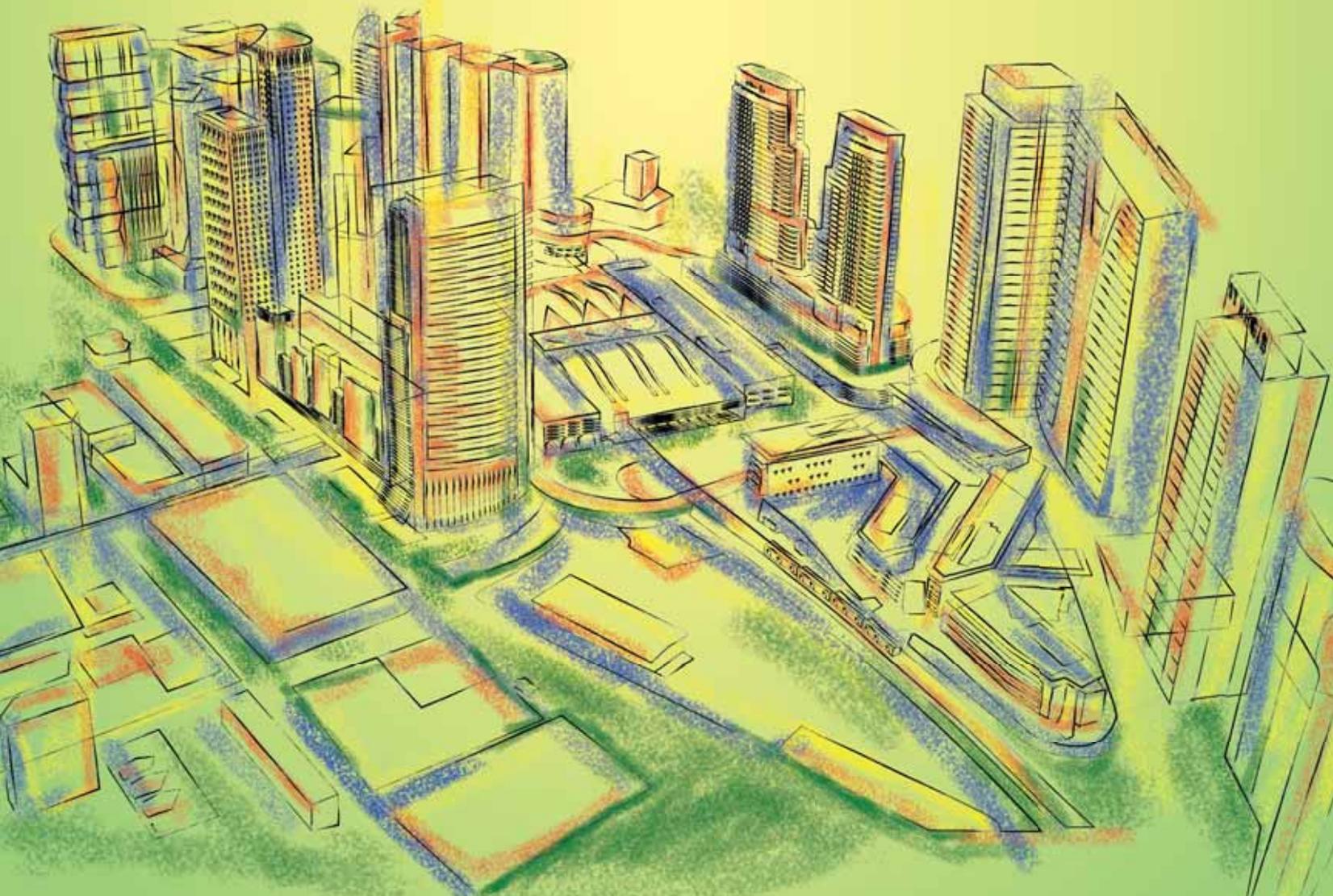


KUALA LUMPUR SENTRAL CBD

THE GREEN METROPOLIS

A MAGNIFICENT CITY WITHIN A CITY

SUSTAINABILITY REPORT 2013

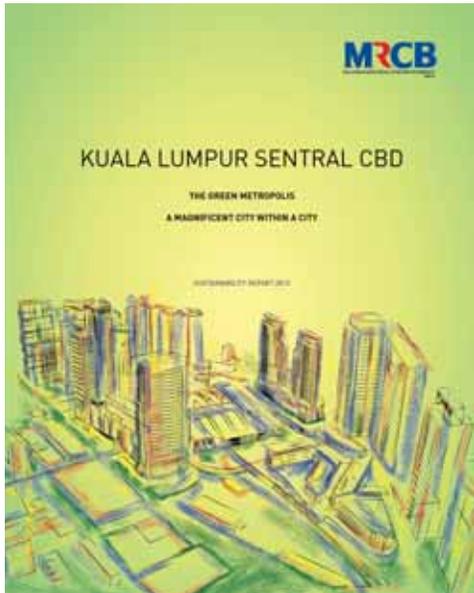




KUALA LUMPUR SENTRAL CBD

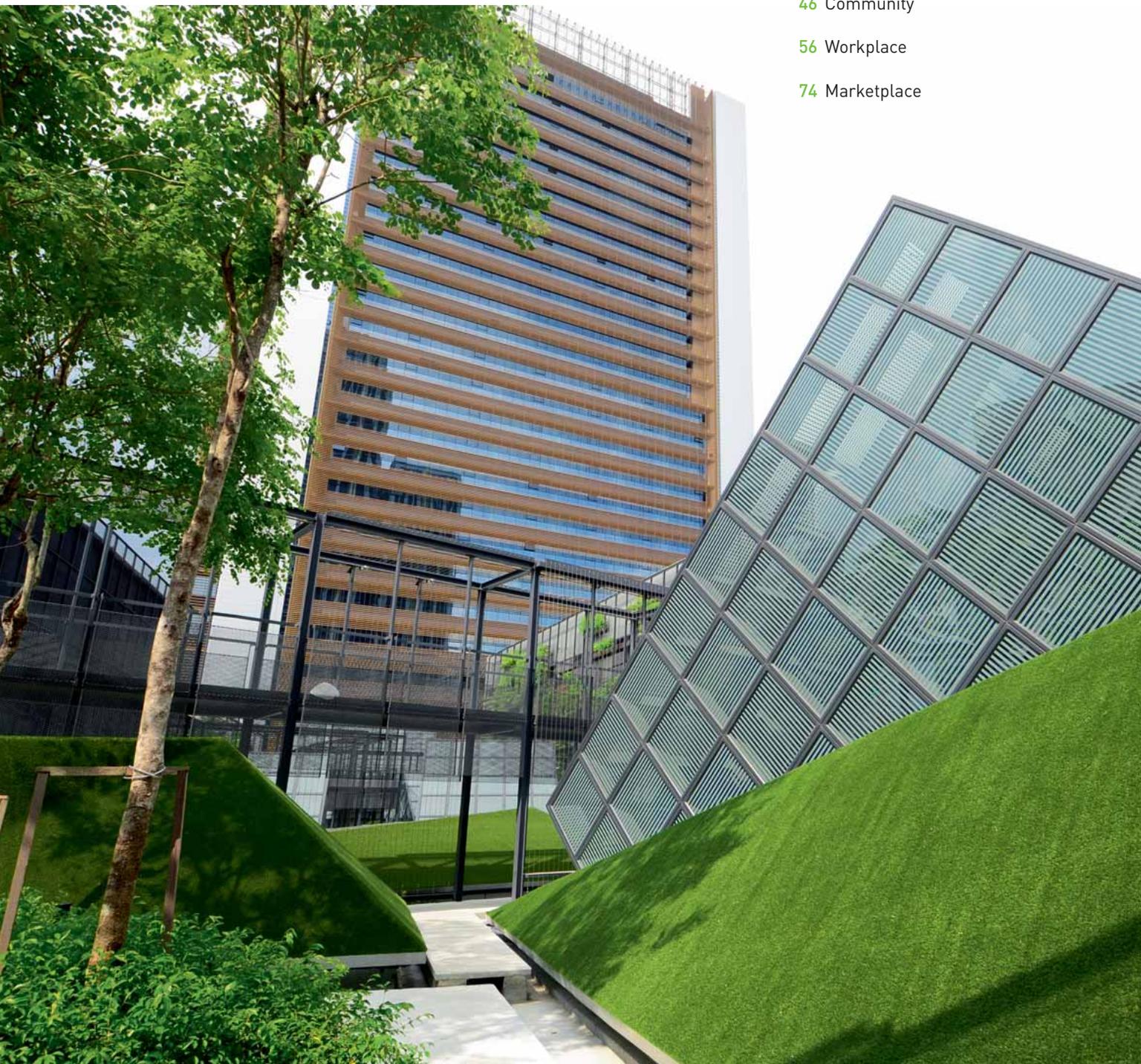
THE GREEN METROPOLIS

MRCB has long been at the forefront of sustainable development, most notably in its portfolio of transit hub oriented projects. Its masterplan for Kuala Lumpur Sentral CBD continues to unfold, heralding a remarkable urban transformation that is being recognised by industry watchers and a worldwide audience. Indeed, Kuala Lumpur Sentral CBD is both the showcase and the benchmark for the next level of green design, innovation and environmental sensitivity. This year's annual report focuses on eight green buildings in Kuala Lumpur Sentral CBD that are not only magnificent examples of high standards of green development, but also represent MRCB's accomplishments and aspiration of being one of the top green developers in the country.



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OUR APPROACH TO REPORTING

This is the seventh Sustainability Report produced by Malaysian Resources Corporation Berhad (MRCB). This report covers its responsibilities to stakeholders and the contributions the Company has made to sustainable development.

ABOUT THIS REPORT

This Sustainability Report is consistent with MRCB's Annual Report and previous sustainability reports. This report continues to feature Disclosures on Management Approach (DMA) and provides information on the nature of business in each area of the Global Reporting Initiative (GRI) Guidelines. This report provides a clear, comprehensive and transparent representation of the Company's performance in managing the economic, social and environmental aspects of its operations.

Information on MRCB's sustainability practices during the year has been collated. Consideration has been given to issues affecting direct and indirect stakeholders, which include employees, shareholders, the surrounding community and general public. The data is presented in the most accurate manner possible, using quantitative indicators where relevant.

In keeping with international best practice, ideas have been adopted from the ISO 26000 Guidance on Social Responsibility. Feedback from stakeholders, including the GRI and the judging panels of various Corporate Social Responsibility (CSR) awards, has been taken into consideration.

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

SCOPE OF REPORT

REPORTING PERIOD

January 1st to December 31st 2013

REPORTING CYCLE

Annually

COVERAGE

The MRCB Sustainability Report covers the entire organisation and includes quantitative and qualitative data for 2013. 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 (SIRIM) and assessed by the GRI for how comprehensively the GRI-G3.1 guidelines have been applied to achieve a top application level of A+. MRCB's assurance approach is completely transparent, bias-free and independent. SIRIM's 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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ABOUT MRCB

MRCB is a private limited company that was incorporated in Malaysia on 21 August 1968 under the name of Perak Carbide Corporation Sdn Bhd. Subsequently, MRCB 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.

MRCB is 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, Pulau Pinang and Negeri Sembilan. 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 until recently been the largest revenue contributor. E&C has been active in carrying out a wide range of work 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 also designed and built the 552 km

National Transmission Grid in Peninsular Malaysia and the 273 km Sabah East West Interconnection Grid. The Company was responsible for a 48 km road upgrade to four lane dual carriageway on Federal Route 5 between Ipoh and Lumut in Perak and is a turnkey contractor for retail and commercial properties.

INFRASTRUCTURE, CONCESSION & ENVIRONMENT DIVISION ("ICE")

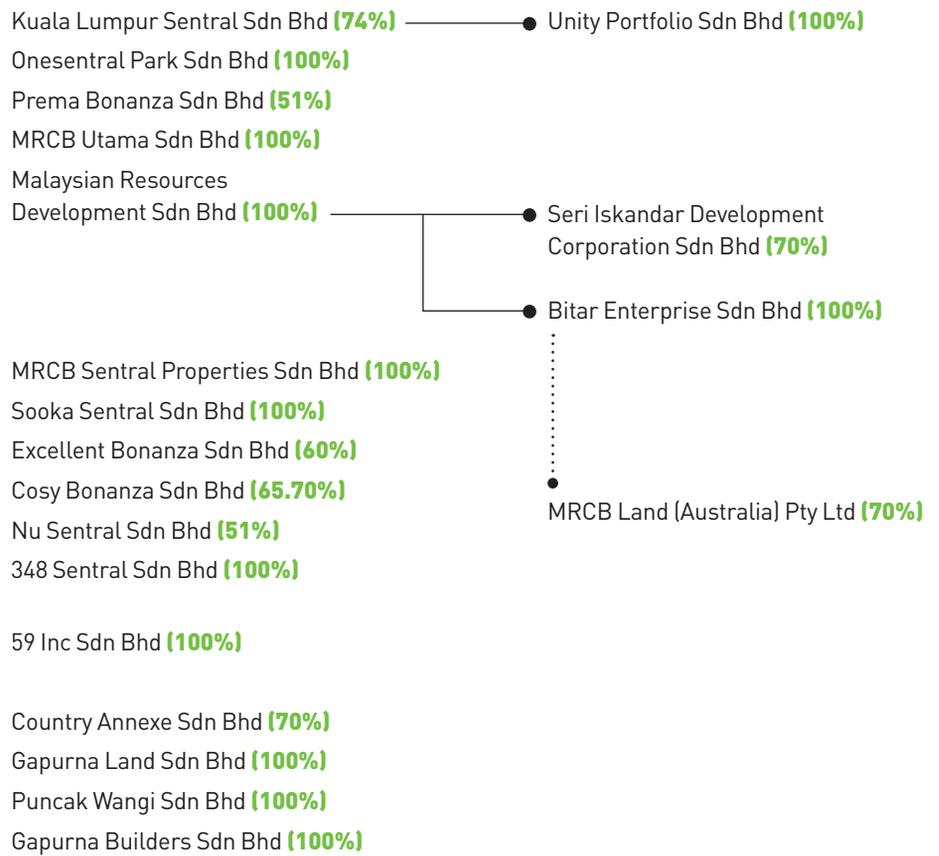
ICE is a division that excels in high profit margin works involving infrastructure developments with concession rights and environment based projects. ICE's main toll concession rights are the Duta-Ulu Klang Expressway (DUKE) and Eastern Dispersal Link (EDL). The success of its coastline and river rehabilitation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

FACILITIES MANAGEMENT (FM)

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

CORPORATE STRUCTURE

PROPERTY



FACILITIES MANAGEMENT

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

ENGINEERING & CONSTRUCTION

MRCB Engineering Sdn Bhd **(100%)**

Milmix Sdn Bhd **(100%)**

Transmission Technology Sdn Bhd **(100%)**

Region Resources Sdn Bhd **(100%)**

Gelanggang Harapan Construction Sdn Bhd **(100%)**

MRCB Environmental

Services Sdn Bhd **(100%)** —————● MRCB Environment Sdn Bhd **(55%)**

INFRASTRUCTURE & CONCESSION

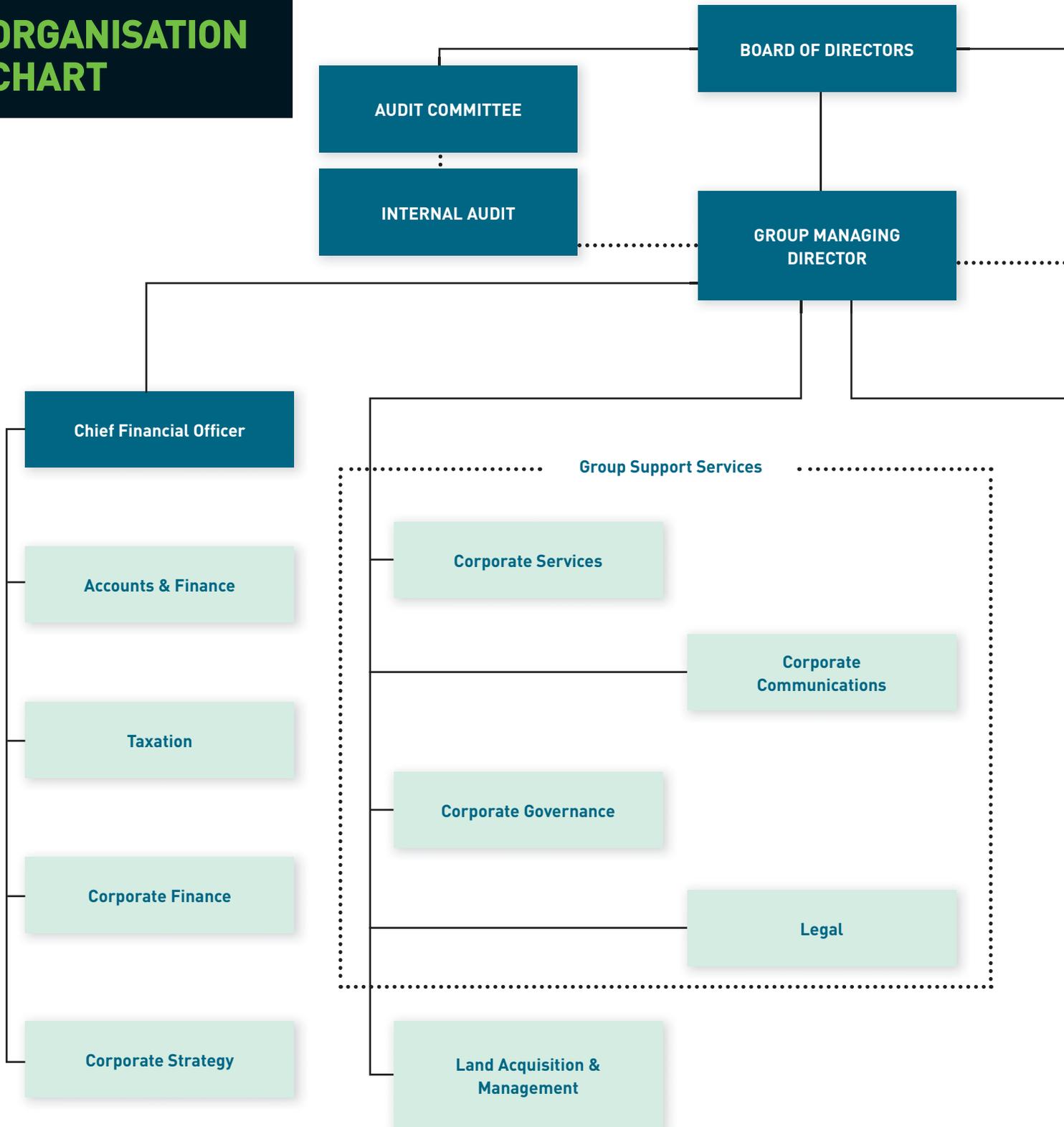
MRCB Prasarana Sdn Bhd **(100%)** ———● MRCB Lingkaran Selatan Sdn Bhd **(100%)**

.....● MRCB Southern Link Berhad **(100%)**

INFORMATION TECHNOLOGY

MRCB Technologies Sdn Bhd **(100%)**

ORGANISATION CHART



COMPANY SECRETARY

Group Chief Operating Officer

Property

Infrastructure & Concession

Engineering & Construction

Facilities Management

**Security, Health, Safety & Environment
Senior Vice President**

Security/Auxiliary Police

Health, Safety & Environment

A MESSAGE FROM OUR CHAIRMAN

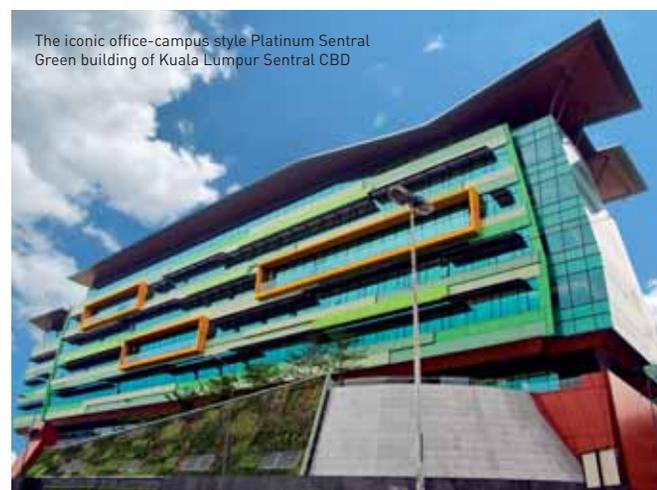
Welcome to MRCB's Sustainability Report 2013. Our commitment to sustainability and social responsibility is embedded in our daily operations as it is integral to our ongoing success. At MRCB, we respond to the needs of our stakeholders and the environment, participate positively in our local communities, invest in our co-workers and create innovative, sustainable customer solutions. Our values in turn drive our commitment to these communities and wider society. Corporate sustainability relates to how an organisation can operate in a manner that aligns its own growth and development with that of markets, organisations, employees, communities and the environment. The need for sustainable development is rapidly becoming a priority across the globe especially due to constraints associated with the availability and quality of energy, materials, water, land, food, education, health care and other resources.

At MRCB, we believe sustainable progress is made possible by developing better systems that maximise life cycle benefits, while also minimising the economic, social and environmental costs of ownership. This is reflected in the sustainability principles we developed over the years. These principles and strategies are featured prominently throughout this report. They show how we apply innovation and technology to improve the sustainability performance of MRCB.

In line with our strategic objective to greening the future, our constant endeavour is to reduce the impact our operations have on the environment. MRCB sees the potential in its environmental activities as not only as a business venture but complementing its CSR initiatives to promote eco-friendly environments and encourage domestic tourism. In September 2013, MRCB secured the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang. The contract, worth RM130 million, was awarded by the Department of Irrigation and Drainage. MRCB Environment has received an interim letter of award to rehabilitate Sungai Prai, Penang and a letter of intent to rehabilitate Sungai Kuantan, Pahang.

Deemed one of Malaysia's premier construction players and urban property developers, MRCB made concerted efforts in 2008 to incorporate sustainable practices into its core business DNA. An internal transformation was implemented to enhance

the way it conducted its businesses, incorporating the green commitment in its property development projects. MRCB is now synonymous with its sustainable development strategies, with all developments complying with green certification bodies such as Malaysia's Green Building Index (GBI), the US-based Leadership in Energy and Environmental Design (LEED), or the Singapore-based BCA Green Mark (BCA). On 9 November 2013, MRCB won the FIABCI Malaysia Property Award under the Sustainable Development category for Platinum Sentral, its office-campus style green building in the Kuala Lumpur Sentral Central Business District (CBD).



The iconic office-campus style Platinum Sentral Green building of Kuala Lumpur Sentral CBD

In its quest for excellence, Semasa Services Sdn Bhd was among the first five companies in Malaysia to be certified with ISO 50001 Energy Management System. This certification was awarded on 28 June 2013 by SIRIM. This will further expand and improve the professional delivery of energy services through better design, construction, operation, maintenance and ultimately removal or demolition. In 2013, Semasa Services signed an agreement with Phillips Malaysia for the supply of LED tubes. This lighting can be five times more efficient than conventional lighting, is environmentally safe, has an extended life and is more durable. These characteristics translate into energy savings. LED tubes have been installed in Stesen Sentral Kuala Lumpur, Plaza Sentral, Sooka Sentral, 1 Sentral and Kompleks Sentral.



As a responsible corporate citizen, we work constantly with the community surrounding our operations to upgrade their living standards and address their concerns wherever possible. We continue to invest in the PINTAR (Promoting Intelligence, Nurturing Talent and Advocating Responsibility) programme to provide learning opportunities to younger generations. As of 2013, more than 15,000 students have been adopted since MRCB became a member of PINTAR in 2007. These students will continue to touch other lives as they progress, mature and enter the future job market. MRCB's tradition of caring and giving continued in 2013. Close to 700 school bags, shoes, socks and stationery sets were given to underprivileged students from its nine adopted PINTAR schools in Pulau Pinang, Perak, Kuala Lumpur, Johor and Pahang. Our education initiatives were expanded by adding SK Pengkalan Jaya to the list of adopted schools in 2013. Two schools also graduated from the PINTAR programme in 2013: SK Bagan Jermal in Penang and SK Tebrau Bakar Batu in Johor.

We also continued contributing to our neighbouring Brickfields community by completing a multi-storey development on the site of the former Pines food court. The building has 140 parking bays on two basement levels. The two floors of parking help alleviate parking congestion in Little India. The development of Pines Bazaar provided the much-needed space to park and offers visitors and shoppers a clean and orderly place to eat. Brickfields has been transformed into a new cultural and tourism enclave. In total, 3,000 parking bays will be available

in Brickfields with the opening of another MRCB project in the coming years.

The 1Malaysia Library is a CSR project in Kuala Lumpur championed by MRCB to provide a community-based service. A computer laboratory that is equipped with special software for online learning sets this apart from other libraries in the country. It contains community rooms that can be used by anyone for community activities. To date, MRCB is in the process of developing 1Malaysia libraries in Lembah Pantai, Titiwangsa and Wangsa Maju. These locations have a high concentration of people on low incomes.



A MESSAGE FROM OUR CHAIRMAN

In the workplace, our focus is providing a safe and healthy work environment for our associates. Our workforce is our key asset and knowledge bank. One of our key objectives is making safety an organisational culture where 'safety first' is MRCB's way of life, empowering associates by making them aware of the risks to help them drive the change.

We have adopted the SHASSIC assessment which is an independent method of assessing and evaluating the safety and health performance of a contractor in construction works or projects. Nine SHASSIC assessment programmes were conducted at various MRCB sites in 2013. Five sites were rated four stars, one three stars and the remaining three, two stars. We are planning to conduct four SHASSIC assessments in 2014.

The Company is well positioned to deliver further performance improvements, particularly by reducing greenhouse gas emissions and other environmental impacts, sustainable project development, responsible supply chain management and safety management.

I am proud to invite you to read our 2013 Sustainability Review, which I believe demonstrates MRCB's commitment to sustainability and our performance in making a real difference. We hope you enjoy reading about our progress and we would welcome your feedback and questions. I congratulate and thank our stakeholders for their commitment, teamwork and determination to do things in a more sustainable way.



LISTENING TO OUR STAKEHOLDERS

Stakeholder engagement is a key part of CSR and achieving the triple bottom line. MRCB employs a variety of methods to gauge the social and environmental issues of most importance in order to improve decision-making and accountability.

Stakeholder engagement helps align business practices with societal needs and expectations to drive long-term sustainability and shareholder value.

The needs of key stakeholders are at the heart of MRCB's corporate strategy and business objectives. Stakeholders are informed of the corporate values as well as ongoing and upcoming projects. They are involved in prioritising our strategies moving forward.

Detailed research and engagement was conducted to understand stakeholders' priorities and expectations across all business units. This process helps the Company understand stakeholders' concerns, formulate an approach and manage their expectations. The outcome of this study has helped identify potential opportunities and risks that are integral to the business's success.



MRCB embraces open communication with its shareholders as evidenced by the lively two-way discourse during its annual general meetings

MRCB STAKEHOLDER MAPPING

Stakeholder mapping is a technique used to identify key people and organisations to engage with. Those most affected by or who influence our work are presented in the diagram below.



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

STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	MRCB'S APPROACHES
CUSTOMERS 	<ul style="list-style-type: none"> • Customer Satisfaction Survey (CSS) • Customer complaints platform 	<ul style="list-style-type: none"> • MRCB conducts CSSs for newly completed projects and those it maintains. • MRCB publishes information for its customers and the public in various online and printed media.
SHAREHOLDERS & INVESTORS 	<ul style="list-style-type: none"> • Results announcement meetings • Annual General Meetings • Extraordinary General Meetings • Regular communication • Investor road shows • Reverse road shows 	<ul style="list-style-type: none"> • MRCB holds regular briefings for investors and analysts. These form part of its Investor Relations initiatives to enter into dialogue with the community and other constituencies. Potential investors and current stakeholders gain confidence in the Company's management as they are informed and updated of MRCB's economic position.
ANALYST / 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"> • MRCB engages with its media partners and analysts regularly at corporate events and launches. First-hand project information is supplied.
INDUSTRY PEERS 	<ul style="list-style-type: none"> • Conference and meetings • Industry workshops • Networking events 	<ul style="list-style-type: none"> • The Annual Report, Sustainability Report and corporate website provide up-to-date information on company performance, the event calendar and other developments.
VALUE CHAIN PARTNERS 	<ul style="list-style-type: none"> • Contract bidding and procurement management • Training and communication • Site visits 	<ul style="list-style-type: none"> • Fair and transparent procurement practices are practised. 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"> • MRCB contributes to society regularly especially local communities by improving living standards. Social contributions extend beyond philanthropic activities. MRCB conducts an internship programme for the mutual benefit of the organisation and society. In 2013, MRCB also collected money for various causes at KL Sentral.

MRCB STAKEHOLDER MAPPING

STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	MRCB'S APPROACHES
<p>EMPLOYEES</p> 	<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 an annual dinner, functions and informal gatherings 	<ul style="list-style-type: none"> • All best practices are employed in the workplace including competitive benefits, career advancement opportunities, work-life balance and most importantly a safe working environment.
<p>GOVERNMENT / REGULATORY AUTHORITIES</p> 	<ul style="list-style-type: none"> • Regular communication • Reports and compliance 	<ul style="list-style-type: none"> • Each department is responsible for compliance with all relevant regulations. Kuala Lumpur Sentral CBD is continuously improved through certification 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.



The roof top of Nu Sentral mall reflects its status as Malaysia's first truly Green retail mall.

MATERIALITY MAPPING

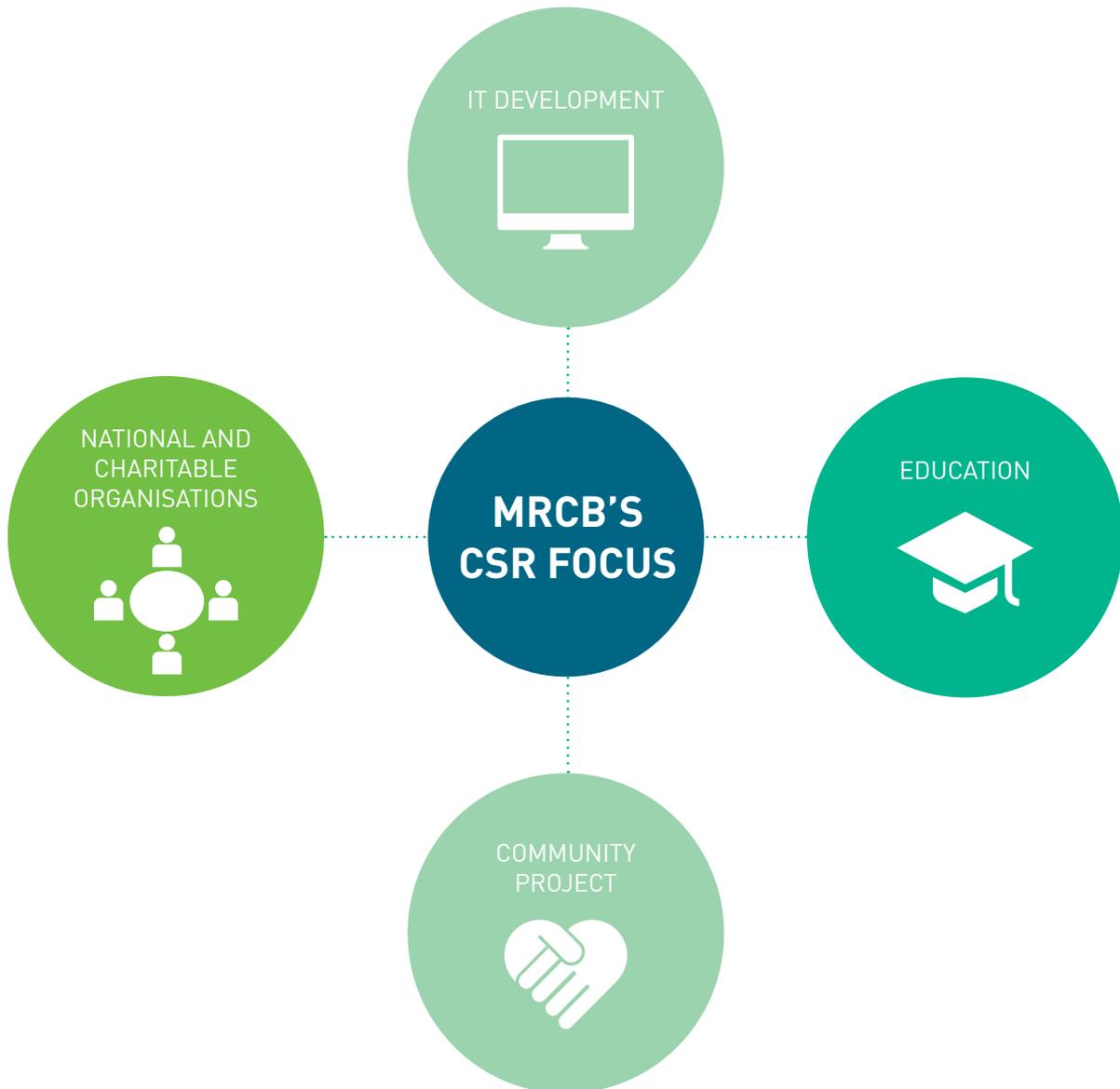
Stakeholders' key issues and areas of interest were identified through MRCB's engagement platforms. A materiality matrix maps these issues against the level of impact on the business and MRCB's stakeholders. The salient points of this mapping exercise are presented below. A combination of external stakeholder engagement and internal strategic alignment adds transparency and credibility to the process. MRCB focuses on long-term value drivers of its business and stakeholders at large.

LEVEL OF MATERIALITY	STAKEHOLDERS' CONCERNS	MRCB'S APPROACHES
HIGH MATERIAL	Quality	Delivering the highest quality standards to customers, MRCB's stringent quality processes monitors the quality of a project at each stage of its operations.
	Environmental impact from projects	MRCB acknowledges that the nature of its business creates an impact on the environment. Various measures are being taken to minimise these impacts. Green building projects incorporate features outlined by local and international green standards including the GBI, LEED and BCA.
	Engagement with stakeholders	MRCB ensures that stakeholders are updated regularly on ongoing and upcoming projects through various communication channels. Its communication practices ensure transparent and efficient two-way communications.
MEDIUM MATERIAL	Employees welfare at work	MRCB recognises that employees are instrumental to its success. Great opportunities are provided to employees to grow with the Company, reward their achievements and protect their wellbeing.
	MRCB as a good corporate citizen	MRCB is committed to developing the nation by providing sustainable infrastructure. Monetary and non-financial contributions are extended to the local community as MRCB's direct stakeholders.
LOW MATERIAL	Freedom of association and collective bargaining	Although MRCB does not have a union, employees' rights to join any union of their choice are respected.

CSR AT MRCB

MRCB is committed to contributing to the nation's growth and interests in tandem with its core business activities. The Group provides monetary and in-kind social assistance to society, needy individuals and the nation. This assistance enhances their qualities of life and aligns development goals with the Government's principles of sustainable development. The CSR guidelines below are applicable to all companies and subsidiaries under MRCB.

FOUR CORE ACTIVITIES



• 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. Donations consist of computers, printers, scanners and other necessities.

• EDUCATION

- Establish a 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.

• COMMUNITY PROJECTS

- Charitable programmes close to MRCB projects, namely *Majlis Berbuka Puasa*, as well as donations to suraus and mosques, *Majlis Kesyukuran/Doa Selamat* on completion of MRCB projects.
- Visits to old folk's homes, donations to poor families and orphanages, activities and the disabled.
- Blood donation campaign by MRCB employees, *gotong-royong* and other activities that enhance 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. MRCB hopes to report on the progress of these libraries in the next Sustainability Report.

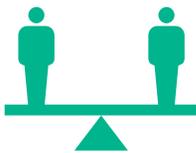
• NATIONAL AND CHARITABLE ORGANISATIONS

- 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 of Commerce and Industry Malaysia, Malay Chamber of Commerce Malaysia or relevant associations
- Recognised charitable organisations

OUR COMMITMENT TO THE UN GLOBAL COMPACT

MRCB became a signatory of the UN Global Compact on 4 September 2008. The UN Global Compact works towards the vision of a sustainable and inclusive global economy which delivers lasting benefits to people, communities and markets. MRCB has aligned its operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The UN Global Compact's ten principles 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.

AWARDS & RECOGNITIONS

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

MRCB's depth of technical and technological expertise underpins the Group's array of credentials. This position is strengthened by the attainment of quality certifications that are recognised by highly renowned local and international quality certification authorities.

MRCB GROUP

5th Malaysian Business Award 2013

- Industry Excellence

National Annual Corporate Report Awards 2013

- Finalist (Overall)

Malaysia Achievement Awards 2012

Special Organisation Achievement Category

National Annual Corporate Report Awards 2012

Finalist (Overall)

BrandLaureate Awards 2011

- Conglomerate Awards

ACCA Masra 2011

- Shortlisted

Stevie International Business Awards 2011

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



The Edge Billion Ringgit Club 2011

- Member

NACRA Award 2010

- Best Corporate Social Responsibility Reporting Award – Silver Award

ACCA MaSRA 2010

- Shortlisted

Asean Business Awards (Innovation) 2010

- 1st Runner Up

Stevie International Business Awards 2010

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

PM CSR Award 2009

- Honourable Mention – Culture & Heritage

ACCA MaSRA 2009

- Winner – Environmental Performance Report

ACCA MaSRA 2009

- Special Mention – Assurance Approach

NACRA Award 2009

- Best Corporate Social Responsibility Reporting Award – Silver Award

Member

- The Edge Billion Ringgit Club 2010

StarBIZ ICR Malaysia Corporate Responsibility Awards 2009

- Finalist – Marketplace Category

NACRA Award 2008

- Best Corporate Social Responsibility Reporting Award – Platinum Award

StarBIZ – ICR Malaysia Corporate Responsibility Awards 2008

- Finalist – Community Category



AWARDS & RECOGNITIONS

PROPERTY

KUALA LUMPUR SENTRAL SDN BHD

FIABCI Malaysia Chapter Property Awards for Green Sustainable Development Category 2013

- Winner – Platinum Sentral

The Edge-PAM Green Excellence Awards 2012

- Green Building – Platinum Sentral

Editors Choice Property Awards 2012

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

Stevie International Business Awards 2011

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

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

- 1st Runner-up – Sooka Sentral Lifestyle Centre

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

- Winner – Sooka Sentral Lifestyle Centre

2009 FIABCI Malaysia Property CEO of the Year Award

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

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

- 1st Runner-up – 1 Sentral

FIABCI Malaysia Chapter Property Awards for Office Development 2008

- Winner – 1 Sentral

Islamic Finance News Award Musyarakah Deal of the Year 2007

- Kuala Lumpur Sentral CBD



Malaysia's First MSC Cybercentre in 2006

- Kuala Lumpur Sentral CBD

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

- Finalist – Stesen Sentral Kuala Lumpur

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

- Stesen Sentral Kuala Lumpur

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

- Stesen Sentral Kuala Lumpur

PAM 2002 Awards for Excellence in Architecture

- Stesen Sentral Kuala Lumpur

MRCB Sentral Properties Sdn Bhd

- MS ISO 9001:2000



FACILITIES MANAGEMENT

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

Semasa Sentral Sdn Bhd

- Building Gemilang Decoration Competition 2011 – 1st place
- "Best Facilities Management Company in Asia Pacific": Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- "Best Operation Driver of The Year": Mohamed Roslan Mohamed Shariff, Chief Operating Officer, SSSB – Asia Pacific Excellent Standard Award (APBEST) – organised by APBEST Academy, Hong Kong in December 2008
- Human Resource Development Award 2008; Medium and Small Service Industry by the Human Resource Development in October 2008
- Re-certification to MS ISO 9001:2000 QMS in March 2006
- Transportation Project Award by Eastern Asia Society of Transportation Studies
- Public Toilet Cleanliness Competition organised by Dewan Bandaraya Kuala Lumpur (DBKL) – 1st place for Year 2004 and 2005



AWARDS & RECOGNITIONS

- Shortlist for QMEA 2004 Award for Category 1 (Local Company With Annual Sales Not Exceeding RM10 Million) organised by Ministry of International Trade & Industry (MITI)
- Special Award for Quality Management Excellence 2005 organised by MITI

Semasa Services Sdn Bhd

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

Semasa Security Sdn Bhd

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

MRCB Technologies Sdn Bhd Accreditation

- MS ISO 9001:2000
- MSC Status Incubator

Licenses

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

INFRASTRUCTURE & CONCESSION

MRCB Lingkaran Selatan Sdn Bhd

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

MRCB Prasarana Sdn Bhd License

- CIDB G7
- Quality Management System
SIRIM ISO 9001:2000



MRCB Environment Sdn Bhd

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

License

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

ENGINEERING & CONSTRUCTION

Transmission Technology Sdn Bhd Accreditation

- MS ISO 9001:2000

Licenses

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

MILMIX Sdn Bhd Accreditation

- MS ISO 9001:2000 License
- CIDB G7

MRCB Engineering Sdn Bhd Accreditation

- MS ISO 9001:2000

Licenses

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



CORPORATE GOVERNANCE

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

MRCB'S BOARD STRUCTURE

Composition of Members

As at 31 December 2013, the MRCB Board had nine members: the Chairman (Non-Independent Non-Executive), one Executive Director and seven Non-Executive Directors. Five of the Independent Non-Executive Directors are Independent Directors and two are Non-Independent Non-Executive Directors.

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.

From 1 January 2013 up to 1 September 2013, the Independent Directors constituted 71% of the Board. However, with the appointment of Tan Sri Mohamad Salim Fateh Din and Dato' Ishak Haji Mohamed to the Board on 2 September 2013 and 28 October 2013 respectively, as at 31 December 2013, the Independent Directors constituted 56% of the Board.

The Independent Directors provide objectivity during Board deliberations and ensure that decisions made are in the best interests of the company.

The Board believes that its composition and size enabled it to discharge its duties and responsibilities effectively and competently. From time to time, the Nomination Committee of the Board reviews the mix of skills, knowledge, experience and independence of its members. The Board is satisfied that there have been no compromises to the independence of the Independent Directors in 2013. As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a cumulative term of 12 years. The Board believes that this tenure provides a balance of effectiveness and independence that is appropriate for the Group. In this regard, on 10 January 2014, Dato' Ahmad Ibnihajar resigned from the Board as he had served as an Independent Director for more than 12 years. The Board also recognises the importance of gender diversity and on 6 March 2014, the Board had appointed Puan Rohaya Mohammad Yusof to the Board.

APPOINTMENTS TO THE BOARD AND RE-ELECTION OF DIRECTORS

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

All newly appointed Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election. This requirement is set out in Article 106 of the Company's Articles of Association. Additionally, Articles 101 and 102 of the Company's Articles of Association require that at least one third of the Directors retire by rotation, and the retiring Directors each year are those who have been in office the longest since their appointment or re-election.

ROLES AND RESPONSIBILITIES

The Board oversees the business and affairs of the Group and is principally responsible for strategic planning, risk management, succession planning and oversight of operations. It is also responsible for 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 roles, functions, responsibilities and powers of the Board and its various committees.

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

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

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

The roles of the Chairman and Group Managing Director are held by separate individuals, with 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 Group Managing Director is responsible for making and implementing operational decisions and the day-to-day management of the Group. The Group Managing Director charts the overall business direction of the Group, reports and communicates key strategic matters and proposals to the Board, and implements decisions made by the Board.

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

The Chairman is also responsible for chairing the meetings of the Board and ensuring that there is adequate deliberation and evaluation of proposals and information provided by management. In the absence of

the Chairman, the most Senior Independent Director, Dato' Ahmad Ibnihajar, chaired the Board meetings.

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 nine Board of Directors meetings were held between 1 January 2013 and 31 December 2013. All the Directors attended more than 50% of the Board meetings during the period.

Amongst the matters deliberated by the Board in 2013 were:

- Quarterly unaudited financial results;
- Announcements to Bursa Malaysia Securities Berhad;
- Group audited financial statements;
- Major business proposals and transactions; and
- Proposed acquisition of Gapurna Builders Sdn Bhd, Gapurna Land Sdn Bhd, Puncak Wangi Sdn Bhd, Gelanggang Harapan Construction Sdn Bhd and Gapurna Global Solutions Sdn Bhd.

BOARD COMMITTEES

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

These committees review and deliberate on strategic issues. The Chairmen of the various committees report on their respective deliberations and recommendations to the Board at the next Board meeting. The Board retains the ultimate responsibility for decisions made by the committees.

CORPORATE GOVERNANCE

MRCB BOARD COMMITTEES



REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the Group Managing Director and designated senior management personnel is based on the Remuneration Committee's review and assessment of the achievements and contribution of each individual measured against their respective key performance indicators. Recommendations are then made by the Remuneration Committee for a decision by the Board on suitable remuneration for each person.

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.

BOARD CONDUCT

Code of Ethics and Conduct for Board Members

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

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

Directors' Training and Continuing Education Programme

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

During the year, members of the Board had attended various courses on the changing laws, regulations, techniques and practices in leadership and management at the Board level.

Performance Evaluation

The Board, through the Nomination Committee, reviews and evaluates its own performance and that of individual Directors every two years. The last performance evaluation was conducted in 2012.

Relationship of the Board with Management

The relationship between the Board and Management remained strong and cohesive during the year under review. The Board continued to have direct and unrestricted access to the Group's management team. The Board supports the management by providing leadership, and the setting of business targets through key performance indicators and balanced scorecards for senior management personnel. At the same time, the Board also serves a check-and-balance function by challenging and debating decisions made by the management before they are endorsed and approved. To do this, an established and structured reporting system has been put in place where the Board is regularly briefed and updated on the performance of the Group. This system enables the Board to closely monitor the achievement of targets set. Management and employees rewards 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:

- 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 the Board or its committee meetings. This process ensures that the directors have enough time to review, consider and if necessary, obtain further information on the matters to be discussed, and thus be properly briefed and prepared during the meetings;
- unrestricted access to the advice and services of the company secretary and other members of senior management; and
- unrestricted advice and services of external and independent professionals, made available to Board members individually and collectively. This is made available independent of management's intervention.



OUR ENVIRONMENT



MRCB has been a long-term leader in environmental sustainability. The leadership has progressed from addressing the impact of the Company's own operations to influencing clients and other stakeholders at every possible opportunity. There will always be more to do in this area but MRCB sets continuous and challenging targets for its most significant environmental aspects.



ENVIRONMENT

MRCB supported higher appliance efficiency standards, lower greenhouse gas emissions and a lighter carbon footprint well before sustainability became a significant focus of business and society. Embracing its responsibility for creating a better environment, MRCB has proudly become one of the first in green construction.

Care is taken to understand and respond to all environmental challenges that arise in operations. Minimising the environmental footprint helps the Company achieve more with less: less energy, less carbon, less waste and fewer resources.

OUR CONTRIBUTIONS TO THE BIODIVERSITY AND CONSERVATION OF NATURE

Managing impacts from operations requires a sophisticated, ecosystems-based approach. Particular attention is paid to biodiversity when developing environmental management plans. In September 2013, MRCB secured the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang. The contract, worth RM130 million, was awarded by the Department of Irrigation and Drainage.

MRCB saw the potential in its environmental activities not only as a business venture. They complement the business's CSR initiatives to promote eco-friendly environments and encourage domestic tourism.

WHAT HAVE WE DONE SO FAR?

MRCB Environment's Teluk Cempedak beach rehabilitation pilot project in Pahang was awarded by the Department of Irrigation and Drainage (DID) in 2003. The beach was eroding due to loss of sand.

A pressure equalisation module (PEM) system was employed to rehabilitate the coastline of Teluk Cempedak. Beaches erode when the sand is wet and saturated. PEM pipes were installed under the seabed to lower the pressure from the ground water level and stimulate sand sedimentation. The water table was reduced, which dried the sand on the beach.

The beach's sand was nourished to achieve a wider beach profile. Additional PEM pipes were laid under the new beach to reduce erosion. The project was completed in 2004. Sand nourishment increased the beachfront of Teluk Cempedak by between 80m and 100m. Subsequently, the Company was awarded a small contract by DID to maintain the beach for three years.

MRCB Environment also deployed a similar solution to conserve 3 km of beach at Teluk Tekek, Tioman Island. An interim award was received from DID in 2005. The project involved constructing a sea wall and laying the PEM system to minimise erosion and enhance its recreational value for tourism-related activities. An Environmental Impact Assessment (EIA) was also initiated to examine the pollution in various rivers in Teluk Tekek. An awareness programme was also introduced to protect the rivers from further pollution. Creating awareness among the villagers to refrain from discharging kitchen effluents directly into the river was crucial. DID introduced grease traps to food outlets at selected villages.

MRCB Environment was provided with an opportunity to improve lives in the local community. An interim award worth approximately RM60 million was received in 2006 to improve the river mouth on a design and build basis. The interim work included immediate dredging. A breakwater system was designed at the river mouth and the work was performed in phases. Once completed, local fishermen can navigate more safely especially during the monsoon season. It also helps reduce flooding in the area.

MRCB Environment was also awarded the contract to rehabilitate Sungai Prai in 2007, 2010 and 2011. The Company received the award to rehabilitate Sungai Kuantan, Pahang in 2008 from the DID. All projects have already been completed.

REHABILITATION PROJECT IMPACT ANALYSIS

PROJECT	CONDITIONS PRIOR TO PROJECT IMPLEMENTATION	SUCCESSES POST PROJECT COMPLETION
SG. PAHANG REHABILITATION PROJECT	<ul style="list-style-type: none"> • Coastal flooding of surrounding areas • Siltation at the river mouth • Large waves producing strong currents near the shore • Unsafe navigation for fishing vessels 	<ul style="list-style-type: none"> • Reduced risk of coastal flooding in surrounding areas • Siltation problem resolved through better flushing and discharging of peak flows to the sea • Provide shelter from waves at all times • Provide adequate navigation channels, mooring and berthing areas
SG. KUANTAN REHABILITATION PROJECT	<ul style="list-style-type: none"> • Coastal flooding of surrounding areas • Siltation at the river mouth • Large waves producing strong currents near the shore • Unsafe navigation for fishing vessels 	<ul style="list-style-type: none"> • Reduced the risk of coastal flooding in surrounding areas • Siltation problem resolved through better flushing and discharging of peak flows to the sea • Provide shelter from waves at all time • Provide adequate navigation channels, mooring and berthing areas
SG. PERAI REHABILITATION PROJECT	<ul style="list-style-type: none"> • Coastal erosion • Inadequate navigation channel, mooring and berthing areas • Unsafe navigation for fishing vessels 	<ul style="list-style-type: none"> • Reduced the risk of coastal flooding in surrounding areas • Provide shelter from waves at all times • Provide adequate navigation channels, mooring and berthing areas
TELUK CEMPEDAK REHABILITATION PROJECT	<ul style="list-style-type: none"> • Narrow and steep beach • Large waves producing strong currents near the shore • Dangerous for recreation 	<ul style="list-style-type: none"> • Sand nourishment increased the beachfront of Teluk Cempedak by between 80m and 100m. Sand loss reduced by 15% from 2004 to 2007 after PEM installation. • Reduced effluent pollution from the drainage and sewer outfall along the beach

GREEN BUILDING

MRCB continues to showcase its expertise in green building developments in KL Sentral CBD to:

- Provide value for building owners, tenants and occupants
- Enhance brand and corporate reputation
- Invest in a green-conscious marketplace of the future
- Support its business leadership with a vision and commitment to developing green initiatives

ENVIRONMENT

The achievements recorded by each of MRCB's green buildings are summarised in the table below.

GREEN BUILDING ACHIEVEMENTS

GREEN BUILDING	ACHIEVEMENTS
PLATINUM SENTRAL	<ul style="list-style-type: none"> • Awarded Singapore's Building and Construction Authority's (BCA) Green Mark Platinum Award (Provisional), the Platinum Award & GBI Gold Certified for design stage • The first green building in KL Sentral CBD paved the way for seven more, in the form of office towers, serviced apartments and a retail mall • GBI Certified for Design Assessment
MENARA SHELL & ASCOTT	<ul style="list-style-type: none"> • Gold rating for LEED • Green Building Index (GBI) Gold Certified
1 SENTRUM	<ul style="list-style-type: none"> • Towards achieving the silver rating for LEED and GBI
MENARA CIMB	<ul style="list-style-type: none"> • Gold rating for BCA Greenmark and GBI Certification
Q SENTRAL	<ul style="list-style-type: none"> • GBI Gold Certified
THE SENTRAL RESIDENCES	<ul style="list-style-type: none"> • GBI Gold Certified
NU SENTRAL	<ul style="list-style-type: none"> • BCA Greenmark Compliance and GBI Certification

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

GREEN IMPACT	POSITIVE ENVIRONMENT IMPACT
MINIMISING ENERGY USAGE	Highly efficient ventilation system
USE OF ENVIRONMENTAL-FRIENDLY MATERIALS	Integrating natural energy such as solar power with building power gridline
CONSUMING FEWER NATURAL RESOURCES	Heat recovery wheel reuses waste heat energy and exhausts
ENERGY EFFICIENCY DESIGN	Highly efficient and energy saving lighting with automatically controlled illumination levels
LOW GREENHOUSE AND OZONE DEPLETING GASES	Generative lifts and motion sensor activated escalators

Platinum Sentral

The sustainability objectives of Platinum Sentral focus on:

- Minimising waste, using environmentally-friendly materials, consuming fewer natural resources, energy efficient designs, and low greenhouse and ozone depleting gas emissions.
- Highly efficient ventilation system designs that reduce transmission and ventilation loads.
- Renewable energy, such as solar, that can be integrated into the building power gridline.
- Reusing waste heat energy and exhausts with a heat recovery wheel.
- Installing highly efficient and energy saving lighting, lighting control and a light sensor control system to automatically control illumination.
- Generative lifts and motion sensor activated escalators.

FOCUS AREA	SUSTAINABILITY FEATURES
ENERGY EFFICIENCY	<p>BUILDING ENVELOPE</p> <ul style="list-style-type: none"> • Selecting glass based on its U-Value, Solar Heat Gain Coefficient (SHGC), and low-E coating to improve its Envelope Thermal Transfer Value (ETTV) • Installing screen or louvers that provide optimal shading • Dramatic use of custom-designed timber sun shades that showcase the innovative use of local building materials and content <p>ARTIFICIAL LIGHTING</p> <p>The design is anticipated to save energy from the baseline building as per Ashrae 90.1 2004. The strategies included in the design are as follows:</p> <ul style="list-style-type: none"> • Energy efficient lighting - T5 light fittings, LED complete with high frequency electronic ballast • Daylight responsive sensor to control light by dimming or switching off • Demand control ventilation using CO₂ sensors • Optimised lighting layout with reduced lighting power density but meeting minimum lux level standards <p>VENTILATION CAR PARK</p> <ul style="list-style-type: none"> • Car park is mechanically ventilated with an inverter to modulate the exhaust air fan based on CO levels • Mechanical ventilation system is coupled with CO sensors <p>AIR-CONDITIONING SYSTEM</p> <ul style="list-style-type: none"> • Project uses a district cooling system • Air handling unit system is designed at 0.4W/CMH • CO₂ sensors are designed to regulate outdoor airflow <p>VENTILATION IN COMMON AREAS</p> <ul style="list-style-type: none"> • BAFs use elevated air speed to provide cooling without a need for refrigerants • BAFs can increase occupant comfort by: <ul style="list-style-type: none"> • Using a high speed fan for cooling • Destratifying the space using a low speed fan • Minimising hot and cold areas • Providing an additional means of occupant control • Toilets and staircase are mechanical ventilated • Corridors and lift lobbies are air-conditioned • Atriums are naturally ventilated

ENVIRONMENT

FOCUS AREA	SUSTAINABILITY FEATURES
	<p>LIFTS AND ESCALATORS</p> <ul style="list-style-type: none"> • Provision of variable voltage variable frequency motor drive • Lifts have sleep modes • Dual speed modes and motion sensors are provided on all escalators <p>ENERGY EFFICIENT FEATURES</p> <ul style="list-style-type: none"> • Motion sensors installed in all washrooms and staircases. • A ductless mechanical ventilation system has been designed. • A heat recovery wheel system precools and removes moisture from fresh air before it enters the building. <p>RENEWABLE ENERGY</p> <ul style="list-style-type: none"> • Photo Voltaic system installed capacity is 158. 976 kWp.
WATER EFFICIENCY	<ul style="list-style-type: none"> • Efficient sanitary fitting selected under the 'Excellent' Water Efficiency Labelling Scheme (WELS). • Water sub-meters monitor water usage from irrigation, water features and domestic purposes and links it back to the BMS. • Rainwater harvesting system reduces potable water usage for landscape irrigation throughout the entire site. • A good filtration system will be incorporated on the irrigation system. • Rain sensors will be provided as part of an effective site irrigation system that is fully automated. • Excellent-rated basin taps, sinks, bib taps and flushing cisterns are used. A flush valve system is installed on all public toilets and a flushing cistern system is designed for handicapped toilets. <p>IRRIGATION SYSTEM</p> <ul style="list-style-type: none"> • A rainwater harvesting system reduces the dependency on potable water for landscape irrigation across the entire site. • A good filtration system will be added to the irrigation system. • Rain sensors will form part of an effective fully automated site irrigation system. • Rainwater harvesting system to reduce dependency on potable water for landscape irrigation used throughout the entire site. • A good filtration system will be incorporated into the irrigation system. • Rain sensors will be provided as part of fully automated effective site irrigation system. • Water sub-meters monitor water used for irrigation, water features and domestic water purposes.
GREENERY	<p>ROOF - HEAT ISLAND EFFECT</p> <ul style="list-style-type: none"> • The green roof reduces heat build-up in the surrounding environment. • 50% of the roof's surface is covered with vegetation to deflect heat away from the concrete and hardpaving. • The green roof will help to lower the surrounding ambient temperature.

FOCUS AREA	SUSTAINABILITY FEATURES
ENVIRONMENTAL MANAGEMENT PRACTICE	<ul style="list-style-type: none"> • The main contractor will implement an effective construction management programme which includes consistent energy, water and construction waste monitoring as specified in the tender. • The project will be assessed by CONQUAS. • Recycling facilities will be provided throughout the development to encourage tenants and the public to recycle. • The main contractor will introduce an effective construction management programme to monitor energy, water and construction waste monitoring. Provisions for controlling subsoil drainage, preventing sedimentation and contamination of rain water run off was also specified in the tender. • A clean and green site will be provided.

TECHNOLOGY INNOVATION

Platinum Sentral also employs CISCO's Smart+Connected Real Estate (S+CRE) solution offering the power of a centralised network solution. This solution accelerates and multiplies its infrastructure investments and differentiates itself from the rest of the market.

The S+CRE solution eliminates the isolated, disconnected system within communities and allows more efficient integration. Resources and information can be shared and utilised to serve the community more effectively by using the network as a fourth utility. It integrates:

- Energy management through lighting control, solar panel management control and rain water harvesting.
- Building management by controlling elevators, escalators and the ventilation system.
- Facility management through the monitoring and scheduling of building automation systems. It generates reports on energy usage and efficiency, and a tenant portal allows service requests.
- Security management through monitoring CCTV and building access control systems; coordinating user and guest databases; and an alarm and event exception handling.
- Central maintenance management that administers fault reporting.
- IT network management that provides information on current, historical and planned availability of systems, network status, operational statistics, fault monitoring and management.

CISCO S+CRE SOLUTION BENEFITS



ENVIRONMENT

Menara Shell

Menara Shell’s integrated green features are expected to reduce energy by at least 21% and cut carbon emissions by 2,000 MT per year. The table below highlights the sustainability features incorporated in the design and construction of Menara Shell.

FOCUS AREAS	SUSTAINABILITY FEATURES
ENERGY EFFICIENCY	<ul style="list-style-type: none"> • Efficient T5 fluorescent lights with perimeter daylight sensors • Daylight harvesting system featuring internal light shelves with glare control to extend daylight penetration into office space
WATER EFFICIENCY FITTINGS	<ul style="list-style-type: none"> • Dual flush cisterns • Low flow urinal • Low fittings for sink or bib taps, basin taps, mixers and showerheads • Rainwater harvesting system and water efficient fittings
WASTE MANAGEMENT	<ul style="list-style-type: none"> • MR2.1: Divert 50% of construction waste from landfill
MATERIALS	<ul style="list-style-type: none"> • Recycled content materials • Regional materials • Certified wood
INDOOR ENVIRONMENTAL QUALITY	<ul style="list-style-type: none"> • CO₂ sensor used to regulate fresh air • Formaldehyde free composite wood • Low VOC paint • Low VOC carpet • Thermal comfort

Q Sentral

Q Sentral is another green development by MRCB. The following sustainable technologies are incorporated into the building design in compliance with GBI standards:

- Energy efficient technologies to reduce water and energy consumption
- Rain water harvesting system
- High efficiency sanitary fittings
- Hybrid renewable solar power energy systems to generate power for all common areas
- The use of high Solar Reflectance Index (SRI) materials in the building’s exterior to reflect heat
- The use of T5 and LED energy-saving bulbs

GREEN FACILITIES MANAGEMENT

MRCB’s Facilities Management (FM) established its own brand as a major player in the country since 2005. FM’s strong performance is supported by a capable workforce. FM offers

total integrated facilities management services such as the operation, maintenance and management of facilities. Car park logistics and management are also provided. These services are provided for integrated transportation hubs, commercial, government, industrial sectors and high-rise buildings that include green buildings.

Awards and Recognition

The division’s operations comply with well-established standard procedures that deliver excellence. It is committed to ISO certification and has maintained this certification for companies under the division’s umbrella notably, Semasa Sentral Sdn Bhd (Semasa Sentral), Semasa Services Sdn Bhd (Semasa Services) and Semasa Parking Sdn Bhd (Semasa Parking).

In its quest for excellence, Semasa Services was one of the first five Malaysian companies to be certified with the ISO 50001 Energy Management System. This certification, awarded on 28 June 2013 by SIRIM, will further expand and improve the professional delivery of energy services.

NEW GREEN TECHNOLOGY VENTURES

Energy efficiency and green technology is a new journey for Semasa Services. The efficient utilisation of energy, water and materials is prioritised. This service is a concerted effort to reduce a building's impact on human health and the environment throughout the structure's lifecycle. This is achieved through better design, construction, operation, maintenance and ultimately removal or demolition. Semasa Services assesses buildings in order to classify them. The Company aims to manage a wider scope of green rated buildings under various green certification bodies such as Malaysia's GBI, Singapore's BCA Green Mark and USA's LEED. Prominent buildings under its supervision are Platinum Sentral, located in Kuala Lumpur Sentral CBD and the Energy Commission's Diamond Building in Putrajaya. Clients benefit from premium rental from green buildings by attracting reputable tenants who are conscious of the pressing need for sustainability. It also helps incorporate energy and water efficient technologies while reducing management costs and creating value-added services.

Semasa Services offers energy efficiency and green technology consultancy services, building energy audits and energy initiatives either through outright purchase or shared savings with clients. Many clients have benefited from energy efficiency programmes that have been carried out at several buildings including Stesen Sentral Kuala Lumpur (SSKL), 1 Sentral and Plaza Sentral. Electricity costs have reduced by between 11% and 15%. This programme will lead to a reduction in carbon emissions in support of the Government's aspiration of more green initiatives. Energy efficiency initiatives at these buildings include energy assessments, building benchmarking, cost-effective energy efficiency improvements as well as green workforce training and education.

In 2013, Semasa Services signed an agreement with Phillips Malaysia for the supply of LED tubes. This lighting can be five times more efficient than conventional lighting. It is environmentally safe, has an extended life and is more durable. These characteristics result in energy savings. LED tubes have been installed in Stesen Sentral Kuala Lumpur, Plaza Sentral, Sooka Sentral, 1 Sentral and Kompleks Sentral.

MRCB'S GREEN PLAN

As the master developer of Kuala Lumpur Sentral CBD, MRCB has eight spectacular buildings that are in various stages of completion. These buildings are Platinum Sentral, Menara CIMB, Q Sentral, The Sentral Residences, Nu Sentral retail mall, 1 Sentrum, Menara Shell and Ascott Sentral. They are all built to green specifications and the designs have been certified by local or international certification bodies.

Deemed one of Malaysia's premier construction players and urban property developers, MRCB made concerted efforts in 2008 to incorporate sustainable practices into its core business DNA. An internal transformation was implemented to enhance the way it conducted its businesses, incorporating the green commitment in its property development projects. MRCB is now synonymous with its sustainable development strategies. All its developments comply with Green certification bodies such as Malaysia's GBI, the US-based LEED or the Singapore-based BCA Green Mark.

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

MRCB's Platinum Sentral Wins Sustainable Development Category at The FIABCI Malaysia Property Award 2013

On 9 November 2013, MRCB won the FIABCI Malaysia Property Award under the sustainable development category for Platinum Sentral, its office-campus style green building in the Kuala Lumpur Sentral CBD.

MRCB has won several awards from attaining best green initiatives to best green office development awards. It is honoured to receive FIABCI's Sustainable Development Award.

Platinum Sentral has outstanding features for energy saving, focusing on enhancing efficiency in utilising energy, water and materials. Every feature from walls, the roof, gardens and plant life help conserve energy. This is in-line with MRCB's commitment to sustainable development. A visitor to Platinum Sentral's expansive Atrium will experience being in the tropics on a balmy temperate day, made real by a vista of the sky through the glass roof. Water features in its green spaces help cool an environment set against an evergreen park. Visitors and tenants alike engage in informal meetings and indulge in leisure activities, right next to their places of business.

Reducing our Environmental Impact

MRCB demonstrates leadership in the energy and environmental conservation by minimising its carbon footprint and environmental impacts. The Life-Cycle Assessment approach shows the construction stage has the greatest environmental impact so energy-efficient solutions are provided. Reducing the carbon footprint of business activities is prioritised. Other environmental impacts such as emissions to air, waste and water are also tracked.

ENVIRONMENT

MRCB manages the environmental impacts from its operations including facilities, materials transport and business travel.

ENERGY MANAGEMENT

Managing and reducing energy consumption not only saves money but also helps mitigate climate change and enhance corporate reputation. MRCB monitors its energy usage for projects and operations. The Company believes it cannot manage what it cannot measure.

COMPANY	ENERGY CONSUMPTION (kWh)		
	2011	2012	2013
SIDEC	33,444.00	80,902.00	182,719.00
MRDSB	652,185.00	697,245.00	656,270.00
MSPSB	25,711,932.79	39,850,964.25	36,001,521.76
SSKL	19,982,693.33	17,453,693.61	1,394,347.64
MRCB PRASARANA	51,352.85	48,044.50	1,958,152.78
MRCB ENGINEERING	2,638,443.00	2,772,791.20	4,379,383.53
MRCB HQ	94,093.60	95,526.01	226,739.00
KLSD	1,531,070.38	1,454,474.47.00	1,394,347.64
TTSB	5,377,728.00	682,112.00	54,169.00

WATER MANAGEMENT

Water is becoming an increasingly scarce resource. MRCB monitors its water consumption with the aim of reducing it. This has been achieved through initiatives such as installing low-flow toilets in offices.

A proactive approach to water efficiency influences the design specifications applied to constructions and the way buildings are being used, managed and maintained.

MRCB's principles on water efficiency include:

- Monitoring and managing the current system to ensure equipment is performing to its full potential and encouraging responsible use
- Reducing water usage by employing efficient technologies, fixing leaks and influencing users behaviour
- Using efficient water storage and distribution system

- Replacing potable water with grey or rain water where practical

WASTE MANAGEMENT

The minimisation and disposal of waste has become one of the most significant environmental issues in recent years. Waste disposal can have a significant impact on the environment, especially as the total volume of available landfill is decreasing. MRCB ensures compliance with all relevant environmental legislation.

Office Waste

MRCB is committed to reducing, reusing and recycling the waste it generates wherever possible. The largest component of office waste is paper, printer toner cartridges and IT equipment. Recycling points are provided in the offices to encourage employees to recycle and double-sided printing is promoted to save paper.

Construction Waste

The responsible management of waste is an essential aspect of sustainable building. In this context, managing waste means eliminating waste where possible, minimising waste where feasible and reusing materials that would otherwise become waste. Solid waste management practices have identified the reduction, recycling and reuse of wastes as essential for the sustainable management of resources.

MRCB realises that many opportunities exist for reducing and recovering materials that would otherwise be disposed off. The Company considers the beneficial reuse of materials along with any economically viable means of reducing the total waste disposed of. Effective strategies for identifying and separating wastes are also examined. Options are being explored to create value by returning wastes back to manufacturing processes; incorporating recycled materials into products; and reducing building-related wastes through efficient jobsite practices.

The following table presents the total waste disposed of by Lot B.

TYPE OF WASTE	TOTAL WEIGHT (TONNES)	PERCENTAGE RECYCLED (%)
STEEL BAR / SCRAP METAL	107.15	100%
TIMBER / CONCRETE / PAPER / DEBRIS	3.444	56.25%

OZONE DEPLETION

Some network cooling systems and office air conditioning systems use refrigerants. MRCB has phased out the use of CFCs and is currently phasing out the use of HCFCs. This is in accordance with the Montreal Protocol, an international agreement on the phasing out of ozone-depleting substances.

OTHER ENVIRONMENTAL INITIATIVES

MRCB Switches off Lights in its Property Development For Earth Hour 2013

On 18 March 2013, MRCB participated in the global Earth Hour movement for the fourth year. MRCB's iconic Kuala Lumpur Sentral development and its Shah Alam property – Alam Sentral took part in this initiative. All non-essential lights were switched off for one hour in its buildings and property under its management to create awareness of the threat of global warming. This included the iconic Kuala Lumpur Sentral development consisting of:

- The landmark office tower 1 Sentral - MRCB's Headquarters
- The iconic Stesen Sentral Kuala Lumpur, Malaysia's largest and busiest transportation hub
- Platinum Sentral, MRCB's award winning green building.
- Plaza Sentral, the first strata office building in Kuala Lumpur Sentral development
- Sooka Sentral, MRCB's award winning lifestyle centre
- Plaza Alam Sentral, MRCB's retail mall in Shah Alam

As a developer, MRCB recognised its obligation to help create awareness of global warming. Rather than merely creating awareness, the Company took a more proactive approach by incorporating sustainable elements into its property developments.

This small contribution from MRCB will hopefully create a new consciousness in Malaysians and other property developers to work towards more sustainable lifestyles and address climate change issues. Employees are encouraged to personally

take part in the Earth Hour by relaying the message to their friends, relatives and families. It is hoped that they participate in this global effort as a very high percentage of employees have young families. Everyone is keenly aware of the need to safeguard the environment for future generations.

MoU between MRCB and the Malaysian Light Emitting Diode (LED) Consortium

In October 2013, MRCB has signed an MoU with the LED Consortium with three other companies: Malaysian Industrial Development Finance Berhad (MIDF), Mydin Mohamed Holdings Berhad and Johor Corporation (JCorp). This MoU aims to maintain a synergistic relationship between the parties through the sharing of ideas. The parties will jointly develop and implement future collaborative, mutually-beneficial programmes. MRCB is jointly committed to developing and implementing future collaborative programmes to encourage the use of LED lighting in the domestic market.

The Green LED/SSL programme is in-line with the Government's objective of promoting LED/SSL lighting as a cost and energy-efficient lighting solution. The Government has issued a directive to phase out all incandescent, conventional lighting in buildings and property projects beginning next year.

KL Sentral as a Smoke-Free Zone

MRCB has issued a formal notice at its KL Sentral areas that smoking is now prohibited. This provision is aligned with the Food Act 1983 and Tobacco Control Act 2004. Research shows that even short exposure to second-hand smoke has immediate harmful effects. It increases the risk of heart disease and lung cancer. Thousands of people travel through Kuala Lumpur Sentral CBD each day. MRCB is responsible for minimising the risk that smoking brings to other commuters.

OUR CARBON EMISSIONS

A greenhouse gas (GHG) is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere. By increasing the heat in the atmosphere, GHGs are responsible for the greenhouse effect, which ultimately leads to global warming. This is the fifth year that MRCB is reporting its GHG emissions.

MRCB emissions accounting is based on the internationally-recognised GHG Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI). Emissions accounting is based on

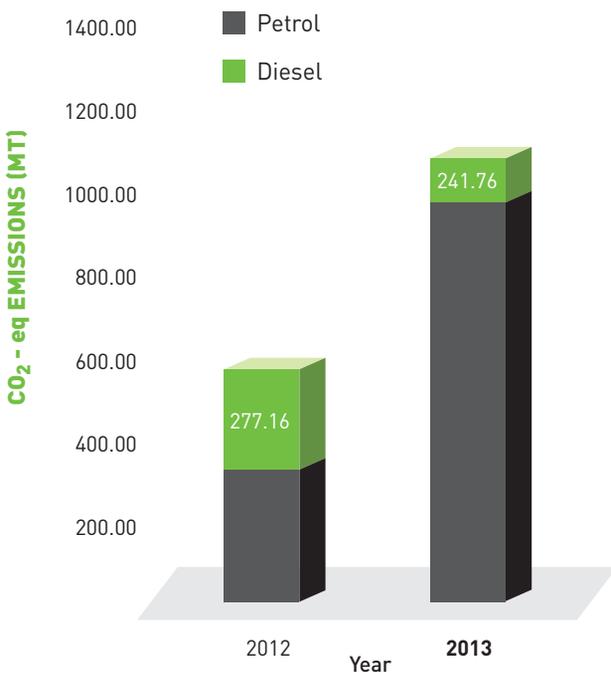
ENVIRONMENT

SCOPE	CATEGORY	INDICATORS MEASURED
SCOPE 1	Direct GHG emissions	Company-owned vehicles
SCOPE 2	Indirect GHG emissions	Electricity
SCOPE 3	Other indirect GHG emissions	Air travel and employee-owned vehicles

Scope 1

GHG emissions are monitored by tracking and tabulating all fuel purchases used for company-owned vehicles. 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 from company-owned vehicles



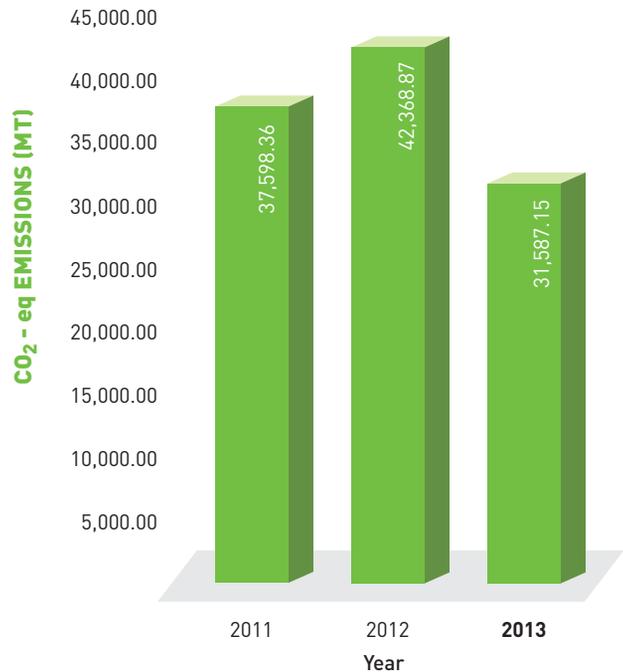
Our company-owned vehicles produced 1,200.88 MT of CO₂ emissions in 2013. This is an increase of 88.90% compared to 635.72 MT in the previous year.

Scope 2

The data was obtained from the monthly electricity invoices issued for SIDEC, MRDSB, MSPSB, SSKL, MRCB Prasarana, MRCB Engineering, MRCB HQ, KLSD and TTSB.

All data inputs are in kWh and cover a period of three years from January 2011 to December 2013. The emissions factor has been derived from the Malaysian Green Technology Corporation CDM Electricity Baseline for West Malaysia. The carbon emissions arising from electricity consumption are as follows:

Carbon Dioxide equivalent emissions from Purchased Electricity



In 2013, our CO₂ emissions resulting from purchased electricity usage have decreased by 25.45% from 42,368.87 MT in 2012 to 31,587.15 MT in 2013.

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 WRI GHG Protocol have been used to estimate the CO₂ emissions from air travel.

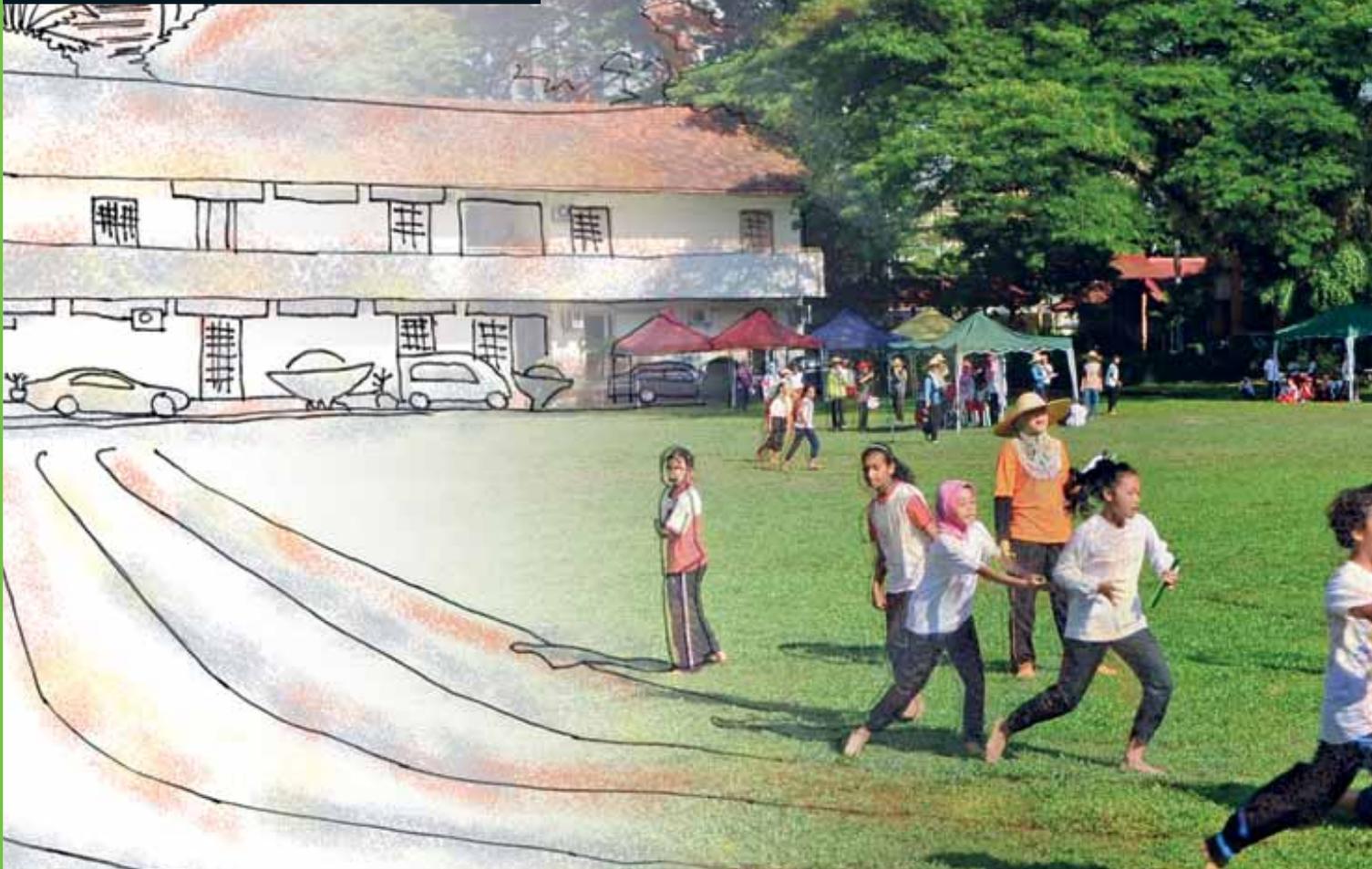
Emissions resulting from employees' own vehicles have been estimated from primary data derived from a survey of 145 employees conducted in early 2014. Respondents were asked questions to determine the type, make, model, year and fuel type of each vehicle. Questions were presented to estimate the average distance of daily business travel. A Mobile Combustion GHG Emissions Calculation Tool from the GHG Protocol Initiative was used to calculate the emissions. It has been assumed that each employee works 46 weeks on average each year. The adjacent chart compares emissions from employee owned vehicles and air travel in 2012 and 2013.

In 2013, CO₂ emissions resulting from employee-owned vehicles increased by 5.83% from 1,573.57 MT in 2012 to 1,665.35 MT in 2013. CO₂ emissions resulting from air travel decreased by 22.37% from 78.09 MT in 2012 to 60.62 MT in 2013.

Carbon Dioxide equivalent emissions from employee-owned vehicles and air travel



OUR ENGAGEMENT WITH THE COMMUNITY



MRCB is a socially active organisation that is committed to giving back to the communities in which it operates. Working in diverse locations means that MRCB must approach community engagement in a flexible manner. The Company seeks to invest in community projects and improve skills while supporting education and access to employment. Working with local communities by building relationships and investing time and effort has the potential to bring all parties lasting and positive benefits.



COMMUNITY

It is extremely important that MRCB supports social investments that contribute to the sustainable development goals of communities surrounding its operations. MRCB works in partnership with social development organisations, government institutions and local community representatives to ensure its investment addresses relevant and material issues in a rigorous manner with a positive impact on society.

EDUCATION

Every individual has the right to quality learning opportunities. MRCB has been working together with schools surrounding its operations by providing them with educational assistance.

PINTAR

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

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

In 2013, improving an understanding of Mathematics, English and Science has been promoted in the PINTAR school programme for the sixth year. Underprivileged and lower-performing students directly benefited from focused and specialised tutoring sessions from experienced former teachers and academicians. As of 2013, more than 15,000 students have been adopted since MRCB became a member of PINTAR in 2007. These students will continue to touch other lives as they progress, mature and enter the future job market. MRCB's tradition of caring and giving also continued in 2013.

Close to 700 school bags, shoes, socks and stationery sets were given to underprivileged students from its nine adopted PINTAR schools in Pulau Pinang, Perak, Kuala Lumpur, Johor and Pahang.

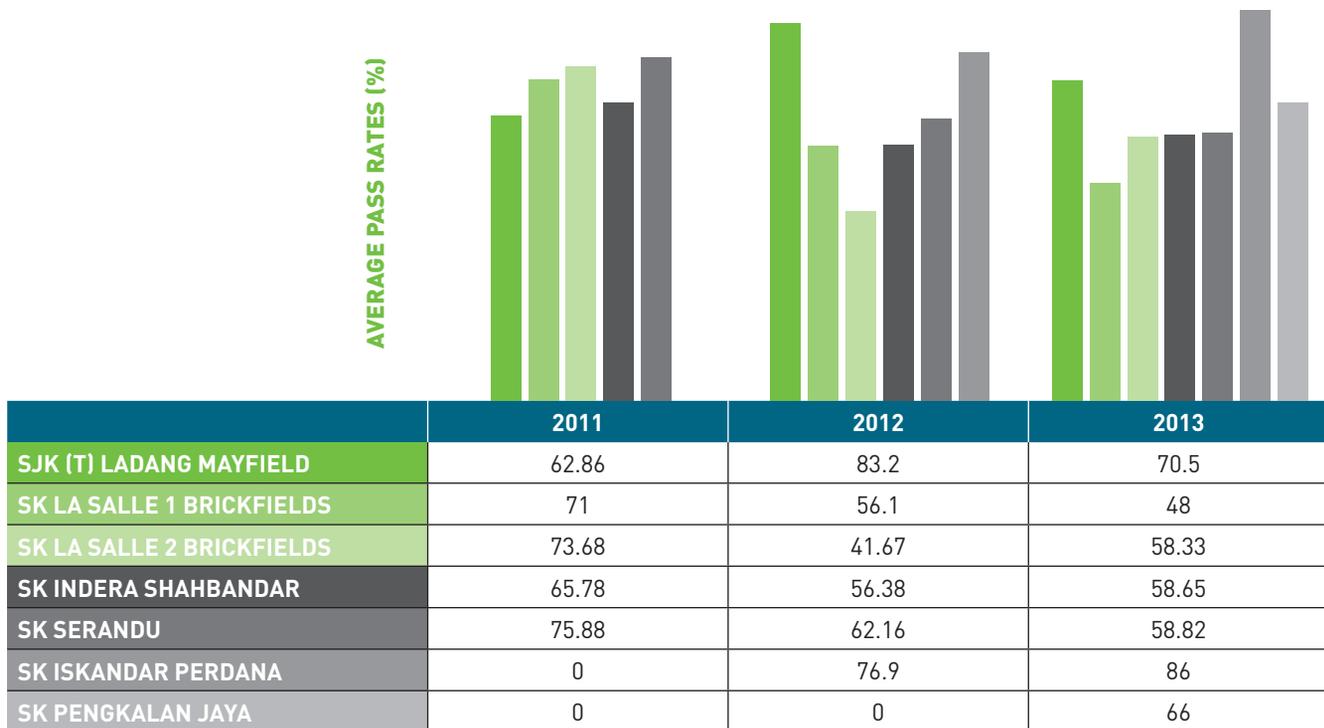
MRCB expanded its education initiatives by adding SK Pengkalan Jaya to its list of adopted schools in 2013. Two schools also graduated from the PINTAR programme in 2013: SK Bagan Jermal in Penang and SK Tebrau Bakar Batu in Johor. The following eight schools are currently under the MRCB PINTAR Schools Adoption Programme:

- SJK(T) Ladang Mayfield, Tasek Gelugor, Penang
- SJK(C) Yoke Hwa, Kuala Pahang, Pahang
- SK La Salle 1, Brickfields, Kuala Lumpur
- SK La Salle 2, Brickfields, Kuala Lumpur
- SK Indera Shahbandar, Kuala Pahang, Pahang
- SK Serandu, Kuala Pahang, Pahang
- SK Iskandar Perdana, Seri Iskandar, Perak
- SK Pengkalan Jaya, Butterworth, Penang

Intensive classes and motivational trips have been developed to assist the students. Students are exposed to various employment avenues which are available. They may also attend seminars and workshops on academic-related topics while learning lessons on attitudes and behaviour.



UPSR Average Pass Rates (%)



PINTAR ACTIVITIES	SCHOOL INVOLVED	DESCRIPTION
ENGLISH WORKSHOP	<ul style="list-style-type: none"> • SK Pengkalan Jaya • SJK(T) Ladan Mayfield • SK Iskandar Perdana • SK La Salle 1 Brickfields • SK La Salle 2 Brickfields • SK Indera Shahbandar • SK Serandu 	Workshops focussing on improving students' command of English were held for standard six students.
STUDY REVISION BOOKS FOR STUDENTS AND READING MATERIALS	<ul style="list-style-type: none"> • SK Pengkalan Jaya • SJK(T) Ladan Mayfield • SK Iskandar Perdana • SK La Salle 1 Brickfields • SK La Salle 2 Brickfields • SK Indera Shahbandar • SK Serandu 	MRCB sponsored the purchase of revision books for students and updated reading materials in the school libraries.
UPSR CLINIC	<ul style="list-style-type: none"> • SK Indera Shahbandar • SK Serandu • SK Pengkalan Jaya • SJK(T) Ladang Mayfield • SJK (C) Yoke Hwa 	Two-day intensive classes were held to prepare students for the UPSR examinations. The sessions focused on the four core subjects of English, Bahasa Malaysia, Mathematics and Science. The sessions were conducted by the New Straits Times (NST).

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PINTAR ACTIVITIES	SCHOOL INVOLVED	DESCRIPTION
MOTIVASI KECEMERLANGAN UPSR (SMART LEARNING)	<ul style="list-style-type: none"> • SK Indera Shahbandar • SK Serandu • SK Pengkalan Jaya • SJK(T) Ladang Mayfield • SK Iskandar Perdana • SK La Salle 1 Brickfields • SK La Salle 2 Brickfields 	Smart Learning classes were held to guide students on answering examination questions. Dr Abdul Aziz Sahat from Akademi Minda Bestari led the sessions and shared effective learning methods, which are key to successful studies.
EZ MATH	<ul style="list-style-type: none"> • SK Indera Shahbandar • SK Serandu • SK Pengkalan Jaya • SJK(T) Ladang Mayfield • SK Iskandar Perdana • SK La Salle 1 • SK La Salle 2 	EZ Math conducted classes that introduced techniques to solve mathematics questions during examinations. Students were taught to think critically especially when trying to solve challenging mathematical equations.
MRCB CAMPAIGN KIDS & CASH	<ul style="list-style-type: none"> • SK Indera Shahbandar • SK Serandu • SK Pengkalan Jaya • SJK(T) Ladang Mayfield • SK Iskandar Perdana • SK La Salle 1 • SK La Salle 2 	Students learned ways of managing their finances effectively. They were also introduced to the importance of saving and spending money responsibly.
YOUNG LEADERS CAMPAIGN	<ul style="list-style-type: none"> • SK Pengkalan Jaya • SJK(T) Ladang Mayfield • SK Iskandar Perdana • SK La Salle 1 • SK La Salle 2 • SK Indera Shahbandar • SK Serandu 	MRCB sponsors school uniforms, school bags and socks as part of its support for the Young Leaders Campaign.

COMMUNITY DEVELOPMENT

Pines Bazaar

MRCB completed a multi-storey development on the site of the former Pines food court. The building has 170 parking bays on two basement levels; the upper three levels contain food outlets, retail outlets and office space. 28 stalls are situated in the building.

The project is using the concept of classical Moghul-Indian architecture. The two floors of parking help alleviate parking congestion in Little India, which has experienced very heavy traffic. The development of Pines Bazaar provided the much-

needed space to park. It also offers visitors and shoppers a clean and orderly place to eat. Brickfields has been transformed into a new cultural and tourism enclave. The local business community and Malaysia has benefited by the increased number of tourists visiting Brickfields.

In total, 3,000 parking bays will be available in Brickfields with the opening of another MRCB project in the coming years.

1Malaysia Library

The 1Malaysia Library is a CSR project in Kuala Lumpur championed by MRCB to provide a community-based service. A special computer laboratory equipped with customised

online learning software sets his apart from other libraries in the country. The libraries contain community rooms that can be used anyone organising community activities. To date, MRCB are working on 1Malaysia libraries in Lembah Pantai, Titiwangsa and Wangsa Maju. These locations have a high concentration of people on low incomes.

1Malaysia libraries provide a comfortable place for people of all ages and walks of life to meet. It serves as a venue for local community members to hold meetings and tutorials. MRCB hopes this library project will encourage community volunteerism activities especially by the local communities.



Strengthening of Bumiputera's capacity building as part of nation building

Yayasan Peneraju Pendidikan Bumiputera is an initiative under the Bumiputra Economic Roadmap. It was launched through TERAJU under the Economic Planning Unit, Prime Minister's Office. It focuses on strengthening Bumiputera's capacity building. Objectives include increasing the quality, quantity and relevance of Bumiputera talents. This is in-line with the government's effort to lead Malaysia to becoming a high income nation status through academic and vocational education. MRCB contributed RM250,000 to this cause.

Yayasan Peneraju Pendidikan Bumiputera's task is ensuring that the capabilities and expertise of Bumiputera will continue to develop competitively at the global level through quality education.

Yayasan Peneraju Pendidikan targets high potential Bumiputera; the bottom 40 percent cluster (who would be given more consideration for non-academic); students in need of a second chance; and talents from challenged environments.

The donation will be used in four main thrusts:

1. Intervention in primary and secondary schools
2. Skills nurturing and management
3. Professionals certifications and development
4. Leadership development

Supporting Malaysian Association for the Blind

MRCB donated RM500 for the purchase of an embossing machine. RM1,000 was also donated to help with the administration of the Kuala Lumpur and Selangor branch Annual General Meeting 2013.

Kechara Soup Kitchen

Kechara Soup Kitchen (KSK) is a non-religious community action group that distributes food, basic medical aid and counselling to the homeless and urban poor in Malaysia. Volunteers distribute these supplies regardless of religion or race. The KSK is led by its President Dato' Ruby Khong, who heads a dedicated committee of passionate volunteers. KSK's services have grown from distributing 20 weekly food packets in 2006, to currently more than 850.

A permanent KSK operations centre in Jalan Barat, off Jalan Imbi officially started making home-cooked food for the homeless in September 2010. It serves up to 180 people from Monday to Friday alongside their regular weekend distribution service.



MRCB's management team on food distribution rounds

Collaboration Between MRCB-KSK

MRCB actively promotes CSR through numerous strategic programmes especially those that support children and the general community. In 2013, MRCB's Corporate Communication Department allocated RM46,504.00 for KSK's

COMMUNITY

activities in a collaborative programme called “Nourish The Poor”. The Brickfields area, Kuala Lumpur Sentral CBD’s neighbouring community, was among the areas targeted under this programme. On average 20 to 30 homeless people are provided with food on every weekend in Brickfields.

Programme Details

The “Nourish The Poor” programme rides on KSK’s activities. Food and basic personal hygiene products are provided for the homeless along with basic counselling on health, first aid as well as general physical and mental well-being.

MRCB’s budget allocation for this programme helps KSK volunteers feed 60 persons every Saturday from 11pm to 2am.

Each balanced vegetarian meal follows a specific recipe that prevents any allergies or food intolerances. It also suits any medical restrictions for those who are unwell. The meal set includes:

- Vegetarian fried rice or egg burger
- Bottled drinking water
- Whole apples or oranges
- Bread loaves or sweet buns with kaya, chocolate or jam
- Biscuits

The cost per meal is RM8.50 and is provided with a RM9.70 set of toiletries. Shampoo, soap, a toothbrush and toothpaste encourage personal hygiene, health and wellbeing.

Basic first aid and an ambulance service are provided by medical personnel from Maha Mas Medic Services Sdn Bhd (MAHAMAS). MAHAMAS is Malaysia’s largest privately owned ambulance service provider. Its personnel provide free basic medical counselling and treatment such as cleaning of small cuts and wounds; tending to fevers, coughs, skin ailments; and conducting general health checks. Those suffering from serious medical conditions are treated at the Kuala Lumpur General Hospital free of charge. The cost for the MAHAMAS ambulance service per night is RM250.00.

General counselling is also provided by KSK volunteers who are trained to listen and counsel those who seek advice. Job seekers are provided with job placement services to help them re-enter society. This service is provided free of charge.

The collaboration also benefits from KSK’s close cooperation with the National Anti-Drug Agency (NADA). Those abusing substances are encouraged to enroll on rehabilitation programmes for free.

Elderly homeless persons who lack family support may choose to enter homes that are suitable for their individual physical, mental and medical conditions. This service is also provided free of charge.

CULTURAL, ARTS AND HERITAGE

Malam Gala Warisan Seni

The Warisan Seni Gala Dinner was organised by Persatuan Karyawan Malaysia on 24 November 2013. During the event, MRCB contributed RM50,000 to the organisation. This Gala Dinner appreciated artistes who have contributed to the entertainment industry since the 1950s. It aims to enhance MRCB’s corporate presence in the community and the entertainment industry.



Gold Jubilee of Hari Malaysia Celebration

The Ministry of Information Communications and Multimedia Malaysia requested sponsorship from MRCB and other corporate bodies. The sponsorship request was made through Khazanah Nasional to help fund the 2013 National Day celebration. This event started with a national event Pelancaran Kibar Jalur Gemilang on 16 August 2013 in Kedah. The Ambang Kemerdekaan event was held on the eve of the 56th Independence Day on 30 August 2013 in Putrajaya. This

was followed by a parade on 31 August 2013 at Merdeka Square. This Golden Jubilee Celebration is held in conjunction with the 50th Malaysia Day. The event was held in Sarawak and Sabah on 16 September 2013.

Enhancing Aesthetics for Tourism

In 2013, MRCB was awarded with an iconic and first ever project to install overhead transmission lines in Malaysia, crossing the Straits of Melaka. The unique electricity transmission lines will run from Pantai Siring to Pulau Besar in Melaka. The project was awarded on 2 October 2013 to a joint venture consisting of Transmission Technology Sdn Bhd (TTSB) and Ketara Teknik Sdn Bhd (KTSB). TTSB is a subsidiary of MRCB under its Construction & Engineering Division.

The transmission line uses a specially constructed monopole steel structure in place of the conventional lattice steel structure. This defining design enhances the aesthetic value of the area, which is part of Melaka's tourism zone. Pantai Siring is located near Medan Ikan Bakar Umbai, which is also a tourism hot spot. The project will create a new landmark for Melaka as it can be seen from afar from land or air.

Local scenery will be complemented by the glowing red light of Air Warning Navigation Spheres from dusk to dawn. The spheres will be attached along the 4.2 km length of the transmission lines on 14 monopoles, two of which will be installed on the beach. These red lights will resemble those used on several lighthouses operating close to each other in the area.

This is the first time a routine overhead transmission line installation in Malaysia is being blended with other tourism elements. This sets a new benchmark in technical achievement and sustainable enhancement of environmental aesthetics.

Islamic Fashion Festival 2013

MRCB sponsored the Islamic Fashion Festival (IFF) 2013 for RM3,000. Models showed off the beautiful creations of well-known local designers at the International IFF at JW Marriott Hotel from 18 to 20th November 2013.

The fashion show featured modern styles and groovy designs in celebration of coloured Muslim wear classics. It was an opportunity for up-and-coming designers to experience the energy of a major runway production.

IFF was conceptualised and launched in 2006 with the overall objective of winning the hearts and minds of Muslims and non-Muslims alike. IFF has grown and developed exponentially since its debut show in Kuala Lumpur in 2006 to Abu Dhabi, Astana, Bandung, Dubai, Singapore, New York, London and Monte Carlo.

My Beautiful Malaysia Day Programme

MRCB contributed RM250,000 to the Government's My Beautiful Malaysia Day Programme. 1Malaysia For Youth (1M4U) launched this programme on 3 February 2013 to spark the volunteerism spirit among youths.



This programme adopted the concept of My Beautiful Neighbourhood, an initiative under the Blue Ocean Strategy, launched by the Ministry. It helps direct youths to use their spare time for good causes and to help society.

The programme was held in conjunction with the Malaysia Volunteerism Year. It instilled the spirit of volunteerism into youths. Activities included *gotong-royong* at selected areas, repair works, repainting of buildings and tree planting.

HUMANITARIAN

Contributions to Tabung Bencana NSTP-Media Prima

MRCB donated RM500,000 to the NSTP-Media Prima Flood Relief Fund. Tabung Bencana NSTP-Media Prima was launched in response to a huge earthquake that occurred in Padang, Sumatra. This platform supports major catastrophes, natural disasters and other humanitarian crises. Tabung Bencana NSTP-Media Prima has also run several well-known fundraising campaigns such as the Thailand, Japanese Tsunami and Padang Earthquake Funds. These funds also covered local campaigns to help victims of major floods, landslides and fire blazes.

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Flood relief missions disbursed groceries, toiletries, cleaning equipment and other basic items.

On 7 December 2013, Prime Minister Datuk Seri Najib Razak witnessed a RM500,000 cheque presentation to the NSTP-Media Prima Flood Relief Fund. The contribution was handed over at the exhibition site of NSTP Pavilion, which took part in the Umno General Assembly 2013 at the Putra World Trade Centre.

Contributions to Tabung Wira Lahad Datu

Tabung Wira Lahad Datu Media Prima was launched in March 2013 following the militant intrusion in Lahad Datu. Tabung Wira Lahad Datu was established to commemorate the services of security personnel who were killed or injured in the line of duty defending the sovereignty of the country during Ops Daulat at Lahad Datu, Semporna and Kunak in Sabah. The immediate activation of the fund was delivered to the family members of the fallen and injured security personnel.

MRCB's Building Services Division (BSD) helped to spread the message of caring and giving via a donation drive at SSKL. A donation box was placed to encourage the public to donate to the Lahad Datu heroes. RM5,399.60 was collected from the public, management and employees. The amount was handed over to the Public Service Department for the Tabung Wira Negara – Lahad Datu.

OTHER COMMUNITY INITIATIVES

Breaking Fast with *Rumah Anak-anak Yatim Pertubuhan Kebajikan Al-Kausar*

During Ramadan, MRCB's Building Services Division (BSD) invited orphans from *Rumah Anak-anak Yatim Pertubuhan Kebajikan Al-Kausar*, Bangi, Selangor to break fast with the management team. The children were also given *duit raya* and gifts. Tenants, business partners and employees clubbed together to collect RM11,165.00 in cash, which was given to the orphanage.

Majlis Lan Berambah Anak Sarawak 2013

Members of *Persatuan Anak Sarawak Semenanjung* were appreciated on 5 October 2013. The Company also contributed RM100,000 during this event. MRCB's representatives, including the GMD, joined other corporate bodies, captains of industry, entrepreneurs and students in this annual celebratory event for Sarawakians away from home. This event has helped to enhance MRCB's corporate presence in the Sarawakian community.

5th Young Corporate Malaysians (YCM) Summit 2013

YCM was established in January 2008 by a group of young professionals based in Kuala Lumpur. The objective of the YCM is to build a network of young professionals through various informative and social events beneficial for its members.

MRCB donated RM25,000 to The 5th Young Corporate Malaysians Summit. The event was held on 9 November 2013 at the Intercontinental Hotel. This annual event gathers captains of industries and groupings of young professionals in an informal no holds barred forum and talk sessions. Attracting 20 CEO's and Leaders from various industries, it was attended by approximately 500 young professionals across all disciplines.



Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director speaking to the young members of YCM

DHRRRA Malaysia's Fundraising Banquet Dinner

MRCB gave RM1,000 for DHRRRA Malaysia's Fundraising Banquet Dinner entitled 'A Decade of Achievement, Together We Create Another Milestone'. The dinner was held on 7 September 2013 at the Crystal Crown Hotel, Petaling Jaya, Malaysia.

DHRRRA provides social protection of various stages for community members who are in need. It addresses welfare issues, homelessness, skills training, psychological counselling and enhancing education all free of charge.

The Mousetrap Gala Charity Night

A Gala Charity Night was organised by *Yayasan Tunku Naquiyuddin* (YTN) on 16 October 2013. MRCB supported this event by providing a donation of RM20,000.

YTN is a proactive foundation that was initially formed to assist the underprivileged, especially in healthcare and education. In the years to follow, YTN's interest grew as there was a need to address the importance of other vital areas, such as wellbeing, environment and sports. It recognises that life can be improved with education although academic excellence is not the only criteria. Knowledge and action in the identified areas improve the quality of life to a higher degree.



OUR EMPLOYEES ARE OUR GREATEST ASSET

MRCB is proud to offer a dynamic work environment that embraces team strategies. The best and brightest are attracted by providing an entrepreneurial environment coupled with exceptional training, tools and technology. MRCB consistently recruits talented people and provides them with career development opportunities by investing in their education and training. A world-class work environment is maintained with health and safety being fundamental for the Company's sustainable development.



WORKPLACE

At the core of MRCB's success, is a team of people that is driven by its strong values of respect, integrity, diversity, inclusion, team work and a spirit of winning. What makes MRCB special? At the core, it is the people – their passion, commitment and integrity. Employee engagement along with individual and manager performance are assessed annually. This mechanism ensures that MRCB continues to engage and motivate its employees. It also checks they have the skills and support they need to help the Company succeed.

PROVIDING EMPLOYMENT OPPORTUNITIES TO THE LOCALS

There is no specific policy covering the hiring of locals. However, MRCB's hiring practices ensure a consistent, fair and cost effective approach to candidate selection and recruitment. Locals are prioritised during hiring unless the specialised skillset and expertise required is not available in the country.

Local hiring practices have been introduced in all offices, which provide proper notification of open positions. Selection is based on job criteria. At MRCB, qualified employees are hired and kept motivated to promote growth and stability. Tailoring hiring policies and procedures to local markets helps the Company attract the right people for the right jobs. Productive relationships are built between co-workers. Individual growth plans are implemented that consist of education, personal growth and work-life balance. Local employment helps the Company meet its hiring needs while advancing economic development and education in Malaysia. In 2013, 100% of employees were Malaysian.

In communicating this commitment, MRCB participated in various job fairs in Malaysia. One such fair was the BN Youth Job Fair 2013. This was held from 27 to 29 September 2013 at the Putra World Trade Centre Kuala Lumpur.

WORK-LIFE BALANCE

MRCB aims to create work-life balance in the workplace by creating and maintaining supportive and healthy work environments. Allowing employees to have the right balance between work and personal responsibilities helps strengthen employee loyalty and productivity.

In an anonymous survey conducted in early 2014, employees were asked if they believe MRCB has the right balance between family and work life. 66.96% of employees who responded were satisfied with the balance between family and work. Only 6.90% were dissatisfied with this balance.



COMPETITIVE BENEFITS

Progressive compensation, benefits and rewards practices are designed to attract, motivate and retain top performers to support the business strategy.

Employees Share Option Scheme (ESOS)

All confirmed MRCB employees aged 18 and above are eligible to participate in the ESOS. Employees must have been on MRCB's payroll for at least six calendar months.

An executive director of the Company is only eligible to participate in the ESOS if the allotment of shares has been approved by the shareholders of the Company in a general meeting.

Benefits

- **Annual leave:** All confirmed employees are entitled to annual leave.
- **Compassionate leave:** An employee may be granted compassionate leave in the event of a natural disaster, marriage, paternity or death of a family member including a spouse, child, father, mother, brother, sister, grandfather, grandmother and parent-in-law.

- **Examination leave** is granted for any employee sitting for an examination in a course of study relevant to their work. Only confirmed employees are eligible.
- **Sick leave** is granted on production of a medical certificate from the Company's panel clinics or during an emergency by any registered medical practitioner.
- **Pilgrimage leave:** Every Muslim employee is entitled to 40 days of pilgrimage leave including rest days and public holidays once in the course of their employment with the Company and subject to the following conditions:
 - Continuous service of five years.
 - Prior approval first being obtained from the Head of Division or Chief Executive Officer.
 - Performance of Hajj only.
- **Medical facilities:** All employees are entitled to free medical consultations, treatment and medicines prescribed by the Company's panel clinics. In cases of emergency and where the panel clinic is not available, the employee may seek treatment from any registered medical practitioner and the Company reimburses the employee on production of an official receipt.
- **Retirement age:** The retirement age for all employees is 60 years.
- **Retirement benefits** for employees who joined before 2002

High Achievers' Awards for Employees' Children

On 5 June 2013, the 11th High Achievers' Awards were held for the children of employees who achieved commendable results in the Sijil Tinggi Persekolahan Malaysia (STPM), Sijil Pelajaran Malaysia (SPM) and Penilaian Menengah Rendah (PMR).

A total of 49 students were invited to a special ceremony to receive their awards in the form of cash incentives worth approximately RM20,000 in total. Each student received their share of the cash pool according to how many A-graded subjects they achieved in their respective examinations.

The award of cash incentives were received by two STPM, 24 SPM and 23 PMR students.

MRCB organises the High Achievers' Awards as education is considered a priority in children's lives. Year-on-year improvements have been seen with an increase in students receiving the awards. There has also been an overall improvement in academic performance by MRCB employees' children throughout the years. The ceremony was held at the Stesen Sentral Kuala Lumpur Symphony Hall.

CONFLICT OF INTEREST

Employees must avoid any conflict between their own interests and those of the Company. This applies to the conduct of their personal affairs and in dealing with suppliers, distributors, agents, media representatives, advertisers and all other individuals or organisations doing or seeking to do business with MRCB.

It is considered to be in conflict with the Company's interest if employees:

- Abuse their authority and position in the Company for personal reasons or personal gain;
- Provide undue patronage of relatives and acquaintances;
- Divulge Company information without proper authorisation;
- Are involved in other personal or external business activities that may compromise the integrity of the Company.

Specific examples of such conflicts of interests are:

- For an employee or a member of his family having an interest in any organisation that has business dealings MRCB. This situation may give rise to preferential treatment and create unfair competition for the Company's other suppliers, agents, distributors, media representatives, advertisers and all other individuals or organisations having or seeking to have business dealing with the Company.
- For an employee or member of his family to have an interest in any organisation or relationship with any individual in an advisory capacity or otherwise, whose principal activity is in direct competition with some or all of the Company's activities.
- For an employee, without proper authorisation, to release Company information generally regarded as confidential to create personal advantage from transactions of the Company's securities in the open market, or to otherwise influence market conditions for the transaction of such securities, whether for personal advantage or otherwise.
- For an employee or a member of his family to conduct business transactions with the Company, its affiliates or other organisations, or individuals who have or are seeking to have business dealings with the Company.

WORKPLACE

- For an employee or a member of his family to serve in any capacity in the employment or otherwise of an organisation or an individual who has or is seeking to have business with the Company. For an employee or a member of his family to accept or solicit any reward or gratification, whether in the form of cash or kind of favour or otherwise, in exchange for providing information or forms of assistance to an individual or organisation which has or is seeking to have, business dealings with the Company.
8. To promote energy conservation by efficient use, careful planning with due regard to improve energy utilisations and appropriate investment in energy efficient measure. To promote efficient use of materials and resources throughout our facilities including water, electricity, raw materials and other resources, particularly those that are non-renewable.
 9. To comply with all relevant safety, health and environment laws and regulations and review this policy periodically.

SAFETY AND HEALTH

MRCB's Occupational Safety and Health Policy Statement

The Safety and Health of our colleagues, contractors, visitors and the communities and the environment in which we live and operate is an integral part of Malaysian Resources Corporate Berhad's vision of becoming a leading Malaysian Organisation, that to be recognised for the delivery of world-class services in each of our core business, with a corporate presence in strategically selected countries and markets.

We will act in a responsible manner;

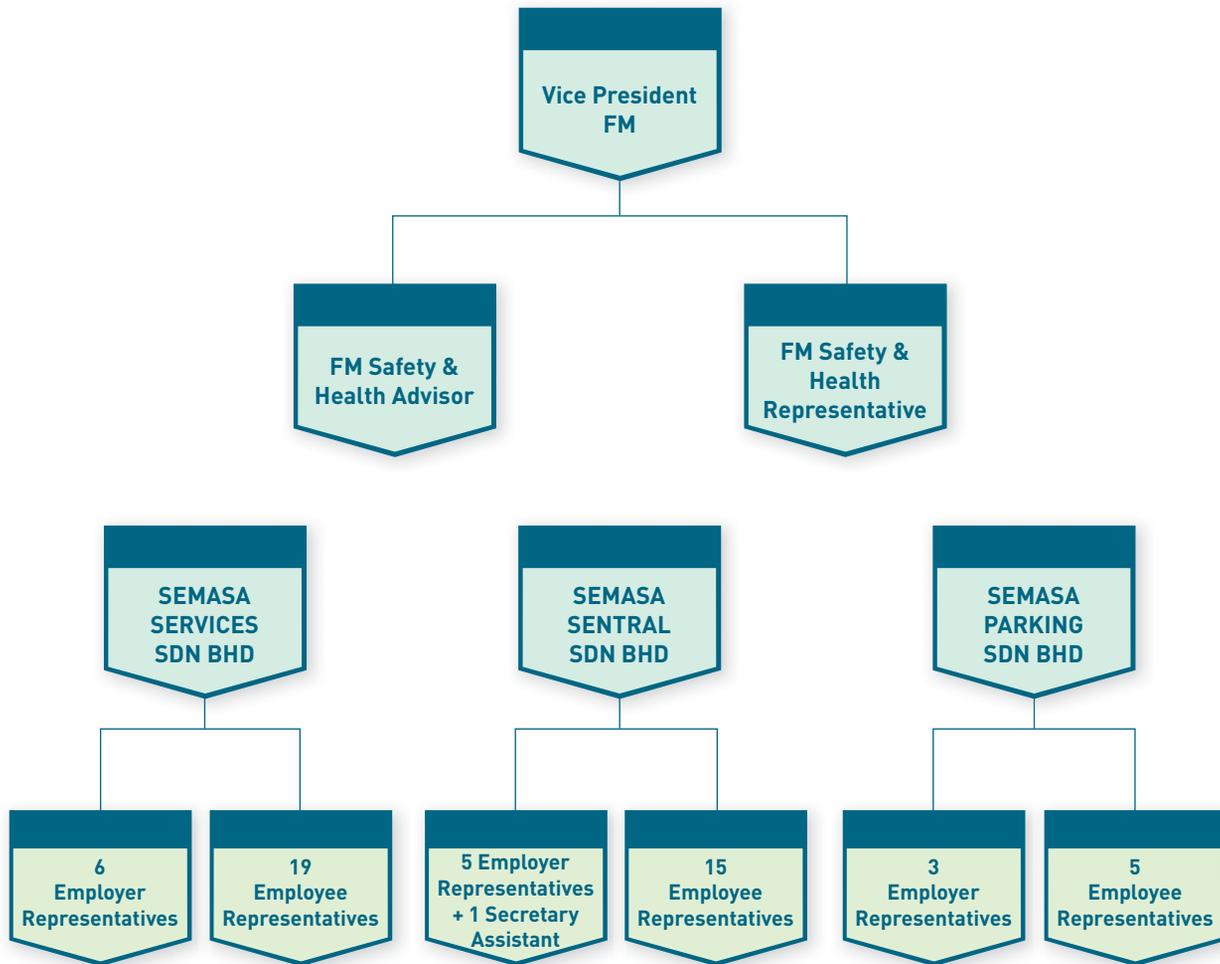
1. To prevent accidents and ill health arising from the work activities.
2. To provide adequate training to ensure employees are competent in their work.
3. To engage with our contractors on a daily basis and provide advice and supervision on occupational safety and health and environment at all locations and sites.
4. To respond effectively to safety, health and environment emergencies involving our operations.
5. To operate and maintain equipment, facilities and processes in a safe manner.
6. To carry out our activities that have a minimum effect to the environment and promotes environmental awareness among our employees and encourage them to work in an environmentally responsible manner.
7. To conserve natural resources through innovative processes with the reward of reducing, re-using and recycling (3R) waste.

SAFETY AND HEALTH COMMITTEES

For this Report, MRCB is featuring the Facilities Management (FM) as one of its main divisions.

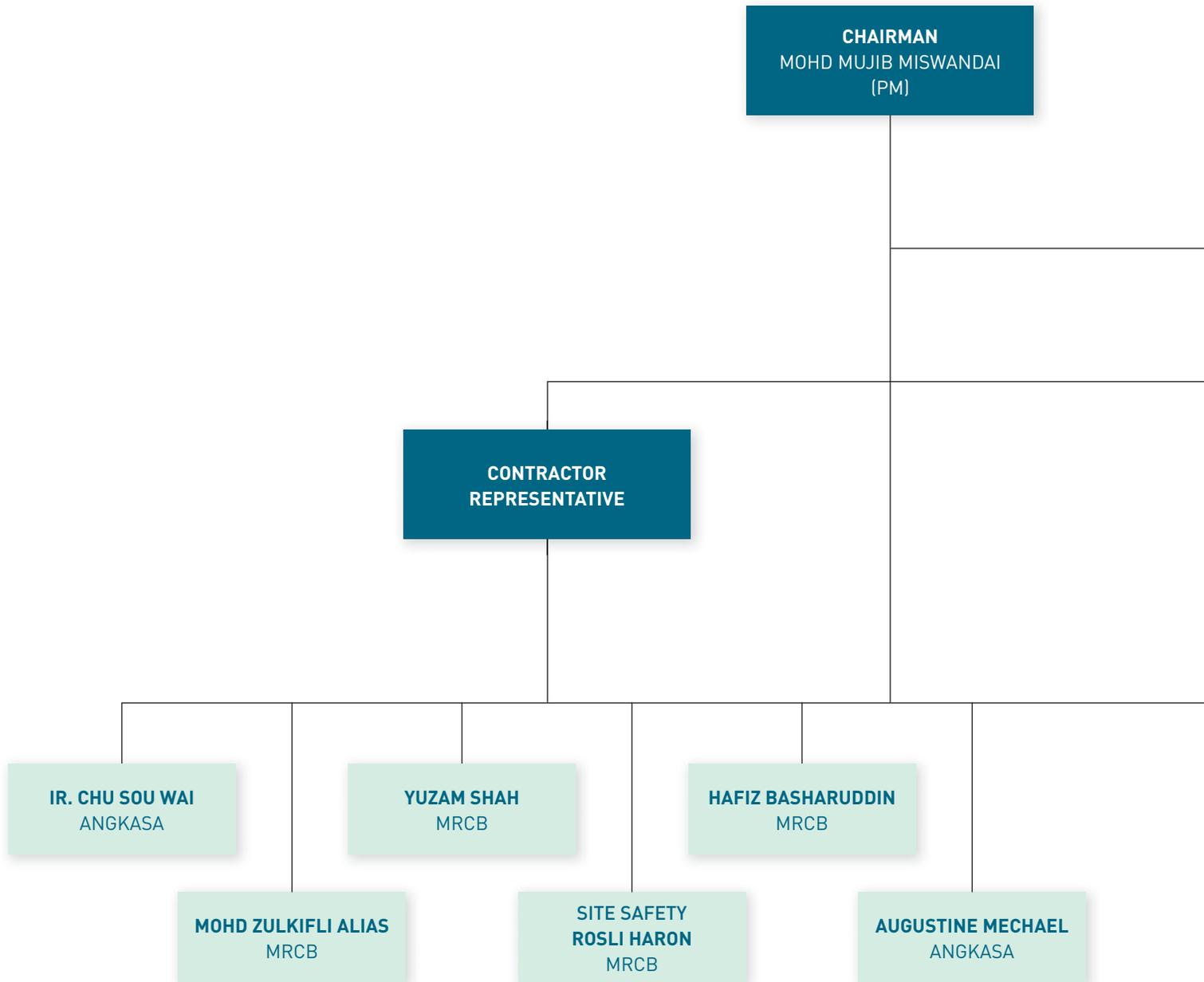


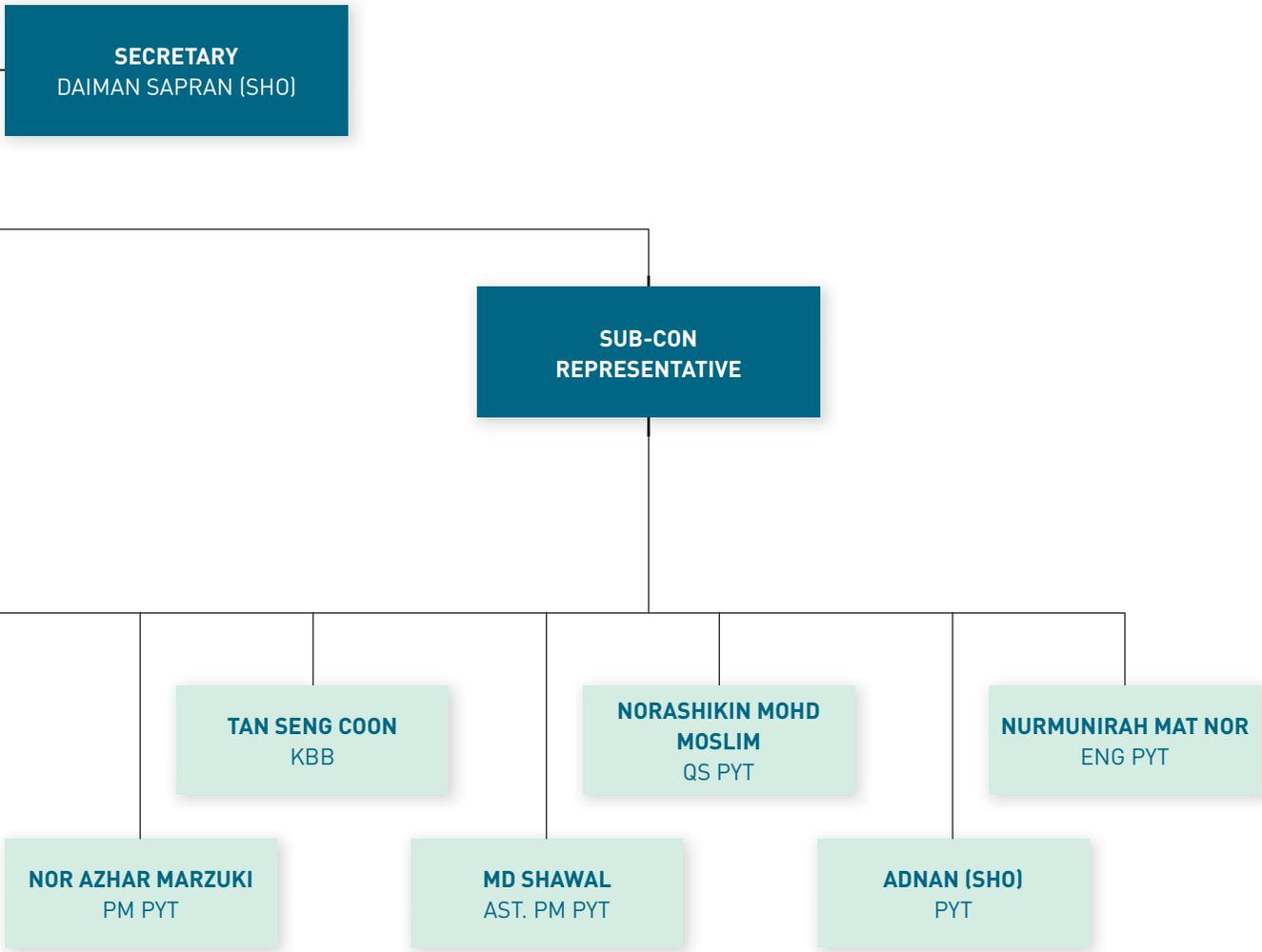
BSD Safety and Health Committees



WORKPLACE

Health, Safety and Environment Committee for
Projek Pemuliharaan Muara Sungai Pahang





WORKPLACE

SAFETY AND HEALTH ASSESSMENT SYSTEM IN CONSTRUCTION (SHASSIC)

SHASSIC is an independent method of assessing and evaluating the safety and health performance of a contractor in construction works or projects. SHASSIC was developed by a technical committee consisting of industry stakeholders. It was published as the Construction Industry Standard or CIS 10: 2008 in November 2008.

SHASSIC was designed and developed to enable the user to achieve any or a combination of the following objectives:

- i. To benchmark the level of safety and health performance of the construction industry in Malaysia.
- ii. To have a standard system of safety and health assessment in the construction industry.
- iii. To assess safety and health performance of contractors based on this standard.
- iv. To evaluate the performance of contractors on the safety and health practices at the site.
- v. To improve and to take necessary corrective action on OSH performance and management at the site.
- vi. To compile data for statistical analysis.

SHASSIC assessment at MRCB covers three main components according to the SHASSIC (CIS 10: 2008). These components are document checks (40%), site/workplace inspections (40%) and employee interviews (20%). The assessment also examines OSH policy; OSH organisation; HIRARC; OSH training and promotion; machinery and equipment management; construction materials management; emergency preparedness; accident investigation and reporting; records management; and performance monitoring.

The SHASSIC assessment score is based on simple formula given in SHASSIC (CIS 10: 2008). The score achieved in SHASSIC is determined by a star rating ranging from between 1 and 5 stars. 5 stars are given to the best practice of OSH management. The score distributions are as follows:

85% - 100%	*****
70% - 84%	****
55% - 69%	***
40% - 54%	**
LESS THAN 39%	*

Nine SHASSIC assessment programmes were conducted at various MRCB sites in 2013. The details and scores are presented in the table below.

PROJECT NAME	DATE	SCORE	REMARK
LOT 348, KL SENTRAL	8 - 9 March 2013	4 Stars	80.06
LOT G, KL SENTRAL	11 - 12 March 2013	4 Stars	84.64
LOT D, KL SENTRAL	14 - 15 March 2013	4 Stars	83.26
LOT B, KL SENTRAL	18 - 19 March 2013	4 Stars	77.94
ACRE WORK CASTING YARD AT SG.LONG	10 -11 September 2013	4 Stars	77.36
BRIDGEAX, CASTING YARD OLAK LEMPIT, BANTING (KELANA JAYA - SUNWAY)	20 - 21 August 2013	3 Stars	58.50
ANG SENG, BRICKFIELDS	28 - 29 August 2013	2 Stars	49.83
PINES BRICKFIELDS	4 - 5 April 2013	2 Stars	41.95
AMPANG LEP PACKAGE B, PUCHONG	8 - 9 October 2013	2 Stars	53.48

In 2014, MRCB plans to conduct four SHASSIC assessments at the following sites:

- Kuala Pahang
- 4th Lane Highway Package C (Sg Buloh – Rawang)
- 4th Lane Highway Package E (Nilai – Seremban)
- Sri Iskandar Development, Tronoh, Perak

HEALTH AND SAFETY PROGRAMMES

Crisis Drill at Stesen Sentral Kuala Lumpur (SSKL)

SSKL carried out its 12th crisis drill on 14 June 2013. The exercise, named “Ex-sentral 13”, tested the protocols and standard operating procedures under the SSKL emergency plan. The exercise tackled various scenarios that might occur at the station such as fires, bomb threats, kidnapping, toxic gas attacks, gas leaks and natural disasters. More than 100 members of the SSKL emergency response team, Fire and Rescue Department, police, ambulance and government agencies participated in the three-hour drill. Agencies and uniformed units participating in the exercise were the National Security Council, the Royal Malaysian Police, the Fire and Rescue Department, the Emergency Department of University Malaya Medical Centre, SSKL rail operators and the Civil Defence Department.

The realistic fire scenario was played out at the main concourse area using artificial smoke. The authorities were quick to respond to the situation. Within minutes, they established a command centre, evacuated commuters, extinguished the fire, removed casualties and treated the wounded.

The drill’s aim was to provide experience, knowledge and training for SSKL’s employees. It also taught them to act and handle any type of emergency in a professional manner. Since the opening of KL Sentral 12 years ago, MRCB has conducted similar drills to ensure that all parties are prepared to face any situation. This is part of SSKL’s efforts to make sure that its safety is reviewed from time to time. MRCB has 280 closed circuit televisions and 258 auxiliary policemen to monitor and ensure the safety and security of commuters.

Toolbox Talk

Timely toolbox talks are organised to brief employees, especially site workers, on safety standards and practices expected. Topics covered during a toolbox talk include:

- Personal Protective Equipment (PPE)
- Excavation works
- Scaffolds compliance
- Handling tools and equipment
- Fire prevention
- Working at height
- Warning signs
- Accidents reporting
- Inspection and incidents review
- Dress code
- Security procedures

Employees are also briefed on potential hazards arising at work including falling from heights, falling objects, slips and falls, collapse of machinery, electrocution, fire and chemical spillage.



WORKPLACE

MRCB SAFETY STATISTICS IN 2013

PROJECT	TOTAL HOURS (ON MAN TOTAL PROJECT)	ACCIDENT DATA (MRCB STAFF)		ACCIDENT DATA (CONTRACT STAFF)	
		INJURY	DEATH	INJURY	DEATH
LOT 348	1,042,908	0	0	0	0
KUALA PAHANG ENVIRONMENT PROJECT PHASE 2	50,000	0	0	0	0
LRT AMG LINES PACKAGE B	770,197	0	0	0	0
4 TH LANE WIDENING- PACKAGE E	1,510,260	0	0	2	0
LOT A CIMB OFFICE TOWER	3,475,040	0	0	0	0
LOT G (RETAIL)	2,841,380	0	0	0	0
EASTERN DISPERSAL LINK EXPRESSWAY	NA	NA	NA	NA	NA
4 TH LANE WIDENING- PACKAGE C	339,560	0	0	0	0
LOT D-2 BLOK PANGSAPURI SERVICES MEWAH 57 (TINGKAT) & 5 TINGKAT TEMPAT LETAK KERETA ARAS BAWAH	480,073	0	0	0	0
LOT B - MENARA PEJABAT 45 TINGKAT DENGAN 2 TINGKAT BESMEN LETAK KERETA	1,320,008	0	0	0	0
MUARA SG PERAI ENVIRONMENTAL PROJECT	156,434	0	0	0	0

TRAINING AND DEVELOPMENT

At MRCB, employees are offered a wide variety of learning and development opportunities that build on their strengths, improve their skills and help them to overcome individual challenges. Matching individual employees' aspirations with organisational needs are prioritised.

Previously, new employees who are still under probation are not entitled to attend internal or external training. From March 2014, all employees can attend any training duly approved by a superior and the GCOO.

Ongoing employee training programmes are announced through various channels such as emails, newsletters and notice boards. Hard copies of registration forms are distributed throughout the Company. Employees can complete this form and return it to the Human Resource Department to secure their seats. The brief application process for internal training sessions is summarised below:

TRAINING APPLICATION

- Reply to advertisement from Learning & Development Unit via email
- Proceed with the application in training calendar via HR once advised

APPROVAL PROCESS

- Seek the necessary approval according to the LOA at least **two weeks before** the training days
- Seek approval from Learning & Development Unit for data capturing

TRAINING CONFIRMATION

- Training & Development will email the confirmation of participant

Employees also attend external training in many disciplines in addition to bespoke internal training sessions. A blend of internal and external training courses help develop skills and knowledge for a particular employee's role. There is an ongoing regular programme for the most popular courses. Employees are also encouraged to attend conferences and seminars to improve their technical and industry knowledge. A brief process of applying for external courses is summarised in the following table.

TRAINING APPLICATION

- Forward the training brochure to Learning & Development Unit
- Proceed with the training application through HR

APPROVAL PROCESS

- Seek the necessary approval according to the LOA at least **two weeks before** the training days
- Seek approval from Learning & Development Unit for data capturing

TRAINING CONFIRMATION

- Training & Development will email confirmation of participant's enrollment
- Payment is made before the training days

Teambuilding

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

A survey was conducted to gauge employee job satisfaction and ascertain the levels to which their training and career development programmes fulfil their needs. This online survey was carried out anonymously by independent consultants during early 2014. It was hoped that this approach would help document employees' views more accurately and clearly.

51 of the 145 respondents had been involved in some way with MRCB's team building activities. These employees were asked if they thought the team building programmes had helped them in five key areas. The percentages of respondents helped by these programmes for the last three years are presented in the following table.

WORKPLACE

TEAM BUILDING IMPROVEMENT AREA	2011	2012	2013
IMPROVED MY PEOPLE SKILLS	76.23	77.60	86.27
DEVELOPED MY TECHNICAL COMPETENCE	41.80	57.60	64.71
IMPROVED MY MANAGEMENT SKILLS	58.20	67.20	74.51
ENCOURAGED A NEW WORKING CULTURE	68.03	75.20	86.27
CREATED A SENSE OF COMPANY PRIDE AND LOYALTY	64.75	78.40	76.47

MRCB Induction Programme

MRCB conducts regular induction programmes for new employees. These employees are given all the help and guidance they need for them to perform their duties to the required standard as soon as possible. It integrates employees across the Company for mutual benefit. A total of 72 employees attended the programme in 2013.

Breakdown of employees attending induction

DATE	NO. OF DAYS	COURSE TITLE	NO OF PARTICIPANTS
2 JANUARY 2013	2	Induction - January	6
15 FEBRUARY 2013	1	Induction - February	10
1 MARCH 2013	1	Induction - March	5

DATE	NO. OF DAYS	COURSE TITLE	NO OF PARTICIPANTS
18 MARCH 2013	1	Induction - March	5
8 APRIL 2013	1	Induction - April	30
2 MAY 2013	1	Induction - May	10
10 JUNE 2013	1	Induction - July	2
17 JULY 2013	1	Induction - July	4

Balanced Score Card (BSC)

BSC is the concept used to translate corporate vision and strategy into a set of strategic objectives that drive behaviour and performance. The target participants for this training are top management and senior managers. The objectives of MRCB's BSC are to:

- Align their business activities with the strategic goals of the organisation.
- Select business activities and programmes that produce the desired outcomes towards organisational goals.
- Determine and select relevant key performance indicators.
- Create a BSC to align strategy with all mapped interrelated objectives.
- Create meaningful reports and dashboards to communicate performance both internally and externally.
- Align the organisation with the strategic objectives.
- Help align organisational processes such as budgeting, risk management and analytics with strategic priorities.

Six BSC sessions were held in 2013. The course title and other details are listed in the table opposite.

DATE	NO. OF DAYS	COURSE TITLE	NO OF PARTICIPANTS
15 MAY 2013	2	Balanced Scorecard (Refresher) KPI And Goal Setting	23
24 JUNE 2013	2	Balanced Scorecard - The Workshop	50
19 AUGUST 2013	1	Balanced Scorecard Workshop for E & C	15
19 AUGUST 2013	1	Balanced Scorecard Workshop for BSD	11
26 AUGUST 2013	1	Balanced Scorecard Workshop for Property	8
24 AUGUST 2013	1	Balanced Scorecard Workshop for Retail	7

QLASSIC Awareness Course

Quality Assessment System in Construction (QLASSIC) is developed by the Construction Industry Development Board (CIDB) Malaysia in conjunction with major construction industry stakeholders. QLASSIC is an industry benchmark tool to measure workmanship quality of construction work for a completed building project. The QLASSIC Awareness Course held on 8 May 2013 was attended by 86 employees.

360 Degree Leadership Inventory

MRCB's 360 Degree Leadership Inventory training focuses on instilling leadership behaviour in its employees. The programme briefed participants on Kouzes and Posner Leadership Inventory. Participants of this training programme were from MRCB's top management. There were two sessions held in 2013. 42 top managers attended the first session which

was held on 11 April 2013; eight top managers attended the second session which was held on 11 June 2013.

CIDB Green Card

This is an integrated programme that registers and accredits construction personnel to improve safety levels on construction sites. These qualifications ensure that construction workers are aware of the importance of a safe and healthy workplace. The training programme provides a basic knowledge of safety and health at the construction work site. It also informs workers of the legal safety and health requirements.

EMPLOYEE ENGAGEMENT

MRCB Board of Directors Retreat

MRCB's Board of Directors and senior management participated in a three-day, two-night retreat. The session was held at The Danna Hotel, Langkawi from 23 to 25 August 2013. Participants were briefed on the merger between MRCB and GAPURNA. Top managers were empowered to lead their team on the change resulting from this merger. Change management included the alignment of KPIs and managing employees.

Group Managing Director's meeting with MRCB's senior management team

MRCB senior managers were formally introduced to the new Group Managing Director during an informal meeting held on 18 November 2013. During the session, the Group Managing Director briefed the managers on his goals and aspirations. Senior managers also shared their experiences with the Company. Challenges they face at work and their expectations from MRCB were outlined.

EMPLOYEE SATISFACTION

Employee satisfaction is essential to the success of any business. A high level of employee contentedness is directly related to a lower turnover rate. Employee satisfaction is a major priority for MRCB.

MRCB conducted a survey to measure the satisfaction, motivation and loyalty of employees. The survey was conducted in April 2014. This was based on a similar survey performed in February 2013 for the year 2012 and March 2012 for the year 2011.

WORKPLACE

MRCB employs an external consultant to collect the data and generate the reports. It is hoped that employees will feel more comfortable and respond more openly and candidly when they know their responses are being handled by an outside organisation. Many employees may be reluctant to give their honest opinion on employee attitude surveys because they think their views are being tracked by the Company.

Results of Employee Satisfaction Survey for 2011 and 2013



The general satisfaction of the workforce remains high. Employees also believe that the working environment has improved. Although communication effectiveness, leadership and strategy have decreased slightly in 2013 they remain higher than in 2011. The major restructuring of the Company explains this slight drop in satisfaction. Employees are also slightly less satisfied with the benefits they received although these have not changed. MRCB takes employee satisfaction seriously. Although this survey suggests employees are generally happy there is no room for complacency.

In the same anonymous survey, employees were simply asked, "How satisfied are you with your job?" 78.62% of respondents were satisfied and only 1.38% were dissatisfied. 75.86% of respondents were satisfied with their own morale compared with only 2.07% who felt demoralised in any way. 74.48% of respondents reported that they were satisfied that their work gave them a feeling of accomplishment.

NOTICE PERIOD OF OPERATIONAL CHANGE

Any restructuring of operations is usually done after consulting managerial and supervisory employees. The impact of the changes is also assessed when appropriate. If the Company makes any operational changes that potentially affect its employees, MRCB tries to give a minimum of two weeks' notice to the relevant employees. If possible, the Company provides a longer notice period for more significant operational changes.

PERFORMANCE APPRAISALS

Prior to reviewing the actual performance of individual employees, their overall performance is discussed with Heads of Department and Heads of Division. Consensus is first obtained on employees' overall performance. This review approach provides senior management the opportunity to discuss and resolve any inconsistencies in the evaluation prior to discussing it with the employee.

At the end of the performance review, employees are given an interim rating, pending finalisation of the overall rating by the moderating committee. Ratings are based solely on the performance of key goals and competency. Evaluators rate employees' performance based on what has been accomplished and how this was achieved. The table below presents the general description for each rating level.

RATING	NUMERICAL RATING	PERFORMANCE RATINGS DESCRIPTOR
EXCEEDED EXPECTATION A	1	Consistently exceeds specific targets, measures and job requirements, both in terms of what they did and how they did it: <ul style="list-style-type: none"> • Contributes to the department's or division's success well beyond expectations • Contributes unique, innovative and workable solutions to projects and/or problems • Exceptional performance and effort are the employee's norm
MEET EXPECTATION B	2	Consistently achieves the results expected: <ul style="list-style-type: none"> • Results are timely and accurate and are produced with minimum supervision • Competent performance with minimal guidance
IMPROVEMENT NEEDED C	3	Sometimes performing at an acceptable level but lacks consistency and needs improvement to meet expectations: <ul style="list-style-type: none"> • Performance was inconsistent • Employee requires guidance and supervision to meet expectations • Overall performance that is unacceptable due to the employee's own lack of effort or skills

9-Box Grid: Performance / Competency

A	VALUED SPECIALIST / SUBJECT MATTER EXPERT <ul style="list-style-type: none"> • Gets all important things done • Is a pro in his/her position • Is seen as a leader in his/her area • Has reached potential • Not promotable or the person is not interested to be a leader or assume more responsibilities 	EMERGING PERFORMER <ul style="list-style-type: none"> • Gets most, if not all important things done • May act at level of capability of one level above current position • Acts as role model • Exhibits many strengths or competencies beyond current role • Has some leadership development issues 	STAR PERFORMER <ul style="list-style-type: none"> • Gets all important things done • Acts at a level of capability of at least one level above current position • Acknowledged as a skilled leader or role model • Exhibits many strengths or competencies beyond current role • Has wide spread influence beyond current role
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WORKPLACE

B	AVERAGE PERFORMER <ul style="list-style-type: none"> • Gets most important things done • Is very proficient in his/her current position • Is not seen as a leader in his/her area • Maybe in wrong job or has non-job related distraction 	SOLID PERFORMER <ul style="list-style-type: none"> • Gets most important things done • Shows signs of leadership or role modelling • Exhibits many competencies of current position 	STRONG PERFORMER <ul style="list-style-type: none"> • Gets most important things done • Acknowledged as a leader and role model • Exhibits many competencies and behaviour beyond current position • Acts at level of capability of next level in the organisation
C	LOW PERFORMER <ul style="list-style-type: none"> • Isn't getting most important things done • Difficulty performing to standards in his/her current position 	INCONSISTENT PERFORMER <ul style="list-style-type: none"> • Isn't getting most important things done • Capable of making higher contribution • May be new, in wrong job or occupied with non-work distraction 	POTENTIAL PERFORMER <ul style="list-style-type: none"> • Isn't getting most important things done • Has been acknowledged as a team player and role model • Exhibits many competencies of current position • May be in wrong job or occupied with non-work distraction

WORKFORCE STATISTICS TABLE

	2011	2012	2013
EMPLOYEES			
TOTAL NUMBER	1,218	1,221	1,155
EXECUTIVE	674	653	590
NON-EXECUTIVE	544	568	565
PERMANENT STAFF	510	536	517
NON-PERMANENT STAFF	708	685	638
FEMALE	367	367	341
MALE	851	854	814
AGE GROUP			
←30	516	521	461
30 - 50	638	630	611
→50	64	70	83
DIVERSITY			
MALAY	1,088	1,090	1,023

	2011	2012	2013
DIVERSITY			
CHINESE	65	63	58
INDIAN	43	37	39
OTHERS	22	31	35
EMPLOYEE TURNOVER			
EMPLOYEE TURNOVER RATE	173	283	303
MALE	130	217	221
FEMALE	43	66	82
AGE GROUP			
←30	80	142	152
30 - 50	83	126	125
→50	10	15	26
WOMEN IN MANAGEMENT			
% WOMEN IN MANAGEMENT	1.1	1.1	0.23
% WOMEN IN TOP MANAGEMENT	0.1	0.1	0



OUR PROMISE TO SUSTAINABLE MARKETPLACE PRACTICE



At MRCB, employees are passionate about what they do as they work together with supply chain partners. The team prioritises customers' needs and considers how to deliver and support their sustainable development aspirations. Doing business with integrity builds trust and positive relationships that are central to maintaining a successful business. MRCB works hard to maintain the highest standards of ethical conduct in all areas of operations and expects no less of its business partners.



MARKETPLACE

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

SUSTAINABLE PROCUREMENT

Sustainable procurement embeds environmental, economic and social criteria into contractual documents with the aim of motivating suppliers to offer more sustainable products and services.

CUSTOMER SATISFACTION

An annual Customer Satisfaction Survey (CSS) gauges purchasers' and tenants' satisfaction. The surveys are administered by a dedicated and independent team, Customer Relationship Management (CRM). The surveys target purchasers for newly completed property development and tenants of buildings that are being managed by MRCB's subsidiaries.

The survey feedback on facilities management is used to formulate plans for service improvements. Findings related to project development are directed to the project team for improvements in product design, specifications, marketing, sales and other after sales services.

The results of the CSS for Facilities Management and MRCB Land from 2011 to 2013 are presented in the following table.



COMPANY	YEAR (%)		
	2011	2012	2013
FACILITIES MANAGEMENT			
SEMASA SENTRAL	93.4	94.6	N/A
SEMASA SERVICES	88.8	88.4	89.2
SEMASA PARKING	89.3	87.9	82.0
OVERALL FOR FACILITIES MANAGEMENT	90.5	90.3	85.6
MRCB LAND			
MRCB SENTRAL PROPERTIES (FORMERLY MRCB SELBORN)	88.2	87.9	74.9
SIDEC	85.7	70.1	71.7
MRCB UTAMA	75.8	N/A	N/A
MALAYSIAN RESOURCES SENTRAL SDN BHD	78.2	85.0	78.0
MRDSB	87.1	89.5	83.4
OVERALL FOR MRCB LAND	83.0	83.1	77.0
OVERALL	86.7	86.7	81.3

Note: Overall score calculations for Facilities Management and MRCB Land are an average of the companies under the division. The Overall score is an average of Overall for Facilities Management and Overall for MRCB LAND.

CUSTOMER PRIVACY

CRM surveys are conducted by an independent team within MRCB. The profiles of survey respondents are not shared with the business units and management. All respondents feel free to share their views and grouses. All reports are forwarded in Portable Document Format (PDF) and individual company data remains confidential.

MRCB is committed to maintaining its clientele's privacy by securely accessing and storing all personal information. Only certain employees are trusted to input information, update or maintain the clientele databank and retrieve required information. These employees can only gain access to the databank via dedicated usernames and passwords.

ENSURING OUR CUSTOMERS ARE WELL-INFORMED

One-to-one sessions are conducted with the prospective purchasers of MRCB products. Additional information related to the organisation is disseminated as and when requested by the purchaser or customer.

A website is maintained in addition to the ongoing production of various sales kits and both physical and computer-generated 3-D scale models. Customers and potential customers are kept informed through various channels including advertisements, promotion campaigns, soft or pre-opening events leading up to official launching events.

Advertising Materials Approval Process

Project and product facts are summarised in the draft advertising copy highlighting the Unique Selling Points (USP) that each product offers. This is either done internally or by an external specialist advertising agency. These USPs encapsulate the defining features of each product and form the basis of our information via publicity. After the initial fact gathering and the creative process of copywriting and graphic design, approval is sought from the Company's Group Chief Operating Officer. The publicity material is refined to enhance the promotional aspects of the 'sell' while proactively safeguarding against any misrepresentation.

CORRUPTION, GRATUITIES AND GIFT GIVING

Employees or their family members must not profit from MRCB other than their regular compensation. They may not receive gifts, loans, business deals or other special preferences beyond what is ordinarily available from a person or organisation that does business with MRCB or a competitor.

Employees must not accept lavish gifts other than small value gifts extended as a business courtesy. If employees are faced with business situations that may also call for giving gifts, proper approval must be obtained.

Lavish or frequent entertainment may influence one's independent judgment on behalf of MRCB. If an invitation seems inappropriate, it must be declined or the employee should offer pay.

It may be impractical to refuse or return a gift on occasions. In such cases, employees are advised to practise 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.

A survey was conducted in early 2014 to gauge employees' knowledge of MRCB's Anti-corruption and Bribery Policy, and other ethical guidelines in the Code of Business Ethics. Only 4.83% felt there was insufficient information provided in this area during induction training. This is 2.08% less than the previous year in which 6.91% felt there was inadequate training.

ANTI-COMPETITION IN MRCB

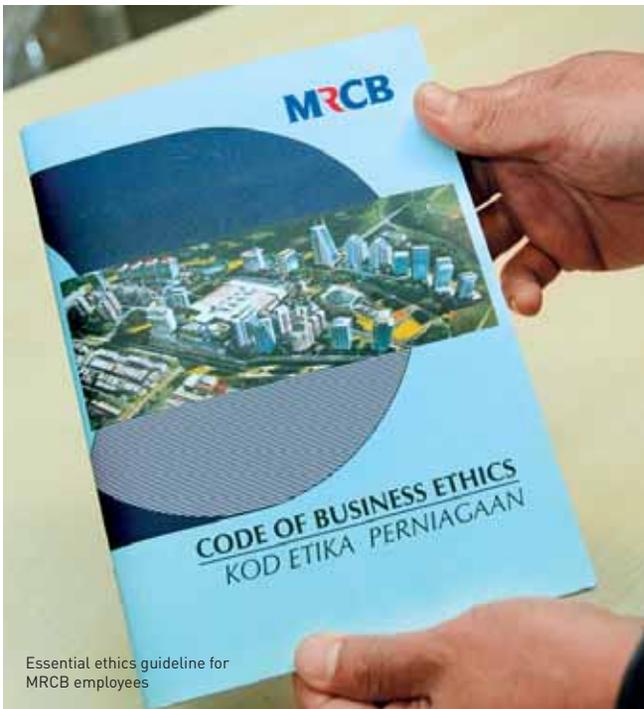
The Malaysia's Competition Act 2010 came into effect on 1 January 2012. This law provides a regulatory framework against market manipulation and cartel practices. Healthy competition is needed to make the economy more efficient and dynamic. MRCB ensures that there are no breaches of this legislation.

MARKETPLACE

PREVENTION OF FRAUD

The Board has also introduced the Prevention of Fraud Manual. This document guides the management and employees in maintaining the highest standards of conduct and integrity in all dealings. It details the management's responsibility to establish proper control processes to prevent and detect fraud. It defines what constitutes fraud and fraudulent activities, and puts together a framework for preventing fraud.

During the year, the Whistleblowing Policy was reviewed and updated. The Whistleblowing Policy outlines the avenues and procedures for whistleblowers to communicate their concerns to the Board without management's intervention and interference. This can be done either through the Chairman of the Audit Committee or the Head of Corporate Governance. As part of the review, more channels for communicating concerns were established, including through the Company's website. The Whistleblowing Policy also describes the procedures to be taken for investigating and dealing with reports on the misconduct of employees.



OUR COMMITMENT TO TRANSPARENT COMMUNICATIONS

Various corporate announcements required under the Main Market Listing Requirements (MMLR) have been made during the period under review including the timely release of quarterly financial results. This ensures that the stakeholders and investing public has up-to-date information on the Group's performance, operations and other significant developments. Various corporate announcements required under the MMLR have been made during the period under review. These include the timely release of quarterly financial results. In addition, detailed information on the Group's significant corporate events and developments were made through the media via press releases and press conferences.

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

There is also a "Contact Us" icon on the Company's website, which leads to a webpage where shareholders and investors can conveniently forward their questions and comments to the Company. Shareholders and members of the public may also contact the Senior Independent Director of the Company to convey their concerns or questions.

GRI INDEX

MRCB has adopted the internationally-recognised reporting framework, the Global Reporting Initiatives (GRI). The GRI ensures the highest level of transparency and disclosure for MRCB's Sustainability Report 2013. The GRI Content Index table acts as a reference for readers to easily locate information for each GRI indicator. The GRI Content Index table is presented to guide where information on each GRI indicator can be found.

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

G3.1 CONTENT INDEX				
STANDARD DISCLOSURE PART: PROFILE DISCLOSURES				
Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation
1. Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organisation	•	8-10	
1.2	Description of key impacts, risks, and opportunities	•	8-10	
2. Organisational Profile				
2.1	Name of the organisation	•	Front Cover	
2.2	Primary brands, products, and/or services	•	3	
2.3	Operational structure of the organisation	•	2	
2.4	Location of organisation's headquarters	•	2	
2.5	Number of countries where the organisation operates	•	4-5	
2.6	Nature of ownership and legal form	•	4-5	
2.7	Markets served	•	4-5	
2.8	Scale of the reporting organisation	•	2	
2.9	Significant changes during the reporting period	•	8-10	
2.10	Awards received in the reporting period	•	20-25	
3. Report Parameters				
3.1	Reporting period	•	2	

G3.1 CONTENT INDEX

STANDARD DISCLOSURE PART: PROFILE DISCLOSURES

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation
3. Report Parameters				
3.2	Date of most recent previous report	•	2	
3.3	Reporting cycle	•	2	
3.4	Contact point for questions regarding the report or its contents	•	2	
3.5	Process for defining report content	•	2,14-15	
3.6	Boundary of the report	•	2, 8-10, 14-15	
3.7	Specific limitations on the scope or boundary of the report	•	8-10, 14-15	
3.8	Basis for reporting on joint ventures, subsidiaries, etc	•	8-10, 14-15	
3.9	Data measurement techniques and the bases of calculations	•	42-43	
3.10	Explanation of the effect of any re-statements of information	•	8-10	
3.11	Significant changes from previous reporting period	•	8-10	
3.12	Table identifying the location of the Standard Disclosures	•	GRI G3.1 Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	•	Assurance Statement by SIRIM QAS Sdn Bhd	
4. Governance, Commitments, and Engagement				
4.1	Governance structure of the organisation	•	26-27 and AR2013	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	•	26	
4.3	Independent and/or non-executive members of the Board	•	26	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	•	29	
4.5	Linkage between compensation and the organisation's performance	•	28	
4.6	Processes in place to ensure conflicts of interest are avoided	•	57	
4.7	Qualifications and expertise of the Board	•	AR2013	

G3.1 CONTENT INDEX**STANDARD DISCLOSURE PART: PROFILE DISCLOSURES**

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation
4. Governance, Commitments, and Engagement				
4.8	Internally developed statements of mission or values, codes of conduct, and principles	•	16	
4.9	Identification and management of economic, environmental, and social performance, conduct, and principles	•	16	
4.10	Processes for evaluating the highest governance body's own performance	•	69	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	•	15	
4.12	Externally developed economic, environmental, and social charters, principles	•	34	
4.13	Memberships in associations	•	AR2013	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	•	12	
4.15	Basis for identification and selection of stakeholders with whom to engage	•	12	
4.16	Approaches to stakeholder engagement	•	13-14	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics	•	13-14	

STANDARD DISCLOSURES: PERFORMANCE INDICATORS
ECONOMIC

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Economic performance					
EC1	Direct economic value generated and distributed	•	AR2013		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	•	40		
EC3	Coverage of the organisation's defined benefit plan obligations	•	56		
EC4	Significant financial assistance received from government	x	-	This information is currently not available	As and when it is found to be relevant
Market presence					
EC5	Standard entry level wage vs. local minimum wage	•	56		
EC6	Policy, practices, and proportion of spending on locally-based suppliers	•	56		
EC7	Procedures for local hiring	•	56		
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	•	46-48		
EC9	Understanding and describing significant indirect economic impacts	•	49		
Materials					
EN1	Materials used by weight or volume	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN2	Percentage of materials used that are recycled input materials	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
Energy					
EN3	Direct energy consumption by primary energy source	•	35, 40		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS					
ENVIRONMENT					
Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Energy					
EN4	Indirect energy consumption by primary source	•	35, 40		
CRE1	Building energy intensity	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN5	Energy saved due to conservation and efficiency improvements	•	35, 40		
EN6	Initiatives to provide energy-efficient or renewable energy	•	36		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	•	35		
Water					
EN8	Total water withdrawal by source	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN9	Significant impact of withdrawal of water	•	36		
EN10	Percentage and total volume of water recycled and reused	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
CRE2	Building water intensity	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas	•	32-33		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS
ENVIRONMENT

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Biodiversity					
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas	•	32-33		
EN13	Habitats protected or restored	x	-	MRCB's biodiversity and conservation programme does not focus on protecting habitats	-
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	•	32-33		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	x	-	MRCB's biodiversity and conservation programme does not focus on protecting habitats	-
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight	•	42-43		
EN17	Other relevant indirect greenhouse gas emissions by weight	•	42-43		
CRE3	Greenhouse gas emissions intensity from buildings	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	•	42-43		
EN19	Emissions of ozone-depleting substances by weight	•	35-41		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS					
ENVIRONMENT					
Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Emissions, effluents and waste					
EN20	NO _x , SO _x , and other significant air emissions by type and weight	x		This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN21	Total water discharge by quality and destination	x		This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN22	Total weight of waste by type and disposal method	•	40-41	Total waste disposed is reported in totality instead of by type and disposal method	
EN23	Total number and volume of significant spills	x		This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous	x		This information is currently not available and we hope to have it in the next Sustainability Report	2015
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	x		This information is currently not available and we hope to have it in the next Sustainability Report	2015

STANDARD DISCLOSURES: PERFORMANCE INDICATORS
ENVIRONMENT

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
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 currently not available and we hope to have it in the next Sustainability Report	2015
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	•	40-43		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not Applicable	-		
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	•	-	MRCB has not received any significant fines and sanctions for non-compliance with environmental laws and regulations during this reporting period	-
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	•	42-43		
Overall					
EN30	Total environmental protection expenditures and investments by type	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015

STANDARD DISCLOSURES: PERFORMANCE INDICATORS**SOCIAL: LABOUR PRACTICES AND DECENT WORK**

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Employment					
LA1	Total workforce by employment type, employment contract, and region	•	70-71		
LA2	Total number and rate of employee turnover by age group, gender, and region	•	70-71		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	•	56		
LA15	Return to work and retention rates after parental leave, by gender	x	-	Such benefit is not currently available at the Company	
Labour/management relations					
LA4	Percentage of employees covered by collective bargaining agreements	x	-	This information is currently not available and we hope to have it in the next Sustainability Report	2015
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	•	-	Any operational changes occurring that may affect employees are communicated throughout the Company. The Human Resource Department provides notice to all employees via email or other electronic modes	-
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	•	58-61		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS

SOCIAL: LABOUR PRACTICES AND DECENT WORK

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Occupational health and safety					
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	•	64		
CRE6	Percentage of the organization operating in verified compliance with an internationally recognised health and safety management system	•	62		
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	•	63		
LA9	Health and safety topics covered in formal agreements with trade unions	Not Applicable	-		
Training and education					
LA10	Average hours of training per year per employee by employee category	•	65-67		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	•	65-67		
LA12	Percentage of employees receiving regular performance and career development reviews	•	69		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS					
SOCIAL: LABOUR PRACTICES AND DECENT WORK					
Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
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	•	70-71		
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	•	-	MRCB provides equal remuneration between men and women employees (1:1)	
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	x	-	We are currently improving our data collection process and hope to have this information available in our next Report	2015
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	x	-	We are currently improving our data collection process and hope to have this information available in our next Report	2015
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	•	-	Employees' rights are clearly stipulated in the Company's Policy which is distributed to all employees upon joining the Company	-
Non-discrimination					
HR4	Total number of incidents of discrimination and actions taken	•	-	Any form of discrimination is not tolerated. There have been no incidents of discrimination reported during 2013	

STANDARD DISCLOSURES: PERFORMANCE INDICATORS

SOCIAL: HUMAN RIGHTS

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
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	•	-	We respect the right of our employees to join any union or organisation of their choice	-
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	•	-	MRCB recognises that its activities have the potential to impact the human rights of individuals affected by its business. In all of our operations, we do not use child, forced or compulsory labour. We also ensure that rights of indigenous people are not violated by our operations	-
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	•	-	MRCB recognises that its activities have the potential to impact the human rights of individuals affected by its business. In all of our operations, we do not use child, forced or compulsory labour. We also ensure that rights of indigenous people are not violated by our operations	-

STANDARD DISCLOSURES: PERFORMANCE INDICATORS
SOCIAL: HUMAN RIGHTS

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Forced and compulsory labour					
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	•	-	Employees' rights including security personnel are clearly stipulated in the Company's Policy which is distributed to all employees upon joining the Company	-
Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	•	-	MRCB recognises that its activities have the potential to impact the human rights of individuals affected by its business. In all of our operations, we do not use child, forced or compulsory labour. We also ensure that rights of indigenous people are not violated by our operations	-
Assessment					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	•	-	All applicable employment and human rights laws and regulations are complied with wherever we have operations; we expect our suppliers to do the same	-
Remediation					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	x	-	We are currently improving our data collection process and hope to have this information available in our next Report	2015

STANDARD DISCLOSURES: PERFORMANCE INDICATORS
SOCIAL: SOCIETY

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Community					
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	•	49-51		
S09	Operations with significant potential or actual negative impacts on local communities	•	52-53		
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	•	49-53		
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	x	-	We are currently improving our data collection process and hope to have this information available in our next Report	2015
Corruption					
S02	Percentage and total number of business units analysed for risks related to corruption.	•	75		
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures	•	75	Employees are briefed on anti-corruption practices in the Company's Code of Conduct which is distributed to all employees upon joining the Company	
S04	Actions taken in response to incidents of corruption	•	75		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS					
SOCIAL: SOCIETY					
Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Public policy					
S05	Public policy positions and participation in public policy development and lobbying	•	-	MRCB maintains a good relationship with the authorities by practicing its expertise in supporting the Government's goals	-
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	•	-	MRCB did not extend any financial and in-kind contributions to political parties and politicians during this reporting period	-
Anti-competitive behaviour					
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	•	75		
Compliance					
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	•	-	MRCB did not receive any fines and sanctions for non-compliance with laws and regulations during this reporting period	-
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	x	-	This information has been reported in great detail in previous Sustainability Reports	-

STANDARD DISCLOSURES: PERFORMANCE INDICATORS
SOCIAL: PRODUCT RESPONSIBILITY

Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Customer health and safety					
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	•	-	There were no significant penalties for noncompliance or violations of laws and regulations in relation to the impact of our projects during 2013	-
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	•	75		
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	•	34		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	•	-	There were no significant penalties for non-compliance or violations of laws and regulations in relation to provision of information pertaining to our projects in 2013	-
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	•	74		

STANDARD DISCLOSURES: PERFORMANCE INDICATORS					
SOCIAL: PRODUCT RESPONSIBILITY					
Profile Disclosure	Description	Status	Cross-Reference	Reasons for Omission & Explanation	To be reported in
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	•	75		
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	•	-	There have been no complaints received in relation to our marketing and advertising practices in 2013	-
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	•	75		
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	•		There were no significant penalties for non-compliance or violations of laws and regulations in relation to our projects in 2013	-

INDEPENDENT ASSURANCE 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 (hereafter referred to as "MRCB") to perform an independent verification of its 2013 Sustainability Report. The main objective of the verification process was 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 MRCB Sustainability Report 2013.

The management of MRCB is responsible for the preparation of the Sustainability Report. 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 MRCB Sustainability Report 2013.

Verification team:

The verification team from SIRIM QAS International consisted of:

- | | |
|-----------------------------------|---------------|
| 1) Ms. Aminah Ang | - Team Leader |
| 2) Ms. Aernida Abdul Kadir | - Team member |
| 3) Mr. Akmar Hisham Saat | - Team member |
| 4) Mr. Shaiful Azmir Abdul Rahman | - Team member |

Methodology

The verification process was carried out by SIRIM QAS International in May 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, media publications, internal bulletins, 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 requirements of the GRI G3.1 Sustainability Reporting Framework.

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:

- 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;
- Contractor and third party data were not reviewed; and
- For the GHG determination of the emissions resulting from employees' own vehicles, the value was estimated from limited information obtained through a survey carried out by consultant. The verification team could not assure that the estimated value accurately represents the Group's Scope 3 emissions

Observations and areas for improvement:

The following observations should be considered as areas for improvement in future reporting.

- Enhancement in the reporting of environmental performance, and
- Adequate coverage of activities of companies within the group to ensure a more balanced representation of the activities reported.

These observations however do not affect our conclusions on the current report.

Conclusion

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

- The level of accuracy of data included in the Malaysian Resources Corporation Berhad Sustainability Report 2013 is fair and acceptable;
- The Sustainability Report is in accordance with the A+ Application Level of the GRI G3.1 Sustainability Reporting Framework;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;
- 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 presentation of the sustainability performance of MRCB.

Prepared by:



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Sustainability Certification Section
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Date : 30 May 2014

Approved by:



PARAMA ISWARA SUBRAMANIAM
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Date : 30 May 2014



Statement GRI Application Level Check

GRI hereby states that **Malaysian Resources Corporation Berhad (MRCB)** has presented its report "MRCB Sustainability Report 2013" 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, 26 May 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
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 20 May 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

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