

Thinking Green,
Doing Green.



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ABOUT US

About MRCB

Malaysian Resources Corporation Berhad (MRCB) is a leading urban property, infrastructure and environmental regeneration specialist in Malaysia. Established in 1968, it became a public listed company in 1969 and was listed on Bursa Malaysia (Malaysia's Stock Exchange) in 1971.

The Group is a multi-disciplinary specialist offering integrated solutions in urban planning; engineering; urban development; environmental engineering and regeneration; and energy infrastructure development. The Group's four core divisions are Property; Engineering and Construction; Infrastructure, Concession and Environment; and Building Services Division.

Property Division - MRCB Land – Transforming communities

MRCB Land, MRCB's property division is the leader in integrated developments as epitomized by the success of its iconic Kuala Lumpur Sentral development. The division is a catalyst for the transformation of environments and the creation of new communities with its innovative business strategy.

From residential to commercial developments, from retail complexes to transportation hubs, MRCB Land's award-winning properties set new benchmarks in sustainable development. The division is one of the first developers to pro-actively adopt sustainable development certifications for all new developments within Kuala Lumpur Sentral. Green certifications adopted include the US Building Council's Leadership in Energy and Environmental Design (LEED); Singapore-based Building and Construction Authority (BCA) Green Mark and Malaysia's Green Building Index (GBI) certifications.

Infrastructure, Concession & Environment Division - Connecting People to places

MRCB Infrastructure, Concession and Environment is a leader in integrated infrastructure and environmental rehabilitation developments. The Group has been a catalyst for connected urban centres and sustainable development in Malaysia with successes including the modern highway construction of the Duta-Klang Expressway (DUTA) and the recently completed Eastern Dispersal Links (EDL) located in Johor, a southern state in Peninsular Malaysia.

The successes of its coastline and river rehabilitation have effectively transformed beaches, coastlines and riverines in Malaysia which included a section of Pulau Tioman coastline, one of the world's best known islands. We are currently working on two river rehabilitation projects, namely Perai River in Penang, Pahang River in Pahang State.

Engineering and Construction Division - Building for a sustainable tomorrow

A fully-fledged engineering and construction firm with a national and international reputation for excellence and commitment to project and service distinction, its success is epitomized by its construction of the iconic Kuala Lumpur Sentral CBD Development. Its successes and capabilities range from the design and construction of Malaysia's longest high-voltage transmission networks, the 273km Sabah-East West Interconnection Grid and the National Grid for Peninsular Malaysia, to being a turnkey contractor and urban developer of township, commercial, residential and integrated transportation hub developments.

Building Services Division - Harmonising the living environment

MRCB Building Services, an accredited MS ISO 9001: 2000 Quality Management System organisation which commits to best working practices, is quickly becoming a leader in building and security services. Its successes in maintaining and managing building facilities for commercial, government and high-rise office buildings include the landmark and iconic Stesen Sentral Kuala Lumpur as well as several commercial buildings in Kuala Lumpur and Penang.

MRCB has infused its brand of innovativeness and uniqueness into each project. The encouraging response from purchasers has spurred MRCB Land to further leverage on its expertise and at the same time, build with the environment in mind.



OUR APPROACH TO REPORTING

This is the fifth Sustainability Report produced by MRCB. This Report covers our responsibilities to our stakeholders and the contributions we have made towards sustainable development.

About this Report

This Sustainability Report is consistent with our Annual Report and previous Sustainability Reports. This Report continues to feature Disclosures on Management Approach (DMA) and provides information on the nature of our business in each area of the GRI Guidelines. Our strategies, achievements and future plans for sustainability management are all aligned with these guidelines especially in the areas of sustainable environmental management, community, social contributions, ethics and corporate culture.

Where group-wide information is not available, we have provided performance data and case studies which are representative of our general approach. In this Report, we have also tracked data and statistics of our performance to date and evaluated our progress in achieving targets.

Our transparency efforts are not limited to this Report. Other material issues such as Corporate Governance and detailed data of our internal operations and business activities are reported in our Annual Report and are not repeated here.

Scope of Report

Reporting period: January 1st to December 31st 2011

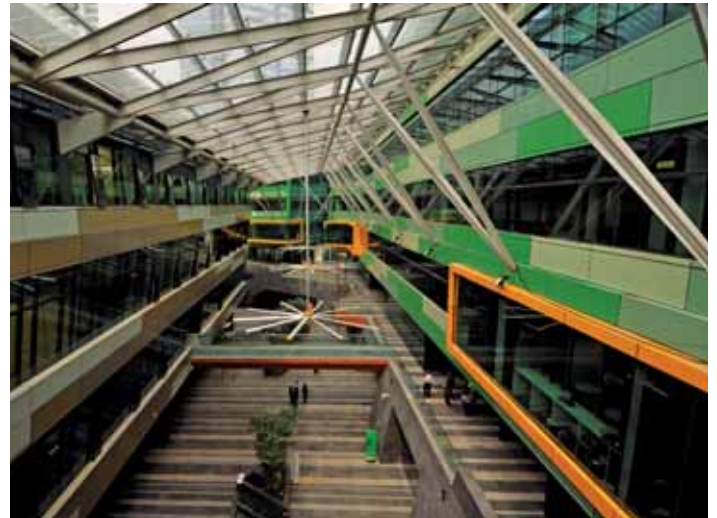
Reporting Cycle: Annually

Coverage: The MRCB Sustainability Report covers our entire organisation and includes quantitative and qualitative data for 2011. Where group-wide information is not available, selected site data has been used. Some indicators are partial and only relate to certain divisions or activities as indicated in the text.

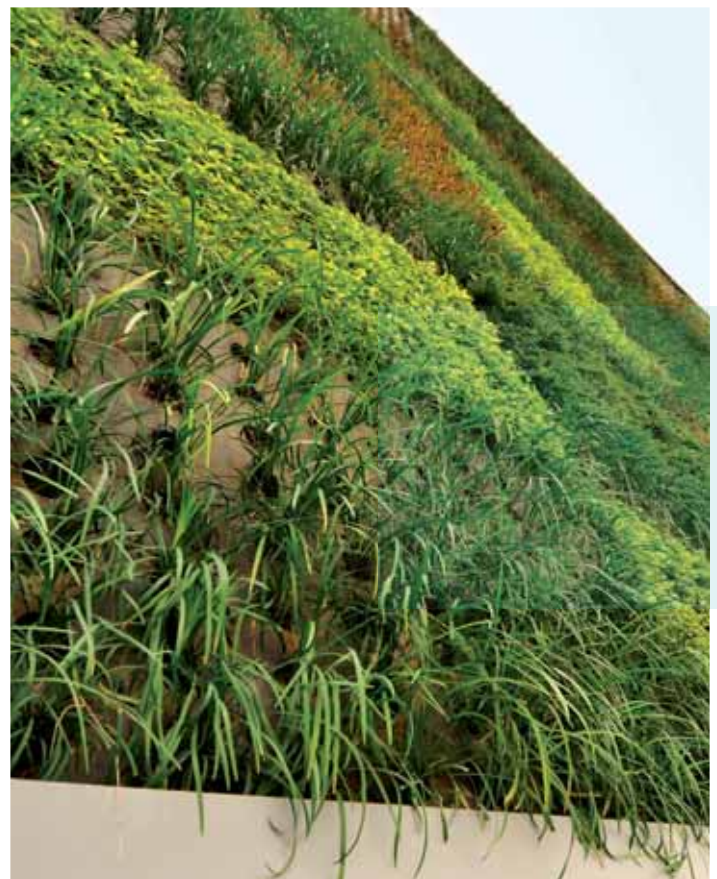
Reference and Guidelines

Principal Guidelines

- GRI-G3.1 Sustainability Reporting Framework



The atrium at Platinum Sentral



A section of the wall plants at Platinum Sentral

Additional Guidelines

- Bursa Malaysia's Corporate Social Responsibility (CSR) Framework
- Silver Book: The Putrajaya Committee GLC Transformation Manual
- ACCA Malaysia Sustainable Reporting Guidelines for Malaysian Companies
- ISO 26000: Guidance on Social Responsibility

Reliability of information disclosed

The Report's reliability has been examined by SIRIM QAS International Sdn Bhd. Our assurance approach is completely transparent, bias-free and independent. Their conclusions are presented in an Assurance Statement which can be found at the end of this Report. There is no conflict of interest between the report preparation process and verification process.

Feedback

This Report is available to all stakeholders in hard copy on request and can be downloaded from MRCB's corporate website. For further information and comments please contact:

Mohaini Mohd Yusof

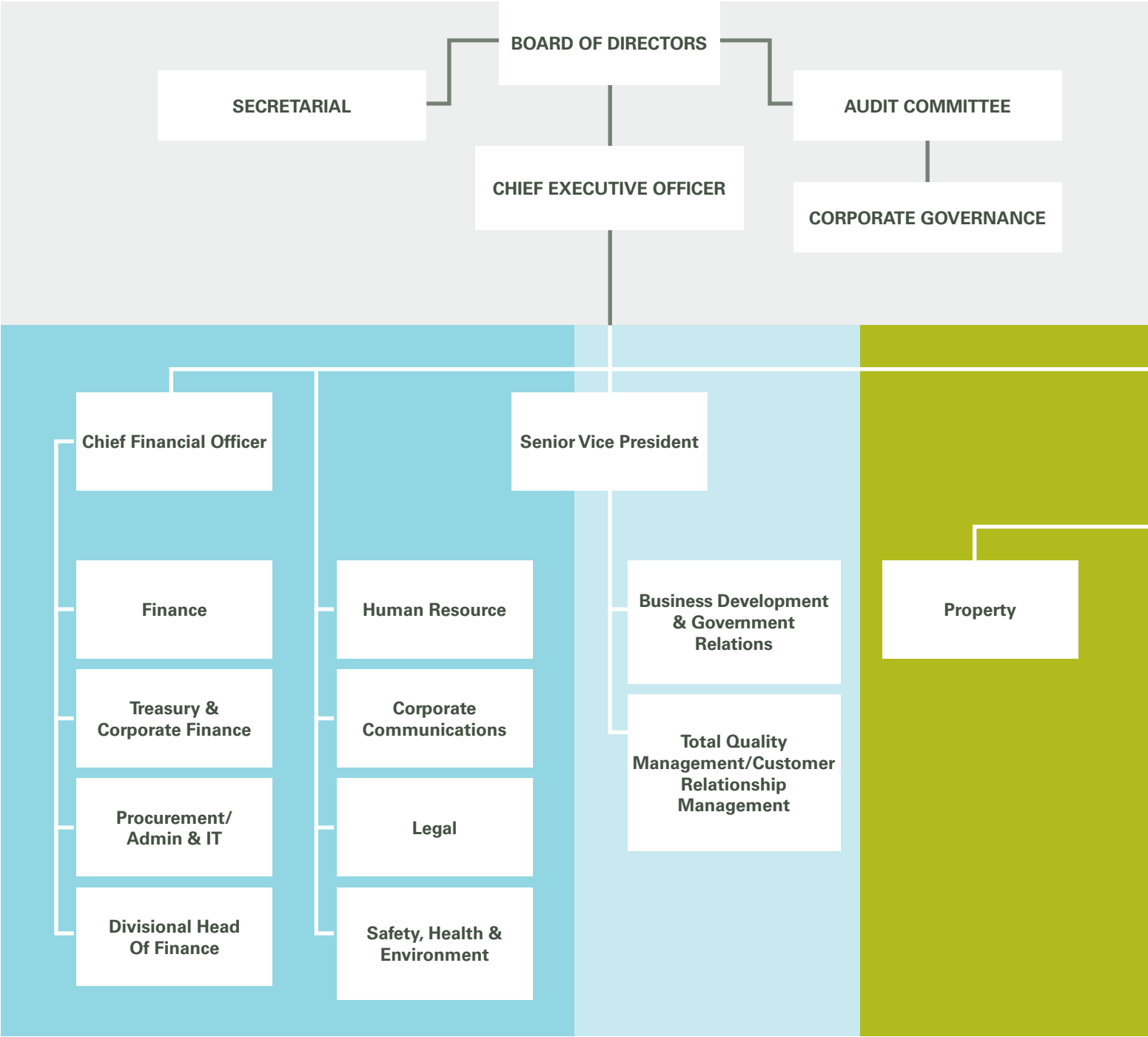
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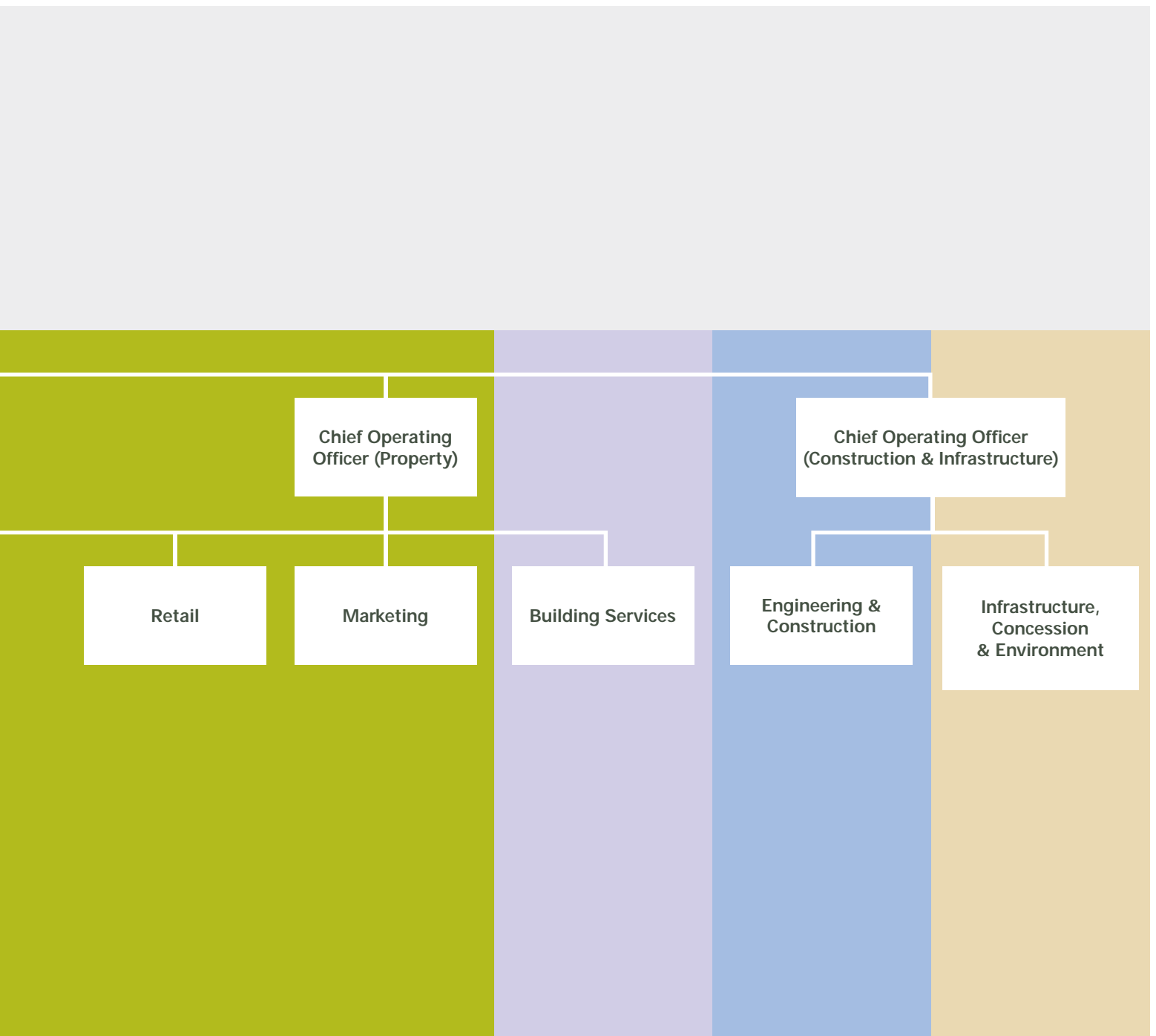
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The view of the garden at Platinum Sentral

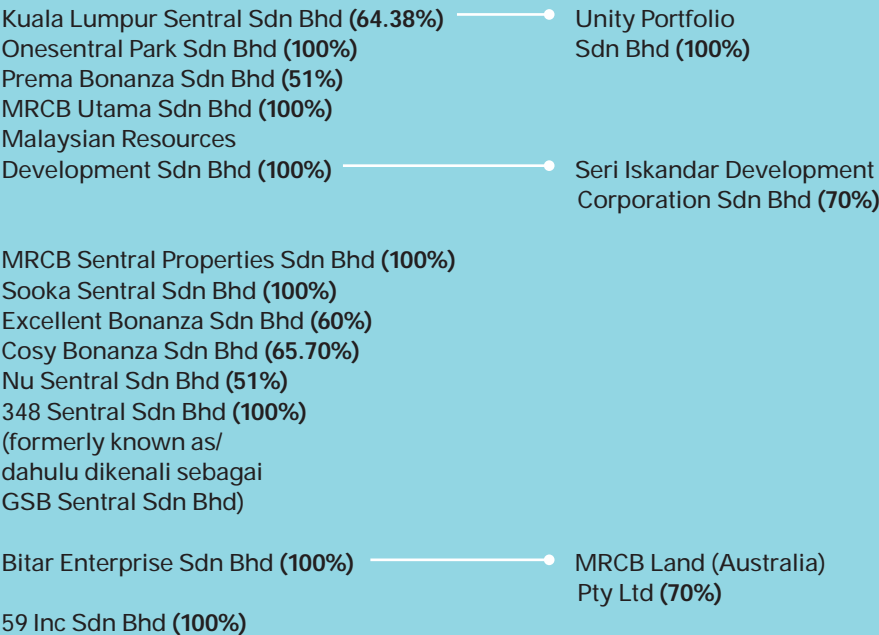
ORGANISATION CHART





CORPORATE STRUCTURE

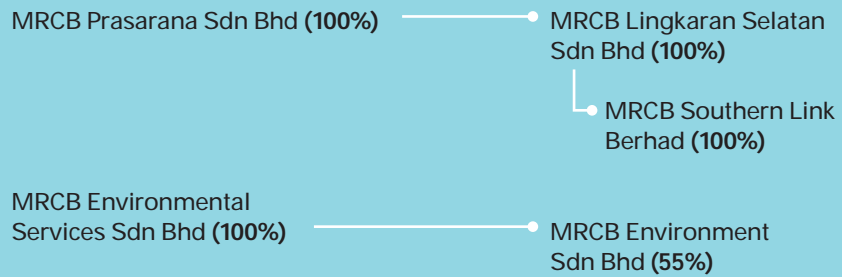
Property



Engineering & Construction

- MRCB Engineering Sdn Bhd (100%)
- Milmix Sdn Bhd (100%)
- Transmission Technology Sdn Bhd (100%)
- Region Resources Sdn Bhd (100%)

Infrastructure, Concession & Environment



Building Services

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

A MESSAGE FROM CHIEF EXECUTIVE OFFICER



We continue to develop strategic action plans - this is our way to ensure that sustainability is a shared value throughout the Company.

MRCB's progress in its overall business performance was matched by positive developments in its sustainability agenda. In 2011, our businesses continued to develop roadmaps and action plans in an effort to achieve our strategic sustainability targets. These plans consider the technology, investment and operational decisions we will need to meet our longer-term targets. With plans in place, we are prepared to achieve our goals. This is one way to ensure that sustainability is a shared value throughout the Company.

I am happy to report that we made good progress on our sustainability agenda in 2011, with continuous support from our stakeholders. Our strategy is unchanged. Our core focus is on delivering shareholder value from significant structural opportunities and in building our capability in support services. We are now well into the sustainable and disciplined growth.

Corporate Responsibility underpins the responsible and sustainable delivery of our key business drivers; as such it is an integral part of achieving our overall strategy. The Board believes that the integration of Corporate Responsibility across the Group, and the inclusion of broader social and environmental issues into our decision making, will help us achieve our business goals. At the same time, it acts as a building block for growth in shareholder value while also benefitting the communities in which we operate. As such, the Board remains fully committed to this important direction.

Workplace

As an employer who is committed to career development, we spent more than RM800 on each employee for various training and development programmes. The total internal and external training programmes conducted during the year have exceeded 200 sessions.

Our Career Ladder Programme rewards and recognises our employees for their achievements. Looking at our nature of operations, safety can never be compromised. We strive to prevent occupational injuries while ensuring a comfortable and safe workplace. In order to be qualified, all site workers are required to attend two levels of mandatory safety training; a Construction Industry Development Board's (CIDB) Green Card course conducted by CIDB personnel and the MRCB safety Induction programme. MRCB is committed to ensuring a safe and healthy working environment for all its employees and others involved in its operations. The Company considers statutory requirements; relevant national and international standards and code of practices.

Marketplace

Our supply chain processes with suppliers and customers is smooth and provides high quality deliverables. Project delivery is managed, monitored and reported using a variety of management tools. Our myCRM software is developed in-house by the Group to monitor every stage of our product lifecycle. In 2011, our customer satisfaction results increased significantly in comparison with the previous year. In addition, winning the Conglomerate Awards at the BrandLaureate Awards this year is testament to our commitment to delivering quality products and services. These awards were conceptualised by the Asia Pacific Brands Foundation of which Y.Bhg Tun Dr Mahathir Mohamad was a patron.

Community

As a responsible urban developer, we are also committed to contributing monetary or in kind Corporate Social Responsibility assistance and affordable housing to the needy within our areas of operations.

We are happy to play our role in developing affordable homes in support of the Government's effort to ensure all Malaysians are able to purchase their own homes with our contribution to the PR1MA Scheme.

The Brickfields blind community is located very close to our iconic Kuala Lumpur Sentral Central Business District (CBD) development. A stakeholder communications session was held with the Malaysian Association for the Blind (MAB) in March 2011 to discuss ways to help the blind navigate their way around during the upgrading works in Brickfields.

Through our contributions to Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) programme, we continue to support educational necessities for children and families in need. We hope to ease the economic challenges facing these families by improving educational opportunities and an enhanced learning experience to their children. We also spent on building a futsal court for residents at Kampung Bakar Batu and the pupils of SK Tebrau Bakar Batu, an MRCB



The MRCB contingent at the Federal Day parade

A MESSAGE FROM CHIEF EXECUTIVE OFFICER

PINTAR school. With the opening of this futsal court, MRCB's PINTAR students are encouraged to not only excel in academic performance but also be actively involved in co-curriculum activities. I am pleased to see an improvement in the examination results of these children in all schools in 2011.

We are also actively contributing to other philanthropic, cultural and heritage activities. These initiatives can be found in the Community section of this Report. Our commitment to developing the community was recognised through earning a double Distinguished Honouree medal at the 2011 International Business Awards in two categories on 13 October 2011, at an award ceremony at Abu Dhabi, United Arab Emirates. The winning entries are the MRCB's PINTAR programme, which was accorded a Distinguished Honouree in the Corporate Social Responsibility Programme of the Year in Asia (Asia, Australia and New Zealand) while the Green Building Initiative was also nominated as a Distinguished Honouree in the Environmental Responsibility Programme

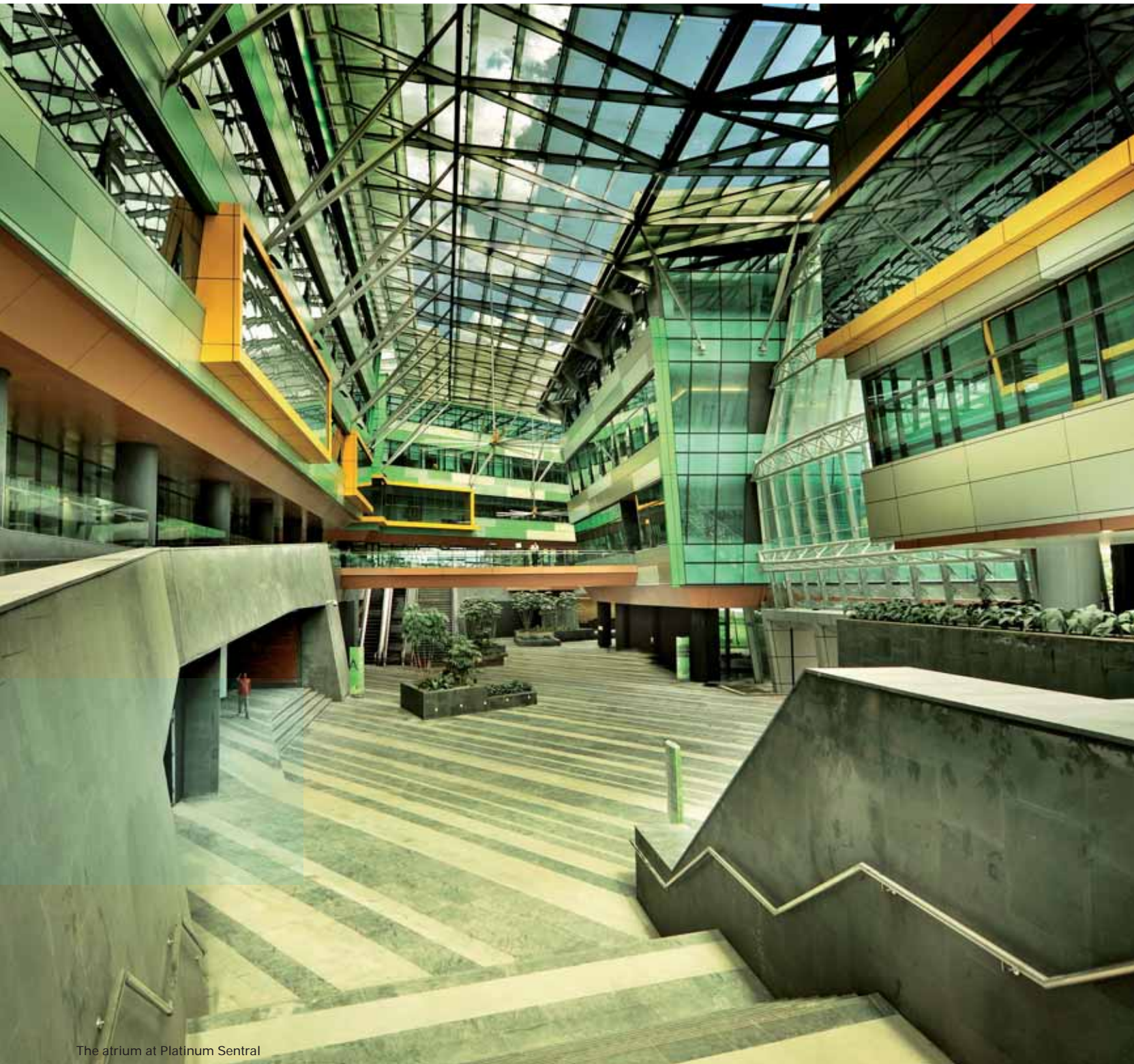
of the Year (Asia, Australia and New Zealand). Honourees were selected from more than 1,700 entries received from organisations and individuals in more than 40 countries where honourees were determined through two rounds of judging by professionals worldwide.

Environment

As a construction company, MRCB has an obligation to help create awareness on global warming. We have decided to adopt a more proactive approach by incorporating sustainable elements in our property development. Since 2009, MRCB has incorporated green building requirements into our Kuala Lumpur Sentral development, utilising international green building certification standards, notably, the US-based Leadership in Energy and Environmental Design (LEED), Singapore's BCA Green Mark and Malaysia's Green Building Index (GBI) for all its new development in Kuala Lumpur Sentral (Nu Sentral, Kuala Lumpur Sentral Park and 348 Sentral). Moreover, we also encourage our clients and partners in going green with



Datuk Mohamed Razeek Hussain, the CEO of MRCB receiving The Brandlaureate Awards 2010-2011



The atrium at Platinum Sentral

A MESSAGE FROM CHIEF EXECUTIVE OFFICER

their developments, and these have resulted in several of them adopting green certifications. These include Platinum Sentral (BCA Green Mark Platinum) CIMB Office Tower (BCA Green Mark Gold); Perdana Sentral Office Tower (Leed Silver); and St. Regis Hotel and Residences (GBI Gold).

In addition to our internal environmental initiatives to minimise environmental impacts such as noise, waste, water and emissions, we also contributed to the greening of Greater Kuala Lumpur development plan by contributing RM1 million to the creation of Taman Botani Perdana. The 122-year-old Taman Botani Perdana was upgraded and rebranded to establish a premier botanical garden in the heart of the city.

Our Commitment to Sustainable Reporting

Our commitment to transparent disclosure was once again recognised when we were named as one of the 27 finalists at the StarBiz-ICR Malaysian Awards, held at Intercontinental Hotel, Kuala Lumpur on 29 March 2011. This time, MRCB was amongst the runner-ups, for the market category, affirming MRCB's commitment to operating in an economically, socially and environmentally sustainable manner while balancing the interest of diverse stakeholders. Our achievement was recognised by the StarBiz-ICR Committee for demonstrating outstanding CR practices that go beyond community and philanthropic activities.

We were also named as one of the 20 shortlisted companies recognised for excellent corporate sustainability performance by the Association of Chartered Certified Accountants (ACCA) at the prize giving ceremony of Malaysia Sustainability Reporting Awards (MaSRA) 2011, held on 4 October 2011 at Shangri-La Hotel, Kuala Lumpur. Our Sustainability Report was selected from a total of 43 reports submitted, with the judging criteria based on completeness, credibility and communications.

We continue to improve our disclosure and the dissemination of transparent, credible and accurate information to our stakeholders. This transparency helps us quantify and ensure our sustainability efforts are real. In realising this commitment, this year we have engaged SIRIM QAS International Sdn Bhd, an internationally-recognised body in sustainability verification and assurance to ensure the credibility of our disclosure. We believe that this transparent and bias-free engagement will add value to this Report.

Continuing our Support of the 10 UNGC principles

MRCB continues to be represented as a committee member of the Malaysian Chapter of the United Nations Global Compact (UNGC) in keeping with our aim of adopting international standards for our CSR programmes and vision.



Pn. Mohaini MohdYusof, General Manager of Corporate Communications of MRCB receiving the StarBiz-ICR finalist plaque

Our goal is to work continuously towards incorporating all 10 UNGC principles on human rights, labour rights, environmental sustainability and anti-corruption into our operations and strategies, and to report on their implementation. We support and pledge to continue to observe these 10 universal principles on human rights, labour rights, environmental sustainability and anti-corruption.

Acknowledgement

It is gratifying to witness the Group's numerous achievements in this financial year. The accomplishments are only made possible by the dedication and hard work of our employees. On behalf of the Board of Directors, I would like to convey our most sincere thanks and appreciation to every member of the MRCB family. We look forward to many more faithful and mutually rewarding years of service from all. To our customers and shareholders, your continued loyalty and confidence have made this Group what it is today. Last but not least, I wish to extend a personal thank you to all stakeholders for the great journey in 2011. I am confident that with your continued support and devotion, MRCB's achievements in the future will continue to shine positively.

MOHAMED RAZEEL HUSSAIN MARICAR

Chief Executive Officer

Our commitment to credible sustainable reporting has been affirmed through recognition from various organisations - and we will continue to improve disclosure to our stakeholders.



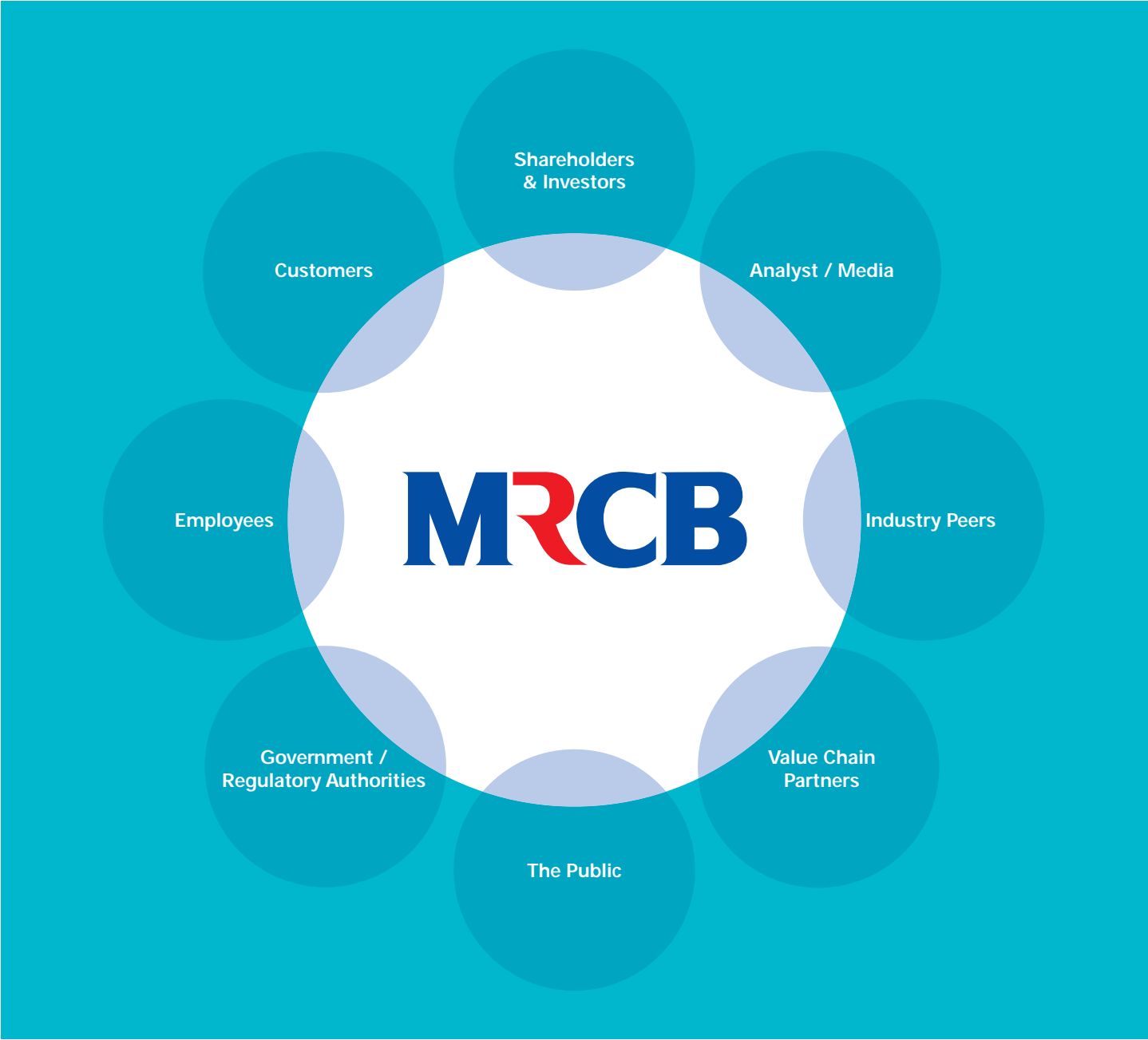
Pn. Mohaini MohdYusof, General Manager of Corporate Communications of MRCB receiving the ACCA MaSRA finalist plaque



STRATEGY AND ANALYSIS

Stakeholder Mapping

We define our stakeholders as those who have a direct, indirect or potential impact on the Company. We also consider those groups who are affected directly or indirectly as a result of our operations. Our stakeholder mapping exercise identifies these people, organisations or entities in order for us to use the correct engagement approach. Each stakeholder group is managed by a relevant division whose duty is to regularly engage, respond to queries, address concerns and formulate strategies to better serve their expectations.



A list of the main engagement methods used by MRCB to engage with each stakeholder group is summarised below. These methods outline the core channels but our engagement is not limited to these.

Stakeholder Group	Method of Engagement
Customers	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Customer Complaints Tools
Shareholders & Investors	<ul style="list-style-type: none"> • Results announcement meetings • Annual General Meeting (AGM) • Regular Communication • Investor Road Shows • Reverse Road Shows
Analyst / Media	<ul style="list-style-type: none"> • Periodic Communication • Media interviews, press release and website postings • Official launches and events • Open dialogue
Industry Peers	<ul style="list-style-type: none"> • Conference and meetings • Industry workshops • Networking events
Value Chain Partners	<ul style="list-style-type: none"> • Contract bidding and procurement management • Training and communication • Site visits
The Public	<ul style="list-style-type: none"> • Community Engagement • Philanthropic activities • Open dialogue
Employees	<ul style="list-style-type: none"> • Employee representatives and committee meetings • Employee Grievance System • Employee training • Quarterly newsletters • Intranet • Management meetings • Other events: Annual dinner, functions and informal gatherings
Government / Regulatory Authorities	<ul style="list-style-type: none"> • Regular communication • Reports and compliance

At MRCB, we use materiality analysis to identify social and environmental challenges, and opportunities that are important to our stakeholders. We define material issues as those which are considered to be a priority for our stakeholders and have a potential impact on our business. These issues are integrated into our business strategies.

A combination of external stakeholder engagement and internal strategic alignment ensures that this process is transparent and credible. We focus on the long-term value drivers of our business and stakeholders at large.

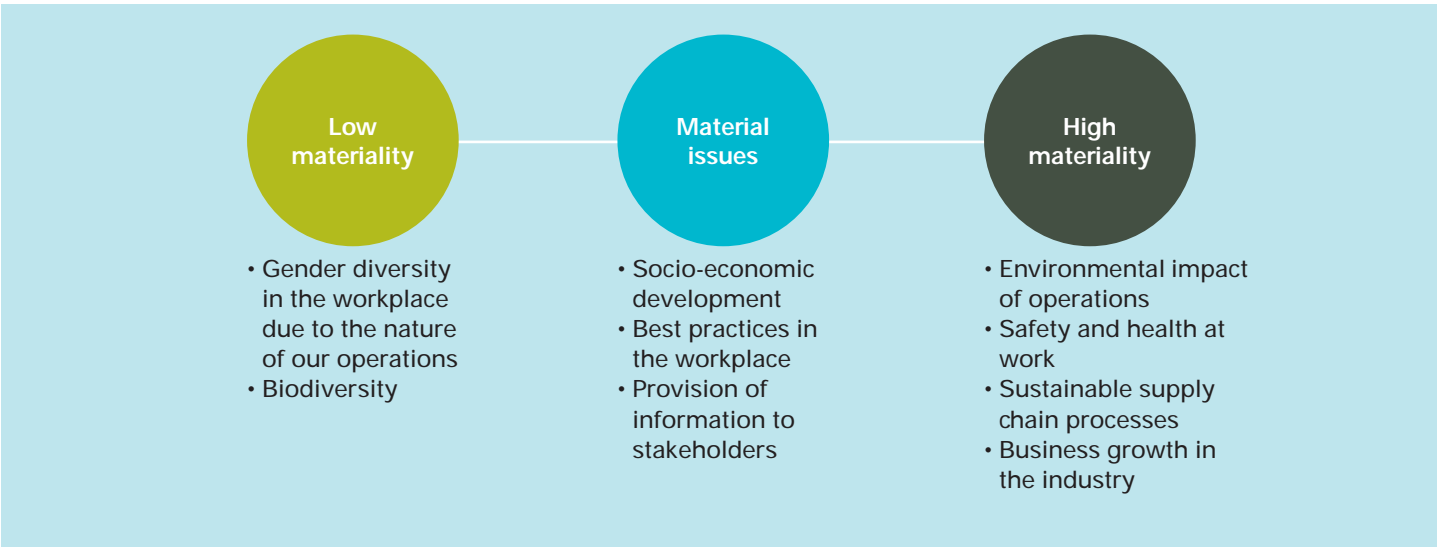


STRATEGY AND ANALYSIS

Issues raised by our stakeholders have been categorised into the main four sustainability pillars of MRCB: Environment, Community, Workplace and Marketplace. The table below summarises the most relevant issues and our commitment to addressing each issue.

Pillar	Issues Raised	MRCB's Response
Environment	<ul style="list-style-type: none">Environmental impact from the ongoing construction around Kuala Lumpur Sentral	<ul style="list-style-type: none">Regular monitoring of all environmental indicators including noise, emissions and waste
Community	<ul style="list-style-type: none">Impact on the community as a result of our upgrading work in BrickfieldsMRCB as a responsible corporate citizen	<ul style="list-style-type: none">Dialogue sessions with the Malaysian Association for the Blind (MAB) to discuss ways to help the blind navigate their way around the upgrading work in BrickfieldsContinuous contributions to various community programmes including PINTAR, charitable donations and cultural activities
Workplace	<ul style="list-style-type: none">Safe workplaceCareer development and opportunities	<ul style="list-style-type: none">Personal Protective Equipment (PPE) for site workersSafety briefings for all workers before work and clear signsOngoing internal and external training programmesRewarding employees performance
Marketplace	<ul style="list-style-type: none">Availability and easy access to current information on MRCB's properties and future developmentsChannel available for suppliers and customers to communicate with the Company	<ul style="list-style-type: none">Regular updates on MRCB's operations through the corporate website, brochures and engagement sessionsCustomer satisfaction surveysRegular engagement with suppliers on procurement guidelines and procedures

Material issues which are identified as having a significant current and potential impact on MRCB, which are also significant concern to our stakeholders, are mapped below. The materiality level defines the amount of disclosure in this Report.



How We Turn Risks to Opportunities

Risk

- Beautifying of Brickfields which caused inconvenience to the blind
- Environmental impact caused from active construction works especially around Kuala Lumpur Sentral areas
- Regular maintenance of our property sites to maintain quality
- High-risk work due to the nature of our industry especially for contractors and site workers

Opportunities

- Building of easy-access for the blind making Brickfields a disabled-friendly area
- Sourcing of environmentally-friendly materials to minimise the negative impact on the environment
- Significant increase in customers' satisfaction survey for MRCB Land and MRCB Properties
- A Safety and Health Committee established to enforce safety practices throughout the Company



Little India development



Kuala Lumpur Sentral CBD

CORPORATE GOVERNANCE

Corporate Governance

The Board of Directors of MRCB and its Management remain committed to developing and implementing good Corporate Governance practices throughout the Group. MRCB Group regularly reviews its governance framework and practices to ensure it remains relevant and effective in meeting the challenges of its dynamic business environment.

The Board of Directors, to the best of its knowledge, confirms that the Group has applied the principles set out in the Malaysian Code on Corporate Governance (Revised 2007) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

MRCB Board Structure

The MRCB Board comprises eight members, five of whom are Independent Directors, two Non-Independent Non-Executive Directors and one Non-Independent Executive Director. The higher proportion of Independent Directors demonstrates MRCB's commitment to upholding the principles of objectivity and integrity in applying the principles of Corporate Governance. The Nomination Committee of the Board regularly reviews the mix of skills, knowledge and experience of its members. The Board believes that the present Board composition helps it discharge its duties and responsibilities effectively and competently.

Board Independence and Effectiveness

The Board of Directors has a collective responsibility for the management and oversight of the Group. The Executive Director is responsible for the day-to-day business operations of the Group while the Non-Executive Directors apply independent scrutiny and judgement to management decision making and provide objective challenges to management. This ensures that the objectives of the Group are achieved in a robust and responsible manner.

The roles of the Chairman and Chief Executive Officer ("CEO") are held by separate individuals, with clear division of responsibilities and authorities. While the Chairman provides independent oversight over the operations of the Group, the CEO is responsible for the smooth and effective running of the Group. The CEO designs 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 also presides over meetings of the Board to ensure proposals and information provided by the Management are properly discussed. In the absence of the Chairman, the most Senior Independent Director, Dato' Ahmad Ibnihajar, chairs the Board meetings.



MRCB AGM held at Hotel Istana, Kuala Lumpur

Committee of The Board ("EXCO")	<p>The EXCO comprises four members: a Non-Independent Non-Executive Director as the Chairman, the CEO and two additional Independent Directors. The principle responsibilities of the EXCO are:</p> <ol style="list-style-type: none"> I. To guide the 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.
Nomination Committee	<p>The Nomination Committee consists of four Independent Directors.</p> <p>The principle responsibilities of the Nomination Committee are:</p> <ol style="list-style-type: none"> I. To identify and recommend new nominees to the Board and Board Committees of the MRCB Group of Companies; II. To assist the Board, Board Committees and Directors in assessing their overall effectiveness on an on-going basis; and III. To assist the Board in periodically reviewing its required mix of skills and experience and other qualities that Non-Executive Directors should bring to the Board.
Remuneration committee	<p>The Remuneration Committee consists of four Independent Directors.</p> <p>The principle responsibilities of the Remuneration Committee are:</p> <ol style="list-style-type: none"> I. To determine and recommend to the Board, the framework or broad policy for the remuneration packages of the Chairman of the Board, the CEO and other senior management personnel it is designated to consider; II. To establish a formal and transparent procedure for developing a policy on the total individual remuneration packages of the Executive Director, CEO and other designated senior management personnel including, where appropriate, bonuses, incentives and share options; III. To design the remuneration package for Executive Directors, CEO and other designated senior management personnel with the aim of attracting and retaining high-calibre senior management personnel who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Company operates. Once formulated, the remuneration package is recommended to the Board for approval; IV. To review and recommend to the board, improvements (if any) on the CEO's and designated senior management personnel's remuneration policy and packages, and any other issues relating to the benefits of those designated senior management personnel on an annual basis; V. To review any major changes in employee benefit structures throughout the Company, and where appropriate, recommend to the Board for adoption; and VI. To review and recommend to the Board for adoption, the framework for the Company's annual incentive scheme which includes merit increment, merit bonus and incentives.

CORPORATE GOVERNANCE

<p>Audit committee</p>	<p>The Audit Committee consists of four Independent Directors.</p> <p>The principle responsibilities of the Audit Committee are:</p> <ol style="list-style-type: none"> I. To consider the appointment of the external auditor, the audit fee and any issue of resignation or dismissal; II. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved; III. To review the assistance given by the employees of the Company to the external auditor; IV. To discuss with the external auditor, his audit report and his evaluation of the system of internal controls; V. To review the quarterly and year-end financial statements of the Company prior to the approval by the Board of Directors, focusing particularly on: <ul style="list-style-type: none"> • any changes in accounting policies and practices; • significant adjustments arising from the audit; • the going concern assumption; and • compliance with accounting standards and other legal requirements; VI. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of Management where necessary); VII. To review the external auditor's management letter and Management's response; VIII. To do the following in relation to the Internal Audit function: <ul style="list-style-type: none"> • review, on an ongoing basis, the adequacy of the scope and resources of the Internal Audit function and that it has the necessary authority to carry out its work; • review the Internal Audit programme, processes and the results of the internal audit programme and investigations undertaken. Where necessary, the Committee will ensure that appropriate action is taken on the reports and recommendations of the Internal Audit function, and that all the above are not subject to Management's approval or clearance; • review any appraisal or assessment of the performance of members of the Internal Audit function; • determine and recommend to the Board the remit of the Internal Audit function, including the remuneration of the Head of Corporate Governance; • monitor closely significant disagreement(s) between Internal Audit and Management, whether resolved or not; IX. To ensure that all serious allegations involving issues such as fraud, misconduct and criminal breach of trust are brought to the Committee's attention. An investigation must obtain the clearance of the Committee Chairman before it can proceed and the Committee is empowered to review the major findings of such internal investigations as well as Management's response; X. To consider any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or conduct that raises questions on the Management's integrity; XI. To obtain satisfactory response from the Management on the Internal Audit reports and reports issued by external auditors; XII. To submit a summary report to the Board after each Committee meeting to advise on issues discussed as well as an annual report to the Board highlighting material concerns discovered by Internal Audit during the year; XIII. To oversee the Risk Management function of the Group, and report to the Board significant changes in the business and the external environment which affect key risks;
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	<p>XIV. Where review of audit reports of subsidiaries and any related corporation also falls under the jurisdiction of the Committee, all the above mentioned functions shall also be performed by the Committee in co-ordination with the Board of Directors of the subsidiaries and related corporation;</p> <p>XV. To review arrangements established by the Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Company's operations;</p> <p>XVI. To verify all Employee Share Option Scheme allocations to ensure that they are done in compliance with the criteria disclosed by the Company to its employees; and</p> <p>XVII. To consider other topics as defined by the Board.</p>
Option Scheme ("ESOS")	The ESOS comprises three members: an Independent Director as the Chairman, the CEO and a Non-Independent Non-Executive Directors. The principle responsibility of the ESOS Committee is to ensure that the implementation of the ESOS scheme is administered fairly in accordance to the Company's ESOS by-laws approved by the Shareholders.

Board Committees

The Board has established five committees, each with specific authorities and responsibilities, to assist the Board in discharging its duties and responsibilities effectively. The skills and expertise of each Director is drawn in these committees, where detailed reviews and deliberations of strategic issues are conducted. Nevertheless, the Board retains the ultimate responsibility for all decisions made.

Prevention of Fraud

The Board has also developed the Prevention of Fraud Manual which guides the Management and employees on maintaining the highest standards of conduct and integrity in all dealings. It also details the Management's responsibility to establish the proper control processes to prevent and detect fraud. It defines what constitutes fraud and fraudulent activities, and defines a framework for preventing it from occurring.

Code on Whistle-blowing

The Prevention of Fraud Manual also contains a Code on Whistle-blowing which outlines procedures for whistle-blowers to communicate their concerns to the Board. This can be done through the Chairman of the Audit Committee or the Head of Corporate Governance, without Management's intervention and interference. The Whistle-blowing Code also describes the subsequent procedures to be taken for investigating and dealing with fraud cases.

Communication and Transparency

It is important that our stakeholders and investing public have up-to-date information on the Company's performance, operations and other significant developments. Various corporate announcements required under the MMLR including the timely release of quarterly financial results have been made during the period under review. In addition, detailed information on the Company'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 Company's projects, quarterly financial position, investor relations and general corporate information at its regularly-updated corporate public website <http://www.mrcb.com.my>. There is also a "Contact Us" icon on the Company's website, which leads to a webpage where shareholders and investors can conveniently forward their questions and comments to the Company.

The Board also communicates to shareholders and investors at the Company's Annual General Meeting, where information on the Company's business activities, progress and performance are shared. Shareholders are given the opportunity to vote on key resolutions (as defined by the MMLR and the Companies Act 1965) and to pose questions to the Board or Senior Management of the Company.

CORPORATE GOVERNANCE

CSR at MRCB

MRCB Group is committed to contributing to the nation's growth and interests in tandem with its core business activities. The Group holds the principle to provide social assistance in terms of monetary or in kind to society, needy individuals and the nation. Our aim is to further enhance their quality of lives as well as align our development goals in support of the Government's principles of sustainable development. Our CSR Guideline below applies to all the Group's companies and subsidiaries.

Four Core Activities

1. IT Development

Sponsorship of IT programmes – a computer literacy campaign focusing on rural people, schools and orphanages. In addition, contributions in kind are made to relevant schools and orphanages, such as the donation of computers, printers, scanners and other necessities.

2. Education

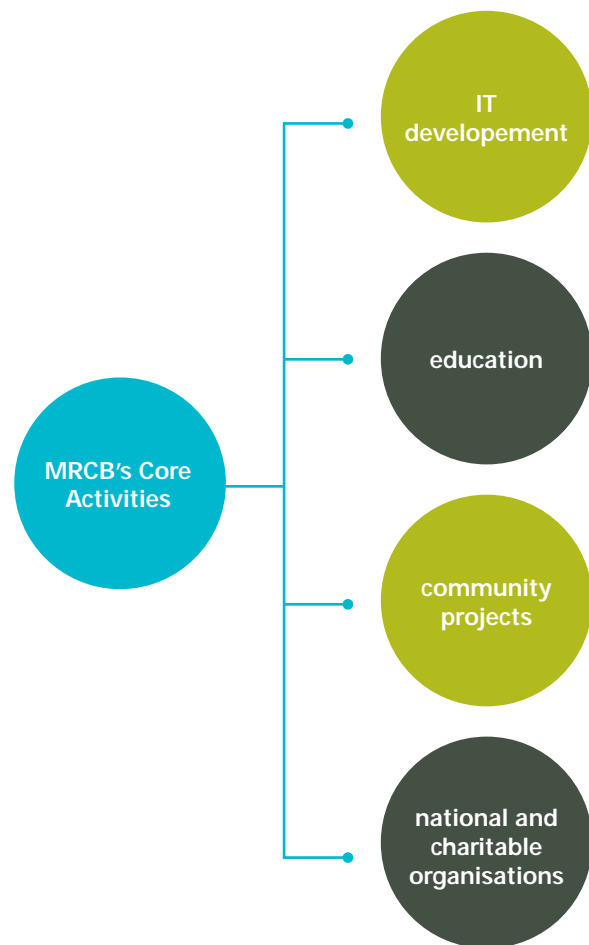
- Establish Resource Centre – providing used books and newspaper distributions to selected schools and orphanages situated in the vicinity of MRCB projects.
- Establish 'Learning the English Language' programme applicable to selected rural areas (mainly students), selected orphanages and children of MRCB employees.
- High Achievers Awards – monetary incentives to the best students who are children of MRCB employees.
- Establish a 'Young Leaders Campaign' for poor primary school students in rural areas by providing school uniforms, school bags, school shoes and stationery.
- Adaptation of a primary schools.

3. Community Projects

- Charitable programmes in the vicinity of MRCB projects, namely Majlis Berbuka Puasa, Donation to Surau & Mosques, Majlis Kesyukuran/Doa Selamat on completion of MRCB projects.
- Visits to old folk's homes, donations to poor families, donations to orphanages activities and the disabled.
- Blood donation campaign by MRCB staff, gotong royong and other activities that will enhance the society's needs approved by the Director General of Inland Revenue, Malaysia.

4. National and charitable organisations

- National organisations
- Malaysian Government endorsed charity activities
- Relevant Ministries activities
- Local orphanages
- Organisations for the disabled
- Relevant foundations recognised by the Malaysian Government
- Entrepreneurial activities organised by the National Chamber, Malay Chamber or relevant associations
- Recognised charitable organisations



AWARDS AND RECOGNITIONS

Our CSR activities continued to receive recognition during the year including international recognition for two CSR programmes, while we continued to attain acknowledgment nationally. In the international arena, MRCB was accorded with two Distinguished Honourees for two programmes organised by the US-based International Business Stevie Awards.

The MRCB PINTAR programme was accorded recognition Corporate Social Responsibility Programme of the Year in Asia

(Subcontinent, Australia and New Zealand) while its Green Building Initiative also received Distinguished Honouree as one of the Environmental Responsibility Programmes of the Year in Asia (Subcontinent, Australia and New Zealand).

Nationally, Malaysia was awarded the Conglomerate Award by the Brandlaureate Award while it continues to be recognised as a finalist by the ACCA MaSRA.

Organisation	Award	Venue	Date
NACRA	Silver Award for Best Corporate Social Responsibility (CSR) category	Sime Darby Convention Centre, Kuala Lumpur	27 January 2011
BrandLaureate	Conglomerates Award	Shangri-La Hotel, Kuala Lumpur	23 March 2011
StarBiz-ICR	Runner up, Marketplace category	Intercontinental Hotel, Kuala Lumpur	29 March 2011
MaSRA	Sustainability Reporting Awards 2011	Intercontinental Hotel, Kuala Lumpur	4 October 2011
Stevie International Business Awards	Corporate Social Responsibility Programme of the Year in Asia (subcontinent, Australia and New Zealand)	Abu Dhabi, UAE	11 October 2011
Stevie International Business Awards	Environmental Responsibility Programme of the Year (subcontinent, Australia and New Zealand)	Abu Dhabi, UAE	11 October 2011



OUR ENVIRONMENT OUR FUTURE

Short-term progress and profit can never come at the expense of long-term environmental sustainability. We are focused on balancing progress with the preservation of nature. Our achievements in green building projects are our pride in addition to other environmental conservation efforts we engage in.



ENVIRONMENT

At MRCB, we recognise that short-term progress and profit cannot come at the expense of long-term environmental sustainability. That is why our CSR focuses on building socially strong communities that can draw on its resources for the present and in the future. We are focused on balancing progress with the preservation of nature.

Our involvement in environment protection has included:

- The improvement in the ecological balance of flora and fauna
- Protecting human and marine lives from further damage
- Creating business opportunities for tourism-based industries
- Creating a safer and better environment for local communities
- Raising public awareness on alternative waste disposal and recycling methods
- A greater sense of responsibility for environmental preservation



Lot G: Nu Sentral

As one of the leading proponents of green development, the Group will continue to pursue sustainable development in our core property business. We have consciously initiated the adoption of a green development strategy for all future developments in Kuala Lumpur Sentral. As a contractor, we are also advocating a green development strategy for our clients.

This strategy has been implemented in all current projects in our iconic landmark Kuala Lumpur Sentral development include 348 Sentral, Lot G and Lot E - Platinum Sentral.



Lot 348: Menara Shell and Ascott Sentral

Materials Usage and Wastage

Data for materials usage for Lot G is shown below.

Type of Material	Volume
Concrete	69,656 m ³
Steel Bar Reinforcement	13,768 tonnes

Green Building

With the challenges of reducing our carbon footprint, our green developments contribute to Malaysia's Green Objectives through:

- Enhancing and synergising government transportation mode and connectivity issues
- Enhancing the image of building construction activities which are often seen as a nuisance to the public
- Increasing control of building thermal comfort and utilising daylight
- Minimising and structuring energy use and consumption
- Reducing building contribution to heat island effect
- Controlling and reducing light pollution in Kuala Lumpur
- Educating and promoting waste management and green materials

The LEED Green Building Rating System is a third party certification programme which encourages the global adoption of suitable practices through universally accepted tools and performance criteria. The five key areas of human and environmental health covered by this certification are suitable site development, water savings, energy savings, material selection and indoor environmental quality. The Building and Construction Authority (BCA) Green Mark is a Singapore green building rating system which promotes sustainability in the construction of buildings. It pays particular attention to energy conservation and is endorsed and supported by the Singapore National Environment Agency.

	Lot G	Lot E - Platinum Sentral	348 Sentral (Planning Stage)
Energy Efficient	<ul style="list-style-type: none"> • All underground parking within the building 	<ul style="list-style-type: none"> • Air-conditioning system uses a District Cooling System • Provision of Energy Efficient Lighting, such as LED and T5 fittings • Mechanical ventilation system is coupled with CO sensors • Energy Monitoring System (EMS) • Implementation of lux sensors with dimmable light fittings • Implementation of motion sensor with light fittings 	<ul style="list-style-type: none"> • Combination of green coatings and materials with vegetated roof • Reduced heat gain through cool roof coating • All site and building luminaries set at acceptable illuminance value
Environment Protection	<ul style="list-style-type: none"> • Central storage and collection of non-hazardous waste material • Materials follow Volatile Organic Compound (VOC) content limitation • Use of non-chlorofluorocarbons (CFC) refrigerant 	<ul style="list-style-type: none"> • Singapore Green Label Scheme (SGLS) and Green Star Certified • Products with at least 30% recycled content by weight/ volume • Photovoltaic System • Car park Guidance System 	<ul style="list-style-type: none"> • Recycle corner on every office floor • Wood based materials certified by Forest Stewardship Councils (FSC principles)

ENVIRONMENT

	Lot G	Lot E - Platinum Sentral	348 Sentral (Planning Stage)
Indoor Environmental Quality	<ul style="list-style-type: none"> • Construction Indoor Air Quality (IAQ) and Waste Management Plan • CO² level monitoring • Environmental Tobacco Smoke Control 	<ul style="list-style-type: none"> • Project uses low VOC paint for all internal wall areas • Provision of high frequency ballast for all fluorescent luminaries 	<ul style="list-style-type: none"> • Comply with VOC project specification Carpet and Rug Institute (CRI) Green Label Plus Programme
Water Efficient	<ul style="list-style-type: none"> • Water efficient fittings to reduce water usage 	Use of Water Efficiency Labelling Scheme (WESLS)	<ul style="list-style-type: none"> • All pavement is pervious for water removal • Water efficient fittings to reduce water usage; use of green fixture and fittings
Compliance	<p>Air</p> <ul style="list-style-type: none"> • Minimum Indoor Air Quality (IAQ) Performance: Compliance with Section 4-7 American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) 62.1-2004 <p>Thermal Comfort</p> <ul style="list-style-type: none"> • Complies with the ASHRAE 55-2004 (Day Light and Views, Daylight 75% of Space) <p>Energy Performance</p> <ul style="list-style-type: none"> • Complies with ASHRAE/ Illuminating Engineering Society of North America (IESNA) Standard 90.1-2004 		<p>Air</p> <ul style="list-style-type: none"> • Minimum Indoor Air Quality (IAQ) Performance: Compliance with Section 4-7 ASHRAE 62.1-2004 <p>Thermal Comfort</p> <ul style="list-style-type: none"> • To meet ASHRAE 55-2004 (Day Light and Views, Daylight 75% of Space) <p>Energy Performance</p> <ul style="list-style-type: none"> • To meet mandatory provision of ASHRAE/IESNA Standard 90.1-2004 without amendments

As the leader in integrated developments, epitomised by the iconic and exclusive urban centre of Kuala Lumpur Sentral, MRCB is committed to complying with environmentally-sustainable practices in all its future developments.

Since 2009, all new projects undertaken by MRCB Land have adhered to global standards stipulated by reputable green accreditation bodies. Among the standards implemented are the Malaysian Green Building Index (GBI), US-based US Building Council's Leadership in Energy and Environmental Design (LEED) and the Green Mark by Singapore's Building and Construction Authority (BCA). Lot E - Platinum Sentral was the

first development in Kuala Lumpur Sentral to work towards obtaining its green certification; BCA Green Mark (Platinum) and GBI (Certified). Lot E - Platinum Sentral has conducted its pre-assessment

This commitment to sustainability constitutes a significant Key Performance Indicator for the Group's investment projects. Kuala Lumpur Sentral, as a central business district, is committed to responsible Corporate Citizenship by continuing to adopt Green Building standards and strategies, towards greater environmental awareness.

Project	Green Rating			
	LEED (USA)	BCA (Greenmark Singapore)	GBI (Malaysia)	Status
Lot A - CIMB Tower	–	Gold	Certified	In progress
Lot B - Q Sentral	–	–	Gold	In progress
Lot C - St.Regis	–	–	Certified	In progress
Lot D - Sentral Residence	–	–	Gold	In progress
Lot E - Platinum Sentral	–	Platinum	Certified	In progress
Lot G - Nu Sentral & Perdana Sentral	Pre-certified to Silver level certification'	Compliance (self-declared). MRCB follows the BCA guidelines but there are no plans for certification.	Registered for Certified Level certification	Compliance (Self Declaration)
Lot 348 - 348 Sentral & I	Pre-certified to Platinum Level Certification	–	Registered for Gold Level Certification	GBI registration phase
Ascott Sentral	Pre-certified to Certified Level Certification	–	–	–



Lot E - Platinum Sentral

ENVIRONMENT

Energy Management

The 10th Malaysia Plan (10 MP) re-emphasised the use of renewable energy to meet Malaysia's growing energy demands, in particular hydro power for electricity generation and blending of biofuels for the transport sector. Renewable Energy (RE) is derived from natural processes that are replenished constantly. RE includes electricity and heat generated from solar, wind, ocean, hydropower, biomass and geothermal resources. It also includes biofuels and hydrogen derived from renewable resources. RE is seen as a growth sector that will help propel the country into a high-income economy. RE plays a major role in meeting a country's energy needs, enabling businesses to reap energy cost savings and revenue while combating global warming. Malaysia's commercial demand for energy is projected to increase. MRCB is looking forward to working with the Government to develop RE in Malaysia and is keen to explore the opportunities ahead in RE.

MRCB has entrenched its commitment to Malaysia's Green Objectives in support of the Government's green agenda. To date, we are proud to lead Malaysia's green building initiative by committing to abide by Malaysia's Green Building Index for all its current and future development.

In addition, MRCB continues to participate in the Earth hour movement by turning off all non-essential lights in our key development each year. In our operations as a major developer, we believe we should be concerned with the dramatic climate change by making a positive contribution to climate change by participating in green awareness programmes including the monitoring of our energy usage during construction.

Energy Consumption by Building in 2011

Location	Electricity Use (kWh)
Lot G	830,233.25
Lot E - Platinum Sentral *	5,271,507
348 Sentral	54,283

*The electricity consumption data for Lot E - Platinum Sentral is from January to August as the project was completed in September 2012.

Wastes Management

The management of our wastes is based on the national waste hierarchy which:

- Reduces the use of primary materials, prioritising those which damage health or give rise to waste generation
- Re-uses materials wherever possible
- Disposes of remaining waste in a responsible manner which is in compliance with the requirement of relevant licenses and other obligations

General waste (industrial, commercial and domestic waste) is controlled under the Local Government Act 1976 and Refuse Collection, Removal and Disposal By-Laws under the Act. The following measures have been proposed for the handling of wastes potentially generated during the construction phase:

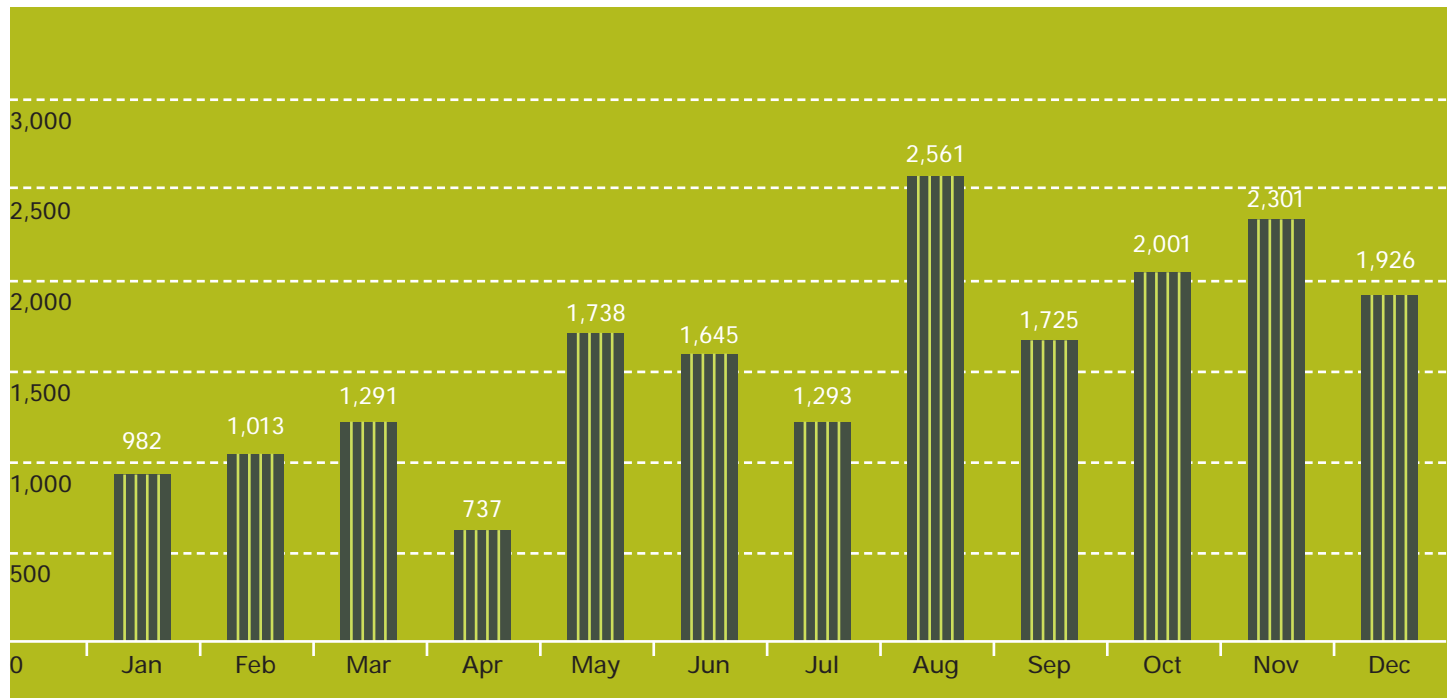
- General municipal wastes are stored in containers and collected
- Contractors are encouraged to minimise odour and litter impact
- Scrap metals are recycled
- No construction wastes can be burnt on site

Solid Wastes from Construction Building Projects for 2011

Wastes Consumption Summary (Tonnes)			
	Scrap iron	Soil (Earthwork)	Total Waste
Lot G	214	319,966	320,180
348 Sentral	1,741	–	1,741
Lot E - Platinum Sentral	Completed		

Water and Effluent Management

LOT 348 Sentral Water Consumption 2011



Buildings	Water Used (m3)
Lot E - Platinum Sentral	5,836
Lot G	98,294
348 Sentral	19,213

ENVIRONMENT

Noise monitoring Summary - Lot G

The noise measurement programme is conducted in order to determine compliance with the Schedule 6 of DOE's Planning Guidelines for Environmental Noise Limit and Control, 2004. This stipulates that the noise levels at the project site boundary must be controlled at all times and not exceed 65dB(A) for L90 and 75dB(A) for L10 during the day. The noise level monitoring is conducted by Alam Sekitar Malaysia Sdn Bhd using a Larson Davis sound level meter, which was

calibrated acoustically using a Larson Calibrator. The monitored parameters and the frequency are as tabulated below.

Considering the sampling station N1 and N2 is near to the main road i.e. Jalan Tun Sambanthan and Kuala Lumpur Sentral Bus Terminals, noises sources are mainly from the passing vehicles, buses, pedestrians and human activities in this area. It also includes the construction activities at the adjacent project site.

Month	Sound Level	Noise Data		Baseline	
	dB(A)	Point N1	Point N2	Point N1	Point N2
April 2011	LA10	72	70.5	80.3	73
	LA90	62	68.5	50.8	56.1
June 2011	LA10	73	80	80.3	73
	LA90	65	72.5	50.8	56.1
July 2011	LA10	77	74.5	80.3	73
	LA90	63	64	50.8	56.1
October 2011	LA10	79.5	76.5	80.3	73
	LA90	67.5	67.5	50.8	56.1
Compliance Limit	Schedule 6 of DOE's Planning Guidelines for Environmental Noise Limit and Control, 2004- Maximum Permissible Levels of Construction, Maintenance and Demolition Work by Receiving Land Use				

Air Monitoring - Lot G

The points located at A1 and A2 were selected and Total Suspended Particulates (TSP) were measured for 24 hours using a MiniVol sampler. The monitoring of TSB was conducted by

Alam Sekitar Malaysia Sdn Bhd. The monitored parameters and the frequency are as tabulated below:

Summary of Monitoring Programme

Parameters monitored	Location
Total Suspended Particulates (T.S.P)	A1
	At the north - within construction boundary
	A2
	At the west - within construction boundary

Air Quality Distribution for Point A1 and A2

Parameter	T.S.P		Baseline		MAAQG [$\mu\text{g}/\text{m}^3$]
	A1 ($\mu\text{g}/\text{m}^3$)	A2 ($\mu\text{g}/\text{m}^3$)	A1 ($\mu\text{g}/\text{m}^3$)	A2 ($\mu\text{g}/\text{m}^3$)	
Apr-11	217	199	81	61	260
Jun-11	198.4	208.3	81	61	260
Aug-11	217	199.7	81	61	260
Oct-11	199.7	182.3	81	61	260
Dec-11	95.49	130.21	81	61	260

The Total Suspended Particulates of air quality level measured at Point A1 and A2 were found to be within the MAAQG limits.

Environmental Awareness

Earth Hour



On 26 March 2011, MRCB supported Earth Hour for the third consecutive year in conjunction with the Earth Hour campaign. All non-essential lights were extinguished for one hour (from 8.30pm to 9.30pm) in its building and property under its management. This included the Kuala Lumpur Sentral development which comprises landmark office tower 1 Sentral - MRCB's Headquarters and Malaysia's largest and busiest transport hub, the iconic Stesen Sentral Kuala Lumpur. Its Shah Alam property, Plaza Alam Sentral, also supported this worthwhile cause.

The event was promoted through internal communication channels and all employees were encouraged to participate in the event. Its staff, Malaysians and property development players working together towards more sustainable lifestyles to address climate change issues.

As a sustainable property developer, MRCB has an obligation to help create awareness on the issue of global warming which is currently pressurising our planet. MRCB hopes this contribution will create a new consciousness amongst its staff.



MRCB contributes RM1 million to green KL

MRCB contributed to the greening of Greater Kuala Lumpur development plan by contributing RM1 million to the creation of Taman Botani Perdana. Through this project, the 122-year-old Taman Botani Perdana was upgraded and rebranded to establish a premier world-class botanical garden in the heart of the city. Originally called the Lake Garden, its name was

changed to Taman Tasik Perdana by Malaysia's second prime minister Tun Abdul Razak Hussein, in 1975. This project has resulted in greener tropical gardens which stretch over 200 acres including the botanical gardens, majestic trees, flowering shrubs and even a creative theme park.

ENVIRONMENT

Biodiversity and Conservation

The benefits of protecting our biodiversity exceed the mere provision of raw materials. Our food and energy security strongly depend on biodiversity. It also affects our vulnerability to natural hazards such as fires and flooding. Biodiversity loss

has negative effects on our health, material wealth and it largely limits our freedom of choice. MRCB values biodiversity and conservation, and has established projects to help safeguard it.

Sg. Perai rehabilitation project

On 30 November 2011, MRCB was awarded a contract by the Department of Irrigation and Drainage to perform coastal protection work at the Sungai Perai river mouth and nearby coastal areas. Coastal protection work included beach rehabilitation, the construction of a jetty, boat mooring facilities and related works to cater for safe berthing and mooring for the fishermen in Bagan Ajam and neighbouring areas. The 15-month construction is scheduled to be completed by March 2013.



River of Life Project

On 6 December 2011, MRCB was formally appointed by the Government as the Project Delivery Partner (PDP) for the River of Life (ROL) Project with our joint venture partner, Ekovest Bhd. The project's duration is three years and is valued at RM2.2 billion. The ROL project supports the Greater Kuala Lumpur National Key Economic Area under the Government's Economic Transformation Programme. The project aims to transform the Klang valley's river assets that run through the heart of Kuala Lumpur into a vibrant and liveable waterfront with high economic value by performing the following initiatives:





River Cleaning

Project is conducted along a 113-km stretch along the Klang River basin, covering the municipal areas of Majlis Perbandaran Sepang, Majlis Perbandaran Ampang Jaya and Dewan Bandaraya Kuala Lumpur.

Master planning and Beautification

Project is performed along a 10.7km stretch along the Klang and Gombak river corridor.

River Development

Potential government land will be identified and followed with a master planning and beautification works.

Sg. Kuantan rehabilitation Project

During October 2011, MRCB secured a contract worth RM46.5 million from the Department of Irrigation and Drainage for a project in Pahang. "Projek Fasa 2 Bagi Pembinaan Pemecah Ombak di Kuala Sungai Pahang", is an extension of the RM258.17 million contract upgrade of the Sungai Pahang River and estuary (Phase 1), that was awarded to the Company in October 2008.

The main component of the project is to extend the breakwater constructed during Phase 1 by an additional 200 metres. The project is scheduled to be completed within 17 months.



ENVIRONMENT

Carbon Footprint

In December 2009, Prime Minister Datuk Seri Najib Abdul Razak announced that Malaysia has agreed to reduce its carbon dioxide emissions by up to 40% by 2020 compared with 2005 levels. MRCB fully supports this vision and is including carbon

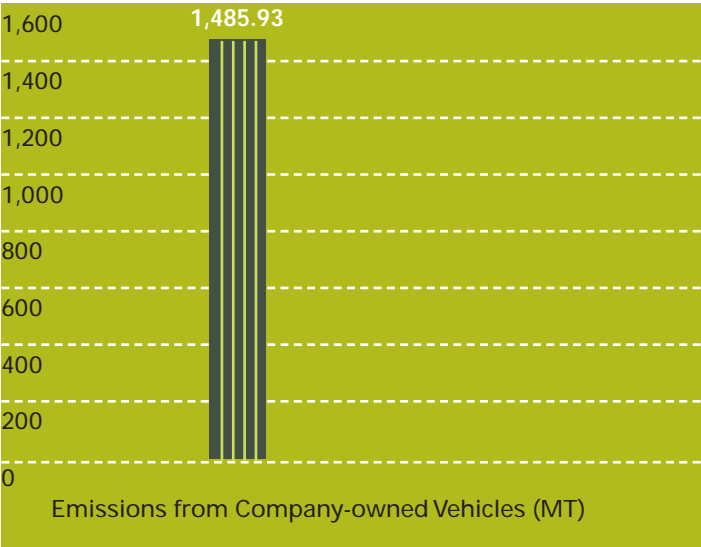
management into this Report for the third year. MRCB's emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

Emissions Scope	Category	MRCB's emissions
Scope 1	Direct GHG Emissions	Company-owned vehicles
Scope 2	Indirect GHG Emissions	Electricity
Scope 3	Indirect GHG Emissions	Air travel and employee-owned vehicles

Scope 1

GHG emissions from company-owned vehicles are monitored by tracking and tabulating all fuel purchases used for company-owned vehicles. It has been assumed that 75% of all fuel purchases were petrol and 25% were diesel. The emissions factor for diesel and petrol have been derived from the Intergovernmental Panel for Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

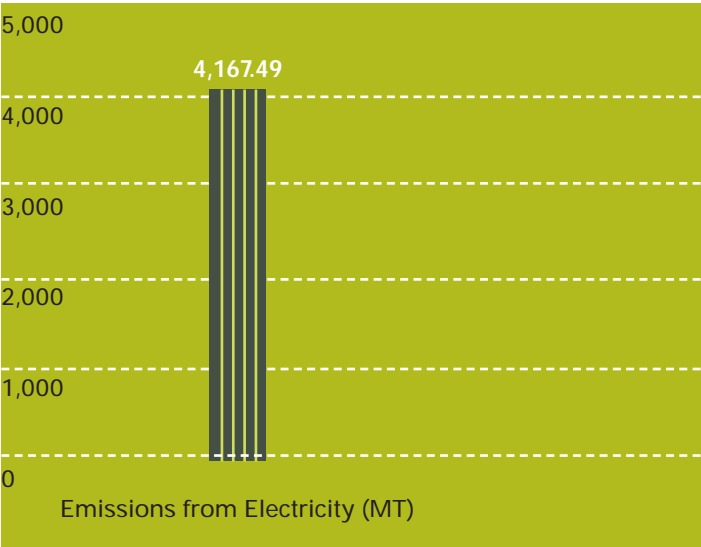
Carbon Dioxide equivalent emissions (MT) from Company-Owned Vehicles in 2011



Scope 2

The data for electricity was obtained from the monthly electricity invoices issued for Lot E - Platinum Sentral and Lot G. All data inputs are in kWh and cover the period from January to December 2011. The emissions factor been derived from the Malaysian Green Technology Corporation CDM Electricity Baseline for West Malaysia. The carbon emissions arising from the electricity consumption are as follow:

Carbon Dioxide equivalent emissions (MT) from electricity usage at Lot G and Lot E - Platinum Sentral

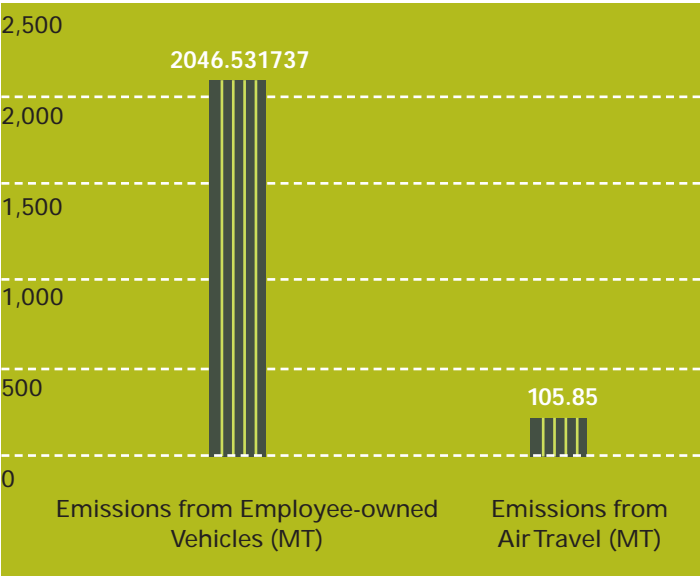


Scope 3

GHG emissions resulting from air travel were measured from point to point including the number of employees on board, distance and flight class. All short and long haul flights were included in the GHG calculation. Online tools derived from the World Resource Institute (WRI) Greenhouse Gas Protocol have been used to estimate the CO2 emissions from Air Travel.

Emissions resulted from employees’ own vehicles have been estimated from data deriving from a survey of 167 employees conducted in early 2012. Respondents were asked questions to ascertain the type, make, model, year and type of fuel required for each vehicle. Questions were presented to estimate the average distance of daily business travel. A Mobile Combustion GHG Emissions Calculation Tool from the Greenhouse Gas Protocol Initiative was used to calculate the emissions. It has been assumed that each employee works 46 weeks on average each year.

Carbon Dioxide equivalent emissions (MT) from employee owned Vehicles and Air Travel in 2011



At MRCB, we are focused on balancing progress with the preservation of nature. As such, the Group will set targets for carbon emission reduction by 2012.

OUR ENGAGEMENT WITH THE COMMUNITY

We recognise the significant impacts that our operations have on our communities. At MRCB, we continue to contribute to the development of the nation through enhancing the construction industries, public infrastructure, community needs and other philanthropic activities.





COMMUNITY

Socio-economic development of the local community

Our Children Our Tomorrow - PINTAR

PINTAR – Promoting Intelligence, Nurturing Talent and Advocating Responsibility – is a collaborative social responsibility initiative by PINTAR Foundation, working in collaboration with Government-Linked Companies (GLCs) and private corporations in Malaysia to foster academic and non-academic excellence particularly for the underserved students nationwide through its school adoption programme. In 2011, MRCB continued to support this cause by contributing a total of RM397,237.20 to nine schools. This includes all the programmes we sponsor for PINTAR schools including motivational, tuition, and the sponsorship of school bags, shoes and uniforms. MRCB donated school supplies to help alleviate the economic burden of these underprivileged children's parents and their transition to school. MRCB also provides motivational, educational and academic assistance in the form of educational materials, tutoring and monetary incentives for high achievers.

On 23 November 2011, a futsal court was built at SK Tebrau Bakar Batu, Johor Bahru to encourage students to excel academically and be actively involved in co-curriculum activities. In the same year, two students received the Anugerah Tokoh Cemerlang MRCB 2011 for their academic excellence while two other students were honoured with the Tokoh Ko-Kurikulum for

extra-curricular achievement. Each student received a Voucher Cenderahati Bank Simpanan Nasional (BSN) amounting to RM150 as an incentive to encourage greater academic and extra-curricular achievements. The event was attended by 300 people including more than 100 students and teachers from SK Tebrau Bakar Batu, MRCB employees and officials from the Ministry of Education.

The PINTAR programme covers a wide range of activities aimed at providing tuition or additional classes to weaker and financially disadvantaged students. The objective of the programme is to improve academic performance and provide a better study experience. We also donated school supplies to these students to ease the parents' burden on school item expenses. In 2011, we continued our sponsorship of English Newspapers, DIDIK, to all schools. With the motivation from the Government to encourage the use of English in learning, these newspapers have become a useful tool in improving students' English language skills.

The UPSR passing rate achieved by students in these schools has shown a significant increase over the years since the adoption programme. A summary of these results are as follows:

	2009	2010	2011
SK Bagan Jermal, Penang	73.90%	78.80%	82.80%
SK Tebrau Bakar Batu, Johor Baru	51.80%	60.20%	78.40%
SK La Salle 1, Brickfields	61.40%	74.20%	71%
SK La Salle 2, Brickfields	55.30%	62.90%	73.68%
SK Indera Shahbandar, Pahang	61.22%	63.33%	65.78%
SK Serandu, Pahang	77.27%	75.81%	75.88%
SJK(T) Ladang Mayfield, Penang	64%	52.11%	62.86%

Tuition programmes sponsored by MRCB have helped students prepare themselves for the UPSR examination. As a result of this and other programmes initiated by MRCB such as Klinik UPSR, Program Motivasi and 'Get Together', the overall students pass rate and number of students achieving 5As in UPSR has increased significantly. Students enjoyed the interactive programme and it has made learning more fun. I am really pleased with MRCB's contributions and I hope it will continue in the coming years.

Hjh Fauziah Bt Hj Samsudin,
Guru Besar SK Indera Shahbandar, Pekan, Pahang.

Every single bit of help from MRCB was a great motivation for teachers and pupils in SK Serandu, especially for year 6 pupils. The teachers and pupils were very excited to have learning processes outside the school organised by MRCB. In addition, MRCB's contributions to buy workbooks were a great help for the school, students and parents.

Manisah Binti Wanthan, Senior Assistant, SK Serandu, Pahang



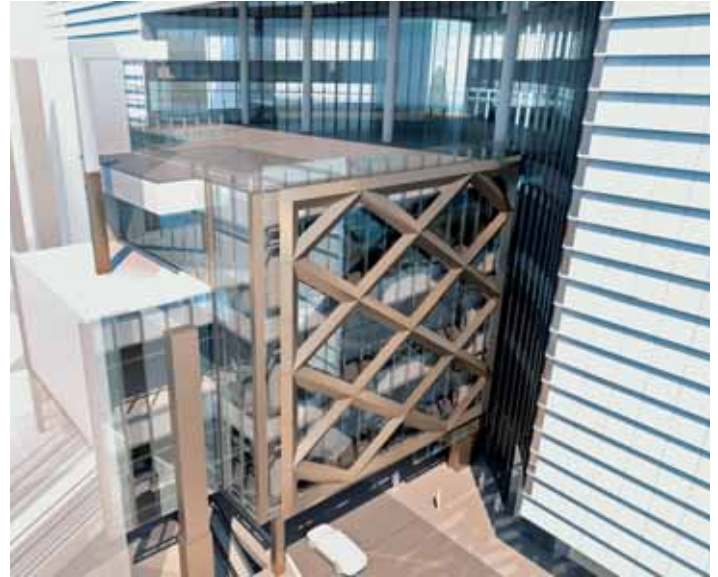
COMMUNITY

Improving Connectivity at Kuala Lumpur Sentral and its vicinity

With the community at heart, MRCB makes a point of providing convenience and comfort to the public. Currently, we have embarked on building connectivity within our iconic development Kuala Lumpur Sentral and its immediate vicinity. The LRT-Monorail integration project at SSKL is made available by a 410m walkway which was completed in August 2010. The work on the pedestrian crossing linking Jalan Tun Sambanthan and the Nu Sentral Complex began in October 2011 and is scheduled to be completed in July 2012. Once completed, the pedestrian crossing will connect the monorail with SSKL.

The Kuala Lumpur Sentral Monorail integration works with SSKL, forms one of the three LRT and monorail integration project started in March 2010 which includes the monorail stations at Titiwangsa, Masjid Jamek and Kuala Lumpur Sentral.

MRCB welcomes the Government's vision of boosting public transportation usage by improving transport connectivity with SSKL as it is already the main transport for the Klang Valley.



Artist impression of the sky bridge that connects Nu Sentral with Stesen Sentral Kuala Lumpur

Upgrading Mosque's Quarters

MRCB spent RM3 million for the re-construction of workers' quarters and other facilities at Masjid Jamek Pasir Pelangi via its subsidiary, MRCB Lingkaran Selatan Sdn Bhd (MLSSB). The completed quarters was handed over to the Imam of the mosque on 23 August 2011.

The reconstruction involves eight units of houses in the more than a century old royal mosque, Masjid DiRaja. The building had never been upgraded, other than the repair and maintenance work which was borne by the state government, since the quarters were built in the 1980s.

MLSSB reconstructed the quarters and added more parking lots in the mosque compound raising the number from 50 to 180. RM150,000 was also spent on building a futsal court for residents at Kampung Bakar Batu and the pupils of SK Tebrau Bakar Batu. This court is now being used by local residents.



Masjid Pelangi, Johor Bahru

Integrating sustainability to our business

Caring for our community

A stakeholder communications session was held with the Malaysian Association for the Blind (MAB) on 2 March 2011 at the MAB building, located on Jalan Tebing to discuss ways to help the blind navigate their way around Brickfields during the upgrading work. The dialogue was attended by MRCB, DBKL and MAB's committee members. We realised that our Brickfields construction project might cause inconvenience for the blind with unfamiliar obstacles blocking their way. The dialogue was successfully concluded with MRCB and DBKL gaining a better understanding of the needs of the blind community in Brickfields. Following this, suggestions and requests from MAB were implemented at all road works sites within the Brickfields area.

On a separate occasion, MRCB contributed RM50,000 to MAB on 14 December 2011. This contribution has helped MAB develop programmes for the visually impaired to improve their livelihoods and create a sustainable income for their futures.

MRCB participates in PR1MA Scheme

The 1Malaysia Housing Programme (PR1MA) is specifically for moderate-income Malaysians earning RM6,000 or less per month regardless of whether they work with the Government, the private sector or are self-employed. This scheme assists the moderate-income group who cannot afford to purchase high-priced houses and are not eligible to be considered for the existing low-cost public housing programmes.

MRCB participated in the official launch of the PR1MA launch at Putrajaya which was officiated by the Prime Minister YAB Datuk Seri Najib Tun Razak on 4 July 2011. MRCB has identified Seremban which is one of 20 sites targeted for development. 42,000 houses are expected to be built on these 20 sites. MRCB believes it is important to develop affordable homes in support of the Government's effort to ensuring all Malaysian are able to purchase their own homes.



YAB Dato' Seri Mohd Najib Tun Abdul Razak, the Prime Minister of Malaysia at the Pr1ma launch



Stakeholder's dialogue with the Malaysian Association of the Blind (MAB)

COMMUNITY

Culture and Heritage

Annual Chinese New Year's Lion Dance Greets Kuala Lumpur Sentral's Community

In celebrating Chinese New Year with our Chinese community, two lions were invited to welcome the 2011 Chinese Lunar New Year on 9 February 2011. The lions' performances ushered another year of prosperity for the community at Kuala Lumpur Sentral development. The lion dance celebrations were held at Sooka Sentral and 1 Sentral building, signifying the bringing of wealth and prosperity for both businesses and people alike. The Lion dance began at Sooka Sentral at noon and continued at 1 Sentral at approximately 2pm.

Both performances ended with the successful capture of the green lettuce as the lion retreat to the beat of the drum and the throwing of "Ang Pow" or red packets containing money to the crowds.



MRCB's senior management at the annual Chinese New Year lion dance

Other Contributions

MRCB contributes RM30,000 to flood victims in Pagoh

We handed over 1,000 cartons of mineral water worth RM20,000.00 and RM10,000 in cash in aid of flood victims in Pagoh, Johore on Friday, 11 February 2011. The donation was given to representatives of the Gerakan Belia 4B Negeri Johor.

Philanthropic Activities

A total of RM351,470 was donated for various charitable causes including flood victims in Pagoh, OKU Participations during World Summer Games Athens 2011, Carnival Brickfields with OKU in conjunction with the Independence 2011 and Pusat Jagaan Orang Tua Al-Qaim.

MRCB in Support of Anti-Crime

On 4 October 2011, MRCB pledged to donate RM200,000 over five years to the Malaysian Crime Prevention Foundation (MCPF), a non-governmental and not-for-profit organisation under the patronage of Prime Minister, Dato' Seri Najib Tun Razak. The MCPF aims to enhance crime prevention measures, the rehabilitation of offenders and raise public participation in crime prevention efforts.

Developing our People

On 26 November 2011, MRCB pledged to donate RM1 million to Yayasan Peneraju Pendidikan Bumiputera (YPPB) at its official launch by Prime Minister, YAB Dato' Seri Mohd Najib bin Tun Haji Abdul Razak. The main objective of the YPPB is to broaden Bumiputera access to education helping more Bumiputera to achieve high-income employment.

Direct and Indirect Impact of Operations on Communities

We recognise the significant impacts that our operations have brought to our communities. Brickfields is the home of one of our significant local stakeholder groups, due to its close proximity to our flagship operation in the Kuala Lumpur Sentral development. Our online community portal is dedicated to the local community. This portal provides up-to-date information on ongoing projects, a forum for communication and networking between us and the residents of Brickfields.

MRCB has committed to contributing RM1.6 million for the beautification and maintenance of Brickfields. This contribution

was used mainly for the upkeep and maintenance of the Little India Fountain, one of the tallest fountains in the country.

As one of the largest property development and investment companies, public infrastructure is given careful attention on all our projects. This includes the building of roads, bus stops, civil works and other aspects of community infrastructure. These developments have resulted in positive externalities to our local communities. We respond to the needs of people living in the communities by conducting stakeholder assessment as part of our project planning process.

Engagement with the Community

EDL stakeholders briefing

We held our first Eastern Dispersal Link (EDL) Expressway stakeholders' briefing on 6 December 2011 at Puteri Pacific Hotel, Johor Bahru, involving the media, the Singapore Consulate-General based in Johor and the business community. The main purpose of the briefing was to inform the stakeholders of the impending opening of the EDL, and at the same time, gauge

responses from the invited stakeholders. Our stakeholders were briefed on the EDL and its benefits. They were also shown photographs while the media were invited for a tour of the EDL.

Three stakeholders' briefings took place which are summarised below.

Type of Engagement	Stakeholders Attendance
Media Briefing	19 attendees representing 11 media organisations including RTM, Best 104 (radio), Nanyang Siang Pau, China Press, New Straits Times, Berita Harian, Bernama, The Star, Oriental Daily News, Utusan Malaysia and Lembaga Lebuhraya Malaysia (LLM)
Singapore Consulate-General	Two representatives from the Singapore Consulate
Business Community of Johor	37 attendees from Johor Business Community represented 10 business organisations, namely Tourism Malaysia (Johor), Johor Tourism Guide, Jabatan Pelancongan Negeri Johor, Perkhidmatan Teksi Johor-Singapore Sdn Bhd, Persatuan Kebajikan Tuan2 Punya Teksi, Kereta Sewa JB-Singapore, Handal Indah Sdn Bhd (commuter bus – Johor - Singapore), Dewan Perniagaan dan Perindustrian Tionghoa JB, Dewan Perniagaan dan Perindustrian India JB, Dewan Perniagaan dan Perindustrian Melayu JB, Johor Indian Business Association and Iskandar Regional Development Authority.

COMMUNITY

Investor Relations

At MRCB, Investor Relations (IR) is an area of communications which specifically targets the investment and financial community such as shareholders, institutional investors, fund managers, analysts, bankers as well as research and stock broking houses and the investing public.

MRCB holds regular investor and analyst briefings as part of its IR initiatives in integrating two-way communication with the Community and other constituencies. The main objective of this approach is to inform and update potential investors and current stakeholders of MRCB's position in the current economic market and to gain further confidence in the Company's management. We aim to achieve a fair evaluation at our IR sessions. Our team comprises Corporate Finance members and Senior Management who present business updates and business operational strategies. A total of 44 IR sessions were held in 2011 locally and internationally. This has resulted in an overall positive positioning for MRCB with its brand being recognised at the BrandLaureate Awards in 2011.

Our IRTeam's responsibilities include:

- Creating awareness of the Group's potential, fundamental and financial strength to the investment community.
- Educating the investment community on the Group's core business activities, strategy, vision and core values.
- Communicating updates on the Group's new developments.
- Selling and promoting the Group to analysts and fund managers, which in turn will recommend the Group's strengths to potential investors.

The following communications media were actively used in 2011 to serve our IR stakeholders including shareholders; foreign and local fund managers; research and investment analysts; financial and business media; Government regulators and the financial community.

Media	<ul style="list-style-type: none">• Feature article• Media releases• Interviews
Event	<ul style="list-style-type: none">• Analyst Briefing• Investors' Conference
IT	<ul style="list-style-type: none">• Corporate Website
Publication	<ul style="list-style-type: none">• Letters• Annual reports• Newsletter• Questionnaire/survey

Public Policy Development and Lobbying

As a GLC, MRCB supports the government's efforts on social and national development. The "Silver Book - Achieving Value through Social Responsibility" which has been adopted since 2007 outlines guidelines and principles for GLCs to contribute to society and manage their social obligations. This methodology is in line with our commitment to supporting public policy development. In addition, we have made no significant contributions to or maintained any links with political

organisations during the reporting period. We also received no significant contributions from the Government. Our ad-hoc engagement activities include entertainment such as luncheon and dinners; visits to relevant ministry or government agencies; sponsorships and donations; events and direct mailing letters.

Corruption

We expect the highest standards of conduct and integrity from all that have dealings with us including our employees, directors, shareholders, consultants, contractors and the public. We are committed to eliminating fraud and corruption by ensuring all activities are conducted ethically, honestly and to the highest possible standards of transparency, openness and accountability.

Employees or any parties found to have participated in fraudulent acts are subject to disciplinary action, up to and including termination, pursuant to the Group's Human Resources policies and procedures. Similarly, Directors are also subjected to action as applicable under the law and Companies Act provisions. Our Code of Ethics states how we are expected to conduct ourselves and specifically requires offers of gifts, hospitality and any items that could give rise to potential conflicts of interest to be declared.

Employees are forbidden from accepting kickbacks, lavish gifts or gratuities in any form. Employees are also not allowed to give gifts, loans or other benefits to a customer. Business deals within MRCB are based on the best interests of the Company and must not be motivated by personal considerations or

relationships. Relationships with prospective or existing suppliers, competitors or regulators must not affect the independence and sound judgement of MRCB.

A declaration must be made to the management in a situation that may be, or appear to be, a conflict of interest. MRCB employees are prevented from receiving payment for services from any competitors, customers, distributors or suppliers. Bribes or kickbacks are strictly prohibited.

MRCB does not permit conflicts of interest on behalf of its employees. Employees must not become involved in a conflict of interest and must report such a conflict should it come to their attention. Employees or their family members are forbidden from accepting gifts, loans, business deals, or other special preferences. Small gift items may be accepted and the occasional meals.

We conducted a survey in early 2012 to gauge employees' knowledge of MRCB's anti-corruption and bribery policy and other ethical guidelines in the code of Business Ethics. Only 13.77% of employees felt that there was inadequate information provided on this area during induction training.

Compliance

We are pleased to report that there were no incidents or penalties for violations involving anti-competitive, anti-trust and monopoly practices at any time in the history of our operations. There have been no incidents or penalties for non-compliance with laws and regulations reported at any time during this period. No violation or incidents of fraud, corruption or non-compliance with anti-corruption reported in 2011.



MRCB's staff attending the Global Innovation Briefing

OUR EMPLOYEES OUR GREATEST ASSET

We continue to provide career growth opportunities to our employees through various development programmes. Our belief in rewarding employees is apparent in the competitive benefits we provide. A stringent health and safety policy is adopted across all operations including contractors, sub-contractors and the surrounding public.





WORKPLACE

Labour Practices and Decent Work

Work-life balance

MRCB believes in providing a proper balance between “work” (career and ambition) and “life” (Health, pleasure, leisure, family and spiritual development). As part of our responsibility to our employees, we conducted a survey in early 2012 to understand if our employees believe we had the right balance between family and work life within MRCB. We discovered that only 11.38% of respondents were dissatisfied with this.

Supporting Local Talents

Being a GLC, MRCB participated at the GLC Open Day which was held at the KL Convention Centre from 24 to 26 June 2011. During the event, we demonstrated how the Company developed the nation's largest transportation hub, Stesen Sentral Kuala Lumpur (SSKL), which connects local and international travellers and commuters. We also participated in the inaugural Barisan Nasional (BN) Youth Job Fair 2011 which was held from 25 to 27 March and 18 to 20 November 2011. Between 400,000 to 500,000 job-seekers including school leavers and fresh graduates attended the three-day job fair. MRCB also supported the second Barisan Nasional (BN) Youth Job Fair which was

held from 18 to 20 November 2011. The job fair road tour helped us to reach out and provided access to talents nationwide. These job fairs targeted Malaysians. A total of 11,350 job applications were received from the three events.

Benefits

In addition to the basic salary, we offer a comprehensive attractive benefits package. The health of our employees is of paramount importance and we provide a comprehensive medical package to employees. This medical coverage also extends to the employees' family members and includes outpatient treatment, specialist care, ward entitlement and hospitalisation. All employees are also entitled to dental treatment.

An employee is entitled to sick leave on producing a medical certificate from the Company's panel clinics or during an emergency by any registered medical practitioner. An employee is granted sick leave without hospitalisation up to a maximum of 28 working days per calendar year. An employee who is hospitalised will be granted sick leave up to a maximum of 60 days per calendar year provided hospitalisation is recommended by the Company's panel of doctors.



MRCB booth at the GLC Open Day

Three days of leave is given to employees at their time of marriage. Maternity leave is given to women who have children and two days paternity leave is also given to fathers working at MRCB. Maternity benefit is provided up to five surviving children for female employees.

Alternatively, up to three days compassionate leave can be taken each year by employees who suffer bereavements. Employees are entitled to two days leave if they are victims of a natural disaster which makes his or her house uninhabitable.

At MRCB, we understand the importance of continuous education for our employees. Employees of any level may apply for educational assistance up to a maximum of RM6,000 for courses up to degree level. This is subject to approval depending on the relevance of the course to their current job scope.

An overseas clothing allowance is given every three years to help employees travelling abroad to purchase clothes they would otherwise have no need for. We will also reimburse management and executive employees up to RM50 per month to help with internet subscription fees.

We allow eligible employees to take one pilgrimage leave of 40 days in a lifetime. Employees who have served the Company for more than five years are permitted to opt for the early withdrawal of their retirement benefits to help finance the Hajj.

A festival subsidy is given to all employees celebrating the various festivals to enhance the good relationship between MRCB and its employees and to join in the joy of the festival. Each employee is entitled to one subsidy per year from the following list of festivals:

1. Hari Raya Puasa - for Muslim employees
2. Chinese New Year - for Chinese employees
3. Deepavali - for Indian employees
4. Christmas - for employees who celebrate Christmas

Employees are given a voucher worth RM50 which is redeemable at selected Departmental stores.

As part of our impact assessment of these programmes we conducted a formal survey of employee responses of those entitled to various benefits during 2012. 67.66% of employees were satisfied with the medical benefits they received. 62.87% and 60.48% of employees were happy with the level of additional care and group insurance policy benefits respectively.

We believe that
a balance between
work and life,
leads to a happy,
healthy and
productive work
environment.

57.33% of those eligible were happy with the availability and duration of examination leave and only 4.00% were unhappy. 64.07% of employees were generally happy with their jobs in MRCB and its subsidiaries. Overall, we are pleased that our employees are enjoying our benefits. We hope to review our benefits programmes in-line with our employees' expectations. All MRCB's pension liabilities are covered through the EPF scheme.

The Employees Provident Fund (EPF) is a Malaysian government agency under the Ministry of Finance. EPF manages the compulsory savings plan and retirement planning for employed workers in Malaysia. The EPF is intended to help employees save a proportion of their salary in a lifetime banking scheme which can be used in the event that the employee is temporarily or no longer fit to work.

MRCB contributes 12% of employee's salary to EPF savings as required by law. MRCB also provides additional, unfunded retirement benefits to permanent employees who joined before 1 September 2002 and have been in the service for a continuous period of at least ten years.

WORKPLACE

Fair Pay and Equal Opportunities

MRCB is committed to compensating all employees at a level that is at least equivalent to the industry average for both construction and property management sectors. The Group also regularly reviews employees' salaries and benefit packages as the need arises.

Employees Grievances

Our grievances policy and procedures are important to ensure that any one person does not arbitrarily make decisions which will be prejudicial to the interests of the employees and MRCB. These procedures allow employees to voice their problems or complaints to higher levels of management. The purpose of the procedure is to settle grievances as close as possible to the root cause. In any event, an employee is encouraged to discuss his or her grievance with the immediate superior first. If he fails to get a satisfactory response, he may make use of the appeal procedures.

Collective Bargaining Agreements

It has not been considered beneficial for us to have a Group-wide union with the relatively low number of non-executive staff throughout the Group. However, we continue to respect employees' rights to join unions or organisations of their choice. Being a responsible employer, the Group Human Resources Manual has codified procedures and processes available for all employees to engage collectively to protect their rights.

Notice Period for Operational Change

Any restructuring of operations is done after consultations with managerial and supervisory employees. The impact of the changes is also assessed when appropriate. If the Company makes any operational changes which potentially affect our employees, we have a policy of giving a minimum of two weeks' notice to the relevant staff. The more significant the operational change, the longer the given notice period.

In promoting a two-way communication with our employees, we regularly communicate our activities, updates, proposed programmes and other updates via our intranet which is the main channel of communication with all employees.

Human Rights

Our Human Resources Policy covers a wide range of human rights related topics. This Policy is also incorporated in our Investment and Procurement practices, with human rights screening as an added value given during suppliers and contractors screening. There have been no incidents of discrimination reported during the year. We are pleased to report that there have been no incidents of discrimination or risks to freedom of association and collective bargaining. Our operations are mainly in areas of urban development which do not affect the rights and lives of our indigenous community. There were no incidents of violations involving discrimination, child labour, forced or compulsory labour risks.

Career Development for Employees

Training

MRCB continues to grow while placing emphasis on attracting and retaining talent within the Company. We believe that our employees are our greatest assets and crucial to our continued success as a developer. Our workplace practices and policies reflect this and we are committed to investing in our employees' training and career development.

The budget allocated for training in 2011 was RM827 per employee. The average hours of training received per employee is seven hours.

We conduct internal training programmes and team building activities for our employees. These programmes were designed to develop individual initiatives, interpersonal skills and the technical competence of employees.

As part of our responsibility to our employees, we conducted a survey to gauge employee job satisfaction and the level to which their training and career development programmes fulfil their needs. This survey was anonymously carried out by independent consultants during early 2012.

64.75% of surveyed employees believed the team building programme had helped them feel a sense of company pride and loyalty. 76.23% considered their people skills had improved as a result of the programme. 68.03% considered these exercises have helped MRCB develop a new working culture.

MRCB employees are also encouraged to go for formal certification such as diploma or degree to foster the next generation of leaders. Currently, we are yet to design training programmes for retirees. There were 76 internal training programmes and 139 external training programmes held in 2011. Some topics covered during these programmes are highlighted below.

Internal Training	External Training
Understanding An ISO 9001: 2008 Quality Management System	Seminar Akta-Akta dan Peraturan Perumahan untuk Pemaju Perumahan
Equipment training for Chiller Plant System for Lot E - Platinum Sentral	Quality Management Systems Auditor/Lead Auditor
First Aid and CPR Course	Certified Energy Manager Training Course
Customer Service Excellence for Frontliners	GBI Facilitator Basic and Advance Course
CIDB Green Card Safety Training	Effective and Efficient Construction Contract Implementation and Administration
High Impact Culture Building	OSH Management System
Safety and Health Induction Training	2nd Annual Green Tech Asia (Optimising Green Water & Waste Management for Sustainable Future)
Creative and Dynamic Team Building	Public Private Partnership Workshop
CONQUAS Assessment for Business Projects	Deep Change Leadership Programme

Recognising our people as the most important asset, we constantly put every effort into helping employees gain maximum job satisfaction through challenging career growth and development. An employee, who positively and consistently demonstrates his or her ability and readiness for higher responsibility, will be given the opportunity to rise in the Company subject to the normal organisational constraints.

Promotions may not be within the same function. Progression may present itself in other functions within the Corporation. At times, such opportunities may even present itself in the form of positions outside this country. There are those who excel as being self-contributors. For these employees their ultimate potential may be realised through other non-supervisory positions. It is for this group of employees that the Career Ladder Programme is introduced.

WORKPLACE

Welcoming Suggestions

At MRCB, we welcome suggestions from our employees and have issued a series of "Guidelines of Suggestion". Employees are encouraged to give suggestions on various topics including methods or processes to enhance daily working and tools to expedite the work. All views on improving any aspect of safety, health and office environment are welcomed. We also like to hear about products and services offered by other companies and ways to improve office operations. We welcome tips on improving self-motivational, leadership, effective communications skills and general working conditions. Sensible suggestions will be implemented provided they are practical, implementable, financially viable and not for personal interest.

Performance Appraisal

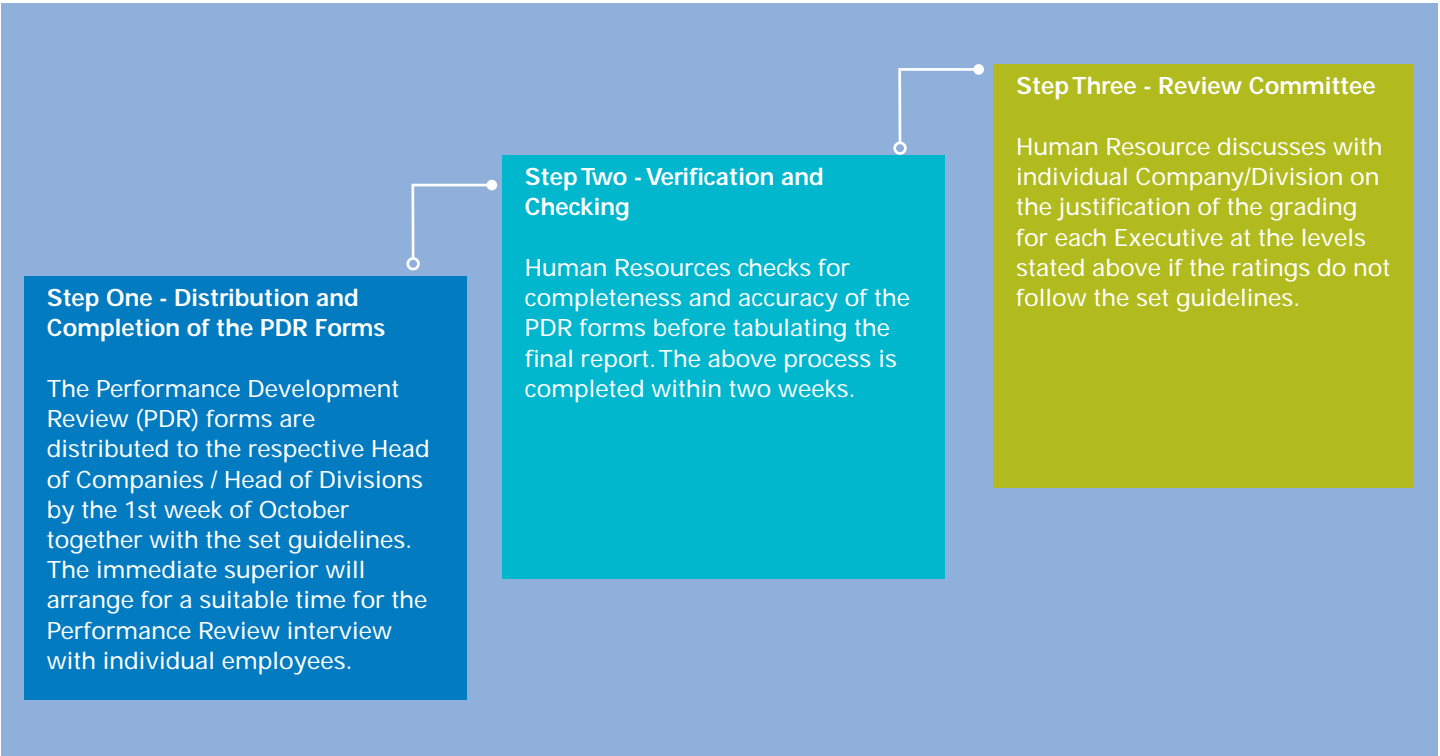
At MRCB, we conduct a performance appraisal on a yearly basis in addition to informal periodic and ad hoc reviews. This is to ensure that regular feedback is given, thereby motivating the strong performers and discovering performance gaps. During the appraisal reviews, the overall performance rating that has been determined based on the period's performance is discussed. Emphasis is given to the individual's competencies,

achievements, training and development needs. We acknowledge the importance of this review especially for:

- Setting work standards.
- Assessing the employee's actual performance relative to these standards.
- Providing feedback to the employee with the aim of motivating that person to eliminate performance deficiencies or to continue to perform above average.

At MRCB, performance management is an on-going, year round interactive process between managers or supervisors and their employees. We believe that if performance management is properly managed, employees will perform in the most effective ways to produce the desired results. Our performance management system also helps managers and supervisors assess individuals' performance and build effective working relationships with their employees through:

- Assessing people on both their results, their competencies and management practices
- Encouraging ongoing coaching, counselling, development and on-the-job training
- Openly discussing career opportunities



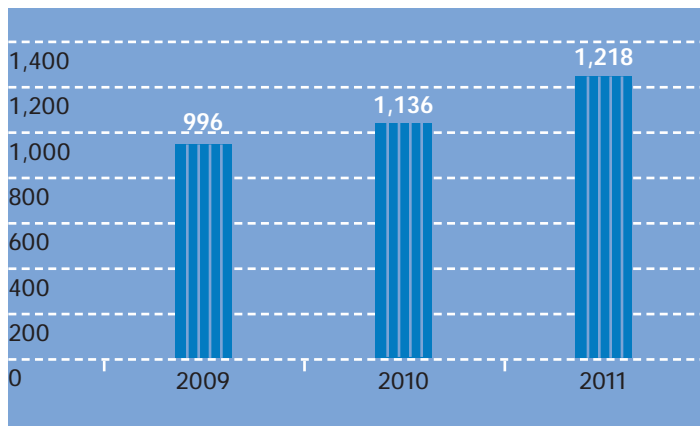
Career Ladder Programme

Unlike promotions to vocational, supervisory or managerial positions, Career Ladder progressions are based on individual competency and contributions. Progression through the Career Ladder is based on the level of experience, skills demonstrated, performance level and potential for growth. The higher the level of each of the above criteria demonstrated by the employee, the faster will be his or her rate of progression within the Career Ladder and MRCB. As our operations become more complex, the classifications can be further enhanced.

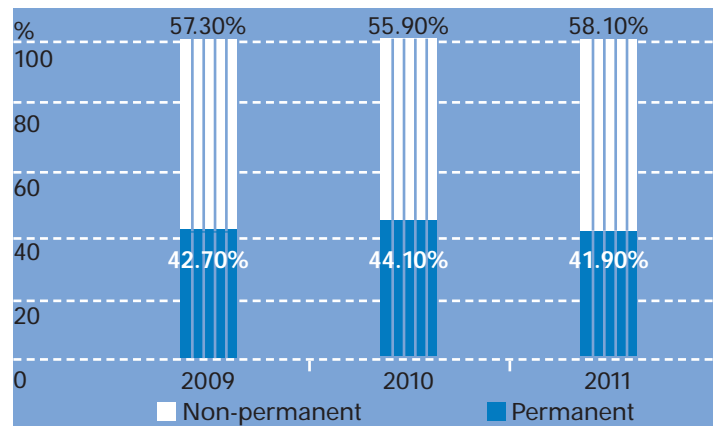
We recognise the importance of understanding our employees' needs. As part of our employees' career management framework, we continue to conduct our formal appraisal system for full-time employees twice a year. This evaluation also acts as guidance for our remuneration system which is used in pay increment, promotion and bonus decisions. In 2011, 100% of our employees received a formal performance evaluation at least once during the year.

Workforce Diversity

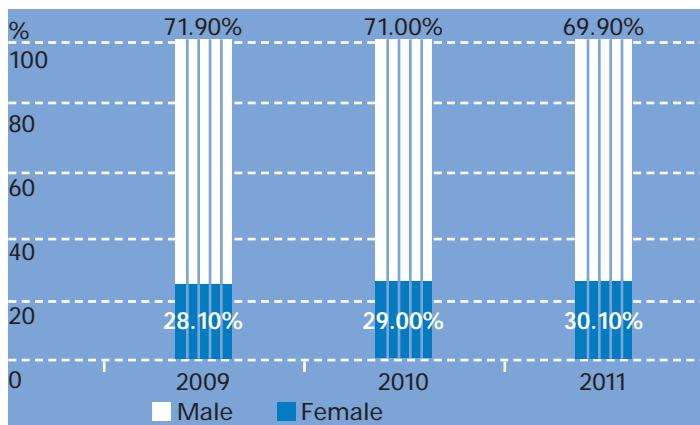
Total number of employees



Breakdown of employees by type

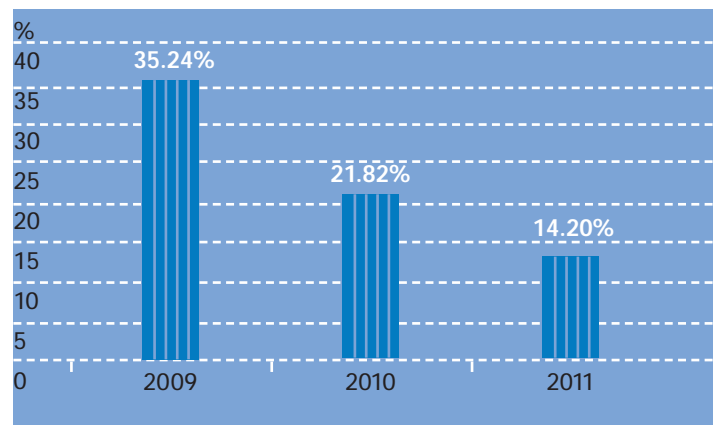


Breakdown of employees by gender



Employee Turnover

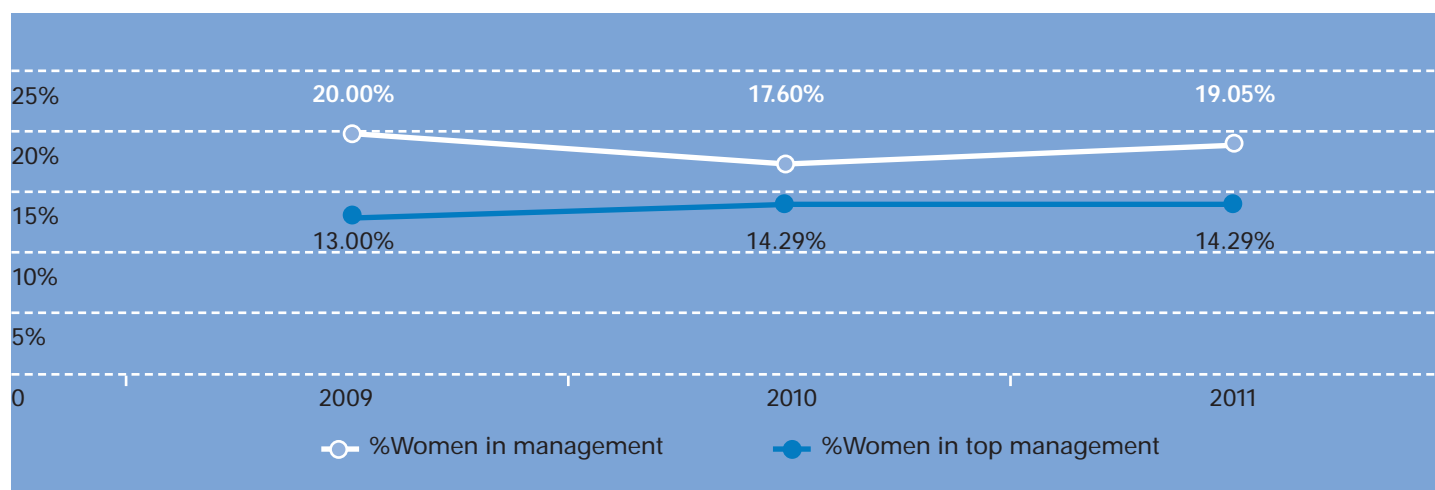
Employee turnover in Malaysia from 2009 to 2011*



* 100% of Turnover was in Malaysia for all three years

WORKPLACE

Breakdown of employees by gender



Occupational Safety and Health (OSH)

We strive to prevent occupational injuries while ensuring a comfortable and safe workplace. MRCB practices decentralised management for its projects, each project is managed by a site manager including all health and safety aspects. This decentralised approach results in all occupational safety data such as accidents being compiled for each site independently. Our Health and Safety Manual covers all employees including subcontractors at construction sites.

In order to be qualified, all site workers are required to attend three levels of mandatory safety training, including Construction Industry Development Board (CIDB) Green Card course, which

is carried out by CIDB personnel. In accordance with formal requirements, we liaise with CIDB to organise a Green Card course for every 35 newly employed site workers. A compulsory safety induction course is also conducted for all new site workers whether they are MRCB employees or subcontracted workers. A safety talk is given on a weekly basis before work commences.

The statistics of accidents in 2011 are presented below. Other project sites including Kuala Pahang, Permai Psychiatric Hospital Johor, Lot A CIMBTowers, UDA Bangsar, Kelana Jaya, Ampang Line Station and Lot B have no record of injury in 2011.

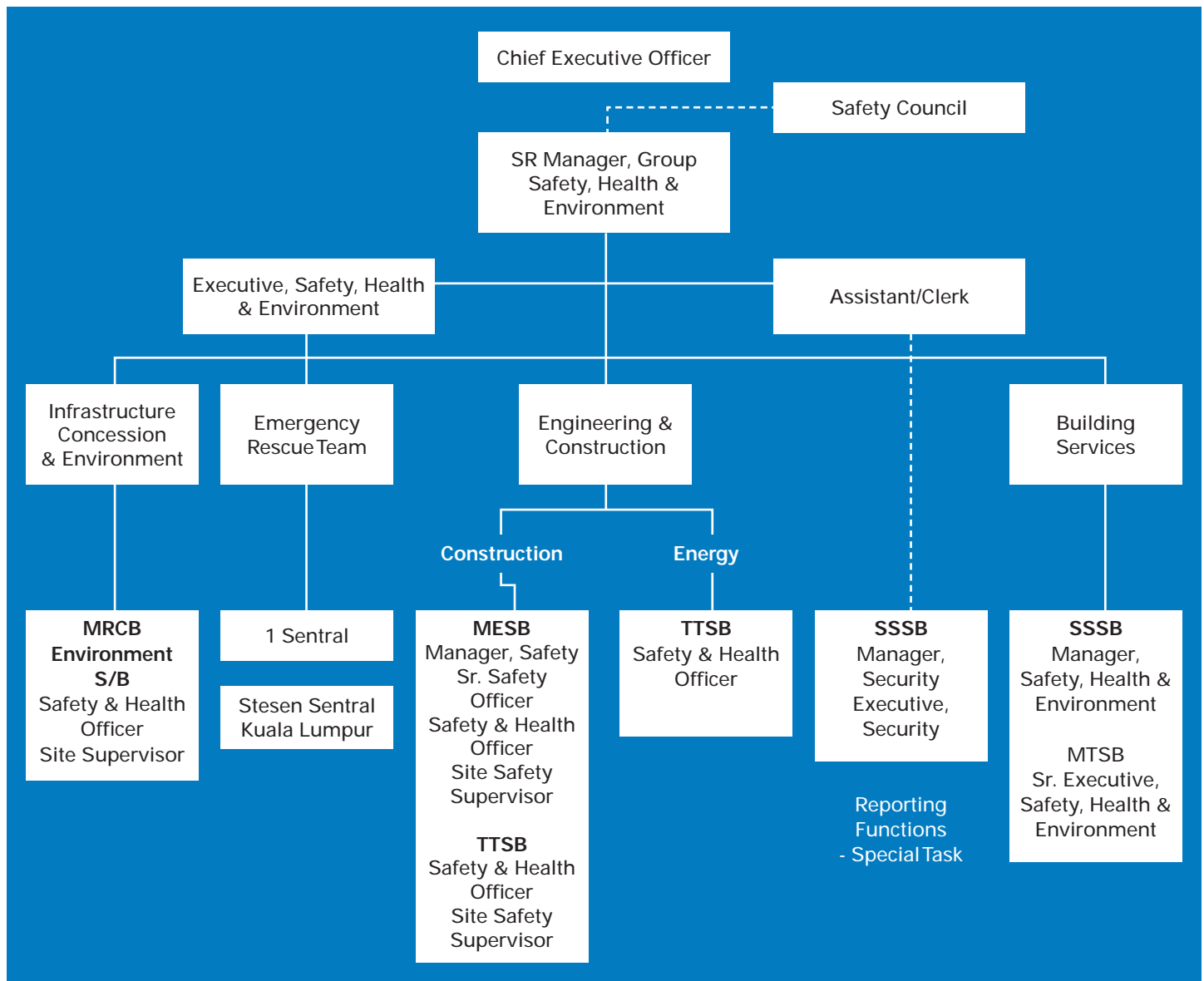
Year	Total Man hours (on total project)	Accident Data (MRCB Staff)		Accident Data (Contract Staff)	
		Injury	Death	Injury	Death
348 Sentral	1,316,151	0	0	2	0
Lot G (Retail Office)	2,566,800	0	0	2	0
Lot E - Platinum Sentral	2,406,880	0	0	0	1

MRCB's Safety and Health Policy Statement

MRCB is committed to ensuring a safe and healthy working environment for all its employees and others involved in its operations. We also consider statutory requirements; relevant national and international standards; and Code of Practice. The effectiveness and implementation of the Safety and Health Policy is our line managers' responsibility together with the support and involvement of all employees. We continue to ensure that sufficient and adequate training and resources are made available to achieve this. It is hoped that the appropriate

practices and sharing of OSH approach and common values will inculcate safety and health working culture for MRCB and its group of companies.

The Safety and Health initiatives are regularly reviewed to ensure continuous improvement is made to the Policy and how it is implemented. This policy is monitored to ensure the achievement of our objectives and will be reviewed in light of legislative or organisational changes. The organisational structure for MRCB's Safety, Health and Environment is highlighted below.

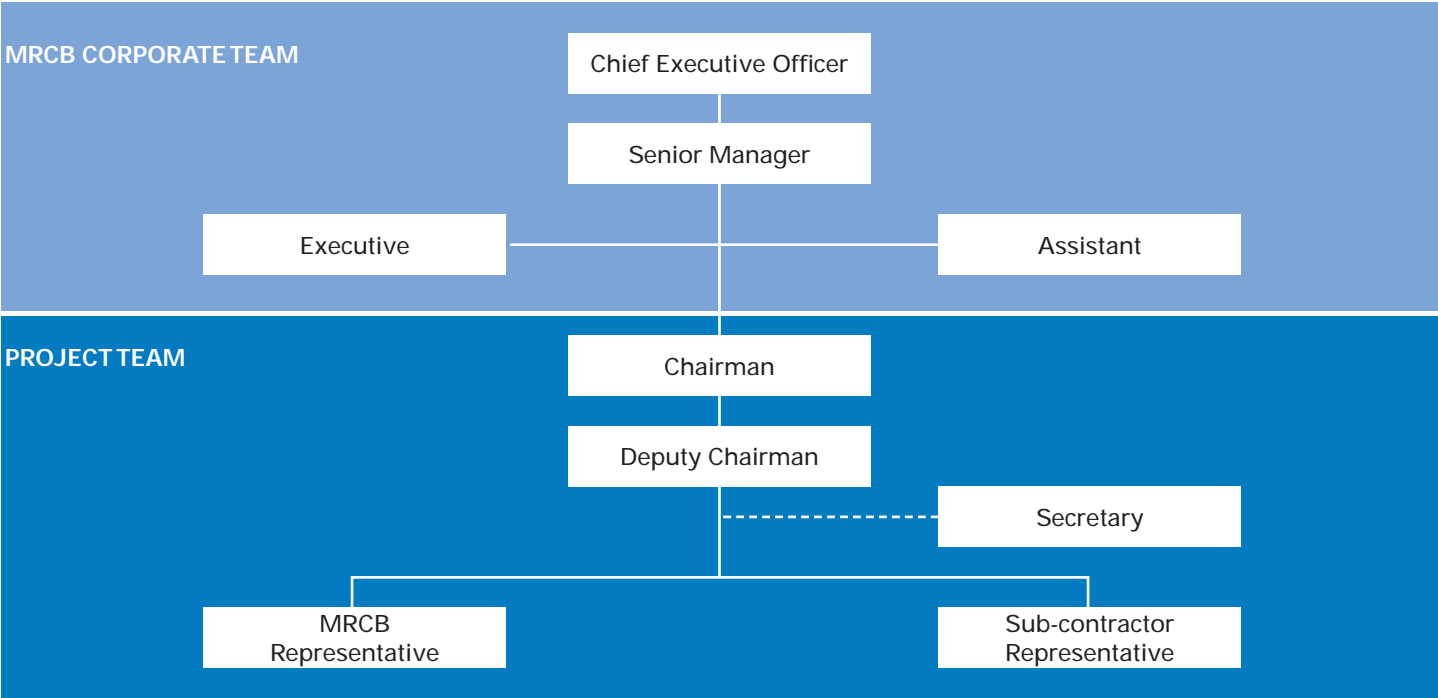


WORKPLACE

MRCB Safety and Health Committee

As we are operating in a high-risk environment, it is our responsibility to practice high standards of safety control to safeguard our employees and other people that may be

affected by our operations. In general, more than 45% of the members of each Occupational Health and Safety Committee are site workers. The structure of our Occupational Safety & Health and Environment Committee for each project is illustrated below.



The number of safety officers and project time varies depending on the project size and scope. The number of safety officers on each project site during 2011 are listed below.

Project	Safety and Health Officer	Site Safety Supervisor	Safety and Health Committee
Lot A - CIMB	1	1	22
Permai	1	1	20
Lot G, Retail	1	3	19
LRT	1	0	19
Kuala Pahang	1	1	10
Lot 348	1	1	10
Kelana Jaya	1	0	5
Uda Bangsar	1	0	17
Lot E - Platinum Sentral	1	1	14

Internal Safety Training Programmes were conducted regularly throughout 2011 for all sites. Our Safety and Health Manual is provided to each site manager. Each work site has an Occupational Health and Safety Manager who is responsible for overseeing and regulating all aspects of work safety to be in compliance with Malaysian laws. The Safety Manager also:

- Assists in the development of Safety and Health rules and safe systems of work;
- Reviews the effectiveness of Safety and Health programmes;
- Conducts studies on the trends of accidents, near-miss accidents, dangerous occurrences, occupational poisoning or occupational diseases that occur at the place of work. He or she reports any unsafe acts or unhealthy conditions or practices at the place of work to the employer, together with recommendations for corrective action;
- Reviews the Safety and Health policies at the place of work and makes recommendations to the employer for any revision of such policies.

Safety Slogan Competition during the 2011 Occupational Safety and Health Week

During the 2011 Occupational Safety and Health Week, MRCB's 348 Sentral project team won the safety banner organised by the Department of Occupational Safety and Health (DOSH) on 14 July 2011. A certificate was received for 348 Sentral's safety slogan "SAFETY IS OUR PRIORITY, IMPLEMENTATION IS COMPULSORY". MRCB had entered the safety slogan competition which was organised to promote safety at work awareness at all work sites in Malaysia.

Annual Disaster Drill at Stesen Sentral

Stesen Sentral Kuala Lumpur (SSKL) conducted an annual crisis and disaster drill on 24 June 2011, designated as "Ex Sentral 11" for the 11th consecutive year. This annual drill prepares employees for emergency situations. This year's event simulated an armed robbery at the Transit Concourse, Level 1, Stesen Sentral Kuala Lumpur. The exercise was conducted to minimise risk and ensure the emergency response plan is executed effectively in the event of an emergency.

The public at Level 1, 2, 3 and 4 was requested to evacuate the building and were led out before gathering at an identified open area nearby. The simulation was conducted after operational hours, so not to affect the trains and other public transport services.

Semasa Sentral Sdn Bhd performed the successful operation with the help of external parties. These include The Department of Railways, National Security Council, Polis Diraja Malaysia, Jabatan Bomba dan Penyelamat Malaysia, Emergency Department University Malaya Medical Centre, Keretapi Tanah Melayu Berhad, Ekspres Rail Link Sdn Bhd and Rangkaian Pengangkutan Aliran Deras.

Training for Contractors and Sub-Contractors

MRCB recognises the need for environmental awareness training for contractors and sub-contractors who are involved in the construction phase of our projects. Environmental training is conducted at the start of each project which involves awareness of the Environmental Management Plan and best management practice on site. The training exercise involves both theoretical and practical techniques. Some of the training exercises that have been covered include Emergency Response Plan (ERP) training and induction; and Occupational First Aid.

OUR PROMISE TO SUSTAINABLE MARKETPLACE PRACTICES

Our marketplace commitment ensures a smooth supply-chain cycle involving relationships with our customers and suppliers. We continuously engage with these stakeholders to understand their needs to achieve the highest satisfaction and most efficient delivery.





MARKETPLACE

Purchasing and Procurement Practices

MRCB's procurement decisions are made based solely on MRCB's best interests. A proper agreement is documented which clearly identifies the services or products to be provided. It also included the basis for payment and the applicable rate or fee. The amount of payment must be commensurate with the services or products provided. All vendors are treated equally and are accorded the same information at the same time. MRCB tries to ensure there are no leaks of information during the procurement process.

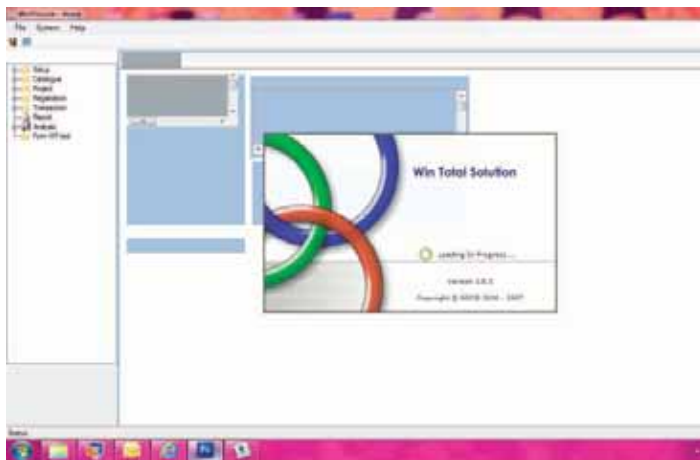
To ensure a fair procurement practice, a tender process is encouraged at all times in the Company. Policies and processes involved in our tendering aim to promote transparency and prevent any conflict of interest. The brief process is outlined below:

- For a closed tender exercise, at least five prospective subcontractors shall be shortlisted and called.
- For open tenders, a tender notice shall be advertised in the mainstream newspapers for at least three consecutive days.

- The tender process shall be conducted in a timely and transparent manner. The Tender Evaluation Report (TER) shall serve as the basis for obtaining and evaluating tenders.
- Information submitted by the subcontractors shall be kept strictly confidential.
- The cost quoted by selected subcontractors shall not vary more or less than 15% from tender estimate. Should this occur, an explanation is to be recorded in the TER.

Locally Based Supply Chain

We conduct our major construction works entirely through subcontractors. This is part of our effort to contribute to local social and economic development. We allocate all subcontract work to local suppliers in all significant locations and have a common practice to source all materials locally before sourcing them elsewhere.



MRCB's proprietary procurement software



MRCB's proprietary CRM software

Quality Deliverable

Operating contractors and suppliers must adhere to our safety standards and specifications. Project delivery is managed, monitored and reported using a number of management tools. Our myCRM software is developed in-house by the Group to monitor every stage of our product lifecycle. The software is continuously upgraded and improved to increase its coverage, quality and security. The results of customers' inspection on their purchases are entered into myCRM software, which are subsequently made available to the project and management

teams to help them rectify and monitor any defects on an ongoing basis.

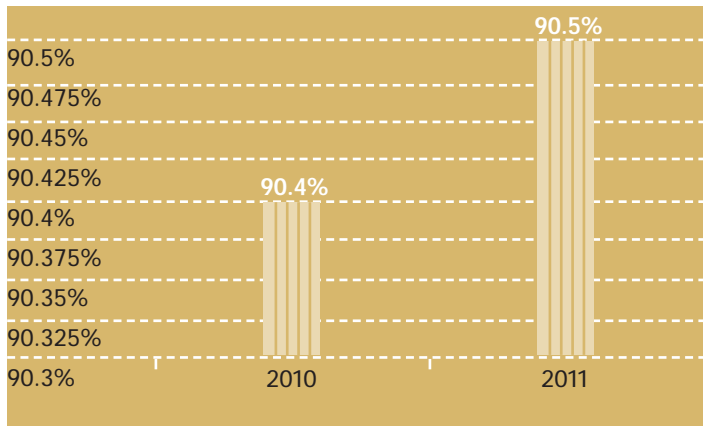
A Communication Policy Manual, a Property Manual, regular customer satisfaction surveys and formal inspection processes are also implemented at the pre-handling of all stages of each project. The aim is to have adequate policies, procedures and systems implemented to ensure safe and high quality delivery to the highest level of customers' expectations.

Customer Satisfaction Surveys

We conduct our Customer Satisfaction Surveys (CSS) on our residential and commercial properties that MRCB develops and manages. Surveys are also conducted six months after the completion of a residential or commercial project including other MRCB business units that are used for parking services, security services, offices and a shopping complex.

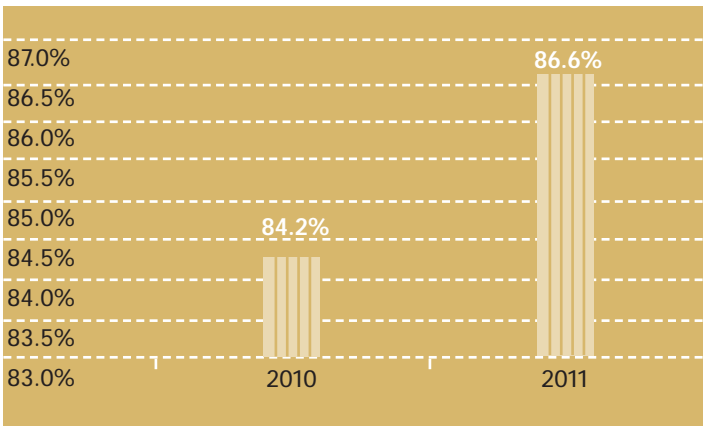
The summary results of customers' satisfaction for building services in 2010 and 2011 are presented below. These includes Semasa Sentral, Semasa Services, Semasa Parking, and Semasa Security.

Customer satisfaction results for building services in 2010 and 2011



The summary results of customer satisfaction for MRCB Land which covers MRCB Selborn, SIDEK, MRCB Utama, KLSB, MRCB Sentral Properties and MRDSB are presented below.

Customer satisfaction results for MRCB Land in 2010 and 2011



Our operations are conducted on best and fair practices, which we believe ensures good results and quality in our products and services.

MARKETPLACE

Provision of Information to Customers

We continue to provide information to our customers and the public on our residential and commercial properties through brochures and booklets with specifications of each unit. Information included in each publication is based on checklists which allow the potential purchaser to evaluate the unit against specifications. Repairs or replacement can be requested if necessary before accepting delivery and up to 24 months after delivery.

Marketing and Communication

Our advertising applies to advertisements in all forms of media including television, radio, telephone, newspapers, magazines, billboards, newsletter and the Internet. All communications by MRCB comply with the cultural, legal and ethical standards of the communities in which we work. We strengthened our internal marketing approval process to ensure they are factual, clear and properly communicated. It is a clear policy within the Group that no misleading advertisements, promotions or sponsorship will be tolerated in any way. The Communication Department has established internal standards to regulate all communications outside the Group. This applies across all companies in the Group.

We ensure our sales personnel are well educated and knowledgeable by providing weekly briefings and sales kits to all our representatives. We also comply with the Housing Development Act which states that all marketing communications and advertisements in Malaysia must first obtain approval and a license number from the Ministry of

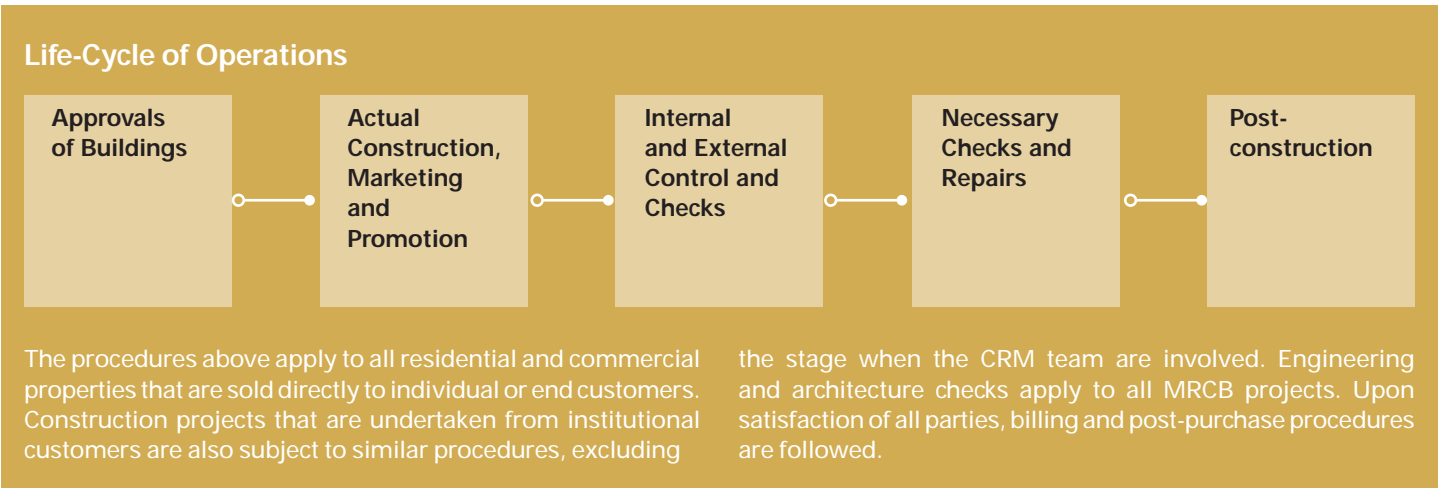
Housing. We strive to protect customers from misleading marketing messages. While these laws apply only to residential properties, we have standardised the same regulations across our portfolio of both residential and commercial properties.

- The Sentral Residences exhibition and roadshow
- APREC FIABCI in October 2011
- Hari Raya Open House
- Chinese New Year sales promotion
- Senawang Phase 1C
- Sales of Phase 1A (SST, Semi-D and Bungalows)
- Q Sentral launch on the 22nd Sept 2011

Information Security

All confidential and proprietary information concerning securities, financial condition, earnings or activities of the Company and information that is particularly sensitive including knowledge of acquisitions and divestiture; new products or processes; audit reports and earning figures; and trends remain confidential until they are fully and properly disclosed to the public.

At MRCB, corporate, customer and employees information are strictly private and confidential and must be treated as such at all times. Our policy recognises and respects the legal rights of others on matters involving the ownership, use and disclosure of intellectual property. This obligation to preserve confidential and proprietary information continues even after employment ends. There is also provision in the Code of Business ethics which ensures customer information is to be kept and maintained in the highest confidentiality.



Economic Performance	2011	2010	2009
	RM'000	RM'000	RM'000
Revenues	1,213,077	1,067,579	921,616
Other operating income	28,609	21,754	35,425
Investment Income	23,923	30,847	27,980
Share of profits of jointly controlled entity	(2,852)	(6,046)	(6,304)
Share of profits of associated companies	(1,469)	(5,530)	(10,194)
Total Value Added	1,261,288	1,108,604	968,523
Economic Value Distributed			
Operating Costs	(1,024,919)	(904,689)	(814,626)
Employee Wages, Salaries and Benefits	(92,562)	(73,892)	(67,534)
Payments to Lenders	(35,213)	(31,449)	(38,570)
Payments to Governments			
Malaysia	(15,326)	(23,781)	(9,009)
Overseas			
Total	(15,326)	(23,781)	(9,009)
Community Investments or group donations	(1,343)	(999)	(1,301)
Non-controlling interests	(14,463)	(6,526)	(2,859)
	(1,183,826)	(1,041,336)	(933,899)
Consolidated profit for the year	77,462	67,268	34,624
Net Value Added	91,925	73,794	37,483
Payments to shareholders	(3,095)	(3,104)	(1,680)
Economic Value Retained	88,830	70,690	35,803

Economic Performance		2011	2010	2009
		RM'000	RM'000	RM'000
Total Staff at 31 Dec per annual report		1,218	1,136	1,149
% Change in Staff		7	(1)	16
Total Equity	RM000	1,398,254	1,321,477	690,312
Total Long-term debt	RM000	2,557,886	1,803,981	1,731,372
Total capitalisation	RM000	3,956,140	3,125,458	2,421,684
Total Assets	RM000	5,411,172	4,388,340	3,118,752
Benefits and rewards per employee	RM	76	65	59
Revenue per employee	RM	996	940	802
Community Investments or group donations				
Tax exempt & non tax exempt donation		522	416	268
Tax exempt & non tax exempt CSR expenses		511	349	913
Tax exempt & non tax exempt gifts		311	234	120
External works outside Lot N Boundary		–	–	–
Landscaping works outside Lot N Boundary		–	–	–
		1,343	999	1,301

GRI INDEX

In ensuring our compliance to the highest level of transparency in our Sustainability Report 2011 disclosure, we have adopted the internationally-recognised reporting framework, the Global Reporting Initiatives (GRI). G3.1 is a finalised update of GRI's most recent generation of Sustainability Reporting Guidelines, and is the most comprehensive sustainability reporting guidance currently available.

Status: • Fully Reported; □ Partially Reported; x Not Reported

G3.1 Content Index				
STANDARD DISCLOSURES PART : Profile Disclosures				
Profile Disclosure	Description	Status	Cross Reference	Reason for Omission and Explanation
1. Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organisation	•	P10 - 15	
1.2	Description of key impacts, risks, and opportunities	•	P19	
2. Organisational Profile				
2.1	Name of the organisation	•	Front Cover	
2.2	Primary brands, products, and/or services	•	P2	
2.3	Operational structure of the organisation	•	P6 - 9	
2.4	Location of organisation's headquarters.	•	P5	
2.5	Number of countries where the organisation operates	•	P6 - 9	
2.6	Nature of ownership and legal form	•	P8 - 9	
2.7	Markets served	•	P8 - 9	
2.8	Scale of the reporting organisation	•	P4 - 5	
2.9	Significant changes during the reporting period	•	P10 - 15	
2.10	Awards received in the reporting period	•	P25	

Profile Disclosure	Description	Status	Cross Reference	Reason for Omission and Explanation
3. Report Parameters				
3.1	Reporting period	•	P4 - 5	
3.2	Date of most recent previous report	•	P4 - 5	
3.3	Reporting cycle	•	P4 - 5	
3.4	Contact point for questions regarding the report or its contents	•	P4 - 5	
3.5	Process for defining report content	•	P4 - 5	
3.6	Boundary of the report	•	P4 - 5	
3.7	Specific limitations on the scope or boundary of the report	•	P4 - 5	
3.8	Basis for reporting on joint ventures, subsidiaries, etc	•	P4 - 5	
3.9	Data measurement techniques and the bases of calculations	•	P38 - 39	
3.10	Explanation of the effect of any re-statements of information	•	P10 - 15	
3.11	Significant changes from previous reporting period	•	P10 - 15	
3.12	Table identifying the location of the Standard Disclosures	•	GRI Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	•	Assurance Statement	
4. Governance, Commitments, and Engagement				
4.1	Governance structure of the organisation	•	P20	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	•	P20	
4.3	Independent and/or non-executive members of the Board	•	P20	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	•	P23	

Profile Disclosure	Description	Status	Cross Reference	Reason for Omission and Explanation
4. Governance, Commitments, and Engagement				
4.5	Linkage between compensation and the organisation's performance	•	P21 and AR2011: Statement on Corporate Governance	
4.6	Processes in place to ensure conflicts of interest are avoided	•	P24	
4.7	Qualifications and expertise of the Board	•	AR2011: Board of Directors profile	
4.8	Internally developed statements of mission or values, codes of conduct, and principles	•	P24	
4.9	Identification and management of economic, environmental, and social performance, conduct, and principles	•	P26	
4.10	Processes for evaluating the highest governance body's own performance	•	P22 - 23 and AR2011: Statement on Corporate Governance	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	•	P45	
4.12	Externally developed economic, environmental, and social charters, principles	•	P31, P55	
4.13	Memberships in associations	•	P14 - 15	
4.14	List of stakeholder groups engaged by the organisation	•	P16 - 17	
4.15	Basis for identification and selection of stakeholders with whom to engage	•	P16	
4.16	Approaches to stakeholder engagement	•	P17	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics	•	P17 - 18	

STANDARD DISCLOSURES: Performance Indicators

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
ECONOMIC					
Economic performance					
EC1	Direct economic value generated and distributed	•	P67 - 68		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	•	P12, P35, P38		
EC3	Coverage of the organisation's defined benefit plan obligations	•	P52		
EC4	Significant financial assistance received from government	•	P48, P67		
Market presence					
EC5	Standard entry level wage vs. local minimum wage	•	P54		
EC6	Policy, practices, and proportion of spending on locally-based suppliers	•	P64		
EC7	Procedures for local hiring	•	P52, P64		
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	•	P42 - 44		
EC9	Understanding and describing significant indirect economic impacts	•	P46 - 48		
ENVIRONMENTAL					
Materials					
EN1	Materials used by weight or volume	•	P28 - 29		
EN2	Percentage of materials used that are recycled input materials	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Energy					
EN3	Direct energy consumption by primary energy source	•	P32, P38		
EN4	Indirect energy consumption by primary source	•	P38 - 39		
EN5	Energy saved due to conservation and efficiency improvements	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
EN6	Initiatives to provide energy-efficient or renewable energy	•	P32		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	•	P29 - 32, P35		
Water					
EN8	Total water withdrawal by source	□	P30, P33	Total water withdrawn is disclosed in absolute quantity instead of by source. We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
EN9	Significant impact of withdrawal of water	•	P30, P33		
EN10	Percentage and total volume of water recycled and reused	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas	•	P36 - 37		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas	•	P36 - 37		

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
EN13	Habitats protected or restored	X	–	We did not monitor the habitats protected as a result of our biodiversity and conservation activities. We will continue to improve our data collection and measurement processes, and aim to have this indicator available in the next Report.	2013
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	•	P36 - 37		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight	•	P38 - 39		
EN17	Other relevant indirect greenhouse gas emissions by weight	•	P38 - 39		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	•	P38 - 39		
EN19	Emissions of ozone-depleting substances by weight	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
EN20	NOx, SOx, and other significant air emissions by type and weight	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
EN21	Total water discharge by quality and destination.	□	P33	Total water discharged is disclosed in absolute figures instead of by quality and destination. We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
EN22	Total weight of waste by type and disposal method	□	P33	Total waste by disposal method is not available. We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our next Report.	2013
EN23	Total number and volume of significant spills	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	•	P29 - 30		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	X	N/A		

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	•	P29 - 31		
Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	•	P38 - 39		
Overall					
EN30	Total environmental protection expenditures and investments by type.	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013
SOCIAL: LABOUR PRACTICES AND DECENT WORK					
Employment					
LA1	Total workforce by employment type, employment contract, and region	•	P57 - 58		
LA2	Total number and rate of employee turnover by age group, gender, and region	□	P57	Total number and rate of employee turnover by age group is not available. We will continue to improve our data collection and measurement processes, and aim to have this indicator available in the next Report.	2013
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	•	P52, P67		
LA15	Return to work and retention rates after parental leave, by gender.	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Labour/management relations					
LA4	Percentage of employees covered by collective bargaining agreements	•	P54		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	•	P54		
Occupational health and safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	•	P59 - 60		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	☐	P58	Accident data is represented by total number of injuries and death. We will continue to improve our data collection and measurement processes, and aim to have this indicator available next Report.	2013
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	•	P59 - 61		
LA9	Health and safety topics covered in formal agreements with trade unions.	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Training and education					
LA10	Average hours of training per year per employee by employee category	•	P55 - 57		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	X	–	We will consider to introduce such support for employees approaching retirement.	2013
LA12	Percentage of employees receiving regular performance and career development reviews	•	P56		
Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	□	P57 - 58	Governance breakdown by age group and minority group membership are not available. We aim to have this indicator available in our next Report.	2013
Equal remuneration for women and men					
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	•	P52, P54		
SOCIAL: HUMAN RIGHTS					
Diversity and equal opportunity					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	•	P54		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	•	P54		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	X	–	We will continue to improve our data collection and measurement processes, and aim to have this indicator available in our upcoming Report.	2013

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Non-discrimination					
HR4	Total number of incidents of discrimination and actions taken	•	P54		
Freedom of association and collective bargaining					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	•	P54		
Child Labour					
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	•	P54		
Forced and compulsory labour					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	•	P54		
Security practices					
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	•	P54		
Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	•	P54		
Assessment					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	•	P54		

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Remediation					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	•	P54		
SOCIAL: SOCIETY					
Community					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	•	P42 - 46		
SO9	Operations with significant potential or actual negative impacts on local communities	•	P44 - 45, P47		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	•	P47 - 48		
Corruption					
SO2	Percentage and total number of business units analysed for risks related to corruption.	•	P49		
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	•	P49		
SO4	Actions taken in response to incidents of corruption	•	P49		
Public policy					
SO5	Public policy positions and participation in public policy development and lobbying	•	P48		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	•	P48		

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Anti-competitive behaviour					
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	•	P49		
Compliance					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	•	P49		
SOCIAL: PRODUCT RESPONSIBILITY					
Customer health and safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	•	P66		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	•	P66		
Product and service labelling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	•	P66		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	•	P66		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	•	P65		

Performance Indicator	Description	Status	Cross Reference	Reason for Omission and Explanation	To be reported in
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	•	P66		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	•	P66		
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	•	P66		
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	•	P66		

ASSURANCE



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Independent Verification Statement

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability related assurance services, was engaged by Malaysian Resources Corporation Berhad (MRCB) to perform an independent verification of its 2011 Sustainability Report. The main objective of the verification process is to provide MRCB and its stakeholders with an independent opinion of the accuracy of the information presented in the report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability related activities which had been included in the 2011 Sustainability Report. The report was also assessed against the G3.1 Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines.

The information in the Sustainability Report is the responsibility of the management of MRCB. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Sustainability Report.

Methodology

The verification process was carried out by SIRIM QAS International in March 2012. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;
- Reviewing of internal and external documentation and displays such as awards, reports, newsletters, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims:



MS ISO/IEC 17021 : 2006 CB 02121899 CB 01
 MS ISO/IEC 17021 : 2006 EMS 17122003 CB 02
 MS ISO/IEC GUIDE 85 : 2000 PC 06102004 CB 01
 MS ISO/IEC 17021 : 2006 OSH 08122005 CB 01
 MS ISO/IEC 17021 : 2006 HACCP 06022008 CB 03
 ISO/IEC 22003 : 2007 FIMS 23122108 CB 01
 MS ISO/IEC 17021 : 2006 FMC 10122009 CB 02



MS ISO/IEC 17025
 CALIBRATION/TESTING
 SAMM NO. 085 SAMM NO. 086
 SAMM NO. 087 SAMM NO. 219
 SAMM NO. 231 SAMM NO. 240
 SAMM NO. 229 SAMM NO. 354
 SAMM NO. 377



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- Evaluating the adequacy of the Sustainability Report of MRCB and its overall presentation against the GRI requirements.

During the verification process, issues were raised and clarifications were sought from the management of MRCB relating to the accuracy of some of the data and statements contained in the report. The report was reviewed and revised by MRCB as a result of the findings of the verification team. It can be confirmed that changes have been incorporated into the final version of the report to satisfactorily address the issues raised.

The verification process was subject to the following limitations:

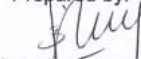
- The verification of the data relating to the financial performance of the company was only checked against the data reported in the MRCB 2011 Annual Report;
- Only the corporate office was visited as part of this assurance engagement. The verification process did not include physical inspections of any of MRCB'S operating assets; and
- Contractor and third party data was not reviewed in detail.

Conclusion

Based on the scope of the verification process, the following represents SIRIM QAS International's opinion:


- The MRCB 2011 Sustainability Report is in accordance with the A+ Application Level of the GRI G3.1 Sustainability Reporting Framework;
- The level of accuracy of data included in the report was found to be fair and acceptable;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data;
- MRCB has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of MRCB.

Prepared by:



AMINAH ANG
Verification Team Leader
Sustainability Certification Section
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 20 April 2012

Approved by:



PARAMA ISWARA SUBRAMANIAM
Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.
Date : 20 April 2012



Statement GRI Application Level Check

GRI hereby states that **Malaysian Resources Corporation Berhad** has presented its report "MRCB Sustainability Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 28th 2012


Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Malaysian Resources Corporation Berhad** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on March 22nd 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



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MRCB

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