legal charge over the Group's wholly owned leasehold and freehold land of RM155,388,000 and RM50,507,884 respectively;
- (ii) A minimum Security Cover Ratio of 0.7 time;
- (iii) Any other lands and properties to be identified subject to the agreement between the issuer, the lead Arranger and the Sukuk holder of first issuance, if required in order to maintain the Security Cover Ratio; and
- (iv) A charge over the Designated Accounts.

##### Term Loan 7

Term loan 7 of RM134,725,990 (2013: RM134,151,873) is secured by way of:

- (i) First fixed and floating charges over the past, present and future assets of the Company's subsidiary;
- (ii) First party first legal charge over a leasehold land upon transfer of ownership from Pesuruhjaya Tanah Persekutuan to the Company's subsidiary;
- (iii) An irrecoverable and unconditional letter of undertaking from the Company to service loan interest and to pay the loan;
- (iv) A corporate guarantee of RM135,000,000 by the Company;
- (v) Letter of subordination from the Company and a non controlling interest of a subsidiary of the Company; and
- (vi) Irrecoverable and unconditional letter of undertaking from the Company's subsidiary to surrender its rights over the entitlement in a Privatisation Agreement.

##### Term Loan 8

Term loan 8 of RM442,922,486 (2013: RM375,833,730) is secured by way of:

- (i) Fixed charge over a freehold land with a carrying amount of RM111,276,076 (2013: RM111,276,076) (Note 16);
- (ii) Finance Service Reserve Account with carrying amount of RM19,768,822 (2013: RM10,094,536); and
- (iii) A corporate guarantee by the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 37 LONG TERM BORROWINGS – SECURED (CONTINUED)

##### B. Principal features borrowings (continued)

###### Term Loan 9

Term loan 9 of RM84,102,411 (2013: RM Nil) is secured by way of:

- (i) Fixed charge over a leasehold land and the investment property with total carrying amount of RM137,148,194 (Note 16);
- (ii) Master Deed of Assignment in respect of Assigned property as follows:-
  - (a) The Agreement to Build and Lease;
  - (b) The Lease Agreement or the Tenancy Agreement;
  - (c) The Construction Contract;
  - (d) The Performance Bond; and
  - (e) The Insurances
- (iii) Memorandum of Deposit of the shares of the subsidiary;
- (iv) Assignment and charge over Shared Designated Accounts;
- (v) Debentures by the subsidiary;
- (vi) Corporate Guarantee and undertaking by the Company; and
- (vii) Priority and Security Sharing Agreement.

###### Term Loan 10

Term loan 10 of RM Nil (2013: RM193,003,038) fully settled during the financial year was secured by way of:

- (i) Freehold land of the Group held for development with a carrying value of RM133,000,000 (Note 17(b)); and
- (ii) A corporate guarantee by the Company and a non controlling interest of a subsidiary of the Company.

#### 38 LONG TERM LIABILITIES

|   | Group          |                |
|---|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 |
| Hire purchase creditors due after 12 months (Note 40) | 3              | 123            |

#### 39 TRADE AND OTHER PAYABLES

|  | Group            |                  | Company        |                |
|--|------------------|------------------|----------------|----------------|
|  | 2014<br>RM'000   | 2013<br>RM'000   | 2014<br>RM'000 | 2013<br>RM'000 |
| Trade payables   | 652,638          | 607,054          | 58,769         | 66,233         |
| Amounts due to customers on Contracts (Note 28)        | 16,383           | 6,972            | 10,584         | -              |
| Progress billings in respect of property development   | 1,765            | 1,564            | -              | -              |
| Amounts due to related parties                         | 14               | 64               | 14             | -              |
| Hire purchase creditors due within 12 months (Note 40) | 38               | 169              | -              | -              |
| Other payables   | 288,583          | 271,892          | 3,157          | 3,169          |
| Accruals   | 155,558          | 133,034          | 15,664         | 9,423          |
|  | <b>1,114,979</b> | <b>1,020,749</b> | <b>88,188</b>  | <b>78,825</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 39 TRADE AND OTHER PAYABLES (CONTINUED)

|                             | Company        |                |
|-----------------------------|----------------|----------------|
|                             | 2014<br>RM'000 | 2013<br>RM'000 |
| Amounts due to subsidiaries | 137,565        | 124,106        |

The amounts due to related parties are unsecured, interest free and have no fixed terms of repayment.

Credit terms of trade payables for the Group and the Company range from 14 days to 90 days (2013: 14 days to 90 days).

Credit terms of other payables for the Group and the Company range from 30 days to 90 days (2013: 30 days to 90 days).

The above trade and other payables balances are denominated in Ringgit Malaysia.

### 40 HIRE PURCHASE CREDITORS

|   | Group          |                |
|---|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 |
| Analysis of hire purchase creditors:      |                |                |
| Payable within one year                   | 45             | 193            |
| Payable between one and two years         | 5              | 133            |
|   | 50             | 326            |
| Less: Finance charges                     | (9)            | (34)           |
|   | 41             | 292            |
| Present value of hire purchase creditors: |                |                |
| Payable within one year                   | 38             | 169            |
| Payable between one and two years         | 3              | 123            |
|   | 41             | 292            |
| Representing hire purchase creditors:     |                |                |
| Due within 12 months (Note 39)            | 38             | 169            |
| Due after 12 months (Note 38)             | 3              | 123            |
|   | 41             | 292            |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 40 HIRE PURCHASE CREDITORS (CONTINUED)

- (a) The weighted average year end effective interest rates of hire purchase creditors range from 3.40% to 6.01% (2013: 2.48% to 6.01%) per annum.
- (b) The hire purchase creditors are denominated in Ringgit Malaysia.
- (c) Hire purchase liabilities are effectively secured as the rights to the assets under hire purchase revert to the hire purchase creditors in the event of default.
- (d) The carrying amounts of the hire purchase creditors approximate its fair values as at reporting date.

#### 41 SHORT TERM BORROWINGS

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2014<br>RM'000   | 2013<br>RM'000   | 2014<br>RM'000 | 2013<br>RM'000 |
| Secured short term borrowings and other credit facilities | 8,575            | -                | -              | -              |
| Secured term loans due within 12 months (Note 37)         | 1,231,946        | 1,366,980        | 75,000         | -              |
| Unsecured short term borrowings (Note 37)                 | 150,000          | 168,871          | 150,000        | 120,000        |
| <b>Total</b>  | <b>1,390,521</b> | <b>1,535,851</b> | <b>225,000</b> | <b>120,000</b> |

The principal features for the short term borrowings (term loan) of the Group and the Company have been disclosed in Note 37 to the financial statements.

|   | Group     |             | Company   |           |
|---|-----------|-------------|-----------|-----------|
|   | 2014<br>% | 2013<br>%   | 2014<br>% | 2013<br>% |
| <u>Weighted average year end effective interest rates</u> |           |             |           |           |
| Secured short term borrowings and other credit facilities | 5.02      | 4.61        | -         | -         |
| Secured term loans  | 5.00      | 4.61        | 5.17      | -         |
| Unsecured short term borrowings                           | 4.51      | 4.23 - 7.06 | 4.51      | 4.23      |

All short term borrowings were denominated in Ringgit Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 42 GUARANTEED RETURN TO A NON CONTROLLING INTEREST

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Guaranteed return to a non controlling interest | -              | 115,000        | -              | 115,000        |

On 19 February 2003, the Company entered into a Supplementary Joint Venture Agreement ("SJVA") with a non controlling interest in a subsidiary. In accordance with SJVA the Company agreed to procure a minimum return to the non controlling interest on their investment in the KL Sentral development project. The minimum return was payable by 31 December 2012 or upon the completion of KL Sentral development project, whichever was earlier.

During the financial year ended 31 December 2013, the non controlling interest had claimed for the guaranteed return from the Company and it was fully settled as at 31 December 2014.

The guaranteed minimum return which is recoverable from the non controlling interest's portion of future profits distributable by the subsidiary in accordance with Clause 15.4 of the SJVA is accounted for as an additional investment in the subsidiary (Note 19).

The minimum guaranteed return to a non controlling interest of RM115,000,000 was fully settled as at 31 December 2014.

### 43 RELATED PARTY DISCLOSURES

The related parties with whom the Group and the Company transacted with during the financial year include the following:

| <u>Related parties</u>                               | <u>Nature of relationship</u>  |
|--|--|
| Sistem Televisyen Malaysia Berhad (STMB)             | A subsidiary of Media Prima Berhad (MPB) and related by virtue of Datuk Shahril Ridza Ridzuan being common Director of both MPB and the Company.   |
| The New Straits Times Press (Malaysia) Berhad (NSTP) | Related by virtue of NSTP is wholly owned subsidiary of MPB.   |
| 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.<br><br>KWSP is also a Government Linked Investment Corporation of Government of Malaysia. |
| Gapurna Retail Sdn. Bhd. (GRSB)                      | Related by virtue of Tan Sri Mohamad Salim Fateh Din being a common Board member of both GRSB and the Company. GRSB is wholly owned by Gapurna Sdn. Bhd. ("GSB"), a major shareholder of the Company.  |
| Bisraya Acres Sdn. Bhd. (BASB)                       | Related by virtue of Tan Sri Mohamad Salim Fateh Din being a common Board member of both BASB and the Company. BASB is wholly owned by GSB, a major shareholder of the Company.  |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 43 RELATED PARTY DISCLOSURES (CONTINUED)

The related party transactions were carried out based on terms and conditions negotiated and agreed upon between the parties. The significant related party transactions and balances other than mentioned elsewhere in the financial statements are as follows:

##### (a) Transactions with related parties

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Rental income from STMB   | 1,559          | 1,423          | 1,559          | 1,423          |
| Legal fees charged by a legal firm of which its partner also a director of the Company        | 3,504          | -              | 307            | -              |
| Purchase of advertisement from NSTP and STMB  | 30             | 19             | 5              | 14             |
| Management fees from subsidiaries   | -              | -              | 22,164         | 24,240         |
| Provision of building maintenance services to KWSP and GRSB                                   | 7,218          | 11,649         | -              | -              |
| Purchase of land from BASB (Note 48(c))   | 83,000         | -              | -              | -              |
| Progress billings charged to the directors and key management of the Group and of the Company | 3,987          | 3,738          | -              | -              |

As at 31 December 2014, the outstanding amount arising from the progress billings to the directors and key management was RM Nil (2013: RM217,500).

##### (b) Key management compensation (including Executive Director)

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Salaries and other short term employee benefits | 6,870          | 7,024          | 5,145          | 4,838          |
| Post employment benefits                        | 983            | 851            | 731            | 536            |
| Share based payments                            | -              | 84             | -              | 33             |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 43 RELATED PARTY DISCLOSURES (CONTINUED)

(c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Progress billings charged to customers on contracts:</u>                    |                |                |                |                |
| - Dewan Bandaraya Kuala Lumpur   | -              | 807            | -              | -              |
| - Iskandar Investment Berhad   | -              | 18,254         | -              | -              |
| - Jabatan Kerja Raya Malaysia  | 9,252          | -              | 9,252          | -              |
| - Jabatan Pengairan Dan Saliran Malaysia                                       | 90,051         | 19,890         | 90,051         | 19,890         |
| - Kementerian Kesihatan Malaysia   | -              | 4,028          | -              | 4,028          |
| - MASS Rapid Transit Corporation Sdn. Bhd.                                     | 1,576          | 5,913          | -              | -              |
| - Pelaburan Hartanah Berhad  | 46,876         | 232,115        | -              | -              |
| - Sarawak Hidro Sdn. Bhd.  | 81             | 232            | -              | -              |
| - Syarikat Prasarana Negara Berhad   | 246,360        | 123,535        | -              | -              |
| - Tenaga Nasional Berhad   | 41,913         | -              | -              | -              |
| - TH Universal Builders Sdn. Bhd.  | 2,729          | 25,371         | -              | -              |
| - UDA Holdings Bhd.  | 4,146          | 25,371         | -              | -              |
| <u>Progress billings charged to purchasers</u>                                 |                |                |                |                |
| - Malaysia Building Society Berhad   | 21,625         | -              | -              | -              |
| - Perbadanan Harta Inteltek Berhad   | 46,297         | -              | -              | -              |
| <u>Rental income received from:</u>  |                |                |                |                |
| - Jabatan Penilaian dan Perkhidmatan Harta                                     | 2,490          | 2,359          | 2,490          | 2,359          |
| - Jabatan Insolvency Malaysia  | 1,733          | 1,639          | -              | -              |
| - Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan              | 1,699          | 1,505          | -              | -              |
| - Mahkamah Persekutuan Malaysia  | 555            | 525            | -              | -              |
| - Perbadanan Tabung Pendidikan Tinggi Nasional                                 | 883            | -              | -              | -              |
| - Performance Management and Delivery Unit                                     | 882            | 882            | -              | -              |
| - Suruhanjaya Syarikat Malaysia  | -              | 656            | -              | -              |
| - Small and Medium Enterprises Corporation Malaysia                            | 18,291         | 23,728         | -              | -              |
| - Suruhanjaya Pengangkutan Awam Darat  | 6,623          | 6,623          | -              | -              |
| <u>Project management and building maintenance service fees received from:</u> |                |                |                |                |
| - Keretapi Tanah Melayu Berhad   | 4,846          | 3,893          | -              | -              |
| - Lembaga Tabung Haji  | 5,138          | 4,433          | -              | -              |
| - Malaysia Investment Development Authority                                    | 5,889          | 5,723          | -              | -              |
| - Pelaburan Hartanah Berhad  | 421            | 4,896          | -              | -              |
| - Small and Medium Enterprises Corporation Malaysia                            | 908            | 1,400          | -              | -              |
| - Suruhanjaya Syarikat Malaysia  | 1,521          | 1,421          | -              | -              |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 43 RELATED PARTY DISCLOSURES (CONTINUED)

(c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows: (continued)

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| <u>Rental charged by:</u>               |                |                |                |                |
| - Bank Kerjasama Rakyat Malaysia Berhad | 5,250          | 5,250          | -              | -              |
| - Lembaga Tabung Haji                   | 12,664         | 12,351         | 11,188         | 11,096         |
| <u>Disposal of a subsidiary:</u>        |                |                |                |                |
| - Telekom Malaysia Berhad               | -              | 45,000         | -              | -              |

#### 44 CONTINGENT LIABILITIES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Performance guarantees extended to third parties                      | 135,855        | 222,237        | 135,855        | 217,990        |
| Disputed claims from sub-contractor arising from business transaction | 4,681          | 4,681          | -              | -              |
| Litigations arising from business transactions                        | 33,898         | -              | 32,418         | -              |

The litigation arising from business transactions have not been provided for in the financial statements as the Board of Directors, based on legal advice, are of the opinion that the above claims are not likely to succeed and thus would not have a material effect on the financial position of the business of the Group and of the Company.

#### 45 CAPITAL COMMITMENT

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2014<br>RM'000 | 2013<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 |
| Authorised capital expenditure not contracted for<br>- property, plant and equipment | 36,286         | 19,558         | 20,927         | 10,852         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

The Group's effective equity interest in the subsidiaries, joint venture and associates as at 31 December 2014, their respective principal activities and country of incorporation are as follows:

| Name of enterprise   | Principal activities   | Country of incorporation | Effective equity interest |           |
|--|--|--------------------------|---------------------------|-----------|
|  |  |                          | 2014<br>%                 | 2013<br>% |
| <b>SUBSIDIARIES:</b>   |  |                          |                           |           |
| 348 Sentral Sdn. Bhd.  | Leasing of office and service residence space                    | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 100% ownership by 348 Sentral Sdn. Bhd.</u>              |  |                          |                           |           |
| - 348 Sentral Office Sdn. Bhd.   | Pre-operating  | Malaysia                 | 100.00                    | 100.00    |
| - 348 Sentral Service Residence Sdn. Bhd.                                | Pre-operating  | Malaysia                 | 100.00                    | 100.00    |
| 59 INC Sdn. Bhd.   | Property development and property investment                     | Malaysia                 | 100.00                    | 100.00    |
| MRCB Putra Sdn. Bhd.<br>(formerly known as Arch Angel Capital Sdn. Bhd.) | Property development, property investment and investment holding | Malaysia                 | 70.00                     | 70.00     |
| Country Annexe Sdn. Bhd.   | Construction and property development                            | Malaysia                 | 70.00                     | 70.00     |
| Cosy Bonanza Sdn. Bhd.   | Property development   | Malaysia                 | 65.70                     | 65.70     |
| Excellent Bonanza Sdn. Bhd.  | Property development   | Malaysia                 | 100.00                    | 60.00     |
| Gapurna Builders Sdn. Bhd.   | Construction and development of property                         | Malaysia                 | 100.00                    | 100.00    |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise  | Principal activities   | Country of incorporation | Effective equity interest |           |
|---|--|--------------------------|---------------------------|-----------|
|   |  |                          | 2014<br>%                 | 2013<br>% |
| Gapurna Global Solutions Sdn. Bhd.  | Property and investment holding  | Malaysia                 | 100.00                    | 100.00    |
| Gapurna Land Sdn. Bhd.  | Construction and development of property   | Malaysia                 | 100.00                    | 100.00    |
| Gelanggang Harapan Construction Sdn. Bhd.                                       | Engineering and construction services  | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 100% ownership by Gelanggang Harapan Construction Sdn. Bhd.</u> |  |                          |                           |           |
| - Sanjung Sepang Sdn. Bhd.  | Trading in construction material   | Malaysia                 | 100.00                    | 100.00    |
| Kuala Lumpur Sentral Sdn. Bhd.  | Property development   | Malaysia                 | 74.00                     | 74.00     |
| <u>Held through 100% ownership by Kuala Lumpur Sentral Sdn. Bhd.</u>            |  |                          |                           |           |
| - 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    |
| <u>Held through 100% ownership by MRCB Engineering Sdn. Bhd.</u>                |  |                          |                           |           |
| - MRCB (Thailand) Ltd. $\beta$  | Pre-operating  | Thailand                 | 100.00                    | 100.00    |
| MRCB Environmental Services Sdn. Bhd.   | Project management services, consultancy services, infrastructure and environmental engineering and investment holding | Malaysia                 | 100.00                    | 100.00    |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise  | Principal activities   | Country of incorporation | Effective equity interest |           |
|---|--|--------------------------|---------------------------|-----------|
|   |  |                          | 2014<br>%                 | 2013<br>% |
| <u>Held through 100% ownership by MRCB Environmental Services Sdn. Bhd.</u>     |  |                          |                           |           |
| - MRCB Environment Sdn. Bhd.  | Infrastructure and environmental engineering   | Malaysia                 | 100.00                    | 55.00     |
| MRCB Prasarana Sdn. Bhd.  | Project management and investment holding  | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 100% ownership by MRCB Prasarana Sdn. Bhd.</u>                  |  |                          |                           |           |
| - MRCB Lingkaran Selatan Sdn. Bhd.  | Design, development, construction, project management, operations and maintenance of EDL                             | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.</u>          |  |                          |                           |           |
| - 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    |
| <u>Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.</u> |  |                          |                           |           |
| - MRCB International Sdn. Bhd. (formerly known as Bitar Enterprises Sdn. Bhd.)  | Property development and investment holding  | Malaysia                 | 100.00                    | 100.00    |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise   | Principal activities   | Country of incorporation | Effective equity interest |           |
|--|--|--------------------------|---------------------------|-----------|
|  |  |                          | 2014<br>%                 | 2013<br>% |
| <u>Held through 100% ownership by MRCB International Sdn. Bhd. (formerly known as Bitar Enterprises Sdn. Bhd.)</u> |  |                          |                           |           |
| - MRCB Land (Australia) Pty. Ltd. $\beta$  | Property development   | Australia                | 100.00                    | 70.00     |
| <u>Held through 100% ownership by MRCB Land (Australia) Pty. Ltd.</u>  |  |                          |                           |           |
| - MRCB Project Incorporated Pty. Ltd.*   | Property development   | Australia                | 100.00                    | 70.00     |
| <u>Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.</u>                                    |  |                          |                           |           |
| - Golden East Corporation Sdn. Bhd.*   | Property development and management                          | Malaysia                 | 100.00                    | 100.00    |
| - Sunrise Properties Sdn. Bhd.*  | Property development   | Malaysia                 | 100.00                    | 100.00    |
| - Taiyee Development Sdn. Bhd.#  | Property development   | Malaysia                 | 100.00                    | 100.00    |
| - MRCB Property Development Sdn. Bhd. *  | Investment holding   | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 70% ownership by Malaysian Resources Development Sdn. Bhd.</u>                                     |  |                          |                           |           |
| - 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    |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise   | Principal activities  | Country of incorporation | Effective equity interest |           |
|--|---|--------------------------|---------------------------|-----------|
|  |   |                          | 2014<br>%                 | 2013<br>% |
| Onesentral Park Sdn. Bhd.  | Property development  | Malaysia                 | 100.00                    | 100.00    |
| Paradigma Berkat Sdn. Bhd.                                       | Property development  | Malaysia                 | 70.00                     | 70.00     |
| Penang Sentral Sdn. Bhd.   | Property development  | Malaysia                 | 100.00                    | 49.00     |
| P.J Sentral Development Sdn. Bhd.                                | Property development  | Malaysia                 | 100.00                    | -         |
| Prema Bonanza Sdn. Bhd.  | Property development  | Malaysia                 | 51.00                     | 51.00     |
| Puncak Wangi Sdn. Bhd.   | Construction and development of property  | Malaysia                 | 100.00                    | 100.00    |
| Region Resources Sdn. Bhd.                                       | Engineering and construction services   | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 100% ownership by Region Resources Sdn. Bhd.</u> |   |                          |                           |           |
| - Syarikat Gemilang Quarry Sdn. Bhd.^                            | Quarry operations   | Malaysia                 | -                         | 100.00    |
| Semasa Sentral Sdn. Bhd.   | Operation, management and maintenance of the Kuala Lumpur Sentral railway station | Malaysia                 | 100.00                    | 100.00    |
| Semasa Services Sdn. Bhd.  | Building services   | Malaysia                 | 100.00                    | 100.00    |
| Semasa Parking Sdn. Bhd.   | Car park management   | Malaysia                 | 100.00                    | 100.00    |
| Semasa Sentral (Penang) Sdn. Bhd.                                | Operation, management and maintenance of Penang Sentral                           | Malaysia                 | 100.00                    | 100.00    |
| Sooka Sentral Sdn. Bhd.  | Operation, management and maintenance of retail centre                            | Malaysia                 | 100.00                    | 100.00    |
| Superview Development Sdn. Bhd. α                                | Property development, management and shares trading                               | Malaysia                 | 100.00                    | 100.00    |
| SynarGym Sdn. Bhd.   | Managing and operating a fitness centre   | Malaysia                 | 100.00                    | 100.00    |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise  | Principal activities  | Country of incorporation | Effective equity interest |           |
|---|---|--------------------------|---------------------------|-----------|
|   |   |                          | 2014<br>%                 | 2013<br>% |
| Transmission Technology Sdn. Bhd.                                       | Engineering and construction services to power transmission systems and buildings | Malaysia                 | 100.00                    | 100.00    |
| Landas Utama Sdn. Bhd.*   | Investment holding  | Malaysia                 | 100.00                    | 100.00    |
| Lotus Terrain Sdn. Bhd.   | Pre-operating   | Malaysia                 | 100.00                    | 100.00    |
| Mafira Holdings Sdn. Bhd.*  | Investment holding  | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 38.6% ownership by Mafira Holdings Sdn. Bhd.</u>        |   |                          |                           |           |
| - 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.   | Investment holding  | Malaysia                 | 100.00                    | 100.00    |
| <u>Held through 100% ownership by MRCB Land Sdn. Bhd.</u>               |   |                          |                           |           |
| - Efficient Class Sdn. Bhd.   | Property Development  | Malaysia                 | 100.00                    | -         |
| - Esquire Moments Sdn. Bhd.   | Pre-operating   | Malaysia                 | 100.00                    | -         |
| - Crystal Hallmark Sdn. Bhd.  | Property Development  | Malaysia                 | 100.00                    | -         |
| - Legasi Azam Sdn. Bhd.   | Pre-operating   | Malaysia                 | 100.00                    | -         |
| - Pinnacle Paradise Sdn. Bhd.   | Property Development  | Malaysia                 | 100.00                    | -         |
| - Rukun Juang Sdn. Bhd.   | Pre-operating   | Malaysia                 | 100.00                    | -         |
| - Stigma Tiara Sdn. Bhd.  | Pre-operating   | Malaysia                 | 100.00                    | -         |
| - Subang Sentral Sdn. Bhd.<br>(formerly known as Aroma Sakti Sdn. Bhd.) | Pre-operating   | Malaysia                 | 100.00                    | -         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise  | Principal activities  | Country of incorporation | Effective equity interest |           |
|---|---|--------------------------|---------------------------|-----------|
|   |   |                          | 2014<br>%                 | 2013<br>% |
| 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    |
| <u>Held through 100% ownership by MR Securities Sdn. Bhd.</u> |   |                          |                           |           |
| - Semasa Security Sdn. Bhd.*                                  | Security guard services                                     | Malaysia                 | 100.00                    | 100.00    |
| Semasa District Cooling Sdn. Bhd.                             | Own and operate chilled water plant to supply chilled water | Malaysia                 | 100.00                    | 100.00    |
| Seleksi Untung Sdn. Bhd.                                      | Modular building design system                              | Malaysia                 | 100.00                    | -         |
| MRCB DMIA JV Sdn. Bhd.  | Pre-operating   | Malaysia                 | 100.00                    | 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    |
| MRCB Dotcom Sdn. Bhd.#  | Planning and management services                            | Malaysia                 | 100.00                    | 100.00    |
| MR Construction Sdn. Bhd.#                                    | Construction  | Malaysia                 | 50.80                     | 50.80     |
| Sibexlink Sdn. Bhd. α   | Sale of business information and website development        | Malaysia                 | 100.00                    | 100.00    |
| TTSB-SPK Consortium <   | Design and build transmission line and substation           | Unincorporated           | -                         | 100.00    |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

| Name of enterprise                             | Principal activities   | Country of incorporation | Effective equity interest |           |
|--|--|--------------------------|---------------------------|-----------|
|  |  |                          | 2014<br>%                 | 2013<br>% |
| MRCB Intelligent System and Control Sdn. Bhd.^ | System maintenance and application services and other technological applications | Malaysia                 | -                         | 100.00    |
| MRCB Trading Sdn. Bhd.^                        | Trading in building materials  | Malaysia                 | -                         | 100.00    |
| <b>ASSOCIATES:</b>                             |  |                          |                           |           |
| One IFC Sdn. Bhd. $\beta$                      | Investment holding   | Malaysia                 | 30.00                     | 30.00     |
| Suasana Sentral Two Sdn. Bhd.                  | Property development   | Malaysia                 | 30.00                     | 30.00     |
| Ekovest-MRCB Construction Sdn. Bhd. $\beta$    | Contractor for 'River of Life' project   | Malaysia                 | 40.00                     | 40.00     |
| Ekovest-MRCB JV Sdn. Bhd. $\beta$              | Project coordinator and manager for 'River of Life' project                      | Malaysia                 | 40.00                     | 40.00     |
| UEMB – MRCB JV Sdn. Bhd. $\beta$               | Project management   | Malaysia                 | 49.00                     | 49.00     |
| Kota Francais (M) Sdn. Bhd.* $\beta$           | Franchising property management and consultancy                                  | Malaysia                 | 20.00                     | 20.00     |
| Nuzen Corporation Sdn. Bhd. $\beta$            | Investment holding   | Malaysia                 | -                         | 30.00     |
| <b>JOINT VENTURE:</b>                          |  |                          |                           |           |
| 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

$\alpha$  The subsidiaries are under creditors' voluntary liquidation

^ The subsidiaries were under members' voluntary liquidation and dissolved during the year

< The unincorporated joint venture dissolved during the year

All companies are audited by PricewaterhouseCoopers, Malaysia except for those indicated in  $\beta$

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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### 47 SEGMENT REPORTING

Management has determined the operating segments based on the various reports prepared for the board of directors that are used to make strategic decisions.

The reportable operating segments derive their revenue primarily from the engineering and construction, property development and investment, infrastructure, facilities management and parking and investment holding divisions.

Segment results are defined as operating income before finance income, finance cost and share of results from joint venture and associates for continuing operations.

Segment assets consist primarily of current and non current assets.

Segment liabilities comprises of current and non current liabilities.

The Group is domiciled in Malaysia. The results of its revenue from external customers in Malaysia is RM1,514,767,327 (2013: RM940,910,665) and the total of revenue from external customers from other countries is Nil (2013: Nil).

Inclusive in the Group's non current assets is RM130,260 (2013: RM102,266) located in countries other than Malaysia.

The total revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue was RM258,863,275, approximately 17.1% to the Group's revenue. These revenue were derived from the construction of facilities works for the LRT Ampang Line extension. (2013: a single external customers that amounted to RM130,034,988, approximately 13.8% to the Group's revenue. The revenue was derived from the construction of a retail mall in Kuala Lumpur Sentral).

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 47 SEGMENT REPORTING (CONTINUED)

|   | Engineering<br>& construction<br>RM'000 | Property<br>& development<br>RM'000 | Infrastructure<br>RM'000 | Facilities<br>management<br>& parking<br>RM'000 | Investment<br>holding &<br>others<br>RM'000 | Group<br>RM'000 | Discontinuing<br>operations<br>RM'000 | Total<br>RM'000 |
|---|---|-------------------------------------|--------------------------|---|---|-----------------|---------------------------------------|-----------------|
| <u>Year ended 31 December 2014</u>                  |   |                                     |                          |   |   |                 |                                       |                 |
| <u>Revenue</u>                                      |   |                                     |                          |   |   |                 |                                       |                 |
| Total revenue                                       | 790,031                                 | 887,042                             | 51,651                   | 95,146  | 171,511                                     | 1,995,381       | 54,432                                | 2,049,813       |
| Inter-segment revenue                               | (279,288)                               | (10,599)                            | (2,659)                  | (17,624)  | (170,444)                                   | (480,614)       | (1,800)                               | (482,414)       |
| External revenue                                    | 510,743                                 | 876,443                             | 48,992                   | 77,522  | 1,067                                       | 1,514,767       | 52,632                                | 1,567,399       |
| <u>Results</u>                                      |   |                                     |                          |   |   |                 |                                       |                 |
| Segment results                                     | 42,559                                  | 160,260                             | 20,313                   | 9,681   | 82,021                                      | 314,834         | 34,744                                | 349,578         |
| Interim payment from<br>Government                  |   |                                     |                          |   |   | 62,872          | -                                     | 62,872          |
| Finance income                                      |   |                                     |                          |   |   | 38,409          | 910                                   | 39,319          |
| Finance costs                                       |   |                                     |                          |   |   | (171,193)       | (19,667)                              | (190,860)       |
| Share of results of joint venture<br>and associates | 10,124                                  | (37,054)                            | 2,626                    | -   | -   | (24,304)        | -                                     | (24,304)        |
| Profit before income tax                            |   |                                     |                          |   |   | 220,618         | 15,987                                | 236,605         |
| Income tax expense                                  |   |                                     |                          |   |   | (53,276)        | 190                                   | (53,086)        |
| Profit after tax                                    |   |                                     |                          |   |   | 167,342         | 16,177                                | 183,519         |
| Non controlling interests                           |   |                                     |                          |   |   | (30,885)        | -                                     | (30,885)        |
| Net profit for the financial year                   |   |                                     |                          |   |   | 136,457         | 16,177                                | 152,634         |

Effective 1 January 2014, the environment business/projects have been classified under Engineering & Construction division. Hence, the previously Infrastructure & Environmental division is now known as Infrastructure division.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 47 SEGMENT REPORTING (CONTINUED)

|   | Engineering<br>& construction<br>RM'000 | Property<br>development<br>& investment<br>RM'000 | Infrastructure<br>RM'000 | Facilities<br>management<br>& parking<br>RM'000 | Investment<br>holding &<br>others<br>RM'000 | Group<br>RM'000 |
|---|---|---|--------------------------|---|---|-----------------|
| <u>At 31 December 2014</u>              |   |   |                          |   |   |                 |
| <u>Assets</u>                           |   |   |                          |   |   |                 |
| Segment assets                          | 643,195                                 | 4,116,878   | 1,336,084                | 45,534  | 315,310                                     | 6,457,001       |
| Joint venture and associates            | 16,594                                  | 122,482   | 3,596                    | -   | -   | 142,672         |
| Assets held for sale (Note 18(a))       | -                                       | 401,817   | -                        | -   | -   | 401,817         |
| Tax recoverable and deferred tax assets |   |   |                          |   |   | 40,433          |
| Total assets                            |   |   |                          |   |   | 7,041,923       |
| <u>Liabilities</u>                      |   |   |                          |   |   |                 |
| Segment liabilities                     | 534,969                                 | 511,601   | 13,434                   | 32,314  | 89,500                                      | 1,181,818       |
| Interest bearing instruments            |   |   |                          |   |   | 3,690,703       |
| Current and deferred tax liabilities    |   |   |                          |   |   | 104,893         |
| Total liabilities                       |   |   |                          |   |   | 4,977,414       |
| <u>Other disclosures</u>                |   |   |                          |   |   |                 |
| Capital expenditure                     | 4,500                                   | 90,900  | 13                       | 7,341   | 130   | 102,884         |
| Depreciation and amortisation           | 7,540                                   | 18,639  | 22,027                   | 2,157   | 2,075                                       | 52,438          |
| Impairment loss                         | -                                       | 1,309   | -                        | -   | 1,387                                       | 2,696           |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 47 SEGMENT REPORTING (CONTINUED)

|   | Engineering<br>&<br>construction<br>RM'000 | Property<br>& investment<br>development<br>RM'000 | Infrastructure<br>&<br>environmental<br>RM'000 | Building<br>services<br>RM'000 | Investment<br>holding &<br>others<br>RM'000 | Group<br>RM'000 | Discontinuing<br>operations<br>RM'000 | Total<br>RM'000 |
|---|--|---|--|--------------------------------|---|-----------------|---------------------------------------|-----------------|
| <u>Year ended 31 December 2013</u>                  |  |   |  |                                |   |                 |                                       |                 |
| <u>Revenue</u>                                      |  |   |  |                                |   |                 |                                       |                 |
| Total revenue                                       | 710,729                                    | 469,747   | 37,863   | 90,164                         | 128,952                                     | 1,437,455       | 47,498                                | 1,484,953       |
| Inter-segment revenue                               | (334,738)                                  | (9,698)   | -  | (23,366)                       | (128,743)                                   | (496,545)       | (1,676)                               | (498,221)       |
| External revenue                                    | 375,991                                    | 460,049   | 37,863   | 66,798                         | 209   | 940,910         | 45,822                                | 986,732         |
| <u>Results</u>                                      |  |   |  |                                |   |                 |                                       |                 |
| Segment results                                     | (79,377)                                   | 10,275  | (7,254)  | 7,484                          | (22,402)                                    | (91,274)        | 29,482                                | (61,792)        |
| Interim payment from Government                     |  |   |  |                                |   | 100,287         | -                                     | 100,287         |
| Finance income                                      |  |   |  |                                |   | 23,494          | 1,570                                 | 25,064          |
| Finance costs                                       |  |   |  |                                |   | (147,905)       | (20,696)                              | (168,601)       |
| Share of results of joint venture<br>and associates | 5,837                                      | 1,224   | (2,030)  | -                              | -   | 5,031           | -                                     | 5,031           |
| (Loss)/profit before income tax                     |  |   |  |                                |   | (110,367)       | 10,356                                | (100,011)       |
| Income tax expense                                  |  |   |  |                                |   | (12,481)        | (5,459)                               | (17,940)        |
| (Loss)/profit after tax                             |  |   |  |                                |   | (122,848)       | 4,897                                 | (117,951)       |
| Non controlling interests                           |  |   |  |                                |   | 8,819           | -                                     | 8,819           |
| Net (loss)/profit for the financial year            |  |   |  |                                |   | (114,029)       | 4,897                                 | (109,132)       |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 47 SEGMENT REPORTING (CONTINUED)

|   | Engineering<br>& construction<br>RM'000 | Property<br>development<br>& investment<br>RM'000 | Infrastructure<br>& environmental<br>RM'000 | Building<br>services<br>RM'000 | Investment<br>holding &<br>others<br>RM'000 | Group<br>RM'000 |
|---|---|---|---|--------------------------------|---|-----------------|
| <u>At 31 December 2013</u>              |   |   |   |                                |   |                 |
| <u>Assets</u>                           |   |   |   |                                |   |                 |
| Segment assets                          | 746,414                                 | 3,336,105   | 128,383                                     | 96,322                         | 213,225                                     | 4,520,449       |
| Joint venture and associates            | 6,469                                   | 178,506   | 970   | -                              | -   | 185,945         |
| Assets held for sale (Note 18(a))       | -                                       | 401,817   | 1,450,520                                   | -                              | -   | 1,852,337       |
| Tax recoverable and deferred tax assets |   |   |   |                                |   | 43,993          |
| Total assets                            |   |   |   |                                |   | 6,602,724       |
| <u>Liabilities</u>                      |   |   |   |                                |   |                 |
| Segment liabilities                     | 484,374                                 | 543,854   | 75,056                                      | 35,224                         | 112,184                                     | 1,250,692       |
| Interest bearing instruments            |   |   |   |                                |   | 3,510,591       |
| Current and deferred tax liabilities    |   |   |   |                                |   | 104,707         |
| Total liabilities                       |   |   |   |                                |   | 4,865,990       |
| <u>Other disclosures</u>                |   |   |   |                                |   |                 |
| Capital expenditure                     | 281                                     | 139,162   | 9   | 22,565                         | 2,319                                       | 164,336         |
| Depreciation and amortisation           | 6,754                                   | 18,876  | 461   | 2,124                          | 2,037                                       | 30,252          |
| Impairment loss                         | -                                       | 1,647   | -   | -                              | -   | 1,647           |

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The Company had on 29 January 2014 entered into a Sale Agreement with Ekovest Berhad (“Ekovest”) and its subsidiaries for the disposal of the following:
- (i) 1,500,000 ordinary shares of RM1.00 each in Nuzen Corporation Sdn. Bhd. (“Nuzen”) and 13,500,000 redeemable preference shares of RM1.00 each in Nuzen representing the Company’s entire 30% equity interest in Nuzen to Wira Kristal Sdn. Bhd., a wholly owned subsidiary of Ekovest;
  - (ii) 585 Series A Redeemable Preference Shares of RM1.00 each in Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd. (“Kesturi”) to Ekovest Construction Sdn. Bhd., a wholly subsidiary of Ekovest; and
  - (iii) RM54 million nominal value redeemable secured junior bonds in Kesturi to Ekovest.

for a total cash consideration of RM228 million.

The disposal was completed on 30 June 2014 and the disposal gain to the Group was RM94,868,000 (Note 8).

- (b) The Company’s wholly owned subsidiary, MRCB International Sdn. Bhd. (formerly known as Bitar Enterprises Sdn. Bhd.) had on 3 July 2014 enter into an agreement with the non controlling interests of MRCB Land (Australia) Pty Ltd (“MLA”), Tam Cheok Wing, Choong Kai Wai and Chang Chai Kin to acquire the remaining 30% equity interest comprising 126 ordinary shares in MLA for a total cash consideration of RM4,066,661 (equivalent to A\$1,341,247).

The 30% equity interest acquisition was accounted for as a transaction with non controlling interest in accordance with the requirements of FRS 10 “Consolidated Financial Statements” resulting in a gain recognized in accumulated losses of RM740,463.

The acquisition was completed 3 July 2014. With this, MLA became a wholly owned subsidiary of MRCB International Sdn. Bhd.

- (c) The Company had on 14 April 2014 entered into a Sale and Purchase Agreement with Bisraya Acres Sdn. Bhd. (“Bisraya Acres”), a wholly owned subsidiary of Gapurna Sdn. Bhd., a shareholder of the Company to acquire 3 parcels of land totaling 617,452 square feet in Bukit Rahman Putra, Sungai Buloh from Bisraya Acres for a total cash consideration of RM83.0 million.

The acquisition was completed on 22 July 2014.

- (d) The Company had on 20 June 2014 entered into a sale and purchase agreement with ASPL M3A Limited for the acquisition of the remaining 40% equity interest in Excellent Bonanza Sdn. Bhd. (“EBSB”), consisting 2,000,000 ordinary share of RM1.00 each and 62,406 non-cumulative non-convertible redeemable preference shares of RM0.01 each for a cash consideration of RM16,960,000.

The 40% equity interest acquisition was accounted for as a transaction with non controlling interest in accordance with the requirements of FRS 10 “Consolidated Financial Statements” resulting in a loss recognised in accumulated losses of RM10,917,242.

The acquisition was completed on 19 August 2014. With this, EBSB became a wholly owned subsidiary of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (e) The Company had on 24 June 2014 completed the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. (“P.J Sentral”) in accordance with the terms and conditions of the Share Sale Agreement with Nusa Gapurna Development Sdn. Bhd. (“NGD SSA”), signed on 8 February 2013 and amended and varied by the Supplementary NGD SSA dated 3 June 2013 and Supplementary NGD letter dated 19 August 2013.

The Company had on 20 June 2014 together with NGD entered into a settlement agreement with PKNS Holding Sdn. Bhd. (“PKNS”) to resolve all disputes, conflict, differences, claims and complaints against each other. On the same day, the Company also entered into a share sale agreement with PKNS for the acquisition of the balance 30% equity interest in P.J Sentral held by PKNS for a cash consideration of RM85,300,000.

Simultaneous with the execution of the settlement agreement, P.J Sentral and PKNS had entered into a development agreement for the purpose of granting development rights to PKNS over the development of a building identified as Tower 2 which is to be constructed and developed on a parcel of development land held by P.J Sentral. Consequently, Tower 2 land valued at RM91,119,462 was sold to PKNS by P.J Sentral.

The acquisition of the remaining 30% equity interest in P.J Sentral was completed on 25 September 2014. With this, P.J Sentral became the Company’s wholly owned subsidiary.

- (f) The Company had on 24 July 2014 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad (“PHB”) to acquire PHB’s 51% equity interest in Penang Sentral Sdn. Bhd. (“PSSB”), consisting 12,750,000 ordinary share of RM1.00 each and 30,600,000 redeemable non-cumulative preference shares of RM0.10 each for a total cash consideration of RM50,751,000.

The acquisition was completed on 8 August 2014. Following the acquisition, the Company increased its shareholdings from 49% to 100% in PSSB and the later became a wholly owned subsidiary of the Company.

- (g) The Company had on 18 September 2014 entered into a conditional share sale agreement with XMT Technologies Holdings Sdn. Bhd. for the disposal of the Company’s entire equity interest in MRCB Technologies Sdn. Bhd., a wholly owned subsidiary, for a cash consideration of RM7,810,000.

The disposal was completed on 16 October 2014 with a disposal gain of RM235,807 recognised in statement of comprehensive income.

- (h) The Company’s wholly owned subsidiary, MRCB Environmental Services Sdn. Bhd. (“MESSB”) had on 30 December 2014 acquired the remaining 45% equity interest representing 337,500 ordinary shares of RM1.00 each in MRCB Environment Sdn. Bhd. (“MESB”) from Saluran Teraju Sdn. Bhd. and Everlasting Sparkle Sdn. Bhd. for a cash consideration of RM1,252,186 via a Settlement Agreement entered into by the parties.

The 45% equity interest acquisition was accounted for as a transaction with non controlling interest in accordance with the requirements of FRS 10 “Consolidated Financial Statements” resulting in a gain recognised in accumulated losses of RM271,597.

The acquisition was completed on 30 December 2014. With this, MESB become a wholly owned subsidiary of MESSB.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (i) The Company's wholly owned subsidiary, MRCB Sentral Properties Sdn. Bhd. had on 10 April 2014 entered into a conditional Sale and Purchase Agreement ("SPA") with Maybank Trustees Berhad ("Maybank"), acting as trustee for Quill Capita Trust ("QCT"), a real estate investment trust ("REIT"), for the disposal of the Group's investment property known as Platinum Sentral for a total consideration of RM750 million, of which RM486 million will be satisfied in cash and RM264 million will be satisfied via the proposal issuance of 206.25 million units in QCT ("Unit") at an issue price of RM1.28 per Unit.

Simultaneous with the execution of the SPA, the Company entered into Share Sale Agreement with CapitaLand RECM Pte Ltd ("CRPL") and Coast Capital Sdn. Bhd. ("CCSB") to acquire 40% equity interest and 1% equity interest in Quill Capita Management Sdn. Bhd. ("QCM") (being the management company of QCT) respectively, for a total cash consideration of RM5,882,835.

CRPL and CCSB are the existing shareholders of QCM, holding 40% and 30% equity interest in QCM respectively.

On 9 September 2014, the parties had revised the disposal consideration to RM740 million based on the revised market value of RM740 million. The difference of RM10 million will be adjusted from the cash portion of the disposal consideration.

MSPSB and Maybank have via a Supplementary Agreement dated 8 October 2014 mutually agreed to extend the conditional period to fulfill all the condition precedents of the SPA from 9 October 2014 to 9 January 2015. The date has been further extended to 9 April 2015 via a second supplemental letter dated 8 January 2015 entered into by both parties.

The Company obtained the shareholders' approval for the disposal of Platinum Sentral at the Extraordinary General Meeting on 12 February 2015. The disposal of Platinum Sentral and the acquisition of QCM were completed on 30 March 2015 and 31 March 2015 respectively.

- (j) The Company had on 14 August 2014 entered into a Shareholders' Agreement ("SHA") with Kwasa Land Sdn. Bhd. ("Kwasa Land") and Kwasa Development (2) Sdn. Bhd. ("KDSB") for the subscription of 700,000 new ordinary shares of RM1.00 each, representing 70% equity interest in KDSB for a cash subscription payment of approximately RM816.6 million ("Proposed Subscription"). KDSB is a special purpose vehicle incorporated to undertake the mixed development of 64.07 acres of land ("MX-1 Land") identified to be the town centre of the proposed Kwasa Damansara Township.

Currently, KDSB is a wholly owned subsidiary of Kwasa Land. Prior to the SHA, on 8 August 2014, Kwasa Land and KDSB had entered into a sale and purchase agreement for the purchase of the MX-1 Land by KDSB from Kwasa Land.

The Proposed Subscription had been approved by the Company's shareholders at the Extraordinary General Meeting held on 12 February 2015.

#### 49 SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The Company had on 13 January 2015 settled the balance purchase consideration amounting to RM60,923,964 for the acquisition of Gelanggang Harapan Construction Sdn. Bhd. ("GHC") ("Balance GHC Consideration"). In this regard, the Company paid the cash consideration amounting to RM20,000,000 and allotted 26,402,558 of the Company's shares at an issue price of RM1.55 per share together with 7,543,588 Free Detachable Warrants to Gapurna Sdn. Bhd., being the party nominated by the GHC Vendors to receive the balance GHC Consideration.

#### 50 DIVIDENDS

|   | 2014                         |                               | 2013                         |                               |
|---|------------------------------|-------------------------------|------------------------------|-------------------------------|
|   | 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 single tier dividend | 2.5                          | 44,665                        | 1.0                          | 16,513                        |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 50 DIVIDENDS (CONTINUED)

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2014 of 2.5% or 2.5 sen per ordinary share, amounting to approximately RM44,665,000 at the date of this report which is subject to the approval of the members at the forthcoming Annual General Meeting.

### 51 DISCONTINUING OPERATIONS

a. Results

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| Rental income                                 | 49,744         | 48,634         |
| Direct operating expenses                     | (10,630)       | (19,382)       |
| Other income                                  | 457            | 556            |
| Administrative expenses                       | (4,661)        | (314)          |
| Other operating expenses                      | (166)          | (12)           |
| Finance income                                | 910            | 1,570          |
| Finance costs                                 | (19,667)       | (20,696)       |
| Profit before income tax                      | 15,987         | 10,356         |
| Income tax expense                            |                |                |
| - current tax                                 | (3,634)        | (3,824)        |
| - over provided in prior year                 | 3,824          | -              |
| - deferred tax (Note 25)                      | -              | (1,635)        |
|   | 190            | (5,459)        |
| Profit from discontinuing operations          | 16,177         | 4,897          |
| Included in the results are:                  |                |                |
| <u>Operating expenses</u>                     |                |                |
| Depreciation of property, plant and equipment | -              | 2              |
| Depreciation of investment property           | -              | 9,091          |

## NOTES TO THE FINANCIAL STATEMENTS

### 31 December 2014

#### 51 DISCONTINUING OPERATIONS (CONTINUED)

##### b. Cash flows

|   | 2014<br>RM'000 | 2013<br>RM'000 |
|---|----------------|----------------|
| OPERATING ACTIVITIES                          |                |                |
| Profit from operating activities              | 16,177         | 4,897          |
| Adjustments for:                              |                |                |
| Income tax expense                            | (190)          | 5,459          |
| Depreciation of property, plant and equipment | -              | 2              |
| Amortisation of investment property           | -              | 9,091          |
| Finance income                                | (910)          | (1,570)        |
| Finance costs                                 | 19,672         | 20,696         |
| Cash flow from operating activities           | 34,749         | 38,575         |
| Changes in working capital                    |                |                |
| Payables                                      | 833            | 836            |
|   | 35,582         | 39,411         |
| Tax paid                                      | (3,014)        | (3,824)        |
| Finance income                                | 910            | 1,570          |
| Interest expenses paid                        | (19,951)       | (20,726)       |
| Net cash flow from operating activities       | 13,527         | 16,431         |

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### 52 BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

The following analysis of realised and unrealised accumulated profits/(losses) at the legal entity is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

#### Group

|  | 2014<br>RM'000 | 2013<br>RM'000 |
|--|----------------|----------------|
| Total accumulated profits/(losses)                   |                |                |
| - realised   | 187,985        | 31,201         |
| - unrealised   | (53,827)       | (69,561)       |
| Total share of accumulated profits from associates   |                |                |
| - realised   | 45,099         | 17,632         |
| Total share of accumulated losses from joint venture |                |                |
| - realised   | (43,568)       | (7,012)        |
| Add: Consolidation adjustments                       | (290,534)      | (247,316)      |
| Total accumulated losses                             | (154,845)      | (275,056)      |

#### Company

|                                    | 2014<br>RM'000 | 2013<br>RM'000 |
|------------------------------------|----------------|----------------|
| Total accumulated profits/(losses) |                |                |
| - realised                         | 38,163         | (181,165)      |
| - unrealised                       | 608            | (8,005)        |
| Total accumulated profits/(losses) | 38,771         | (189,170)      |

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 2014 relates mainly to the net deferred tax liabilities of RM54,434,515 (2013: RM61,555,412).

# PROXY FORM

(Please see the notes below before completing the form)

|                               |  |
|-------------------------------|--|
| CDS Account No.               |  |
| No. of Ordinary Share(s) held |  |

I/We (FULL NAME IN CAPITAL LETTERS) \_\_\_\_\_  
NRIC No./Passport No./Company No. \_\_\_\_\_  
of (FULL ADDRESS) \_\_\_\_\_

being a member/members of MALAYSIAN RESOURCES CORPORATION BERHAD hereby appoint

## First Proxy

| Full Name of Proxy<br>in Capital Letters | NRIC Number | Proportion of shareholdings |                |
|--|-------------|-----------------------------|----------------|
|  |             | Number of shares            | Percentage (%) |
|  |             |                             |                |

and/or failing him/her

## Second Proxy

| Full Name of Proxy<br>in Capital Letters | NRIC Number | Proportion of shareholdings |                |
|--|-------------|-----------------------------|----------------|
|  |             | Number of shares            | Percentage (%) |
|  |             |                             |                |

or failing him/her the Chairman of the meeting as my/our proxies to attend and vote for me/us on my/our behalf at the 44th Annual General Meeting of the Company to be held on Monday, 11 May 2015 at 11.00 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 approve a first and final single tier dividend of 2.5% or 2.5 sen per ordinary share for the financial year ended 31 December 2014 |     |         |
| 2   | To re-elect the following Director under Article 106:<br>Mohd Imran Tan Sri Mohamad Salim   |     |         |
|     | To re-elect the following Directors under Articles 101 and 102:<br>Dato' Chong Pah Aung   |     |         |
| 4   | Dato' Abdul Rahman Ahmad  |     |         |
| 5   | Jamaludin Zakaria   |     |         |
| 6   | To approve the Directors' Fees of RM895,205 for the financial year ended 31 December 2014 (2013 : RM767,808)                          |     |         |
| 7   | To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration      |     |         |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Shareholders

### \* DELETE IF NOT APPLICABLE

#### Notes:

1. Only members whose names appear in the Record of Depositors on 5 May 2015 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified
4. Where a member of the company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
6. Duly completed Proxy Form must be deposited at **Symphony Share Registrars Sdn.Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** not less than **48 hours** before the time set holding the meeting or any adjournment thereof.

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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

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# BORANG PROKSI

(Sila lihat nota-nota di bawah sebelum mengisi borang ini)

|                               |  |
|-------------------------------|--|
| No. Akaun CDS                 |  |
| Bilangan Saham Biasa Dipegang |  |

Saya/Kami (NAMA PENUH DALAM HURUF BESAR) \_\_\_\_\_  
No. Kad Pengenalan/No.Pasport/No. Syarikat \_\_\_\_\_  
yang beralamat di (ALAMAT PENUH) \_\_\_\_\_

sebagai ahli/ahli-ahli MALAYSIAN RESOURCES CORPORATION BERHAD, dengan ini melantik

## Proksi Pertama

| Nama Penuh Proksi dalam huruf besar | No. Kad Pengenalan | Pegangan saham |             |
|-------------------------------------|--------------------|----------------|-------------|
|                                     |                    | Bilangan saham | Peratus (%) |
|                                     |                    |                |             |

dan/atau sebagai penggantinya,

## Proksi Kedua

| Nama Penuh Proksi dalam huruf besar | No. Kad Pengenalan | Pegangan saham |             |
|-------------------------------------|--------------------|----------------|-------------|
|                                     |                    | Bilangan saham | Peratus (%) |
|                                     |                    |                |             |

atau sebagai penggantinya, Pengerusi Mesyuarat sebagai proksi saya/kami untuk menghadiri dan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat Ke-44 yang akan diadakan pada hari Isnin, 11 Mei 2015 pada pukul 11.00 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 ataupun tidak.

| No. | RESOLUSI  | MENYOKONG | MENENTANG |
|-----|---|-----------|-----------|
| 1   | Untuk meluluskan dividen pertama dan akhir satu peringkat sebanyak 2.5% or 2.5 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2014  |           |           |
| 2   | Untuk memilih semula pengarah berikut menurut Artikel 106   |           |           |
|     | Mohd Imran Tan Sri Mohamad Salim  |           |           |
| 3   | Untuk memilih semula pengarah-pengarah berikut menurut Artikel 101 dan 102:   |           |           |
|     | Dato' Chong Pah Aung  |           |           |
| 4   | Dato' Abdul Rahman Ahmad  |           |           |
| 5   | Jamaludin Zakaria   |           |           |
| 6   | Untuk meluluskan Yuran Pengarah sebanyak RM895,205 bagi tahun kewangan berakhir 31 Disember 2014 (2013 : RM767,808)                             |           |           |
| 7   | Untuk melantik semula PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menetapkan ganjaran mereka |           |           |

Bertarikh \_\_\_\_\_ hb \_\_\_\_\_ 2015

Tandatangan Pemegang Saham

## \* POTONG YANG MANA TIDAK PERLU

### Nota-Nota:

- Hanya Ahli yang berdaftar di dalam Rekod Depositori (ROD) setakat 5 Mei 2015 yang layak menghadiri atau melantik proksi bagi menghadiri dan mengundi bagi pihaknya di Mesyuarat Agung Tahunan.
- Seorang Ahli yang layak untuk menghadiri dan mengundi di Mesyuarat ini adalah layak untuk melantik tidak lebih daripada dua (2) proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya seorang Ahli Syarikat. Tiada sebarang sekatan ke atas kelayakan sebagai proksi dan peruntukan di bawah Seksyen 149(1)(b) Akta Syarikat, 1965 adalah tidak terpakai.
- Jika seorang Ahli melantik dua (2) orang proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi ditetapkan.
- Jika Ahli adalah merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada pelbagai pemilik benfisial di dalam satu akaun sekuriti ("akaun omnibus"), tiada sebarang had dikenakan bagi jumlah proksi yang dilantik, di mana wakil berkecuali yang telah diberi kuasa berhak melantik mengikut setiap akaun omnibus yang dipegang.
- Instrumen pelantikan proksi perlu dibuat secara bertulis dan ditandatangani oleh orang yang melantik atau peguam yang dilantik di bawah surat kuasa wakil. Di mana instrumen pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat ini hendaklah dimeterai atau ditandatangani oleh seorang pegawai atau peguam cara yang dilantik di bawah surat kuasa wakil.
- Borang Pelantikan Proksi yang telah lengkap hendaklah diserahkan kepada **Symphony Share Registrars Sdn. Bhd., di Aras 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** tidak kurang daripada empat puluh lapan (48) jam sebelum waktu yang ditetapkan untuk Mesyuarat.

Lipat sini



Setem

**SYMPHONY SHARE REGISTRARS SDN BHD**

Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Lipat sini

# DIRECTORY

## MALAYSIAN RESOURCES CORPORATION BERHAD (HEAD OFFICE)

Level 30  
Menara NU 1  
No. 203, Jalan Tun Sambanthan  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia  
Tel: (603) 2786 8080 / (603) 2859 7070  
Fax: (603) 2780 7988

### PROPERTY DEVELOPMENT

#### Kuala Lumpur Sentral Development

Tel: (603) 2786 8080  
Fax: (603) 2780 7988

#### Nu Sentral Sdn Bhd

Tel: (603) 2773 5611  
Fax: (603) 2780 7988

#### Plaza Alam Sentral

Tel: (603) 2786 8080  
Fax: (603) 2780 7988

#### PJ Sentral Development Sdn Bhd

Tel: (603) 2786 8080  
Fax: (603) 27807988

#### Kompleks Sentral

Tel: (603) 6251 9696 / 6250 0827  
Fax: (603) 6251 9697

#### Sooka Sentral Sdn Bhd

Tel: (603) 2786 8080  
Fax: (603) 2780 7988

#### Bandar Seri Iskandar

Tel: (605) 371 2188  
Fax: (605) 371 2189

#### Taman Kajang Utama

MRCB Utama Sdn Bhd  
Tel: (603) 2786 8105  
Fax: (603) 5031 8190

#### Penang Projects

Penang Sentral Sdn Bhd  
Tel: (604) 390 6301  
Fax: (604) 390 2302

### FACILITIES MANAGEMENT DEPARTMENT

#### Semasa Sentral Sdn Bhd

Tel: (603) 2773 8888  
Fax: (603) 2260 3306

#### Semasa Parking Sdn Bhd

Tel: (603) 2773 8888  
Fax: (603) 2260 3306

#### Semasa Services Sdn Bhd

Tel: (603) 2773 8888  
Fax: (603) 2260 3306

#### Engineering & Construction

MRCB Engineering Sdn Bhd  
Tel: (603) 2786 8080  
Fax: (603) 2780 2071/2073

#### Gelanggang Harapan Sdn Bhd

Tel: (603) 2786 8080  
Fax: (603) 5031 8175

### INFRASTRUCTURE & CONCESSION

#### MRCB Prasarana Sdn Bhd

Tel: (603) 2786 8080  
Fax: (603) 2780 2037

#### MRCB Environmental Services Sdn Bhd

Tel: (603) 2786 8080  
Fax: (603) 2780 2037

#### MRCB Environment Sdn Bhd

Tel: (603) 2786 8080  
Fax: (603) 2780 2037

[www.mrcb.com](http://www.mrcb.com)

<https://twitter.com/MRCBTweet>

<https://www.facebook.com/MRCBGroup>

<http://www.linkedin.com/company/mrcb>



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