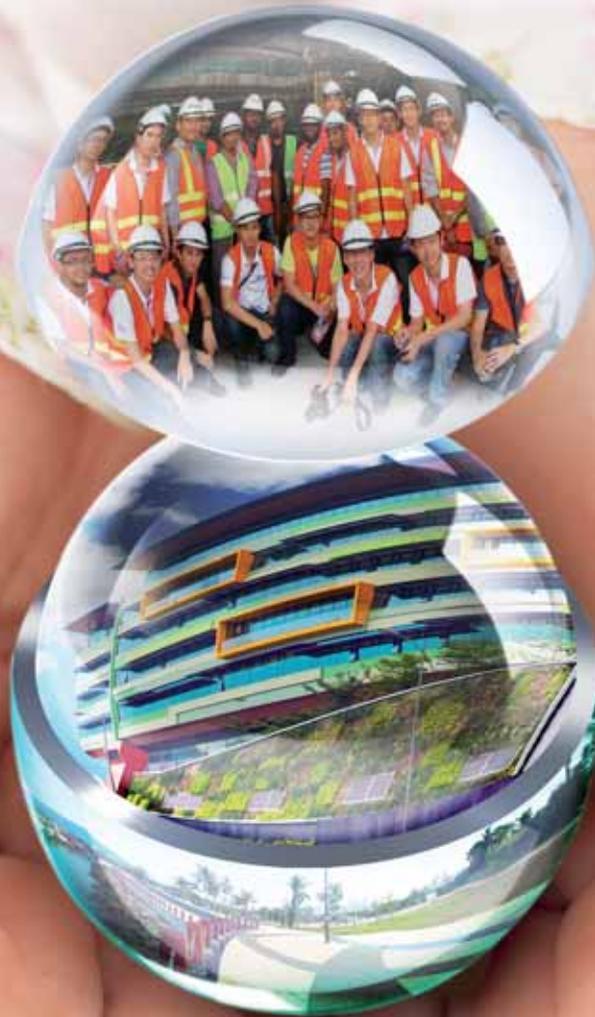


OUR COMMITMENT TO GREEN





OUR COVER RATIONALE

This year's cover theme promotes MRCB's emphasis on "OUR" positioning, on collective and honest commitment to green. This commitment runs throughout the Company and has become the heart and lifeblood of our day-to-day operations. All members of the Company have provided their individual contributions by offering their skills and knowledge for the success of this common goal. Our collective effort to protect the environment has united our internal and external stakeholders in a remarkable way. We strive to work cohesively in a unified effort for a greener tomorrow.





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OUR APPROACH TO REPORTING

This is the sixth Sustainability Report produced by Malaysian Resources Corporation Berhad (MRCB). This Report covers our responsibilities to our stakeholders and the contributions we have made to 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 Global Reporting Initiative (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 to December 2012

REPORTING CYCLE:

Annually

COVERAGE:

The MRCB Sustainability Report covers our entire organisation and includes quantitative and qualitative data for 2012. Where group-wide information was unavailable, selected site data has been used. Some indicators are partial and only relate to certain divisions or activities as indicated in the text.

PRINCIPAL GUIDELINES

GRI-G3.1 Sustainability Reporting Framework

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 and assessed by the GRI for how comprehensively the latest GRI-G3.1 guidelines have been applied to achieve a top application level of A+. Our assurance approach is completely transparent, bias-free and independent. The 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:

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Platinum Sentral, 1st Platinum BCA Green Mark in Malaysia

OUR MRCB

MRCB is a private limited company that was incorporated in Malaysia on 21 August 1968. The Company was listed on the stock exchange in Malaysia on 22 March 1971 and is presently listed on the Main Market of Bursa Securities. On 12 October 1981, the Company assumed its present name.

Principally an investment holding company, MRCB also engages in construction related activities, infrastructure, property development and investment and provision of management services to its subsidiaries. Through its subsidiaries, associated companies and jointly-controlled companies, the Company is also involved in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

MRCB LAND

MRCB Land is the property division of MRCB that currently has geographically diversified developments in Malaysia which are mainly in Kuala Lumpur, Selangor, Perak, Penang and Negeri Sembilan. In 2012, MRCB Land provided the largest revenue contribution to the Company. The property division has a sustainable track record from the development of office and commercial developments, high rise residential properties, retail complexes and a transportation hub. In terms of building "Green" buildings, MRCB Land has tenaciously adopted internationally and locally recognised green building design standards for developments in Kuala Lumpur Sentral such as the US Building Council's Leadership in Energy and Environmental Design (LEED) for 348 Sentral, Green Mark standard of Singapore's Building and Construction Authority (BCA) for Platinum Sentral and Malaysia's Green Building Index (GBI) for Q Sentral.

ENGINEERING AND CONSTRUCTION DIVISION (E&C) – PROJECT MANAGEMENT & CONSULTANCY

The E&C is a division of the Company that has been active in carrying out a wide range of works including the construction of buildings and roads such as the Permai Psychiatric Hospital, Marlborough College and the Eastern Dispersal Link (EDL) in Johor Bahru. E&C designed & built the 552 km. National Transmission Grid in Peninsular Malaysia and the 273 km Sabah East West Interconnection Grid, 48 km road upgrade to 4 lane "dual carriageway" Federal Route 5 between Ipoh and Lumut in Perak and as turnkey contractor for retail and commercial properties.

INFRASTRUCTURE, CONCESSION & ENVIRONMENT DIVISION (ICE)

ICE is a division that excels in high profit margin works involving infrastructure developments with concession rights and environment based projects. ICE's main toll concession rights are the Duta-Ulu Klang Expressway (DUKE) and Eastern Dispersal Link (EDL). The successful coastline and river rehabilitation projects have restored the degraded beaches and rivers in Penang and Pahang including the tourist beach on the island of Tioman, Pahang. ICE is currently working to rehabilitate three rivers: the Perai River in Penang, Pahang River and Kuantan River in Pahang.

BUILDING SERVICES DIVISION (BSD)

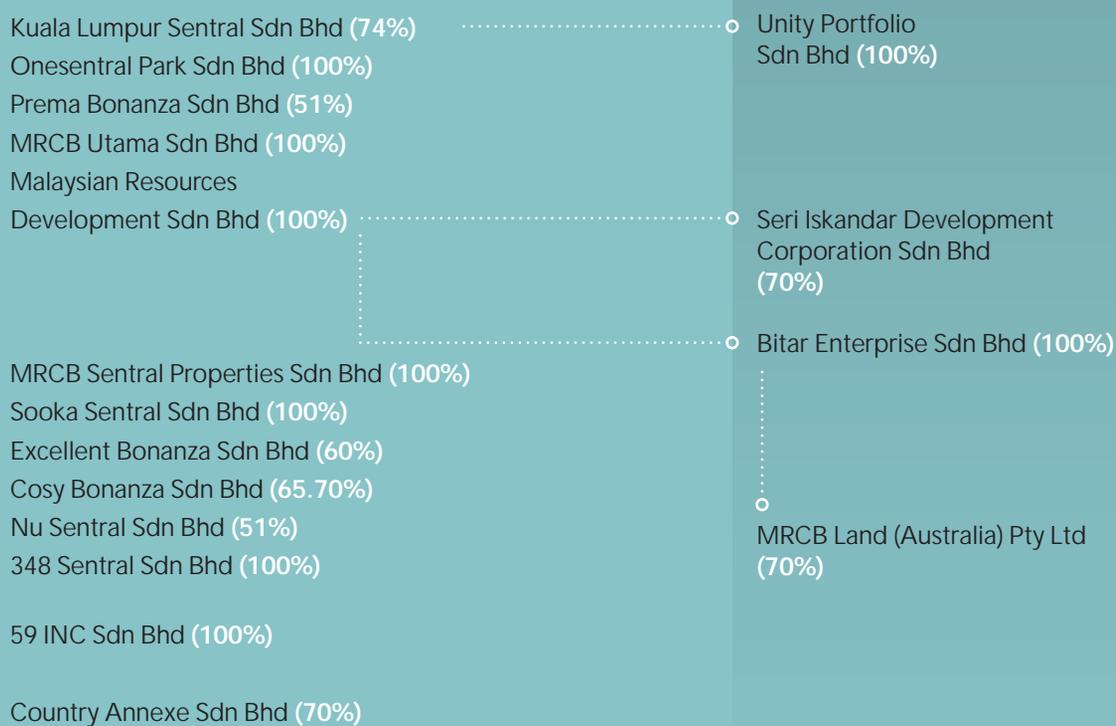
BSD was certified with the MS ISO 9001: 2008 Quality Management System certificate for the services that it is delivering. BSD continues to maintain and manage both building and facilities (including car parks) for private and public sectors such as the EPF, Maybank, Axiata, MIDA and Stesen Sentral Kuala Lumpur.





OUR 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



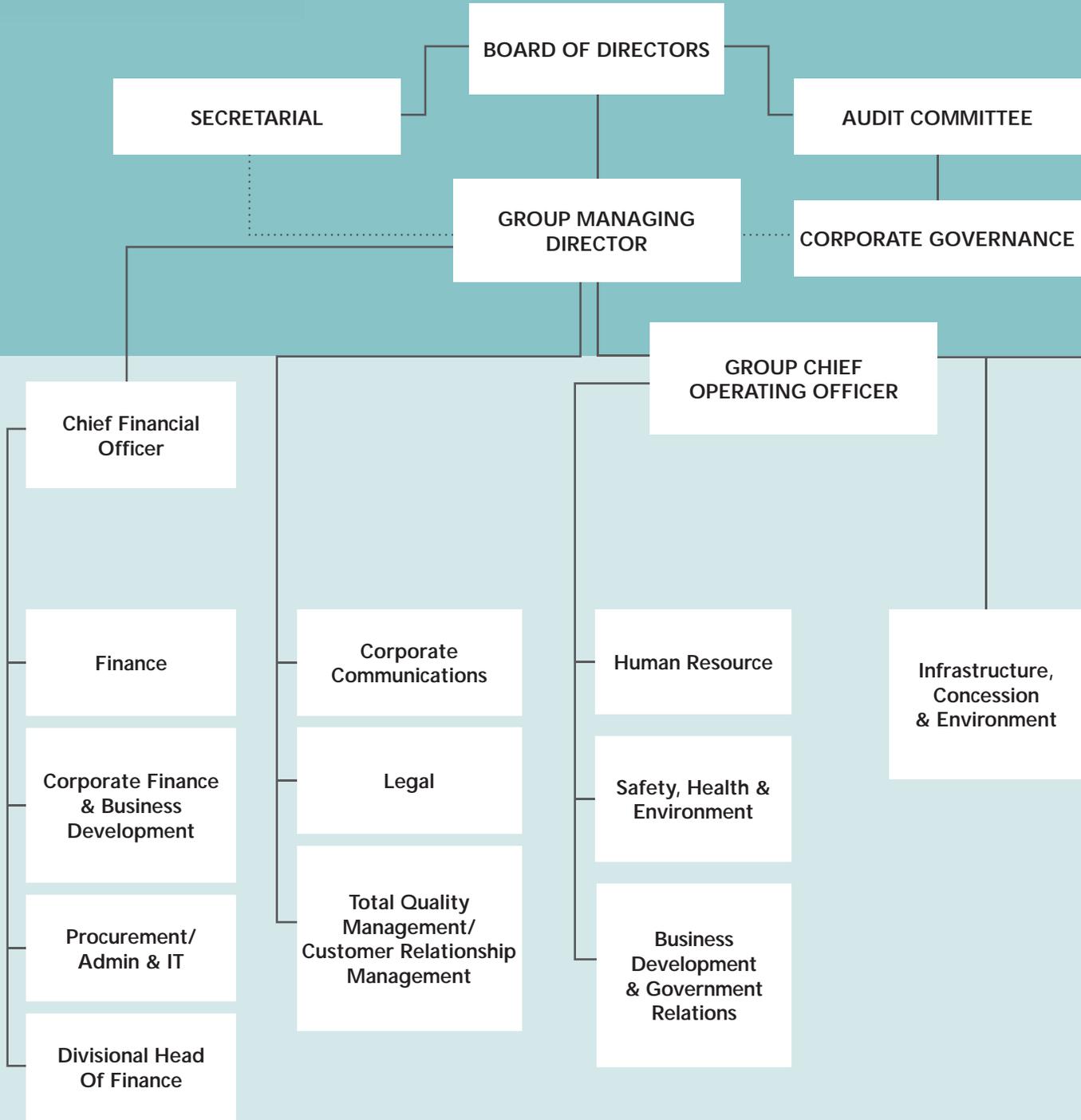
BUILDING SERVICES

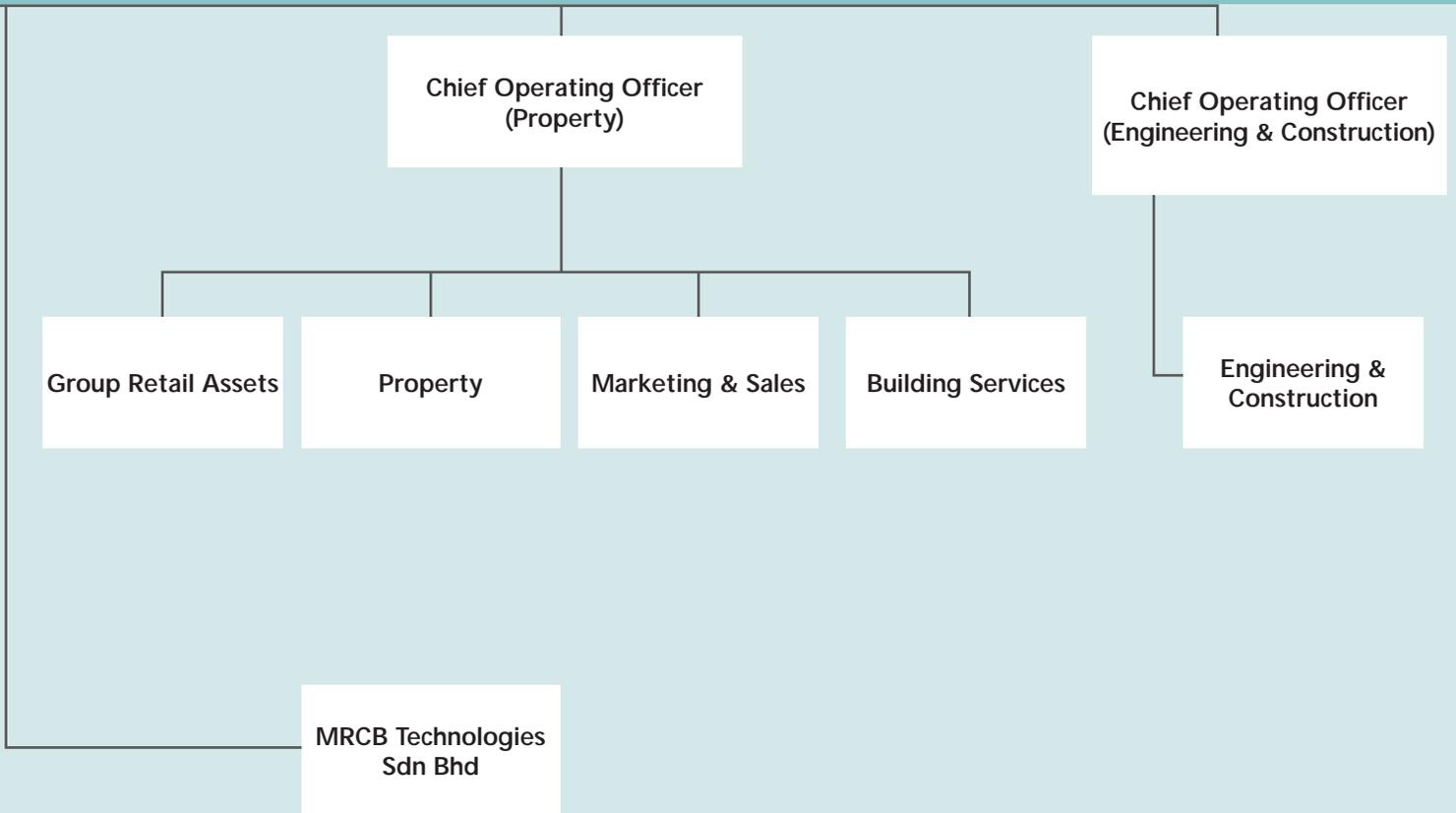
- Semasa Sentral Sdn Bhd (100%)
- Semasa Services Sdn Bhd (100%)
- Semasa Parking Sdn Bhd (100%)
- Semasa Sentral (Penang) Sdn Bhd (100%)

INFORMATION TECHNOLOGY

- MRCB Technologies Sdn Bhd (100%)

OUR ORGANISATION CHART





OUR CHAIRMAN'S MESSAGE

"We continue to maintain high standards of Quality, Safety, Environment and Value Engineering in our projects for the benefit of our customers, society and the nation."



I am pleased to present MRCB's Sustainability Report 2012. It has been an honour and privilege to serve the Company over the past eight years. At the heart of our company is a strong commitment to provide clients with an optimum world-class service distinguished by technical project management expertise. During 2012, we continue to maintain high standards of Quality, Safety, Environment and Value Engineering in our projects for the benefit of our customers, society and the nation. Our team continually strives for excellence against the ever-increasing challenges of the industry. We devote our full attention to exceed our customers' expectations.

Commitment, hard work and perseverance have helped the Company to be on par with international standards for the performance and quality of its projects. Platinum Sentral, which was completed in 2012, is Malaysia's first Platinum-rated Building with Singapore's BCA Green Mark. The project has also been certified with Malaysia's Green Building Index (GBI) and is one of the first commercial buildings to deploy an intelligent connected Real Estate solution in

Malaysia. It features 982,000 square feet of office campus which incorporates green features such as natural ventilation, efficient lighting control, rainwater harvesting, solar energy, automated waste disposal system and green landscaping.



Platinum Sentral, 1st Platinum BCA Green Mark in Malaysia

MRCB has a rich and diversified project portfolio across the industry's core growing sectors. New windows of opportunity are being presented and we are prepared for an eventful future marked with important milestones. I am excited to announce that we have at least five more green building projects scheduled for completion next year with more to follow in the coming years.

Our focus during the past years was on the timely completion and delivery of our projects. This was positively reflected in MRCB's performance and financial results. During 2012, we handed over the newly completed Permai Psychiatric Hospital in Johor Bahru. This is a significant achievement as the facility is the country's second largest psychiatric hospital worth RM550 million.



Permai Psychiatric Hospital

It is my pleasure to announce that the Group recorded a profit of RM134 million before tax for the financial year 2012. The positive growth in profitability is attributable mainly to the strong contribution from the property division driven by recognition of progressive works on the ongoing property development projects at Kuala Lumpur Sentral CBD. Nevertheless, the Company realises that the long term sustainability of strong and profitable performance rests not only on revenue growth but also effective cost management. We continue to pursue an optimum operating cost environment to increase our future revenues.

SUSTAINABILITY AND US

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

We place great emphasis on creating value for all our stakeholders; our customers, investors, employees and suppliers. In 2012, the Company continues to actively pursue numerous CSR projects under five key CSR programmes: Education, Environment, Employee Welfare, the Community and Philanthropy. This amounted to RM1.14 million.



Education

MRCB also took a more proactive role in educational and community-based social activity in 2012. This is in-line with the government's SL1M Management Training Programme initiated by Khazanah Nasional Berhad. This programme provides on-the-job graduate training in a live business environment.



PINTAR Graduates

OUR CHAIRMAN'S MESSAGE

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



Global Earth Day - Minutes before lights off



Global Earth Day - Lights off

We continue our educational support programme for nine schools under the Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) programme. The schools are SK Bagan Jermal, Penang; SJK (T) Ladang Mayfield, Penang; SK Iskandar Perdana, Perak; SK La Salle 1, Brickfields, Kuala Lumpur; SK La Salle 2, Brickfields, Kuala Lumpur; SK Tebrau Bakar Batu, Johor; SK Indera Shahbandar, Kuala Pahang, Pahang; SK Serandu, Kuala Pahang, Pahang; and SJK (C) Yoke Hwa, Kuala Pahang, Pahang. All the schools are located close to our areas of operation.



A school benefiting from our PINTAR programme

Our recently completed project, the Eastern Dispersal Link Expressway (EDL) in Johor Bahru was successfully opened to traffic on 1st April 2012. In support of the government's agenda in developing the nation, it is operating toll free for the time being with the hope that it will benefit the lower-income group. We are working closely with the government to resolve the EDL matter as soon as possible. The expressway is a dual three-lane carriageway that stretches from the Pandan interchange on the North-South Highway to the new Customs, Immigration and Quarantine (CIQ) complex. It is officially the Bangunan Sultan Iskandar, located in Bukit Chagar.



EDL Expressway

In 2012, we witnessed the official ground breaking of Little India's multi-storey car park project. We hope to resolve the lack of parking in the Brickfields area, reduce congestion and encourage additional business opportunities. This is in-line with the conception of the 'Little India Project', which aims to increase the income of the Indian community and promote Indian cultural heritage. The car park project will complete early next year.

Little India's multi-storey car park project



OUR CHAIRMAN'S MESSAGE

In promoting the colourful culture and heritage of our country, we support various celebrations in Malaysia. In 2012, these included the Chinese New Year, Hari Raya Open House and Deepavali.

Chinese New Year, celebration at 1 Sentral





An activity by the Sport and Recreation Club of MRCB

At MRCB, we are driven by a passion to improve people's everyday lives. As a responsible corporate citizen, supporting humanitarian efforts is core to our commitment to developing social and economic change. We continue to provide financial and non-financial aid to less privileged communities throughout the country. The Sport and Recreation Club of MRCB, also known as SPARC raised funds for the Silaturrahim Nurul Qana'ah Orphanage. The donations were made in conjunction with its Majlis Berbuka Puasa held at Platinum Sentral.



The Edge-PAM Green Excellence Awards 2012

AWARDS AND RECOGNITION

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

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

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



National Corporate Reporting Awards (NACRA)

ACKNOWLEDGEMENTS

The continued success of MRCB would not be possible without on-going support from its shareholders, customers, business associates and relevant authorities. On behalf of the Board of Directors, I would like to extend my appreciation to all stakeholders. Finally, my utmost appreciation goes to our dedicated management team and employees for their continuous commitment and contribution to the overall achievement of the Company's goals and objectives.

TAN SRI AZLAN ZAINOL CHAIRMAN

OUR STAKEHOLDERS



We define our stakeholders as those who have direct, indirect or potential impact on MRCB. We also consider those groups who are directly or indirectly affected by our operations. Our stakeholder mapping exercise identifies these people, organisations or entities so that we employ the correct engagement approach. Each stakeholder group is managed by a dedicated division whose duty is to regularly engage, respond to queries, address concerns and formulate strategies to serve their needs more effectively.

At MRCB, materiality analysis identifies 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.

The main engagement methods employed by MRCB are summarised in the following table. This list is not exhaustive but outlines the core channels of engagement.

Stakeholder Group	Method of Engagement	Area of Interest	MRCB's Approach
Customers	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Customer complaints platform 	<ul style="list-style-type: none"> • Project features description and services • Green building projects 	<ul style="list-style-type: none"> • MRCB conducts Customer Satisfaction Surveys (CSS) for newly completed projects and those it maintains. • MRCB publishes information in various online and printed media for its customers and the public.
Shareholders & Investors	<ul style="list-style-type: none"> • Results announcement meetings • Annual General Meetings • Regular communication • Investor road shows • Reverse road shows 	<ul style="list-style-type: none"> • Return on investment • Financial performance • Branding 	<ul style="list-style-type: none"> • MRCB holds regular briefings for investors and analysts. This forms part of its IR initiatives to enter into dialogue with the Community and other constituencies. The main objective is to inform and update potential investors and current stakeholders of MRCB's economic position and gain their confidence in the Company's management.
Analysts / Media	<ul style="list-style-type: none"> • Regular communication • Media interviews, press release and website postings • Official launches and events • Open dialogue 	<ul style="list-style-type: none"> • Ongoing and future projects 	<ul style="list-style-type: none"> • We engage with our media partners and analysts regularly at our corporate events and launches. We provide first hand project information.
Industry Peers	<ul style="list-style-type: none"> • Conferences and meetings • Industry workshops • Networking events 	<ul style="list-style-type: none"> • Ongoing and future projects • MRCB's involvement in society 	<ul style="list-style-type: none"> • Our Annual Report, Sustainability Report and corporate website provide up-to-date information on our performances, event calendar and other Company news.
Value Chain Partners	<ul style="list-style-type: none"> • Contract bidding and procurement management • Training and communication • Site visits • Development of Green Buildings 	<ul style="list-style-type: none"> • Fair procurement • Sustainable partnerships with MRCB • Adoption of Green Standards, <ul style="list-style-type: none"> - BCA Green Mark, Singapore, - US Green Building Council (LEED) USA, - GBI, Malaysia 	<ul style="list-style-type: none"> • We practice fair and transparent procurement practices. Our tender procedures incorporate elements of sustainability and do not only focus on technical expertise and price.
Community and the Public	<ul style="list-style-type: none"> • Community engagement • Philanthropic activities • Open dialogue 	<ul style="list-style-type: none"> • Societal contributions • Socio-environment impact from operations 	<ul style="list-style-type: none"> • We regularly contribute to society especially the local community where we operate by providing and educate better standards of living and education. Our social contributions extend beyond philanthropic activities. MRCB conducts an internship programme which mutually benefits the organisation and society. In 2012, MRCB also collected funds for various charitable causes at Kuala Lumpur Sentral CBD.

Stakeholder Group	Method of Engagement	Area of Interest	MRCB's Approach
Employees	<ul style="list-style-type: none"> • Employee representatives and committee meetings • Employee Grievance System • Employee training • Employee Satisfaction Survey • Quarterly newsletters • Intranet • Management meetings • Other events including annual dinner, functions and informal gatherings 	<ul style="list-style-type: none"> • Career development opportunities • Benefits and remuneration 	<ul style="list-style-type: none"> • We employ best practices in the workplace including competitive benefits, advance career opportunities, work-life balance and most importantly a safe working environment.
Government / Regulatory Authorities	<ul style="list-style-type: none"> • Regular communication • Reports and compliance • Adoption of Green Standards 	<ul style="list-style-type: none"> • Compliance • Supporting government initiatives 	<ul style="list-style-type: none"> • It is each department's responsibility to ensure compliance with all relevant regulations. We continue to develop the Kuala Lumpur Sentral CBD by obtaining certifications from local and international bodies including 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). In society, MRCB supports the Government's SL1M Management Training Programme which trains graduates making them more employable.

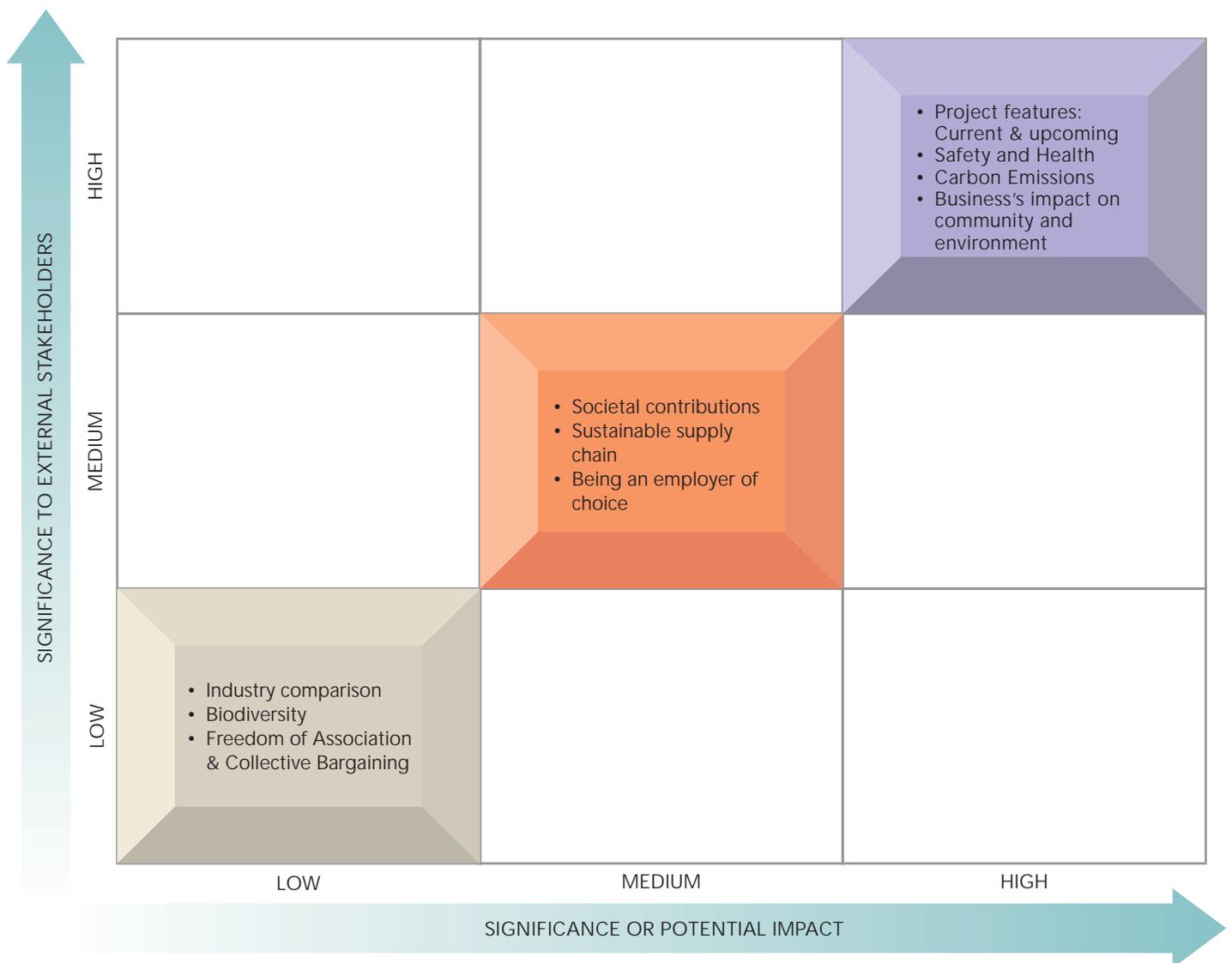


OUR MATERIALITY ANALYSIS

We analysed issues to determine their societal and business relevance. This helped identify areas that could represent current or future opportunities or risks. This analysis examined the potential impact of specific sustainability issues. A topic of material interest is considered relevant and significant from both MRCB and its stakeholders' perspectives.

We use a formal process to help identify the most material sustainability issues to our business and stakeholders. Relevant issues and indicators are those that reflect the economic, environmental or social impact of the organisation or that can influence the decisions of stakeholders. The materiality analysis considered a broad range of stakeholders input, both direct and indirect. A range of issues that our stakeholders said were important during the year were assessed to determine their significance to MRCB. Structured reporting resulted as we were able to focus on the most strategically important issues.

Materiality represents the threshold beyond which an issue and/or indicator becomes sufficiently significant to be included in the report. The materiality matrix below displays the material sustainability issues identified. The strategic significance of these issues was evaluated and arranged in order of priority. The materiality level dictates the amount of disclosure in this Report.



OUR CORPORATE GOVERNANCE

The Board of Directors of MRCB (“the Board”) firmly believes that sound corporate governance practices are essential for sustainable business performance and value creation for the Company’s shareholders. The Board is committed to achieve the highest standards of business integrity, ethics and professionalism across the activities of MRCB and its subsidiaries (“the Group”). In this regard, the Board and the Management Team remain committed to ensuring that good Corporate Governance practices are implemented throughout the Group. These practices are refined and improved to ensure their continued relevance and effectiveness in meeting the challenges of its dynamic business environment. In this statement, the Board is pleased to set out its application of the principles set out in the Malaysian Code of Corporate Governance 2012 and also relevant requirements set out in the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”).

MRCB’S BOARD STRUCTURE

Composition of Members

As at 31 December 2012, the MRCB Board has seven (7) members, comprising the Chairman (non-independent non-executive), five (5) independent directors and one (1) non-independent non-executive director. With the resignation of Datuk Mohamed Razeek Hussain, the Chief Executive Officer of the Company, on 18 August 2012, there is no executive director sitting on MRCB’s Board as at 31 December 2012. The profile and designation of each board member and membership of Board Committees are set out in our Annual Report 2012.

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

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

Roles and Responsibilities

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

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

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

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

The roles of the Chairman and Chief Executive Officer are held by separate individuals and there is a clear division of responsibilities and authorities. The Chairman, who is a non-executive director, is responsible for leadership, ensuring effective functioning of the Board and providing oversight over the operations of the Group. The Chief Executive Officer is responsible for making and implementing operational decisions and the day-to-day management of the Group. The Chief Executive Officer charts the overall business direction of the Group, reports and communicates key strategic matters and proposals to the Board, and implements decisions made by the Board. The Chairman is also responsible for chairing the meetings of the Board and ensuring that there is adequate deliberation and evaluation of proposals and information provided by The Management.

Board of Directors Meetings

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

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

Board Committees

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

These Committees review and deliberate on strategic issues. The Chairman of the various committees reports on their respective deliberations and recommendations to the Board at the next Board meeting. The Board is ultimately responsible for decisions made by the committees.

These committees are the Audit Committee, Executive Committee of the Board ("EXCO"), Nomination Committee, Remuneration Committee and the Employees' Share Option Scheme ("ESOS") Committee.

BOARD CONDUCT

Code of Ethics and Conduct for Board Members

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

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

Directors' Training and Continuing Education Programme

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

Remuneration Policy for Directors and Senior Management

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

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

Performance Evaluation

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

OUR CORPORATE GOVERNANCE

RELATIONSHIP OF THE BOARD WITH MANAGEMENT

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

Full Access to Information

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

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

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

ETHICAL CONDUCT

Relationship with External Auditors

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

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

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

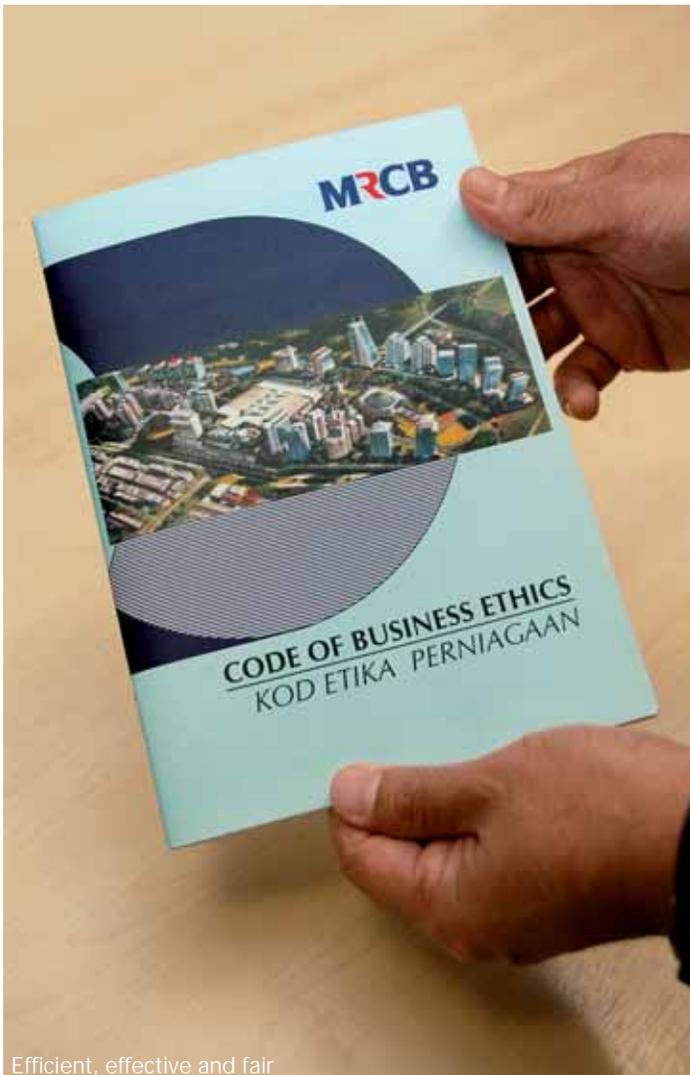
Prevention of Fraud

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

The Prevention of Fraud Manual also has a specific section on the Code on Whistleblowing. It outlines the avenues and procedures for whistleblowers to communicate their concerns to the Board (either through the Chairman of the Audit Committee or the Head of Corporate Governance) without Management's intervention and interference. The Whistleblowing Code also describes the subsequent procedures to be taken for investigating and dealing with fraud cases.

Code of Business Ethics

MRCB has developed a comprehensive Code of Business Ethics (the Code) in English and Bahasa Malaysia. It serves as a guide and reference to assist our employees in adhering to our high ethical business standards. The Code provides guidance on the way we conduct business and duties in a manner that is efficient, effective and fair. Key issues and the relevant policies, procedures and resources are identified to help employees conduct business and duties in line with our standards.



Efficient, effective and fair

Conflict of Interest

It is important that business decisions and actions are based on the best interests of MRCB and not motivated by personal considerations or relationships. We ensure that relationships with prospective or existing suppliers, contractors, competitors or regulators do not affect our independence when making decisions on behalf of MRCB. Declarations to our management must be made in situations that are, or appear to be, a conflict of interest.

MRCB's full time employees cannot work for, or receive payment for services from any of its competitors, customers, distributors without prior approval of the management. MRCB does not permit conflicts of interest and employees are unable to become involved with one.

Public Policy and Political Donations

MRCB employees must not propose making a political contribution without first checking it is lawful. Also such a proposal must receive the express approval or concurrence of the Board of Directors before it is expedited.

No direct or indirect political contributions using MRCB funds or other resources can be made to a candidate or party except where such contributions are permitted by law and expressed permission has been given by Board of Directors.

MRCB held its 41st Annual General Meeting (AGM) at Hotel Istana, Kuala Lumpur on 3 April 2012, with more than 2,000 shareholders attending the meeting. After the briefing session, the Board of Directors and staff socialised with the shareholders.

** This Statement is a summary of the Statement on Corporate Governance made by the Board of Directors in accordance to its resolution dated 26 February 2013. Full disclosure of this Statement on Corporate Governance can be found in our Annual Report 2012.*

OUR CSR

MRCB is committed to contribute to the nation's growth and interests in tandem with its core business activities. The Group provides social assistance in terms of monetary or in kind to society, needy individuals and the nation. The Company aims

to enhance their qualities of life and align our development goals in support of the Government's principles of sustainable development. Our CSR guidelines below are applicable to all companies and subsidiaries under MRCB.

FOUR CORE ACTIVITIES



1. IT Development

Sponsorship of IT programmes – computer literacy campaign focusing on rural people, schools and orphanages. In kind contributions 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 within the vicinity of MRCB projects.
- High Achievers Awards – monetary incentives to best students who are children of MRCB employees.

3. Community Projects

- Charitable programmes within 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 enhances society's needs approved by the Director General of Inland Revenue, Malaysia.

- Commitment by MRCB to help in the construction and equipping of three 1Malaysia Libraries. These libraries will be developed at locations with a high concentration of the poor in Lembah Pantai, Titiwangsa and Wangsa Maju. Although this commitment was made in 2012 by the Ministry of Federal Territories and Urban Wellbeing, these projects are ongoing. We hope to report on the progress of these libraries in our next Sustainability Report.

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

OUR AWARDS AND RECOGNITION

Green Excellence Awards

On 18th October 2012, Platinum Sentral, a green building development located in the Kuala Lumpur Sentral development, was announced as the 2012 winner of The Edge-PAM Green Excellence Award, at an award ceremony held at Hilton Kuala Lumpur.

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

Editors Choice Property Awards 2012

MRCB was nominated at Editors Choice Property Awards 2012 and received three exclusive awards at the Gala prestige dinner on 23 November 2012. The event was organised by Malaysian Reserve and Property Times at Sunway Resort Hotel and Spa, Petaling Jaya. MRCB won Best Green Office Development and Best Green Initiative for Platinum Sentral. It also was awarded the Best Integrated Development for year 2012 for Kuala Lumpur Sentral Central Business District (BCA).

Malaysia Investor Relations Survey

The 2012 Malaysia Investor Relations Survey by Thomson Reuters Extel, working in partnership with the Malaysian Investor Relations Association (MIRA) was published in April 2012. We are pleased to report that our Investor Relations Officer Mr. Zulkifli Mohd Salleh Sabai was recognised for his achievements and named as one of the Best IR Professionals, in the category of middle capitalised company listed on the Main Board of Bursa Malaysia.

Finalist for NACRA 2012 Awards

On 1 November 2012, MRCB was honoured with a certificate of merit by virtue after being selected as one of the top finalists at the National Corporate Reporting Awards (NACRA) under the Bursa Malaysia's Annual Report award category.

This is the first time MRCB was selected as the finalist in the overall category. Previously, we have won the Best CSR category in 2008, 2009 and 2010.

OUR COMMITMENT TO THE UN GLOBAL COMPACT

MRCB became a signatory of the UN Global Compact on 4th September 2008. The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

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

Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to Collective Bargaining;

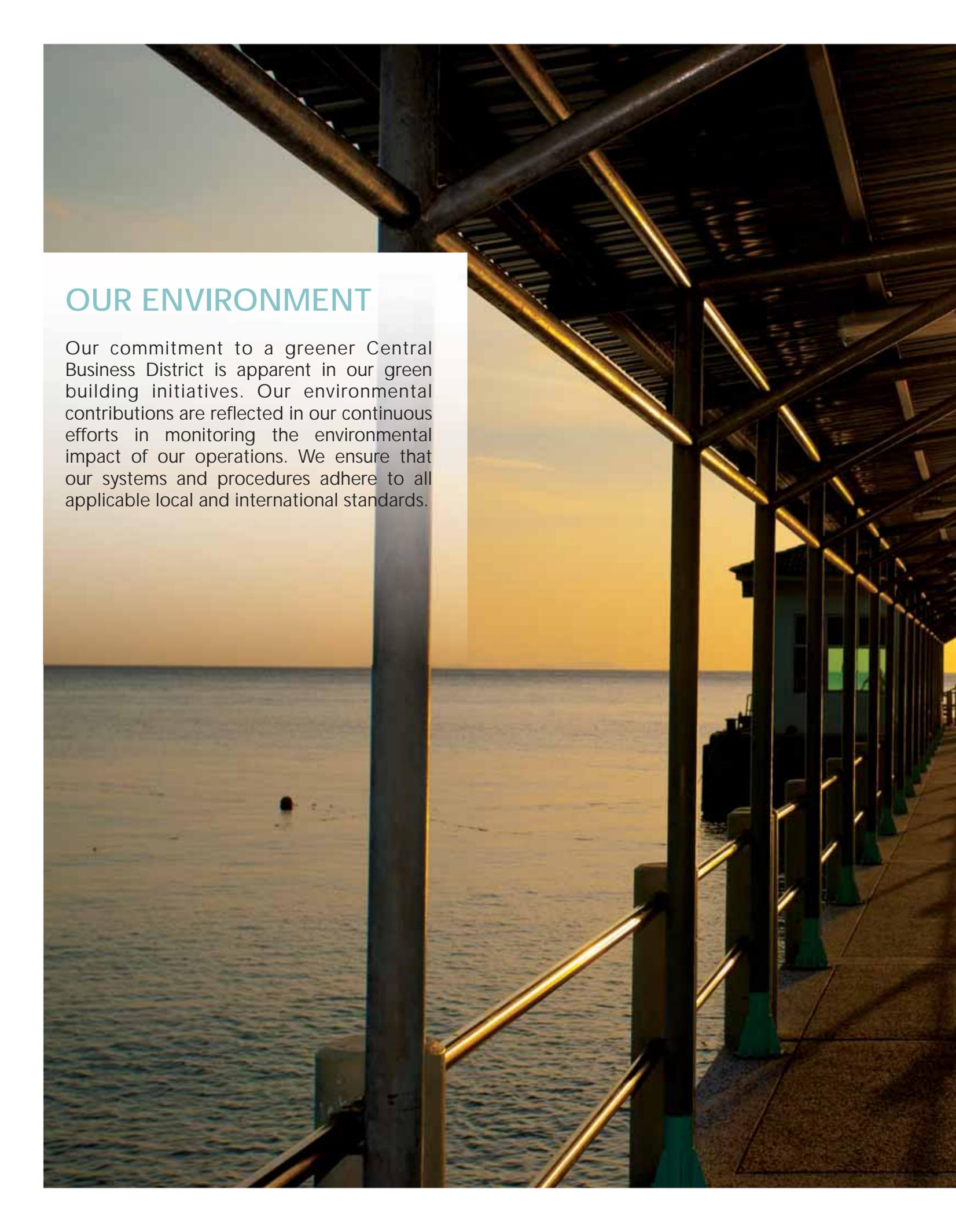
- **Principle 4:** The elimination of all forms of forced and compulsory labour;
- **Principle 5:** The effective abolition of child labour; and
- **Principle 6:** The elimination of discrimination in respect of employment and occupation.

Environment

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

Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.



OUR ENVIRONMENT

Our commitment to a greener Central Business District is apparent in our green building initiatives. Our environmental contributions are reflected in our continuous efforts in monitoring the environmental impact of our operations. We ensure that our systems and procedures adhere to all applicable local and international standards.



OUR ENVIRONMENT

ENVIRONMENT

We recognise the emerging risk of global climate change and the impact it could have on our industry and global citizens. We have a strong corporate commitment to energy efficiency, both in our operations and in our green project investments. We will continue to develop our understanding of the climate and energy. Action will be taken to protect the environment and strengthen our businesses. Our involvement in environment protection has included:

- Improvements 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

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 CBD. 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 CBD development including 348 Sentral, Lot G and Platinum Sentral.

Energy Management

MRCB monitors its energy usage for projects and operations. The Company believes it cannot manage what it cannot measure. During 2012, we have increased our scope for energy use monitoring to include more projects and subsidiaries. These improvements are ongoing and we hope to increase this scope further in the future.

Company	Energy Consumption (kWh)		
	2010	2011	2012
KLSD *	98,231.35	103,854.22	104,447.09
MRDSB	566,059.00	652,185.00	697,245.00
MUSB *	4,448.00	-	-
MSPSB	30,514,422.77	25,711,932.79	39,850,964.25
SIDEC	43,474.00	33,444.00	80,902.00
MRCB Engineering	1,720,299.00	2,638,443.00	2,772,791.20
TTSB	164,680.10	5,377,728.00	682,112.00
MRCB HQ	126,516.02	94,093.60	95,526.01
MRCB Prasarana / ICE	54,847.04	51,352.85	48,044.50
SSKL	17,947,926.89	19,982,693.33	17,453,693.61
Milmix Sdn Bhd	254,620.00	403,118.00	247,760.00
Total	51,495,524.17	55,048,844.79	62,033,485.66

* The meter reading is from the bulk meter which includes Semasa Sentral area, KTMB and common areas.

** MUSB was handed over to the owner and no longer manages this facility.

Green Building

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. Our green developments contribute to this vision through:

- Enhancing and synergising government transportation mode and connectivity issues
- Enhancing the image of building construction activities which are often seen as a public nuisance
- Increasing control of building thermal comfort and utilising available daylight
- Minimising and structuring energy use and consumption, and 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 certification programme designed to support green building design, construction and operations. It promotes a whole-building approach to sustainability by recognising performance in sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

The BCA Green Mark Scheme was launched in January 2005 as an initiative to drive Singapore's construction industry towards more environment-friendly buildings. It promotes sustainability in the built environment and raises environmental awareness among developers, designers and builders. These principles are applied from project conceptualisation and design, through to construction competition.

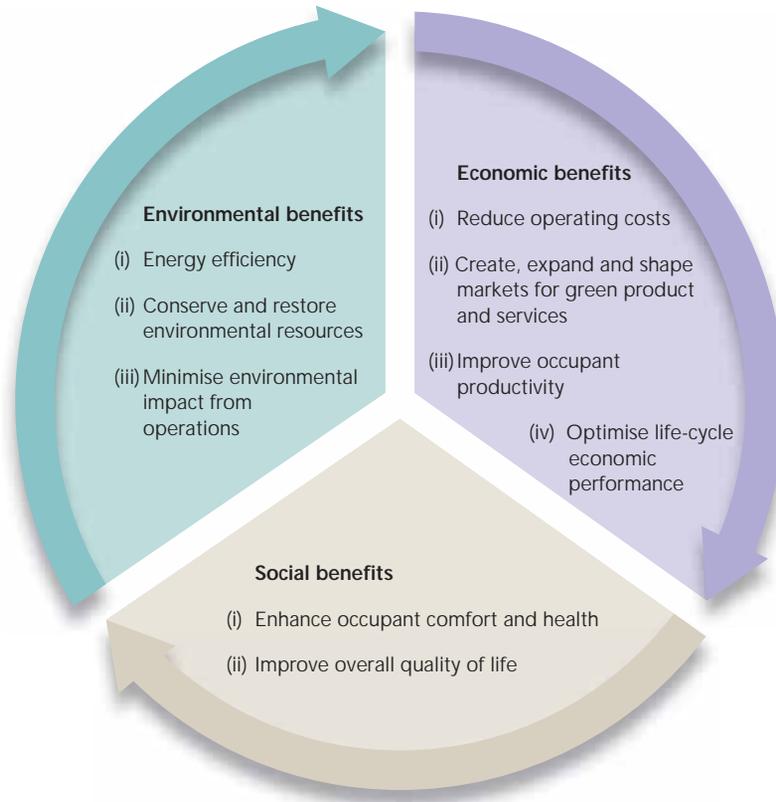
All new projects undertaken by MRCB Land since 2009 conform to the global standards stipulated by reputable green accreditation bodies. The Malaysian Green Building Index (GBI), US-based US Building Council's Leadership in Energy and Environmental Design (LEED) and the Green Mark by Singapore's Building and Construction Authority (BCA) have been implemented. Platinum Sentral was the first development in Kuala Lumpur Sentral to obtain its green certification; BCA Green Mark (Platinum) and GBI (Certified).

The built environment dramatically affects the natural environment, human health and economy. We maximise both economic and environmental performance by adopting green building strategies. Green construction methods are integrated into MRCB's buildings at all stages from the design and through the construction.



Platinum Sentral won numerous green building awards in 2012

OUR ENVIRONMENT



Waste Management

Our practices in the management and disposal of our waste are based on the national waste hierarchy. The fundamental principal of our waste management includes:

- Reducing the use of primary materials, prioritising those which damage health or give rise to waste generation
- Reusing materials when possible
- Disposing of remaining waste in a responsible manner which is in compliance with the requirement of relevant licenses and other obligations

General waste such as 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 followed especially when handling wastes from construction sites:

- 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

The most common construction materials can be recycled including concrete, porcelain, rigid plastics, tile, lumber, metals, masonry, plastic, rock, carpet and insulation.

Our Platinum Sentral project adopts the Pneumatic Waste Collection System. Solid waste is transported pneumatically at high speeds via reticulated pipes to a central plant. It is stored in sealed containers and sometimes compacted before it is transported for disposal as secured landfill. Advantages of this system include:

- **Hygienic** - no more exposed filth and contamination
- **Environmentally Health** - no more bad odours
- **Convenient** - regular round the clock waste removal

Waste Data for Lot G and 348 Sentral in 2012

	Domestic Waste (m ³)	Scrap Iron (m ³)
Lot G	25,552.50	17.132
348 Sentral	12,457.50	222

Water Management

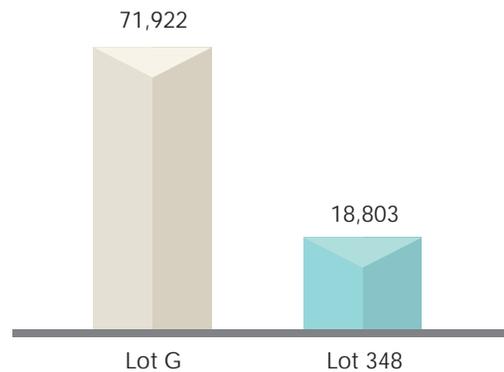
As part of our commitment to drive operational efficiency, we focus on reducing water withdrawal and studying the use of alternative water sources wherever possible.

MRCB uses a multi-pronged approach to realise and sustain water savings. This includes awareness campaigns, measuring and monitoring water usage, sharing results and engineering interventions. Specific actions include:

- sharing information through notice boards and emails to reinforce the water saving concept to employees
- using a water measurement system to monitor water usage in the various sections of our buildings

Water sub-meters are employed to monitor water usages for irrigation, water features and domestic water usage at our Platinum Sentral project. All sub-meters provided are being linked back to the Building Management System (BMS). A rainwater harvesting system has been introduced to reduce the dependency on potable water for landscape irrigation throughout the entire site. A good filtration system will be incorporated into the irrigation system. In addition, rain sensors will be provided as part of effective site irrigation system (100% automated irrigation).

Water consumption (m³) at Lot G and 348 Sentral project sites in 2012



Noise Monitoring

A noise measurement programme ensures compliance with Schedule 6 of the Department of Environment's Planning Guidelines for Environmental Noise Limit and Control, 2004. The noise level monitoring for both Lot G and 348 Sentral is conducted by Alam Sekitar Malaysia Sdn Bhd using a Larson Davis sound level meter, which was calibrated acoustically using a Larson Calibrator.



Part of Nu Sentral roof garden

OUR ENVIRONMENT

Lot G

This legislation stipulates that noise levels at the project site boundary must be controlled at all time to ensure the levels do not exceed 65dB (A) for L90 and 75dB (A) for L10 during daytime. The monitored parameters and the frequency are as tabulated below.

As sampling stations N1 and N2 are situated close to Jalan Tun Sambanthan and Kuala Lumpur Sentral Bus Terminals, noise 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
JAN 2012	LA10	65.5	77.0	80.3	73.0
	LA90	55.5	63.5	50.8	56.1
APR 2012	LA10	93.5	85.0	80.3	73.0
	LA90	59.5	70.0	50.8	56.1
OCT 2012	LA10	70.7	71.0	80.3	73.0
	LA90	65.0	61.0	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					

348 Sentral

In order to comply with Kelulusan Pelan Kerja Tanah given by DBKL, the noise level 15 metres from the piling work area must be controlled between 8:00 and 18:00 to ensure the noise level does not exceed 96 dB(A). Monitoring is carried out at two points, N1 and N2. The monitoring has been conducted throughout 2012. Details of the sampling are shown in the table below.

Station	Description
Site N1	At the east of construction site outside the boundary
Site N2	At the north west, 7th Floor of Suasana Sentral Loft

Noise measurement is carried out in accordance with The Planning Guidelines for Environmental Noise, Limits and Control issued by the DOE in 2004. 24 hour measurement is made continuously with daytime (7AM to 10PM) and night time (10PM to 7AM) segregations as specified in the guideline.

Month	Day/ Night	Noise Level		Baseline (June 2009)	
		dB(A)		dB(A)	
	dB(A)	Point N1	Point N2	Point N1	Point N2
JAN 2012	Day	77.6	69.5	60.9	60.2
	Night	75.1	67.0	58.1	56.3
FEB 2012	Day	68.7	72.8	60.9	60.2
	Night	60.0	73.3	58.1	56.3
MAR 2012	Day	79.1	67.7	60.9	60.2
	Night	71.1	63.8	58.1	56.3
APR 2012	Day	66.7	68.3	60.9	60.2
	Night	58.3	56.3	58.1	56.3
MAY 2012	Day	65.1	69.9	60.9	60.2
	Night	67.2	57.6	58.1	56.3
JUN 2012	Day	65.7	68.8	60.9	60.2
	Night	61.7	66.7	58.1	56.3
JUL 2012	Day	-	-	60.9	60.2
	Night	-	-	58.1	56.3
AUG 2012	Day	-	-	60.9	60.2
	Night	-	-	58.1	56.3
SEP 2012	Day	-	-	60.9	60.2
	Night	-	-	58.1	56.3
OCT 2012	Day	-	-	60.9	60.2
	Night	-	-	58.1	56.3
NOV 2012	Day	72.1	68.7	60.9	60.2
	Night	71.4	77.6	58.1	56.3
DEC 2012	Day	68.7	75.7	60.9	60.2
	Night	32.5	59.1	58.1	56.3
Compliance Limit		Schedule 6 of DOE's Planning Guidelines for Environmental Noise Limit and Control, 2004			

Note: Noise readings for July to December are unavailable

Air Monitoring

Lot G

The points located at A1 and A2 were selected and Total Suspended Particles (TSP) were measured for 24 hours using a MiniVol sampler. The monitoring of TSP was conducted by Alam Sekitar Malaysia Sdn Bhd. The monitored parameters, frequency and results are presented 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		(µg/m ³)
	A1 (µg/m ³)	A2 (µg/m ³)	A1 (µg/m ³)	A2 (µg/m ³)	
FEB 2012	198.41	238.10	81	61	260
APR 2012	277.78	291.67	81	61	260
OCT 2012	166.70	250.00	81	61	260

The TSP measured at Points A1 and A2 were found to exceed the Recommended Malaysian Air Quality Guidelines (RMAQG). This is mainly due to heavy machineries operating in the area. The air quality measured in October and February complied with the RMAQG.

348 Sentral

Parameter	T.S.P		Baseline		RMAQG
	A1 (µg/m ³)	A2 (µg/m ³)	A1 (µg/m ³)	A2 (µg/m ³)	(µg/m ³)
JAN 2012	79.37	138.89	198.41	41.67	260
FEB 2012	178.57	218.25	198.41	41.67	260
MAR 2012	228.17	307.54	198.41	41.67	260
APR 2012	49.6	198.41	198.41	41.67	260
MAY 2012	167.67	194.44	198.41	41.67	260
JUN 2012	194.44	250.00	198.41	41.67	260
JUL 2012	-	-	198.41	41.67	260
AUG 2012	-	-	198.41	41.67	260
SEP 2012	-	-	198.41	41.67	260
OCT 2012	-	-	198.41	41.67	260
NOV 2012	-	-	198.41	41.67	260
DEC 2012	-	-	198.41	41.67	260

Note: T.S.P. data for July to December is unavailable

OUR ENVIRONMENT

ENVIRONMENTAL AWARENESS

Earth Hour 2012

Earth Hour is a worldwide event organised by the World Wildlife Fund which encourages households and businesses to turn off all non-essential lights for one hour to raise awareness on the need to take action on climate change. MRCB supported this event for the fourth year on 31 March 2012. MRCB switched off all non-essential lights for one hour in its building and property under its management to create awareness of the threat of global warming. This includes the iconic Kuala Lumpur Sentral CBD development, comprising landmark office tower 1 Sentral, the iconic Stesen Sentral Kuala Lumpur and Shah Alam property - Plaza Alam Sentral.



Our Carbon Emissions

MRCB fully supports Malaysia's pledge to reduce its carbon dioxide emissions by up to 40% by 2020. This is the fourth year that MRCB is reporting its GHG emissions.

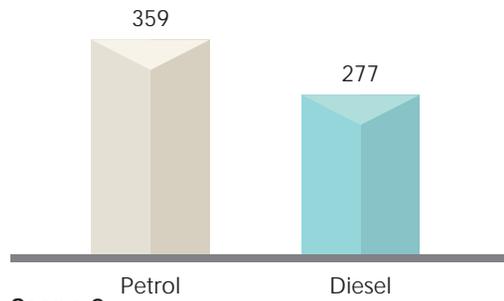
MRCB's emissions accounting is based on the GHG Protocol. Direct GHG emissions are produced from sources that are owned or controlled by us. Indirect GHG emissions are emissions that are a consequence of our activities, but occur at sources owned or controlled by another entity.

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. This year, we have improved our reporting processes by performing separate calculations for petrol and diesel. The emissions factors for diesel and petrol have been derived from the Intergovernmental Panel for Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

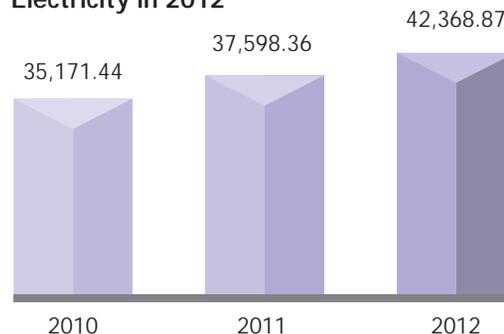
Carbon Dioxide equivalent emissions (MT) from Company-Owned Vehicles in 2012



Scope 2

We improved our data monitoring and gathering processes throughout 2012. This year, we have included electricity from more sites and subsidiaries. The data was obtained from the monthly electricity invoices issued for Kuala Lumpur Sentral Sdn Bhd (KLSD), Malaysian Resources Development Sdn Bhd (MRDSB), MRCB Utama Sdn Bhd (MUSB), MRCB Sentral Properties Sdn Bhd (MSPSB), Seri Iskandar Development Corporation Sdn Bhd (SIDEK), MRCB Engineering Sdn Bhd, Transmission Technology Sdn Bhd (TTSB), Malaysian Resources Corporation Berhad (MRCB) Headquarters, MRCB Prasarana Sdn Bhd / ICE, Stesen Sentral Kuala Lumpur (SSKL) and Milmix Sdn Bhd. All data inputs are in kWh and cover a period of three years from January 2010 to December 2012. The emissions factor has been derived from the Malaysian Green Technology Corporation CDM Electricity Baseline for West Malaysia. The carbon emissions arising from the electricity consumption are as follows:

Carbon Dioxide equivalent emissions (MT) from Purchased Electricity in 2012

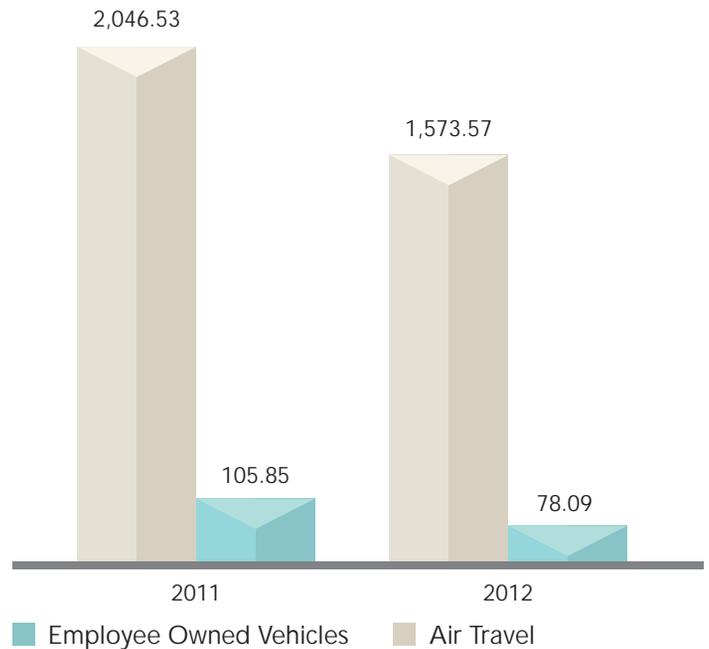


Scope 3

GHG emissions resulting from air travel were measured from point to point including the number of employees on board, flight class and distance. 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 resulting from employees' own vehicles have been estimated from primary data derived from a survey of 217 employees conducted in early 2013. Respondents were asked questions to determine the type, make, model, year and fuel type of 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. The chart opposite compares emissions from employee owned vehicles and air travel in 2011 and 2012.

Carbon Dioxide equivalent emissions (MT) from employee owned Vehicles and Air Travel from 2011 to 2012



Rivermouth Project in Sg. Tekek, Pulau Tioman

OUR ENGAGEMENT WITH THE COMMUNITY

At MRCB, we are passionate about developing the communities in which we operate. We provide financial and non-financial support for a variety of good causes. As a good corporate citizen, we support government initiatives which enhance communities for current and future generations.





OUR COMMUNITY

COMMUNITY

As a Government-Linked Company (GLC), we have an economic and social responsibility to contribute positively to the communities and Malaysia as a whole. We develop partnerships with the local communities in fostering socio-economic development of the people who live near our operations.

Our Children Our Tomorrow - PINTAR

PINTAR – Promoting Intelligence, Nurturing Talent and Advocating Responsibility – is a collaborative social responsibility initiative by the PINTAR Foundation. PINTAR works in collaboration with GLCs and private corporations in Malaysia to foster academic and non-academic excellence, particularly for underserved students nationwide, through its school adoption programme.

In 2012, MRCB continued to support this cause by contributing a total of RM308,000.00 to nine schools. The funds provided educational assistance at these schools in the form of motivational help and tuition. MRCB donated school uniforms, shoes and bags to help alleviate the economic burden of these underprivileged children's parents and their transition to school. MRCB also provided additional motivational and academic assistance in the form of educational materials, tutoring and monetary incentives for high achievers. A 'Young Leaders Campaign' was also introduced to provide school uniforms, bags, shoes and stationery for poor primary school students in rural areas.

The PINTAR programme covers a wide range of activities aimed at providing tuition or additional classes to weaker and financially disadvantaged students. A motivational English and Science workshop, Klinik UPSR, Portal Guru.net and EZ Math are provided to these children.

In 2012, we continued our sponsorship of an English Newspaper pull out, DIDIK, to all schools. This initiative was prompted by the Government, which encourages the use of English in learning. These newspapers and pull outs have become a useful tool in improving students' English language skills.

Contributing to Charity Events

MRCB Contributes RM30,000 to Persatuan Kebajikan Anak Melayu Pulau Pinang

MRCB contributed RM30,000 to Persatuan Kebajikan Anak Melayu Pulau Pinang on 19 January 2012. The event was held at Hotel Royale Chulan, Kuala Lumpur. It saw the TYT Tun Dato' Seri Utama (Dr.) Haji Abdul Rahman bin Haji Abbas accepting the donation from MRCB on behalf of Persatuan Kebajikan Anak Melayu Pulau Pinang. Other guests of honour included YABhg. Tun Abdullah Ahmad Badawi, YB. Tan Sri Nor Mohamed Yacop and YB. Dato' Raja Nong Chik Dato' Raja Zainal Abidin.

'Jelajah Janji Ditepati' Carnival

MRCB donated RM70,000 to Jelajah Janji Ditepati on 17 June 2012 in Taiping, Perak. The carnival is a nationwide tour organised by the Media Prima conglomerate. The event connects the people with the latest transformation initiatives through various government departments and agencies.



PINTAR kids at KidZania Kuala Lumpur

Collections for Humanitarian Causes at Stesen Sentral Kuala Lumpur

Stesen Sentral Kuala Lumpur is the largest railway station in Southeast Asia. Most of Kuala Lumpur's passenger rail lines serve Stesen Sentral Kuala Lumpur, while many intercity trains serving Peninsular Malaysia and Singapore start there.

Since 2005, MRCB has conducted activities which directly collect public donations for all causes based on national interests and concerns. The amounts collected from 2005 to 2012 are as follows:

Year	Cause	Total Collected (RM)
2005	Bandar Aceh Tsunami	20,700
	Pakistan Earth Quake	10,000
2006	Yogyakarta Tsunami and Earthquake	10,000
2008	China Earthquake	6,000
2010	Fund for Gaza 2010	15,000
2012	Donations for Gaza 2012	30,000

Other Welfare, Charitable and Sponsorship in 2012

MRCB also actively contributes to various welfare, charitable and sponsorship requests. This is done through our support for the non-profit organisations including charities and NGOs in our communities.

Each request is carefully evaluated to determine alignment with our CR strategies to ensure that we are investing in sustainable and worthwhile causes. Because of our limited resources, MRCB cannot fund every worthy cause and our grant competition is extremely competitive.

Sports and Recreational Club

MRCB's Sports and Recreation Club (SPARC) collected and donated RM8,000 as part of its contribution to the Silaturrahim Nurul Qana'ah Orphanage Home. The donation was held in conjunction with its breaking of fast event held at Platinum Sentral.

The Malay Mail Care Fund Charity Golf 2012

MRCB supported sport by sponsoring the Malay Mail Care Fund Charity Golf 2012 for RM10,000. MRCB's contribution formed part of the overall initiatives to raise funds for a variety of good causes which included Befrienders, Hospice and MyKasih.

Federal Territory Hari Raya Open House Celebration

MRCB donates RM15,000 "duit raya" to 150 less fortunate people at the Federal Territory Hari Raya Open House Celebration.

Malaysia Achievement Summit and Awards 2012

MRCB sponsored RM10,000 for the Gala Dinner and Awards for the first-ever Malaysia Achievement Awards (MACA) held on 23 February 2012. The gala night commemorated the nation's unsung heroes of 2010 and 2011. It featured prominent figures that have been successful in the local and international arena.

The MACA is a registered independent non-government organisation that liaises between the government and individuals to promote high-level achievements by Malaysians locally and internationally.

FIABCI Malaysia Property Awards

MRCB sponsored the FIABCI Malaysia Property Award 2012 Award Ceremony and Gala Dinner for a value of RM5,500. This event was held on 10 November 2012 at the One World Hotel Kuala Lumpur.

4th International Conference on World Class Sustainable Cities 2012

MRCB was a corporate partner for the fourth International Conference on World Class Sustainable Cities 2012. The conference discussed innovative solutions for developing and improving the quality of urban life through the provision of basic necessities. It addressed solutions for meeting citizens' expectations that may be compromised due to the ever-increasing population size and spatial area.

The Edge-PAM Green Excellence Award 2012 for Platinum Sentral



OUR COMMUNITY

A list of philanthropic contributions made by MRCB during the year is as follows:

Purpose	Amount (RM)
Sponsorship to MPH Group for the publication of Book "Taking The Road Less Travelled - A Journey of Self Examination and Discovery by Dato' Dr Mohd Shahari Ahmad Jabar	15,000
Donation to Persatuan Kebajikan Anak Melayu Pulau Pinang	30,000
Sponsorship to the Industry Award for Best Students in the Faculty Of Business Management & Professional Studies, Management & Science University Convocation	1,000
Donation to Muslim Community in Cambodia by Kolej MARA Seremban	3,000
Sponsorship to Malaysia Achievement Summit & Awards (MACA) 2012	10,000
Donation to Persatuan Orang Cacat Johor Bahru	1,000
Sponsorship to Yayasan Nurul Yaqeen for a charity musical "Broadway Bites"	5,000
Donation to education and welfare of orphans, underprivileged and disabled children in Hulu Langat, Selangor by Addin Islamiah Management	500
Contribution to SMK Vivekananda, Brickfields, school fund	3,000
Contribution to Malaysian AIDS Foundation	35,000
Contribution to Persatuan Sukan Orang Buta Kuala Lumpur	1,000
Contribution to the Police Administrative and Civilian Staff Union in conjunction with the Police Day 2012	500
Contribution to Malaysia Diabetes Association	1,000
Contribution to support the House Build Project 2012 in conjunction with the World Habitat Day 2012	2,000
Donation to Parent-Teacher Association Fund for Sekolah Kebangsaan Bota Kanan, Perak	1,500
Contribution to the Fire and Rescue Department of Malaysia, Kuala Lumpur	11,000
Contribution for Education & Welfare Fund to Persekutuan Guru-guru Melayu Negeri Johor	1,000
Contribution to the Society for the Advancement of the Blind Malaysia	2,000
Contribution to Tabung Bantuan Rakyat initiated by Persatuan Kerabat DiRaja Kedah	2,000

Promoting Health and Wellbeing

Permai Psychiatric Hospital

MRCB handed over Permai Psychiatric Hospital to the Ministry of Health on 30 January 2012. Chief Executive Officer, Datuk Mohamed Razeek Hussain handed over the newly completed hospital to representatives from the Ministry of Health at the special ceremony in Johor Bahru. The event was a symbolic gesture of the successful development of Malaysia's second largest psychiatric hospital worth RM556 million.

Blood Donation Drive

On 20 June 2012, MRCB and Cisco Systems Malaysia Sdn Bhd (CISCO) conducted a successful "Donate Blood. Save Lives" campaign at Sooka Sentral for the Kuala Lumpur Sentral community. The campaign attracted 94 people to donate their blood which surpassed the campaign's target of 50 units of blood.



Supporting Malaysian AIDS Foundation and the Global Poverty Project

MRCB supported the Sapura & Kencana Petroleum Red Ribbon GP Ball 2012 by purchasing a dinner table at a cost of RM35,000. The event was held on 22 March 2012 at the Mandarin Oriental Hotel Kuala Lumpur. The two beneficiaries of the proceeds were the Malaysian AIDS Foundation (MAF) and the Global Poverty Project (GPP). MAF supports the government's efforts to maximise the community's response to HIV/AIDS. The GPP is an international education and advocacy organisation.

Larian Bersama Bomba 2012

MRCB supported the Fire and Rescue Department Malaysia, Kuala Lumpur (JBPM) by donating RM11,000 to its Larian Bersama Bomba Ke-10 2012. The event was held on 6 May 2012 in conjunction with World Fire Fighters Day 2012. Various activities were held by JBPM to enliven the celebration including 7 km and 10 km fun runs.

The event received an overwhelming public response which targeted a total of 5000 participants to take part in the run for all categories.

Cultural and Festivals

Federal Territory Day Celebration Parade

On 28 January 2012, MRCB supported the Federal Territory Day Parade by sending a contingent of 54 marchers to the event. A total of 94 contingents took part with some 8,000 people from various sectors including residents associations, government bodies and school children.

The event's theme, "Rakyat Bersatu Wilayah Persekutuan Maju" was in line with the 1Malaysia concept. MRCB utilises their corporate uniforms to represent unity and togetherness.

MRCB ushers the coming of Chinese New Year with Lion Dances

MRCB sponsored two Lion Dances, which performed at Kuala Lumpur Sentral CBD on 2 February 2012. This cultural dance ushered another year of prosperity for the Chinese community. The lion dance performances were conducted at Sooka Sentral and the 1 Sentral building, signifying the bringing of wealth and prosperity to both businesses and people.

Kembara Mahkota Johor 2012

MRCB donated RM50,000 to Setiausaha Kerajaan Johor for Kembara Mahkota Johor 2012. The Kembara Mahkota Johor is an annual royal motorcycle tour programme held by the state government of Johor under the direction of the DYMM Sultan of Johore. The royal expedition was participated by a group of motorcyclists led by DYMM the Sultan himself. The convoy travelled hundreds of kilometres through all 10 districts of Johor. The Kembara Mahkota Johor is held to engage with Johoreans and provide monetary contribution to the poor.

Young KL Singers' Poppzical Concert

MRCB donated RM1,000 to the Young KL Singers' Poppzical Concert, which was held from 29 August to 2 September 2012. "POPZZICAL" celebrates the 10 year journey of the Young KL Singers through songs from the genres of Pop, Jazz and Musical Theatre.



Federal Territory Day Parade

OUR COMMUNITY

Supporting Education

MRCB Internship Programme

MRCB conducts an internship programme which mutually benefits the organisation and society. This programme provides local university students with essential work experience which is required for the completion of degree courses. These students are given a stipend throughout their time with MRCB to help with their living and travelling costs.

MRCB believes in the programme as it exposes students to industry and on-the-job training. Society as a whole benefits as the nation's skills are enhanced. MRCB considers the suitable students for full time positions subject to the job description, criteria, vacancies and suitability.

SL1M Management Training Programme

Every university graduate's output is a national asset. The Government has implemented measures to improve the employability of graduates, particularly through programmes administered by the Ministry of Higher Education. These programmes have succeeded in reducing the mismatch between the university and the needs of industry.

The Government launched the Skim Latihan 1Malaysia (SL1M) initiative based on the success of a similar programme conducted in Bank Negara Malaysia.

MRCB supports this initiative along with other GLCs and private sector companies as part of its CSR Programmes. The programme trains these candidates and increases their self-confidence which makes them more employable by large companies. Graduates are provided with a stipend of RM1,000 medical benefits and one day of leave per month.

Study visits by institutions of higher learning

MRCB recognises the role of industry in higher education and is happy to share its knowledge of construction with these academic institutions.

On 22 March 2012, we welcomed a group of students from the University of Nottingham, Malaysia Campus on an educational tour of Kuala Lumpur Sentral CBD's Lot G retail mall site. Students gained practical information of construction site work to complement their theoretical knowledge. The areas of sustainable construction and green buildings were introduced as MRCB representatives shared the environment concerns of the construction industry.

MRCB's PINTAR Schools visit KidZania as part of Educational Trip

100 students from MRCB's PINTAR schools were treated to an educational trip to KidZania on 15 October 2012. This trip formed part of the schools extracurricular programme in addition to its motivational and academic programmes.

KidZania Kuala Lumpur is an indoor family edutainment centre. It offers an interactive learning and entertainment experience for children. This kid-sized city delivers the first-of-its-kind edutainment fun. The KidZania experience is about real-life experiences, empowering, inspiring and educating kids through role-play.

The PINTAR students were allowed to "play grown-ups" by performing real life activities that usually only adults would experience. These included going to work, smart spending and independence.



A future TV host in the making

Learning the ropes of a real-world occupation



Charity Musical for Medical Education

MRCB donated RM5,000 to a charity musical 'Broadway Bites' in aid of Projek Hati Nurani — Program Sekolah Dalam Hospital.

It provides structured yet flexible education programmes specially tailored for pre-schoolers to upper secondary pupils undergoing extensive periods of medical care in hospitals. The project, launched in July last year, is being implemented in Hospital Kuala Lumpur, Hospital Serdang and Hospital Ampang.

The project was a joint initiative between the Education Ministry and Yayasan Nurul Yaqeen, which is under the patronage of YABhg Puan Sri Noorainee Abdul Rahman, the wife of Deputy Prime Minister YAB Tan Sri Muhyiddin Yassin.

School Fund Donations

MRCB contributed RM3,000 to the Parents and Teachers Association (PTA) of SMK Vivekananda in Brickfields. RM2,000 was also donated to the PTA of SK Kajang Utama School Fund. MRCB donated a further RM1,000 to the Publishing Club of Universiti Teknologi MARA (UiTM) Shah Alam.

Other Humanitarian Causes

MRCB also made contributions to other humanitarian causes. A donation of RM2,000 was made to Persatuan Kerabat Diraja Kedah for its Tabung Bantuan Rakyat. An additional contribution of RM3,000 was made to Kolej MARA Seremban for the Muslim community in Cambodia.

Investor Relations

Investor Relations ("IR") is an area of communication where public disclosures are unravelled for clarity primarily in relation to the Company's business strategies, concepts, ideas, risk management and key performance indicators. These are exchanged during discourses mainly with the investment and financial stakeholders which ultimately contribute to the fair valuation of the Company's securities. Generally, the stakeholders include shareholders, institutional investors, fund managers, analysts, bankers, research houses, stock broking houses and the investing public.

MRCB's practice of IR attempts to dispel any confusion and clarify situations based on feedback or market reaction to the Company's existing and future business operations through:

- Timely, consistent, orderly and fair dissemination of information in accordance with Bursa Malaysia's Listing Requirements;
- Accurate portrayal of the Company in a transparent manner, its accountability and responsibility as a corporate citizen that adheres to the practice of good corporate governance;
- Identifying market concerns of the Company's prospects and managing issues that might have adverse impact on the Company's financial standing; and
- Maintaining a good working relationship with the investment and financial community.

Public Policy Development

MRCB supports the government's efforts on social and national development. The "Silver Book - Achieving Value through Social Responsibility" has been adopted since 2007. This document provides 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. MRCB has 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 comprising luncheon and dinners; visits to relevant ministry or government agencies; sponsorships and donations; events and direct mailing letters.

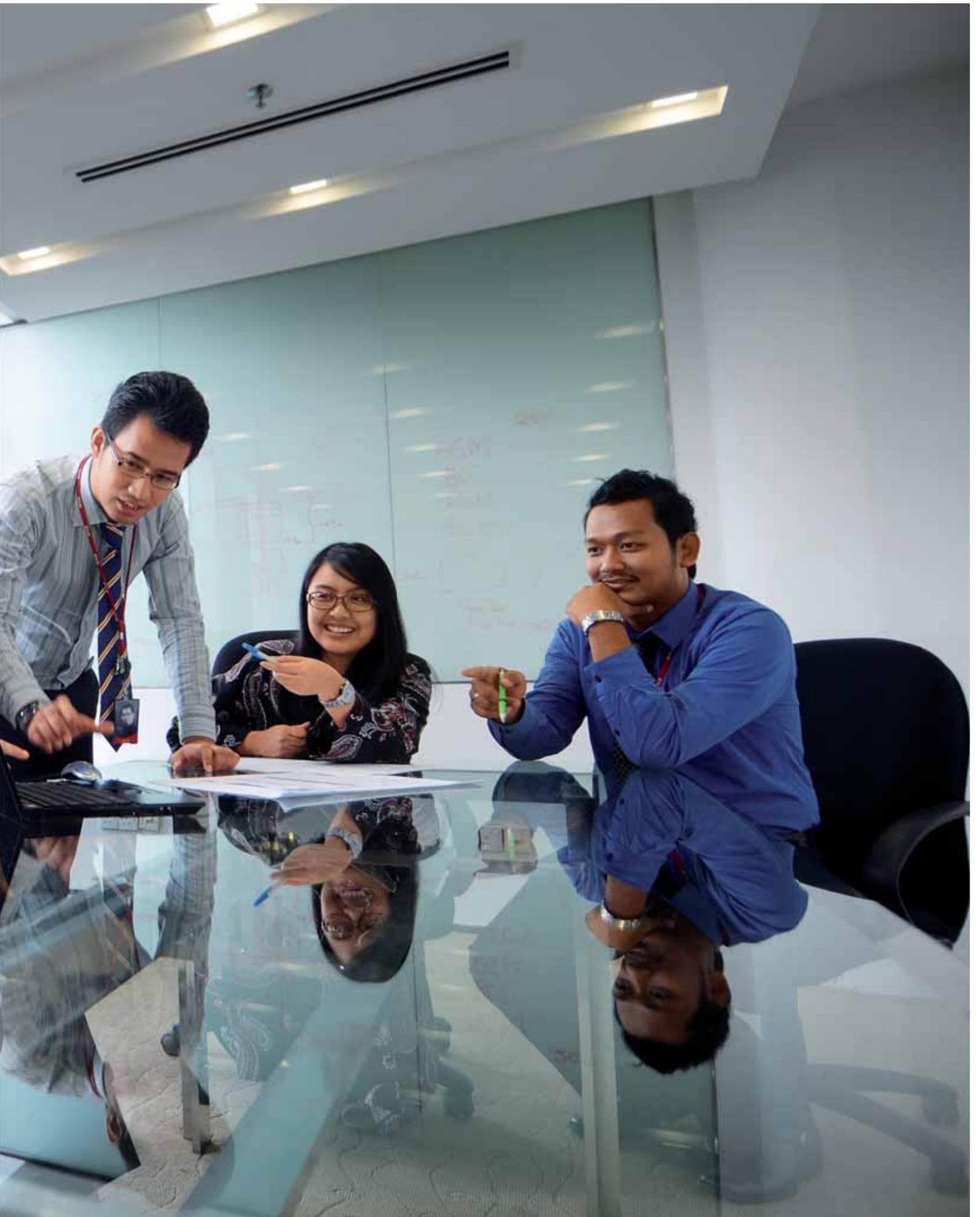
Compliance

We are pleased to report that there were no incidents or penalties for violations involving anti-competitive, anti-trust or 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 were reported in 2012.

A woman wearing a purple hijab and a black blazer is seated at a desk in a modern office. She is looking down at a laptop. The office has large windows that offer a panoramic view of a city skyline at sunset. The sky is filled with soft, golden light and scattered clouds. Several tall skyscrapers are visible in the background, their silhouettes softened by the distance and the light. In the foreground, a dark blue office chair is partially visible, and the desk surface is reflective. The overall atmosphere is professional and serene.

OUR EMPLOYEES ARE OUR GREATEST ASSET

Caring for our employees provides symbiotic benefits to both MRCB and its workforce. We focus on developing employees' career opportunities within the Company and monitoring their satisfaction. Our respect for diversity is reflected in providing equal opportunities for all sections of the community.



OUR WORKPLACE

WORKPLACE

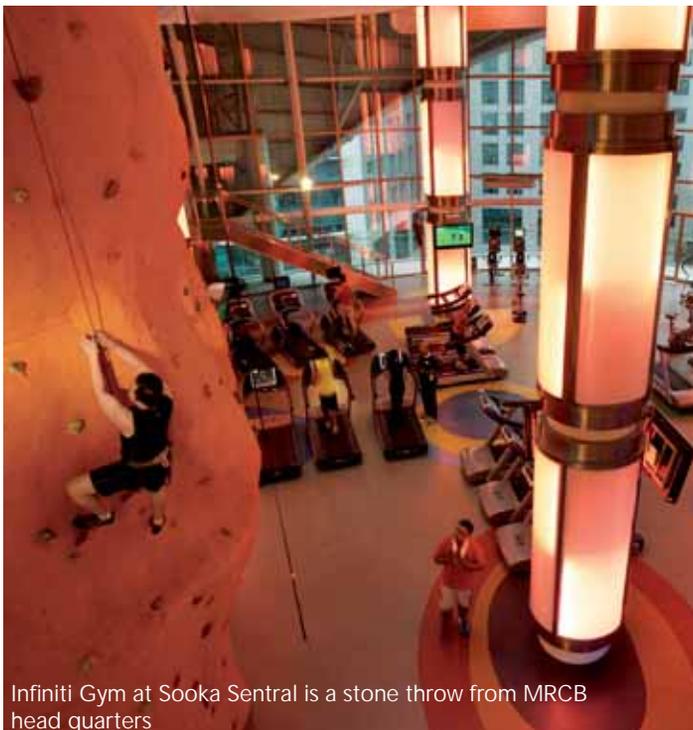
We focus on developing our employees' careers as we expand and add new opportunities. We provide our employees with on-board training from day one to help them get on track. MRCB achieves its goals by helping its employees achieve theirs. This is an integral part of growing our company and rewarding deserving employees with compensation and advancement opportunities. Security and safety is an important part of our culture. We encourage our employees to make it their personal responsibility to make sure that our work environment is safe.

Labour Practices and Decent Work

Work-life balance

At MRCB, we passionately believe that promoting a positive work-life balance has noticeable benefits for the Company and its employees. Employees who are able to maintain a work-life balance are more productive. They are also more loyal to the Company which saves both the time and money involved in recruiting new staff.

In an anonymous survey conducted in early 2013, we asked our employees if they believe MRCB has the right balance between family and work life. We discovered that 72.35% were satisfied with the balance between family and work. Only 5.07% were dissatisfied with this.



Infiniti Gym at Sooka Sentral is a stone throw from MRCB head quarters

Supporting Local Talents

MRCB sets no formal guidelines for the hiring of locals and foreigners although we prioritise the hiring and development of local people. We opt to use local supply chains wherever possible. MRCB participates in various career fairs to attract the best people from the industry. We participated in various career and job fairs in 2012 including:

- Barisan Nasional (BN) Youth Job Fair, Kuala Lumpur from 16 to 18 November 2012
- BN Youth Job Fair, Kuala Lumpur from 11 to 13 May 2012
- MY Career Fair, Universiti Putra Malaysia on 25 February 2012

An estimated 400,000 to 500,000 job-seekers attended the three-day job fair. Candidates from school leavers to fresh graduates attended the fair, which was launched by the Prime Minister, Dato' Seri Najib Tun Razak.

Benefits

At MRCB, we offer an attractive benefits package in addition to our basic salaries. The health and wellbeing of our employees is a chief concern for us. We provide comprehensive medical benefits to our employees. All employees have access to free medical consultations, treatment and medicines prescribed by our panel clinics. In emergencies, the treatment cost from any registered medical practitioner is reimbursed by the Company. This coverage is extended to employees' spouses and children if they do not enjoy medical cover from their own places of work.

Employees are entitled to sick leave upon producing a medical certificate from our approved panel clinics or during an emergency by any registered medical practitioner. Employees may be granted sick leave without hospitalisation up to a maximum of 28 working days per year. Hospitalised employees may take sick leave up to a maximum of 60 days, provided it is recommended by our panel of doctors.

Female employees are eligible for maternity leave on full pay for 60 consecutive days. All female employees are also entitled to a maternity benefit payment for each delivery. Two days Paternal Leave is also provided to employees who are fathers.

MRCB grants Compassionate Leave for various reasons. Employees are given three days Marriage Leave for their first legal marriage. An employee may be granted three days for a family bereavement. Two days are granted in the event an employee suffers a natural disaster.

Examination leave may be provided with full pay for employees in the course of study related to their work. MRCB will also

reimburse the cost of relevant education up to a maximum of RM6,000 per course. This covers all courses up to degree level.

Employees are eligible for Pilgrimage Leave up to 40 days. As part of the Caring Management Policy, Muslim employees may opt for the early withdrawal of their retirement benefit to perform the Haj. Employees must have served for more than five years and it is granted only once during a lifetime.

A festival subsidy is given to all employees celebrating various festivals to further enhance the good relationship between MRCB and its employees. Each employee is entitled to one festival subsidy voucher worth RM50. This is redeemable at selected departmental stores for the following festivals:

No.	Festival	Employee
1	Hari Raya Puasa	All Muslim employees
2	Chinese New Year	All Chinese employees
3	Deepavali	All Indian employees
4	Christmas	Staff celebrating Christmas

Eligible employees will be reimbursed the monthly subscription fee for one professional membership club. A daily Outstation and Overseas Subsistence Allowance including travel and accommodation is given to employees depending on their travel work assignment destination.

We are interested to learn how our benefits programme is received so that we can improve it. We conducted a formal survey of employee responses of those entitled to various benefits during 2013. 64.06% of employees were satisfied with the medical benefits they received. 60.37% of employees were satisfied with the group insurance scheme that covers employees' life, hospitalisation, surgical costs and personal accidents. 59.26% were satisfied with the level of additional specialist medical care made available to all employees and their immediate family members.

Competitive Salaries

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

Training and Development

Training and development is an important aspect in the growth of MRCB. A formalised and comprehensive Training and Development Policy has been formulated. This document

defines its scope and responsibility and shows clearly how training and development is expected to contribute to the achievement of goals. This policy is essential to the planning and implementation of a training function. Without it, each training and development module will be conducted in isolation without considering the overall needs of the organisation.

All MRCB personnel are eligible to attend internal in-house training programmes based on Training Needs Analysis (TNA) and nomination by their respective division or department heads.

External courses are attended to MRCB staff after nomination by their respective head of division or department and by the Human Resource Department. These courses are usually for a long period and lead to a professional certification examination such as a diploma.

Our Human Resource department conducts a customised training programme for our employees on a yearly basis to meet the current industry standards. Our internal and external programmes are designed to develop our employees' careers by providing them with the necessary hard and soft skills required to succeed. This tailored approach equips our employees with knowledge relevant to their roles to further enhance our workforce.



Quality moments with colleagues

OUR WORKPLACE

Examples of training programmes attended in 2012

Internal Training	External Training
Contract Administration	2nd International Conference on Water Resources
First Aid & CPR Training	5 Days QMSIac/ISO 9001 Training Course
Handling Disciplinary Issues	Confined Space Authorized Entrance
Finance For Non Finance	Fraud, Bribery & Corruption - A Global Issue
Business Communication & Report Writing Skills	Forensic Accounting And Financial Crime
Project Management	Occupational Health & Safety (OH&S) Process Based Internal Auditing
HIRADC	OSH Best Practice Indoor Work Environment
Classic Awareness	Quality Assessment System in Construction

We conduct internal training programmes and team building activities for our employees. At MRCB, the development of good team-building skills unites our employees around a common goal and generates greater productivity. We understand that without them, we are limiting our employees to the effort each individual can make alone.

We conducted a survey to gauge employee job satisfaction and ascertain the levels to which their training and career development programmes fulfil their needs. This online survey was carried out anonymously by independent consultants during early 2013. It was hoped that this approach would help document our employees' views more accurately and clearly.

125 of the 217 respondents had been involved in some way with MRCB's team building activities. These employees were asked if they thought the team building programmes has helped them in five key areas. The percentages of respondents helped by these programmes for the last two years are presented in the following table.

Teambuilding Improvement Area	Year	
	2011	2012
Improved my people skills	76.23%	77.60%
Improved my management skills	58.20%	67.20%
Encouraged a new working culture	68.03%	75.20%
Created a sense of company pride and loyalty	64.75%	78.40%

More detailed analysis of the data found that 88.80% of employees agreed that the programme had improved one or more areas. We are pleased the effectiveness of our teambuilding programmes has improved from the previous year. 13.65% more employees believe the team building programmes helped create a sense of company pride and loyalty. 9% and 1.37% more consider their management and people skills have improved respectively. 7.20% more thought these programmes encouraged a new working culture.



Engaging the Brickfields community

Employee Satisfaction

Employee behaviour is often influenced by the working environment, colleagues' behaviour, leadership and management policies. At MRCB, we believe that our management must be aware of employees' attitudes, opinions and satisfaction levels. This allows us to optimise employee outcomes and set realistic goals and KPIs.

MRCB conducted a survey to measure the satisfaction, motivation and loyalty of employees. The survey was conducted in February 2013 for the year 2012. This was based on a similar survey performed in March 2012 for the year 2011. These surveys aim to identify HR focus areas and activities in the coming years and both were conducted by an external consultant.

Results of Employee Satisfaction Survey for 2011 and 2012



The survey results suggest our employees are much happier than before. The largest increases relate to the effectiveness of communication in MRCB and the strength of the Company's leadership. The Company's strategy, working environment and general satisfaction levels have also improved significantly. We are pleased that our employees are increasingly happy and hope to sustain these high standards in the future.

Performance Development Reviews

Performance Development Reviews are means of appraising employees' performance. At MRCB, it is defined as a procedure which sets work standards, assesses employees' actual performance relative to these standards. The review process provides feedback to motivate employees, eliminate performance deficiencies and continue performing above average.

The objective of the review process is to provide systematic evaluation of an employee's job performance. This process encourages quality performance by rewarding those who perform well and improve current performance by giving workers feedback. It also identifies training needs and initiates fair disciplinary proceedings. This process provides useful channels of communication between managers and their subordinates.

At MRCB, we conduct an annual performance appraisal in addition to informal periodic and ad hoc reviews. This engagement ensures that regular feedback is obtained to help motivate the strong performers and discover 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.

At MRCB, performance management is an on-going, year round interactive process between managers or supervisors and their employees. Our performance management system encourages ongoing coaching, counselling and development through open discussion on career opportunities.



Continuous performance review provides channels of communication among employees

OUR WORKPLACE

Step One - Distribution and Completion of the PDR Forms

The Performance Development Review (PDR) forms are distributed to the respective Head of Companies / Head of Divisions by the first week of October together with the set guidelines. The immediate superior arranges for a suitable time for the Performance Review interview with individual employees.

Step Two - Verification and Checking

Human Resource checks for completeness and accuracy of the PDR forms before tabulating the final report. The above process is completed within two weeks.

Step Three - Review Committee

Human Resource discuss with individual Company/Division on the justification of the grading for each Executive at the levels stated above if the ratings do not follow the set guidelines.

The result of the appraisal process is mapped across five levels of performance ranging from A to C. The summary results obtained in 2012 are:

	A	A-	B+	B	B-	C
Percentage of Employee (%)	5%	1%	15%	73%	5%	1%

Semasa Sentral Staff Recognition Day

Semasa Sentral Sdn Bhd, a subsidiary of MRCB celebrated its 11th anniversary as the station manager of Stesen Sentral Kuala Lumpur (SSKL) on 24 April 2012. In conjunction with the commemorative event, it also held a staff recognition day which recognised its customer-facing employees with a special Staff Excellence Award. The award was presented by MRCB's CEO, Datuk Mohamed Razeek Hussain.

Promoting Wellbeing of Our Employees

MRCB Sports Club and Recreational

At MRCB, we believe in nurturing a work-life balance culture that provides all employees with an equal opportunity to make healthy choices. MRCB Sports Club and Recreational was established in 1996 with the following objectives:

- To increase motivation levels, promote healthy lifestyle and morale of employees for future endeavours
- To maintain and improve relationships and teamwork in MRCB
- To complement the Teambuilding activities across Divisions

This initiative is in line with the overall goal of improving morale, inculcating passion towards MRCB and improving interdepartmental relationships. There were a total of 653 members registered as at 31 December 2012.

Various events were held during the year to promote the spirit of sportsmanship, teamwork and fun among its members. These activities include:

Date	Event	Venue
7 JAN 2012	MRCB Bowling Tournament	Cosmic Bowl, Mid Valley Megamall, Kuala Lumpur
27 MAR 2012	Netball Friendly Match with FELDA	FELDA D'Saji, Jalan Semarak, Kuala Lumpur
12 MAY 2012	Pertandingan Badminton Terbuka 2012	Dewan Dato' Haji Sidek, Kuala Lumpur
15 AUG 2012	Iftar Bersama Anak-anak Rumah Silahurrahim Nurul Qana'ah	Platinum Sentral
3-4 NOV 2012	MRCB Race 2012	Gold Coast, Morib

Listening to our Employees

Our grievance policy and procedures are important to prevent a single person making decisions arbitrarily that are prejudicial to the interests of employees and the Company. These procedures allow employees to voice their problems or complaints to higher levels of management. The aim is to settle grievances as close as possible to the root cause. Employees are encouraged to discuss their grievances with their immediate superiors first. If a satisfactory response is not received, appeal procedures can be followed.

Harassment

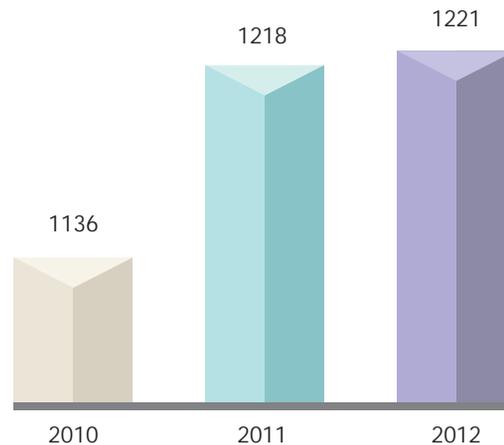
Abusive, harassing or offensive conduct is forbidden at MRCB whether it is of a verbal, physical or visual nature. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. We are all encouraged to speak out when a fellow employee's conduct makes us feel uncomfortable and report harassment when it occurs.

Objectionable material must not be transmitted or downloaded and doing so is considered a serious breach of the Code of Ethics. Offensive materials from the Internet of religious, political, racial or gender perspectives are classified as objectionable material. These include materials that have the potential to incite hatred or ill feelings of various parties. Objectionable material also includes pornography, gambling and insensitive religious, sexist, political and racist comments.

Workplace Diversity

At MRCB, all employees are responsible for fostering an atmosphere that promotes good relations between one another. Managers are required to oversee their subordinates in the most effective and efficient manner. They are expected to make fair decisions which are free from discrimination based on MRCB guidelines and policies. Employees must not discriminate against any individual or group because of race, religion, gender or disability. They should not use their position or other advantage, such as seniority or physical size, to harass or intimidate others.

Total number of employees



Close relationship makes MRCB a great workplace

OUR WORKPLACE

WOMEN EMPOWERMENT

I joined MRCB in 2007 as a Project Director. My experience throughout my career life with MRCB has been great. There is no gender discrimination and we are assessed on performance. The Company respects our rights and flexibility is given. As a female employee, this is very useful as I have a career and a family to look after. A flexible working arrangement is given by the Company which allows overtime to be converted to replacement leave.

MRCB has always been supportive in developing my career. There are in-house training programmes which provide us with basic functional skills. A generous budget is allocated for developing our technical expertise in areas relevant to our field. MRCB is a diverse Company. I can see and feel the support from our CEO given to employees regardless of gender. In fact, I have seen increasing numbers of female colleagues holding positions in building servicing, construction and maintenance which used to be male dominated.

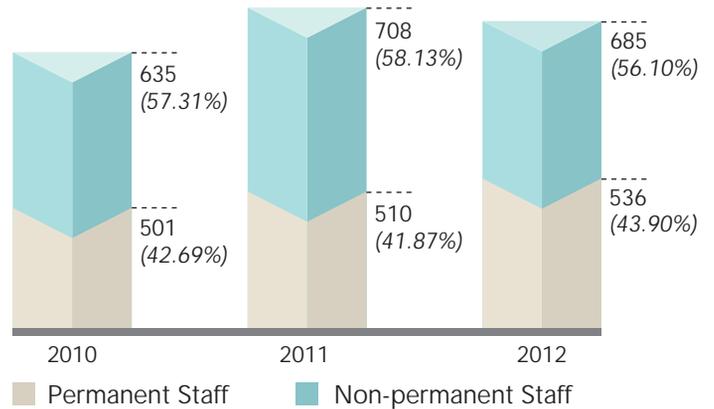
It was no doubt a challenge for me when I first joined this 'male-oriented' department. However, I believe that women can do an equally good if not better job as we are well-known to be more fussy and detailed. At MRCB, security and safety of employees is always a priority. There is always a security person who follows us whenever we go for site visits and we can never visit site areas without proper Personal Protective Equipment (PPE).

To all females, remember that the key to success is to believe in yourself. You need to make your presence felt and always articulate your opinions clearly. It can be challenging for us women as we are expected to do a little bit more to prove ourselves. So just go beyond those boundaries.

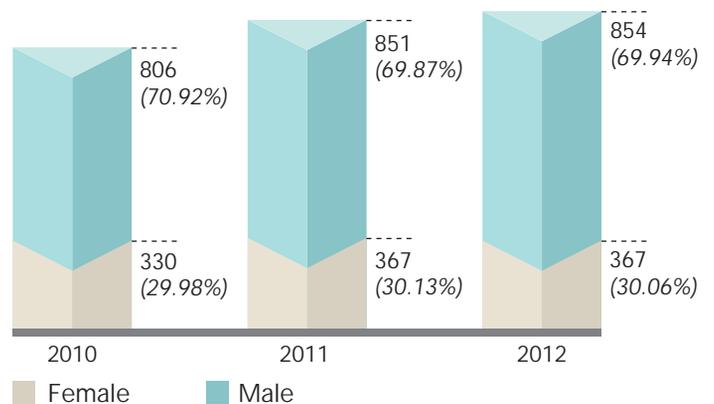
Nooraini Mohamad Rashidi
Vice President - Property Development

MRCB is an equal opportunities employer which does not discriminate against women. Due to the nature of MRCB's operations, there are naturally more men than women. MRCB is considering introducing various programmes to encourage more women in management and aims to deliver various training courses to promote women empowerment.

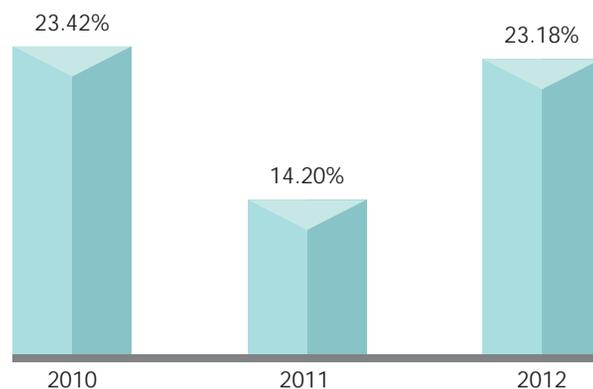
Breakdown of employees by type



Breakdown of employees by gender



Employee Turnover



The table above appears to show large fluctuations in employee turnover. However, these figures include contract workers who are employed on a project basis. Our employee turnover rates are naturally affected by the natural expiration of these workers' contracts.

Human Rights

Our Human Resource 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 adding value during suppliers and contractors screening. Once a sub-contractor has been awarded work, only legal workers can be employed. Foreign workers must have a valid work permit and comply with statutory regulations.

We are pleased to report that there have been no incidences of discrimination or risk to freedom of association and Collective Bargaining during the year. Our operations are mainly in areas of urban development which do not affect the rights and lives of the indigenous communities. MRCB complies with the Children and Young Persons (Employment) Act 1966 which prohibits the employment of the underage group. There were no incidents of violations involving discrimination, child labour, forced or compulsory labour risks.



Notice Period of Operational Change

Any restructuring of operations is usually done after consulting 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 its employees, MRCB tries to give a minimum of two weeks' notice to the relevant employees. If possible, the Company would provide a longer notice period for more significant operational changes.

	2010	2011	2012
Employees			
Total number	1136	1218	1221
Executive	672	674	653
Non-Executive	464	544	568
Permanent Staff	501	510	536
Non-permanent staff	635	708	685
Female	330	367	367
Male	806	851	854
Age group			
<30	454	516	521
30-50	624	638	630
>50	58	64	70
Diversity			
Malay	1004	1088	1090
Chinese	69	65	63
Indian	42	43	37
Others	21	22	31
Employee Turnover			
Employee Turnover Rate	266	173	283
Executive	55	84	143
Non-executive	211	89	140
Women in Management			
% Women in management	1	1.1	1.2
% Women in top management	0.1	0.1	0.1

OUR WORKPLACE

Health and Safety

MRCB's Health and Safety Policy has been developed to assure that business activities are conducted with full concern for the safety of its facilities. This is to protect the safety and health of its employees, communities adjacent to our operations and the general public.

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

Project	Total Hours (on Man total project)	Accident Data (MRCB Staff)		Accident Data (Contract Staff)	
		Injury	Death	Injury	Death
LOT 348 (under construction)	2,185,590	0	0	3	0
KUALA PAHANG ENVIRONMENTAL PROJECT (completed)	245,537	0	0	0	0
LRT AMG LINES PACKAGE B (under construction)	258,096	0	0	0	0
4TH LANE WIDENING-PACKAGE E (under construction)	196,160	0	0	0	0
LOT A CIMB OFFICE TOWER (under construction)	1,153,830	0	0	3	0
LOT G (retail) (under construction)	2,822,700	0	0	3	2
MUARA SG PERAI FASA 3 (under construction)	154,610	0	0	0	0
EASTERN DISPERSAL LINK EXPRESSWAY (completed)	2,340,368	0	0	0	0

We are pleased that there were no injuries or fatalities sustained by any of our employees in 2012. Projects included our sites at Kuala Pahang Environmental, LRT AMG Lines Package B, 4th Lane Widening Package E, Muara Sg Perai Fasa 3 and EDL.

Unfortunately, three contract workers were injured in the construction of Lot 348. A bricklayer unintentionally dropped an object from Level 5 which injured a worker below. A general worker was sprayed in the face by hot water coming out from a forklift truck's radiator. He suffered minor burns to his face. A third worker lost his footing and fell to level 33 from 35. It is thought he may have lost consciousness due to fasting.

Three contract workers also sustained injuries in the construction of Lot A CIMB Office Tower. In the first incident, one worker fell onto the starter bar underneath the stairs. This worker sustained cuts to his right thigh and received stitches as an outpatient in a local clinic. In the second incident, power cables were torn when scaffolding was raised. One person was bruised when he fell on the AHU control panel; another was bruised as the scaffolding sagged towards the control panel.

In Lot G retail, three incidents occurred resulting in three injuries. In the first incident, one worker was injured when he fell from a height of 3.1 metres while striking formwork. In the second incident, a contractor was injured when he was hit by a steel bar which fell four levels. In the third incident, a worker was injured as he lost his balance and fell six metres avoiding the lifting chain. MRCB immediately took care of these injured workers by taking them to hospital to ensure their wellbeing.

Unfortunately, two contract workers were fatally injured: one who fell five metres while taking a short cut and another who was hit by an MS splice plate which fell six metres. We covered the expenses of these contract workers to be returned to their home countries. We notified DOSH and the other relevant authorities and these incidents were found to be due to contractors' negligence. MRCB strives to reach a zero accident level and we take all incidents extremely seriously. We continue to improve our safety procedures and take all possible measures to reduce our incident levels.

Safety and Health Committee

In Malaysia, companies with forty or more persons employed at the place of work are required to establish a safety and health committee. MRCB has established such a committee to adhere to these regulations to secure the safety, health and welfare of all employees and workers. The committee:

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

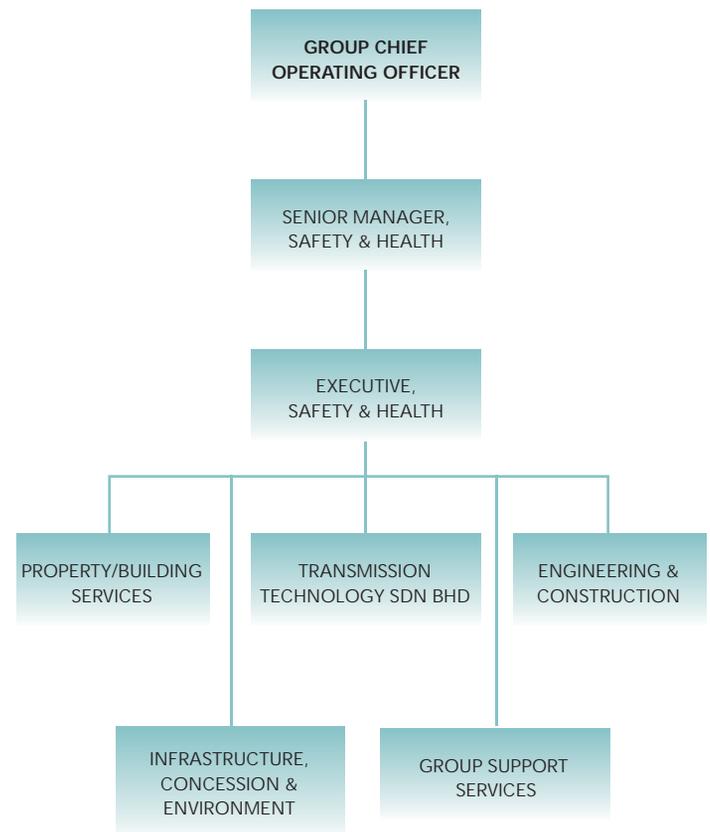
The committee conducts ad hoc inspections to ensure that there is nothing prejudicial to the Safety and Health of persons at the place of work. Observations made by members of the committee are discussed as soon as practical. Rectification recommendations are recorded.



Safety briefing to visitors

The committee inspects the place of work following any accident, near-miss, dangerous occurrence, occupational poisoning or occupational disease. A Safety and Health Officer (SHO) reports his findings to the Chairman as soon as is practical. In a case where no SHO is employed, the authorised manager assumes this role. Recommendations of the measures to be taken to prevent the recurrence of the incident are made to MRCB.

MRCB operates in a high-risk environment. It is our responsibility to practice high standards of safety control to safeguard our employees and other people that may be affected by our operations. 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.



OUR WORKPLACE

Safety and Health Assessment System In Construction

MRCB continuously upgrades its health and safety performance. We are currently working towards achieving the Construction Industry Standards (CIS 10:2008) which is a safety and health assessment system in construction. This comprehensive certification adopts several components including Occupational Safety and Health Act and Regulations (OSHA) 1994 (Act 514), Factory and Machinery Act (FMA) 1967 (Act 139), Occupational Health and Safety Management System (OHSAS 18001:2007), and Occupational Safety and Health Management System, MS:1772:2005.

The Safety and Health Assessment System In Construction (SHASSIC) evaluates a number of areas including our OSH policy, OSH Organisation, Hazard Identification, Risk Assessment and Risk Control (HIRARC), Training and Promotion, Machinery Management, Emergency Response Plan (ERP), Material Management, Accident Investigation and Reporting, Records Management and Performance Monitoring.

This certification also involves inspection of the workplace to ensure the certification is credible. The main areas which are inspected are the machinery, colour code of signage, notices, ventilation, housekeeping, lighting, fire protection, Personal Protective Equipment (PPE), barrication for hazard area, access, working tools, electrical safety, hazardous substances, perimeter hoarding, Vehicular Traffic Management and sanitation.

Employees' obligations for a safe and healthy workplace

At MRCB, it is everyone's responsibility to promote safe behaviour. Accidents, injuries, and unsafe equipment, practices or conditions must be reported to a supervisor or another designated person. All employees must report for work free from the influence of any substance that could prevent them from conducting work activities safely and effectively. Threats or acts of violence or physical threats on fellow employees are prohibited.

We must follow all rules and regulations governing safety matters. We must also influence and persuade others to do the same and report cases of non-compliance. All safety rules and regulations must be adhered to. Any non-compliance must be reported to the Safety and Health Committee. Employees are encouraged to use common sense and best judgement to ensure safety.

Fire and Rescue Department visits

On 16th July 2012, the Fire and Rescue Department of Malaysia (BOMBA) visited Stesen Sentral Kuala Lumpur (SSKL) as part of its inspection visit and familiarisation study. Personnel from Semasa Sentral Sdn Bhd, the Stesen Manager of SSKL, brief the BOMBA team. The visit ensured the premises in SSKL adhered to fire safety and allowed BOMBA to familiarise themselves with its design and outlay. This helped coordinate and analyse the effectiveness of response plan according to the code of standards practiced by SSKL.



Working on a sky bridge with safety gear intact

The Fire and Rescue Foundation of Indonesia visited Stesen Sentral Kuala Lumpur (SSKL) and Platinum Sentral on 23 November 2012. It was part of its fire and safety development instructive visit and familiarisation study. Mr. Peter Placious Petrus, Chief of Indonesian Fire and Rescue Foundation and his team were briefed by Mohd Sabri Bin Md Shariff, Project Director of Property Division and his personnel.

The visit was to study the modern and intelligent fire safety technology. This allowed the coordination and effectiveness of the response plan to be analysed according to the code of standards practice by MRCB.

A fire incident

A fire razed the 30th and 31st floors of one of our buildings on 18 January 2012. The 27th and 28th floors were also affected due to falling debris.

Despite this incident badly affecting our operations and schedules, we are relieved that no employees, contractors or firemen were injured in the incident. We believe this is partly due to our continuous engagement with BOMBA. BOMBA has helped us improve our fire safety policies and refine our fire evacuation procedures.

As a result of this fire, we have improved the precision of all relevant processes. We will continue this engagement to minimise the chances of reoccurrence and safety of all personnel if it does.



Ensuring Safety of our Contractors

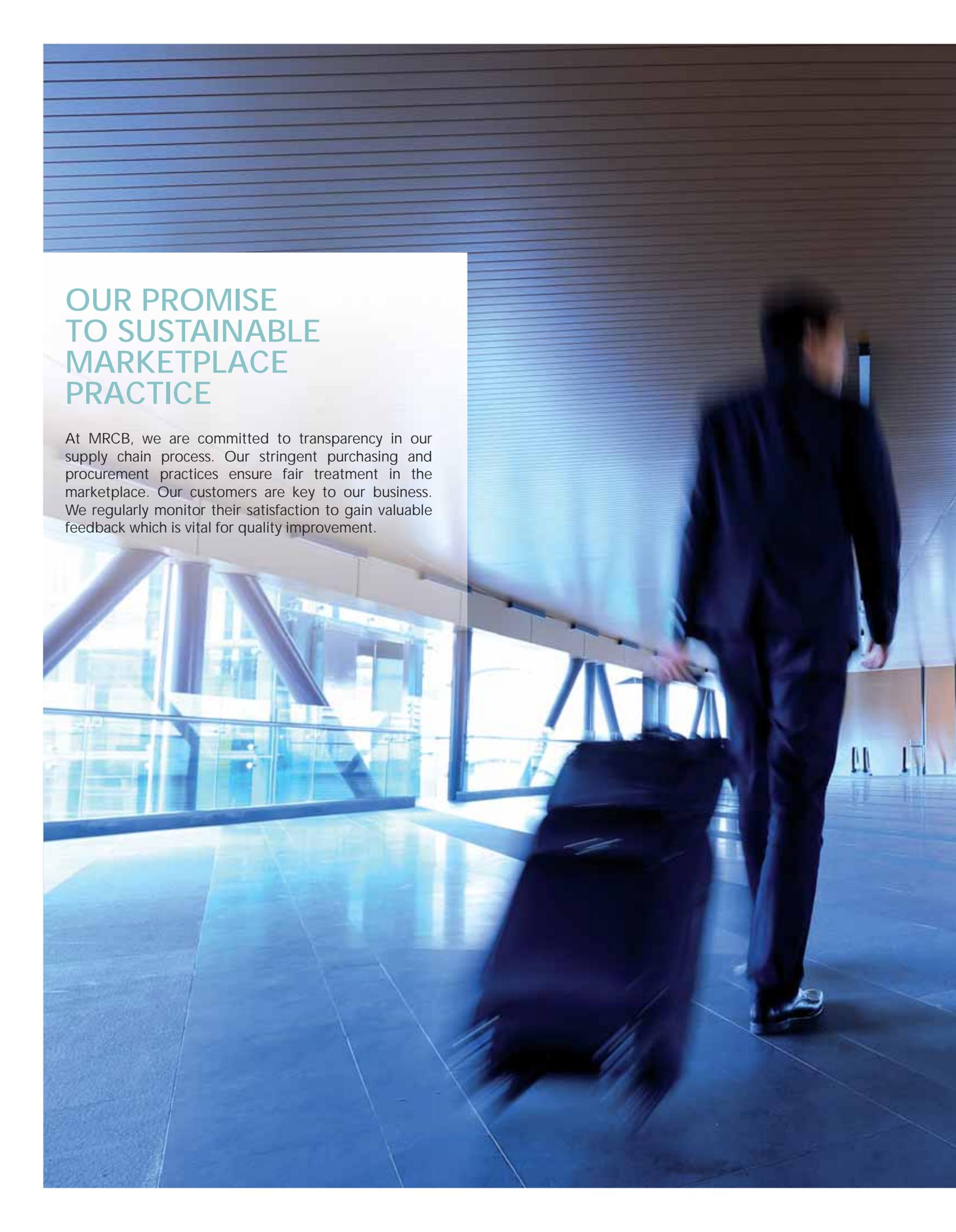
We make no distinction between the safety of our contractors and our employees. Contractors must comply in full with our safety standards and procedures. They provide specialised skills and services and we expect our use of contractors to grow as our major projects enter the construction phase.

We manage contractor safety by:

- ensuring there is appropriate supervision and communication with site contractors for the safety risks involved in their activities
- assessing a contractor's safety record when awarding contracts and performing contractor reviews
- monitoring high-risk activities closely, providing regular feedback on performance and acting on any failures by contractors to comply with our procedures

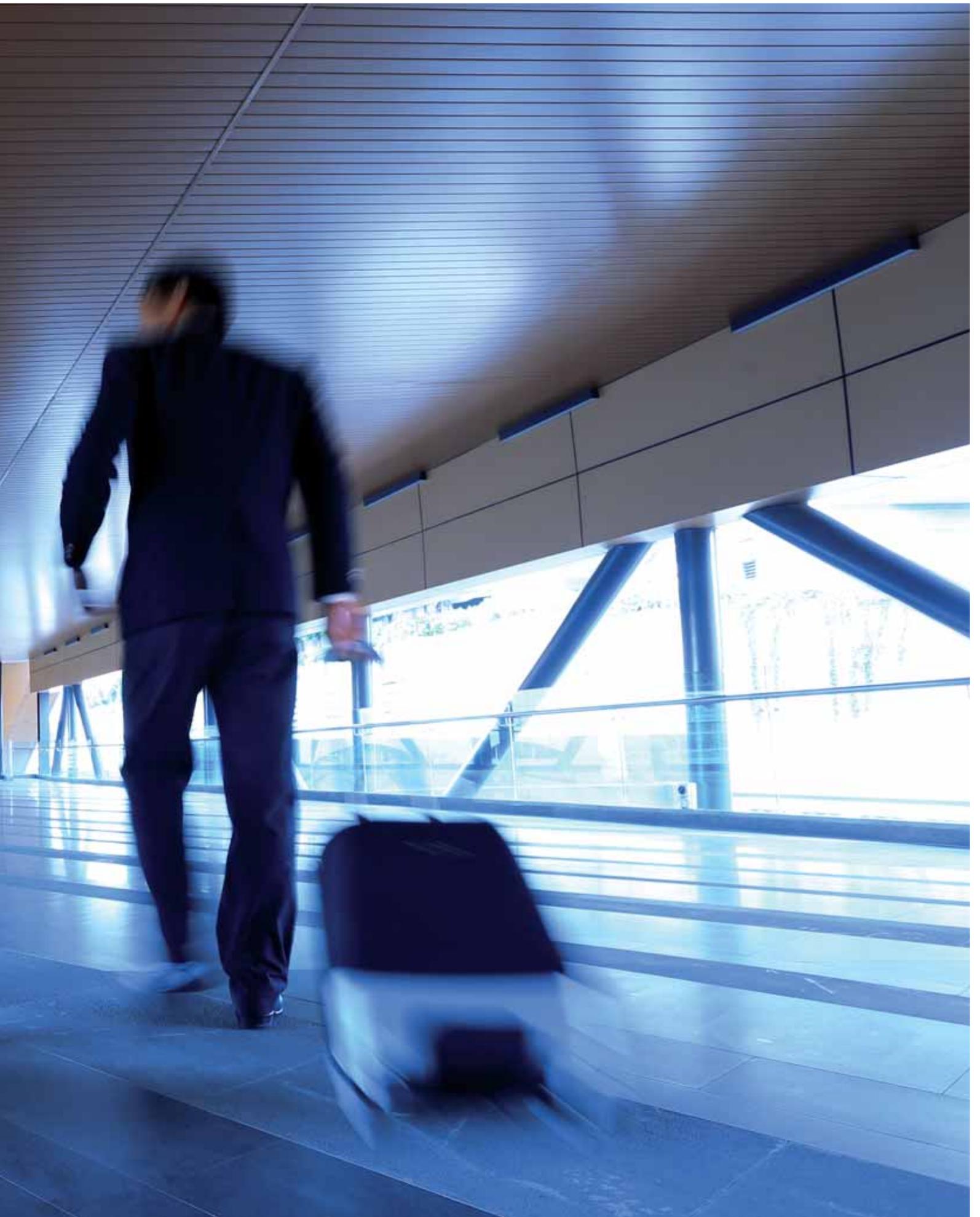
List of SHE activities at our project sites for our contractors and subcontracts

Briefing	Frequency
Kickoff Meeting	New subcontractors – when required
SHE Briefing / Induction	Daily
SHE Training	Monthly
SHE Meetings	Weekly/Monthly
SHE Toolbox	Weekly
Workplace Inspection	Weekly
Gotong-Royong	Weekly



OUR PROMISE TO SUSTAINABLE MARKETPLACE PRACTICE

At MRCB, we are committed to transparency in our supply chain process. Our stringent purchasing and procurement practices ensure fair treatment in the marketplace. Our customers are key to our business. We regularly monitor their satisfaction to gain valuable feedback which is vital for quality improvement.



OUR MARKETPLACE

MARKETPLACE

At MRCB, we continue to practice the highest ethical standards to ensure a smooth delivery of our projects. In doing so, we continue to establish a long-term relationship with our customers and suppliers. It is important to understand their needs and provide them with continuous support. We practice fair and transparent procurement. Our suppliers, contractors and sub-contractors rights are well-protected. Customers' satisfaction is key to our growth. At MRCB, we constantly measure our customers' satisfaction and engage with them to find better ways to meet their expectations.

Purchasing and Procurement Practices

Purchasing decisions must be made based solely on MRCB's best interest. Proper agreements are documented which clearly identify the services or products to be provided, the basis for earning payment and the applicable rate or fee. The payment amount must be commensurate with the services or products provided.

All staff involved in procurement must comply with the following tenets of sound procurement practices:

1. All vendors must be treated equally and accorded the same information at the same time.
2. No information leaks must occur during the procurement process.
3. No conflict of interest through relationships, receipt of gifts or other favouritism should be shown to vendors. Any conflict of interest through relationships with people in other companies, who have been invited to tender, must be declared to Corporate Governance. In a situation where there is evidence or suspicion of improper behaviour during the tender process or following its award, it must be reported to Corporate Governance.
4. There must be more than one bidder.
5. There must be transparency to ensure the procurement process is auditable, justifiable and can stand up to scrutiny.

Our procurement practices not only prioritise technical expertise and price, but also incorporate elements of sustainability. For example, our Lot G Mall is a green building and we expect all sub-contractors to comply with green requirements as stipulated by the Consultant. This forms a prerequisite compliance prior to awarding the job. During the evaluation, we ensured green materials are used including painting, sanitary fitting and a metal roof.

ISO certification is not currently a pre-requisite. We are looking to make this one of the selection criteria during registration of suppliers and contractors.

We continue to source locally-based suppliers and sources where possible. Our materials such as steel bars, concrete, furniture, plywood and scaffolding are all purchased locally (100%). However, some materials must be purchased from overseas to comply with specific requirements. These materials include lift components (control panel, motor); electrical components (generator sets, 11kV / 415kV transformers, fire-rated cables, lighting control devices) and curtain wall components (composite aluminium panel for cladding, low-E and tinted glass).

Ensuring Customer Satisfaction

MRCB conducts Customer Satisfaction Surveys (CSS) on residential and commercial properties that it develops and manages. A CSS is conducted six months after a residential or commercial project is completed. The post completion surveys encompass feedback, experiences and observations on design & specifications, workmanship and customer service. Surveys on maintenance services cover feedback, experiences and observations on cleanliness, mechanical and electrical services, parking, security, retail mix, promotion, administration, marketing and counter services. Responses to this survey were obtained from phone interviews and site visits.



Customer satisfaction is key to our growth

The results of the CSS for building services division and MRCB Land from 2010 to 2012 are presented below (in percentage).

Company	Year		
	2010	2011	2012
Building Services Division			
Semasa Sentral	93.6	93.4	94.6
Semasa Services	90.6	88.8	88.4
Semasa Parking	84.6	89.3	87.9
Semasa Security	92.6		
Overall for Building Services Division	90.4	90.5	90.3
MRCB LAND			
MRCB Sentral Properties (formerly MRCB Selborn)	83.8	88.2	87.9
SIDEC		85.7	70.1
MRCB Utama		75.8	
Malaysian Resources Sentral Sdn Bhd	85.5	78.2	85.0
MRDSB	82.3	87.1	89.5
Overall for MRCB LAND	83.9	83.0	83.1
Overall	87.1	86.7	86.7

Provision of Information to Customers

We continue to provide information to our customers and the public on our current and upcoming projects through brochures and booklets. Information included in each publication is based on checklists which allow the potential purchaser to evaluate the unit against specifications. Our website continues to be the most popular means of communication with our customers and the public. We also have dedicated contact details to receive enquiries on every project.

Responsible Marketing

It is our aim to ensure all marketing and advertising is accurate and truthful. Deliberately misleading messages, omissions of important facts, or false claims about our competitors' offerings are never acceptable. To maintain MRCB valuable reputation, compliance with our quality processes and safety requirement is essential.

We aim to sell our products and services fairly and honestly by stressing their quality and value. We do not use tactics that unfairly undermine the products of competitors. Advertising is only used to promote MRCB products.

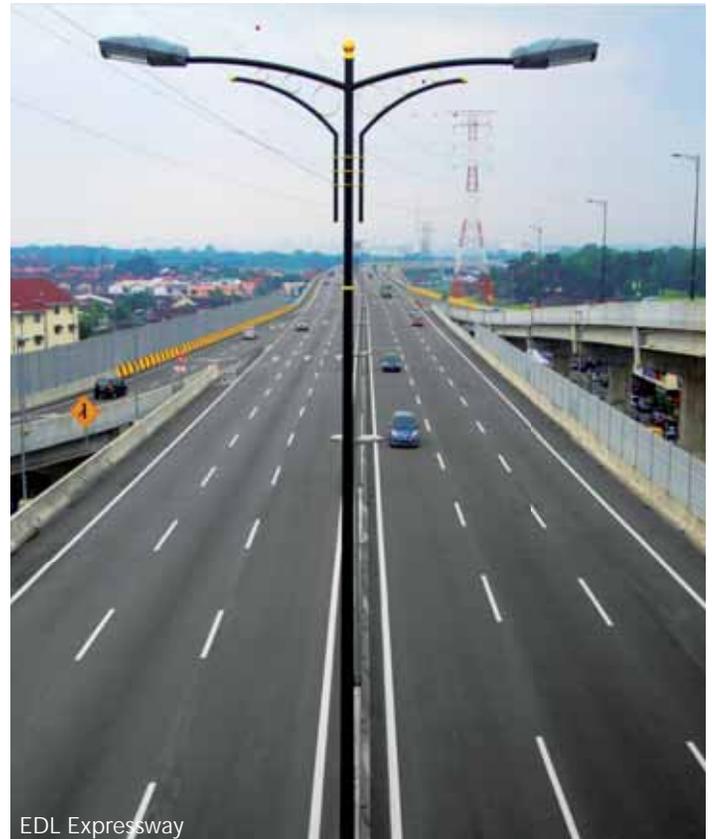
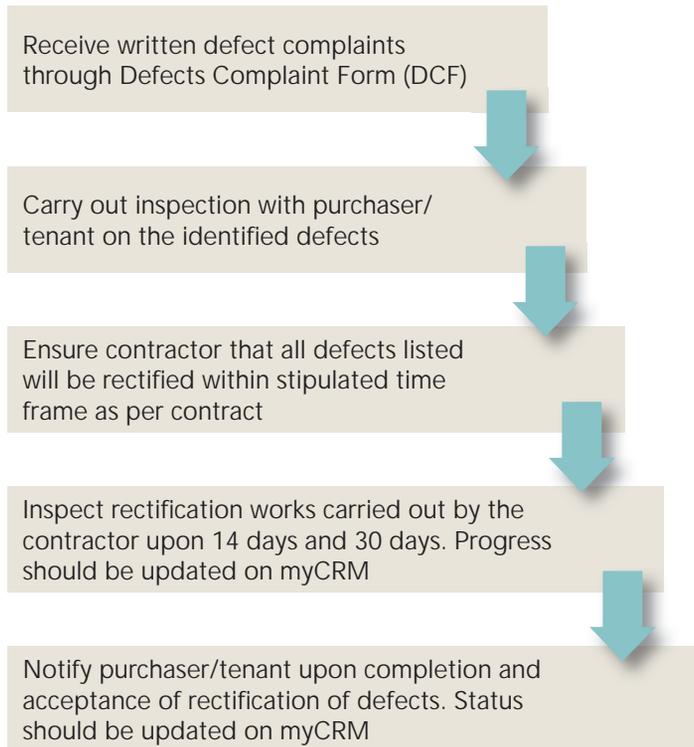


Ensuring Quality

Operating contractors and suppliers must adhere to our quality 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 pre-handing over inspections and complaints during the defect liability period are entered into myCRM software. This information is subsequently made available to the project and management teams to help them rectify and monitor any defects on an on-going basis.

OUR MARKETPLACE

A process outline of complaints handling from purchasers or tenants during the defect liability period is summarised below.



Protection of Copyright and Ownership

Only our proprietary software or software that is licensed or provided by the developer may be used at MRCB. Permanent and contractual employees are forbidden from duplicating copyrighted material without the owner's consent. Copyright protection regulations also forbid the:

- Copying of software from one computer to another without the owner's documented authority
- Copying of proprietary software for use in computers that do not belong to us, or for any purpose not authorised by MRCB
- Installation of unauthorised software on desktop or laptop computers

MRCB policy is to recognise and respect the legal rights of others' ownership, use and disclosure of Intellectual Property. This includes the improper use of any trademark or service mark belonging to another party. It also includes avoiding any act which would result in unauthorised use or appropriation of any design, formulation and product that is covered by valid patent belonging to another party.

Customer Privacy

Customer information is kept and maintained in the highest confidence. Customer privacy at MRCB involves the handling and protection of sensitive personal information that individuals provide in the course of everyday transactions. This involves the exchange or use of data electronically or by any other means, including verbal, telephone, fax and written correspondence. Our policy requires customer information to be maintained with the highest confidentiality. We manage confidentiality properly and protect the privacy of customer information. We are pleased to report that we have had no breaches of customer information in this reporting period.

Information Security

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

Corruption, Gift Giving and Business Courtesies

MRCB employees must not realize any profits apart from their regular compensation. Employees or their family members cannot receive gifts, loans, business deals or other special preferences beyond what are otherwise ordinarily available from a person or organisation that does business with the Company or competitor.

MRCB employees must not accept lavish gifts or gratuities in any form. The only exceptions are small value gifts extended as a business courtesy. This includes sales promotion items or the occasional business meal. In situations where employees are faced with business situations that may also call for the giving of gifts such as signing ceremonies, corporate visits and Company functions, proper approval must be obtained.

Entertainment that is lavish or frequent may appear to influence one's independent judgment on behalf of MRCB. If an invitation seems inappropriate, we must turn down the offer or pay the cost of the entertainment.

We also understand that giving practices vary among cultures. In some rare situations, it would be impractical to refuse or return a gift. This may include gifts that are offered during the celebration of a festival, or special occasions such as official launches or openings. In such cases, employees are to practice good business sense and discretion.

All discounts and rebates to customers must reflect true commercial transactions and not be intended to serve any illegal or improper purpose such as kickbacks and bribery.

We encourage our staff to ask themselves the following question. "Would you be comfortable discussing the acceptance or giving of the gift with your manager, colleagues or a newspaper reporter?" If your answer is NO, then DON'T ACCEPT.

Representatives from Corporate Governance and our Legal Department attended a two-day training course entitled "Fraud, Bribery & Corruption - A Global Issue". This highly interactive workshop provided information on how to enhance internal knowledge and capability to prevent and deal with fraud and corruption.

We conducted a survey in early 2013 to gauge employees' knowledge of MRCB's anti-corruption and bribery policy and other ethical guidelines in the code of Business Ethics. Only 6.91% felt there was insufficient information provided in this area during induction training. This is 6.86% less than the previous year in which 13.77% felt there was inadequate training.



Technical staff at work

Dealing with Anti-Competition

The Malaysia's Competition Act 2010 came into effect on 1 January 2012. This law provides a regulatory framework against market manipulation and cartel practices. Healthy competition is needed to make the economy more efficient and dynamic.

MRCB has responded to this new legislation. Representatives from our Legal Department attended a workshop entitled "Understanding the Competition Act (CA) 2010 & its Implications" in 2012. This training programme gave a practical insight into the Competition Act and its relationship with Intellectual Property and Tax Laws.

OUR PLEDGE

OUR PLEDGE

We pledge to continue playing our role in maintaining the highest standards of environmental sustainability. We aim to introduce strong environmental standards and refine our environmental procedures. These initiatives will be inculcated into each stage of our products' lifecycles to keep our carbon footprint to a minimum.

We will always devise new strategies and solutions to lead and secure a green tomorrow for generations to come.

GRI INDEX

In ensuring our compliance to the highest level of transparency in our Sustainability Report 2012 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. The GRI Content Index table is presented to guide where information on each GRI indicator can be found.

Status : • Fully Reported; ◻ Partially Reported; ✕ Not Reported

G3.1 Content Index				
Standard Disclosures Part : Profile Disclosures				
Profile Disclosure	Description	Status	Cross-reference	Reason for Omission & 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	•	P10-15	
2. Organisational Profile				
2.1	Name of the organisation	•	Front Cover	
2.2	Primary brands, products, and/or services	•	P4	
2.3	Operational structure of the organisation	•	P6-7	
2.4	Location of organisation's headquarters	•	P2	
2.5	Number of countries where the organisation operates	•	P6-7	
2.6	Nature of ownership and legal form	•	P6-7	
2.7	Markets served	•	P6-7	
2.8	Scale of the reporting organisation	•	P2	
2.9	Significant changes during the reporting period	•	P10-15	
2.10	Awards received in the reporting period	•	P15	

GRI INDEX

Profile Disclosure	Description	Status	Cross-reference	Reason for Omission & Explanation
3. Report Parameters				
3.1	Reporting period	•	P2	
3.2	Date of most recent previous report	•	P2	
3.3	Reporting cycle	•	P2	
3.4	Contact point for questions regarding the report or its contents	•	P2	
3.5	Process for defining report content	•	P2	
3.6	Boundary of the report	•	P2, P10-15	
3.7	Specific limitations on the scope or boundary of the report	•	P2, P10-15	
3.8	Basis for reporting on joint ventures, subsidiaries, etc.	•	P2, P6-7, P10-15	
3.9	Data measurement techniques and the bases of calculations	•	P34-35	
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 G3.1 Content Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	•	Independent Verification Statement by SIRIM QAS International Sdn Bhd	
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	

Profile Disclosure	Description	Status	Cross-reference	Reason for Omission & Explanation
4. Governance, Commitments, and Engagement				
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	•	P22	
4.5	Linkage between compensation and the organisation's performance	•	P21	
4.6	Processes in place to ensure conflicts of interest are avoided	•	P23	
4.7	Qualifications and expertise of the Board	•	P20, MRCB Annual Report 2012	
4.8	Internally developed statements of mission or values, codes of conduct, and principles	•	P21, P23	
4.9	Identification and management of economic, environmental, and social performance, conduct, and principles	•	P30	
4.10	Processes for evaluating the highest governance body's own performance	•	P21	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	•	P10-15	
4.12	Externally developed economic, environmental, and social charters, principles	•	P29	
4.13	Memberships in associations	X	-	This information is not available. We aim to have this indicator to be disclosed in coming reports.
4.14	List of stakeholder groups engaged by the organisation	•	P16	
4.15	Basis for identification and selection of stakeholders with whom to engage	•	P16	
4.16	Approaches to stakeholder engagement	•	P17-18	
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	

GRI INDEX

Standard Disclosures: Performance Indicators					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
ECONOMIC					
Economic performance					
EC1	Direct economic value generated and distributed	•	Audited Financial Statement in MRCB Annual Report 2012		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	•	P34		
EC3	Coverage of the organisation's defined benefit plan obligations	•	P46		
EC4	Significant financial assistance received from government	•	P38-39, P41		
Market presence					
EC5	Standard entry level wage vs. local minimum wage	•	P46		
EC6	Policy, practices, and proportion of spending on locally-based suppliers	•	P60		
EC7	Procedures for local hiring	•	P46, P60		
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	•	P38		
EC9	Understanding and describing significant indirect economic impacts	•	P40-41		
ENVIRONMENTAL					
Materials					
EN1	Materials used by weight or volume	x	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
EN2	Percentage of materials used that are recycled input materials	x	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014

Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
Energy					
EN3	Direct energy consumption by primary energy source	•	P28		
EN4	Indirect energy consumption by primary source	•	P28		
CRE1	Building energy intensity	✘		This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
EN5	Energy saved due to conservation and efficiency improvements	•	P28-29		
EN6	Initiatives to provide energy-efficient or renewable energy	•	P28-29, P34		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	•	P28-29, P34		
Water					
EN8	Total water withdrawal by source	•	P34		
EN9	Significant impact of withdrawal of water	•	P34		
EN10	Percentage and total volume of water recycled and reused	✘	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
CRE2	Building water intensity	✘	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas	✘	-	This indicator is not material to our nature of business.	-
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas	✘	-	This indicator is not material to our nature of business.	-
EN13	Habitats protected or restored	✘	-	This indicator is not material to our nature of business.	-

GRI INDEX

Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	X	-	This indicator is not material to our nature of business.	-
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	X	-	This indicator is not material to our nature of business.	-
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight	•	P34-35		
EN17	Other relevant indirect greenhouse gas emissions by weight	•	P34-35		
CRE3	Greenhouse gas emissions intensity from buildings	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	•	P34-35		
EN19	Emissions of ozone-depleting substances by weight	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
EN20	NOx, SOx, and other significant air emissions by type and weight	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
EN21	Total water discharge by quality and destination	•	P31		
EN22	Total weight of waste by type and disposal method	•	P30		
EN23	Total number and volume of significant spills	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014

Performance Indicator	Description	Status	Cross-reference	Reason for omission & Explanation	To be reported in
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous	X	-	This indicator is not material to our nature of business.	-
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	•	P31		
Land Degradation, Contamination					
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	•	P29		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	X	-	This indicator is not material to our nature of business.	-
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	•	P29		
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.	•	P34		
Overall					
EN30	Total environmental protection expenditures and investments by type.	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014

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Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
SOCIAL: LABOUR PRACTICES AND DECENT WORK					
Employment					
LA1	Total workforce by employment type, employment contract, and region	•	P52-53		
LA2	Total number and rate of employee turnover by age group, gender, and region	•	P52-53		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	•	P46		
LA15	Return to work and retention rates after parental leave, by gender.	✘	-	We do not have such incentive monitored at this stage.	2014
Labour/management relations					
LA4	Percentage of employees covered by collective bargaining agreements	✘	-	We do not have such agreement or union arrangement at the Company	-
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	•	P53		
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 programmes	•	P55		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	•	P54		
CRE6	Percentage of the organization operating in verified compliance with an internationally recognised health and safety management system	•	P56		

Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	•	P54-57		
LA9	Health and safety topics covered in formal agreements with trade unions.	✘	-	We do not have such agreement or union arrangement at the Company	-
Training and education					
LA10	Average hours of training per year per employee by employee category	✘	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	•	P48		
LA12	Percentage of employees receiving regular performance and career development reviews	•	P49		
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	•	P52-53		
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	•	P46		

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Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
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	•	P53		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	•	P53		
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	•	P53		
Non-discrimination					
HR4	Total number of incidents of discrimination and actions taken	•	P53		
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	•	P53		
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	•	P53		
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	•	P53		
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	•	P53		

Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	•	P53		
Assessment					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	•	P53		
Remediation					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	X	-	This information is not available to be disclosed in this Report. We aim to have it available in coming reports.	2014
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	•	P38		
SO9	Operations with significant potential or actual negative impacts on local communities	•	P39		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	•	P29, P41		
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	X	-	There was no incident occurred during the year which resulted in displacement or resettlement	-
Corruption					
SO2	Percentage and total number of business units analysed for risks related to corruption.	•	P43, P63		
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	•	P43, P63		
SO4	Actions taken in response to incidents of corruption	•	P43, P63		

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Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
Public policy					
SO5	Public policy positions and participation in public policy development and lobbying	•	P23		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	•	P41	Our support to the Government is not in form of monetary value. We continue to support the Government's programmes which focus on nation building	-
Anti-competitive behaviour					
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	•	P43		
Compliance					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	•	P43		
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	•	P62		
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	•	P62		
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	•	P61		

Performance Indicator	Description	Status	Cross-reference	Reason for Omission & Explanation	To be reported in
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	•	P29		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	•	P61		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	•	P60		
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	•	P61		
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	•	P61		
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	•	P62		
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	•	P62-63		



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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 2012 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 2012 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.

Verification team:

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aminah Ang - Team Leader
- 2) Mr. Mohd Hafiz Hamzah - Team member

Methodology

The verification process was carried out by SIRIM QAS International in April 2013. 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;
- 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 2012 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:

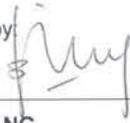
- The MRCB 2012 Sustainability Report is in accordance with the A+ Application Level of the GRI G3.1 Sustainability Reporting Framework;
- The level of accuracy of data included in the report was found to be fair and acceptable;
- The information has been presented in an appropriate manner;
- The personnel 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.

Area for Improvement

In the preparation of reports in the future, it is recommended that improvements should be made in the following areas:

- better traceability of data and reduction in data transfer error.

Prepared by:



AMINAH ANG
Verification Team Leader
Sustainability Certification Section
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 29 April 2013

Approved by:



PARAMA ISWARA SUBRAMANIAM
Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.
Date : 29 April 2013



Statement GRI Application Level Check

GRI hereby states that **Malaysian Resources Corporation Berhad (MRCB)** has presented its report "MRCB Sustainability Report 2012" 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 24 April 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Malaysian Resources Corporation Berhad (MRCB) 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 16 April 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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