# MRCB

Kwasa Damansara City Centre

Stadium Shah Alam Redevelopment

# BROADER VISION FOR A SUSTAINABLE FUTURE

INTEGRATED ANNUAL REPORT 2024

The Symphony Centre, Auckland, New Zealand



**OVERVIEW OF MRCB** 

**FROM OUR LEADERSHIP** 

MRCB

**HOW WE CREATE** SUSTAINABLE VALUE

BROADER VISION FOR A

FUTURE

SUSTAINABLE

**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD

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Please scan for online report

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## **BROADER VISION FOR A SUSTAINABLE FUTURE**

The cover of MRCB's Integrated Annual Report 2024 captures a forward-looking approach anchored in sustainable progress. The theme, Broader Vision for a Sustainable Future, reflects MRCB's focus on delivering long-term value by developing places that meet evolving needs and priorities.

expectations for environmental and social outcomes.

MRCB is also extending this vision internationally, with landmark projects such as The Symphony Centre in Auckland and VISTA in Gold Coast. These developments highlight MRCB's ability to operate in mature markets while maintaining its focus on quality, innovation, and sustainable impact. Collectively, the featured projects convey a broader vision, one that supports responsible growth and contributes to more resilient, inclusive, and liveable cities.

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Projects such as the redevelopment of Stadium Shah Alam and the transformation of Kwasa Damansara City Centre demonstrate MRCB's continued role in shaping Malaysia's urban landscape through thoughtful, future-ready design. These efforts build on a strong track record of delivering public infrastructure and integrated developments that enhance connectivity and quality of life while addressing rising

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**OVERVIEW OF MRCB** 

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FORWARD-LOOKING STATEMENTS

these statements with absolute certainty.

report via the following contact:

FEEDBACK

This report contains forward-looking statements that reference

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD Overview of MRCB

# **BASIS OF THIS REPORT**

#### **SCOPE AND BOUNDARIES**

This Integrated Annual Report provides an overview of Malaysian Resources Corporation Berhad's (MRCB or the Group) performance and key achievements throughout the reporting year and should be read in conjunction with the accompanying 2024 Financial Report for a comprehensive understanding of MRCB during the year under review. It provides insights into the strategies deployed to create value for our stakeholders and the management of our material matters, as well as the risks and opportunities related to the business.

This report covers the Group's three core business segments: Property Development & Investment; Engineering, Construction & Environment; and Facilities Management & Parking, across Malaysia, Australia, and New Zealand.

Reporting on our sustainability performance covers the domestic and international operations of the Group's three core business segments, which consist of subsidiaries that MRCB has direct control and in which the Group holds a majority stake. Reporting boundaries extend to the Group's activities and operations in financial and non-financial areas, as well as market risks and opportunities that impact our ability to create value. Where possible, information from previous years has been included to provide comparative data. The reporting process has been guided by the principles contained in the International Financial Reporting Standards (IFRS) Foundation's <IR> Framework and the Malaysian Code on Corporate Governance 2021. The Report has also been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021. It is guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the International Sustainability Standards Board's (ISSB) IFRS S1 General Requirements for Disclosure of Sustainabilityrelated Financial Information and S2 Climate-related Disclosures Standard, and Bursa Malaysia Securities Berhad's Sustainability Reporting Guide. The financial statements have been prepared in accordance with the IFRS, Malaysian Financial Reporting Standards (MFRS), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the Malaysian Companies Act 2016.

#### **REPORTING PERIOD**

This report covers the financial year starting 1 January 2024 and ending 31 December 2024.

#### FINANCIAL AND NON-FINANCIAL REPORTING

The content of this report includes both financial and non-financial metrics that contribute to our value creation capabilities.

#### **ASSURANCE APPROACH**

MRCB's Integrated Annual Report outlines its corporate journey in creating long-term sustainable value for all our stakeholders and is guided by the <IR> Framework issued by the International <IR> Council. The accuracy of sustainability data disclosed within this Integrated Annual Report has been verified by our Internal Audit Department and an independent third party. The latter's Independent Assurance Opinion Statement can be viewed on pages 363 to 365. MRCB's accompanying Financial Report has been audited by an independent third party, PricewaterhouseCoopers PLT, which has audited our financial statements. Their audit opinion can be viewed on pages 10 to 15 of the 2024 Financial Report.



#### **DELIVERING ON** STRONG GOVERNANCE

#### **ADDITIONAL** INFORMATION

**INTEGRATED ANNUAL REPORT 2024** 

#### **Our Six Capitals**

#### **Human Capital**

The skills and diversity of our employees drive our innovative strategies and long-term growth. We invest in the development and well-being of our people, which increases their productivity and performance to help achieve our goals and targets. Our people are also equipped with a diverse set of skills that enable innovation and creativity, as well as allow them to thrive today and well into the future.

#### Intellectual Capital

MRCB has created a strong brand of innovative excellence. Our Intellectual Capital is vital in solidifying our market position and competitive strength. Our team utilises emerging technologies to engineer and deliver market solutions. We also own intellectual property, such as the MRCB Building System (MBS), which is licensed to others and will help revolutionise the industry.

#### Natural Capital

As a responsible company operating within the resourceintensive property development and construction sectors, we are cognisant of the resources we require for our projects. We consciously invest in initiatives that reduce our use of Natural Capital. This includes venturing into renewable energy and innovating new technologies that optimise efficiency and reduce material consumption. Additionally, we own urban land banks within strategic development areas critical to our success.

#### Social & Relationship Capital

Our work relies on the strong bonds we have created with our stakeholders. This includes establishing good rapport with shareholders, regulators, business partners, suppliers, customers, and the community. Our relationships are built on mutual understanding, which allows our stakeholders to continue to support and trust the Group, while we strive to always create value for every one of them.

#### **Financial Capital**

The consistent flow of financial income generated by our operations is key to MRCB's survival. While a large portion of our earnings are channelled back into new developments, they are also used to create value for stakeholders. This includes generating tax revenues for the country, delivering dividends to shareholders, providing income to employees, and investing in the development of communities. Additionally, our Financial Capital is used to drive innovation and growth by investing in research and development, capacity building, and emerging technologies.

#### Manufactured Capital

The Group's physical assets are located in strategic areas of growth. As a Transit Oriented Developer (TOD), our value proposition is our ability to integrate commercial, residential, and other types of developments around transportation hubs. Our unique disposition allows us to shape small and sustainable cities where different niche segments synergise and deliver value for both businesses and communities. We provide customers with catalytic projects that improve productivity and enhance economic activity and social development, and play our role in caring for the environment by constructing responsibly, where possible, using sustainable materials and new technologies, which enables the Group to deliver highquality products in an efficient, timely, and ethical manner.



future prospects, plans, and/or outlooks. These statements should not be taken as definite. Any projections are subject to indeterminate circumstances that may change due to external influences beyond our control; readers are advised not to rely on

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We continually aspire to improve our reporting quality and welcome constructive comments or questions about this







**FROM OUR LEADERSHIP** 

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MALAYSIAN RESOURCES CORPORATION BERHAD Overview of MRCB

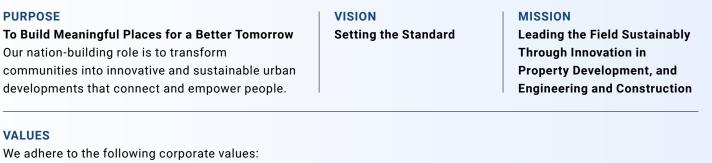
## WE ARE MRCB

WHO WE ARE

As one of Malaysia's leading property development and construction companies, Malaysian Resources Corporation Berhad (MRCB) has been a key player in developing the nation's buildings and infrastructure since its listing on Bursa Malaysia in 1971.

At MRCB, we leverage our position as an industry leader and pioneer in Transit Oriented Developments (TODs) and green buildings to drive long-term growth. We aim to provide vibrant and sustainable city-within-a-city developments through our TODs, which focus on pedestrian-friendly living and working around high-quality mass transport systems.

When competing to construct large infrastructure projects, we use our skills, expertise, and track record to build high-quality infrastructure that meets the population's needs and expectations.





#### MALAYSIA

Our property projects are predominantly in Kuala Lumpur and Selangor, with a growing presence in Penang and Perak.

### **AUSTRALIA**

#### **OUR COMPETITIVE STRENGTHS**

Pioneer and early developer of Malaysia's first internationally certified green buildings. Largest listed Bumiputera construction company in Malaysia

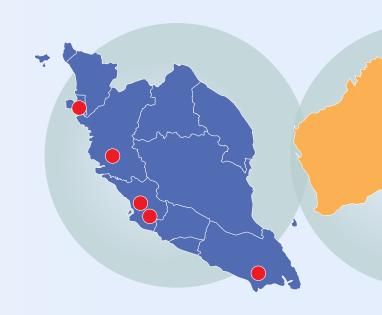
Strong corporate governance practices, a constituent of the FTSE4Good Index since 2014, an MSCI ESG rating of "AA", and a signatory to the Ten Principles of the United Nations Global Compact.

Innovated and developed a proprietary modular construction technology - MRCB Building System (MBS).

Possess an enviable track record as a large infrastructure developer, including constructing railways and highways infrastructure, stadiums, and high-voltage power transmission projects.

projects.

# OUR PRESENCE



#### **ADDITIONAL** INFORMATION

#### **INTEGRATED ANNUAL REPORT 2024**

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We have successfully completed two residential property development projects in Melbourne. In 2024, we began developing our third residential project in Gold Coast, Queensland, and have acquired more land in Gold Coast for our fourth development in Australia.

#### **NEW ZEALAND**

We were awarded a mixed TOD project in Auckland named "The Symphony Centre", scheduled to begin construction in 2025, and have also acquired the redevelopment rights to a second project nearby, called Bledisloe House.

Specialist in climate change adaptation infrastructure projects and environmental projects, such as coastal erosion and flood mitigation

Long pipeline of projects through a land bank of 1,163 acres with a GDV of RM38 billion, an unbilled construction order book of RM14.7 billion, and a strong balance sheet with a net gearing of 0.27 times.



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## WHAT WE DO **OUR EXPERTISE**



REVENUE RM287 million

PROPERTY SALES RM836 million

### URBAN LAND BANK 1,163 acres **RM38 billion GDV**

- Pioneer and leading developer
- of TODs in Malavsia
- Developing bespoke commercial buildings for corporate clients for sale or long-term lease
- Building integrated developments anchored around transportation hubs
- Building green-certified, energy-efficient buildings
- Developing high-rise residential buildings

PROPERTY **DEVELOPMENT & INVESTMENT** 

MRCB is a leading urban property developer with a large portfolio of successful integrated commercial and residential developments anchored around transportation hubs.

MRCB was the pioneer of Transit Oriented Developments (TODs) and green buildings in Malaysia through its ongoing flagship and award-winning Kuala Lumpur Sentral Central Business District (CBD) project, which has attracted some of the world's leading corporations as tenants due to its high-quality buildings and excellent transportation connectivity. Beyond Kuala Lumpur Sentral, MRCB's other TOD project - including PJ Sentral Garden City, Penang Sentral, Kwasa Sentral, and The Symphony Centre in New Zealand - also feature excellent transportation connectivity and integration at their core. MRCB also has a presence in the industrial property and logistics market in Malaysia, as well as in residential and commercial developments in Australia and New Zealand. The Group's property investment activity is largely through its 27.94% equity stake in Sentral REIT, a commercial property real estate investment trust that owns 10 buildings valued at RM2.5 billion as of 31 December 2024.



- Largest Bumiputera construction company in Malaysia

### **FACILITIES MANAGEMENT & PARKING**

MRCB's Facilities Management & Parking operations have successfully established its own brand as a leading provider of security services and car park management at integrated transportation hubs and high-profile commercial buildings.

The Division is also responsible for the facilities management of the Kuala Lumpur Sentral Station.

### REVENUE RM56 million

### 17,000 CARPARK BAYS

- Operates 21 car park sites
- Value-added services include security and an Emergency Response Team

**INTEGRATED ANNUAL REPORT 2024** 

## **ENGINEERING, CONSTRUCTION & ENVIRONMENT**

Constructing our own property developments allows us to have complete control over our property development projects, helping the Group ensure that the project's vision is fully realised in terms of quality, budget, and timeliness.

In addition to constructing world-class commercial and residential buildings, MRCB's Engineering, Construction & Environment Division has an enviable track record as an infrastructure developer, including constructing major rail and highway infrastructure, stadiums, and high-voltage power transmission projects comprising substations, overhead transmission lines, and underground cabling.

Additionally, our environmental division undertakes climate change adaptation projects, including flood mitigation and coastal erosion control, reinforcing our commitment to sustainability and resilient infrastructure.

### EXTERNAL CLIENT CONSTRUCTION ORDER BOOK RM26.1 billion

UNBILLED ORDER BOOK RM14.7 billion

Successfully won and completed key national infrastructure and construction projects Certified with ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, and ISO 45001:2018 Occupational Health & Safety Management Systems



SECTION



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## **OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)**

From the outset, MRCB has been clear in its goal to remain the leading TOD developer in Malaysia.

Our interests in 1,163 acres of development land with an estimated RM38 billion Gross Development Value (GDV), coupled with a strong balance sheet, have strengthened our position as a sustainable and dominant player. Our commitment towards sustainable development remains an inseparable part of our business, and we will continue to provide seamless integration between public transport and working and living areas.

## Where Business and Connectivity Converge

## **KL SENTRAL CBD**

#### KL Sentral CBD represents the pinnacle of integrated transit-oriented developments across the region.

Conceptualised as a "city-within-a-city", KL Sentral CBD champions an integrated "Live, Work, and Play" concept, and has remained MRCB's crowning jewel for over 20 years. KL Sentral CBD is an exclusive urban commercial centre built around Malaysia's largest transit hub, KL Sentral Station, offering unparalleled connectivity with its nine different rail lines. It has become a destination of choice for large international and domestic corporations, attracted by the convenience it offers and the wide array of lifestyle amenities, including retail, food and beverage, and healthcare facilities. KL Sentral Station has also been granted the "XKL" Global Destination Code by the International Air Travel Association (IATA) with baggage check-in facilities, enabling quick access to the airport and opening up various destinations around the region and the world. More than 220,000 commuters pass through KL Sentral every day, double its intended design capacity. This strains the infrastructure, necessitating urgent redevelopment. Earmarked for redevelopment in 2025, our plan will both increase capacity and prioritise sustainability.



2 acres

## **OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)**

# Enhancing Urban Living in Petaling Jaya **PJ SENTRAL GARDEN CITY**

This first-of-its-kind TOD project in Petaling Jaya has taken off from the concept of a transit-centric development and will serve as a CBD for Petaling Jaya.

PJ Sentral Garden City, which is geographically located in the centre of the Klang Valley, is a welcomed change from Petaling Jaya's (PJ) ageing facade and landscape. The project seeks to establish a new vision for the urban regeneration of PJ, based on the principles of modern design excellence, social and economic well-being, and environmental responsibility. The development adopts the Green Building Index (GBI) Gold standard for individual buildings and the US Leadership in Environmental & Energy Design (LEED) Neighbourhood, and Township Development Gold rating for the overall development.

RM3.3 billion GDV

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## **OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)**

## Connecting Penang to the Nation

## **PENANG SENTRAL**

The success of KL Sentral CBD prompted MRCB's expansion into the northern region of the Peninsula, culminating in the concept of Penang Sentral.

Situated in Butterworth, it is conceptualised as a mixed development around an integrated multimodal transport hub encompassing the Keretapi Tanah Melayu Berhad's (KTMBs) rail network, the Penang ferry service, intercity buses, and taxis. On average, Penang Sentral accommodates approximately 180 express bus trips and 250 stop-and-go bus trips daily, amounting to a total of 430 daily bus trips. Penang Sentral will be an economic catalyst for the Northern Region (Penang, Kedah, Perlis, and Perak). The activation of this transportation hub, which emphasises safety, security, and convenience for all users, enhances comfort and efficiency for commuters and tourists alike. It also offers a centralised ticketing system and a multitude of retail and food and beverage outlets, providing business opportunities for small and medium enterprises, as well as renowned local and international brands.

RM2.7 billion GDV

# A Growing Township **KWASA SENTRAL**

It's very close proximity to the Kwasa Sentral and Kwasa Damansara stations along the MRT Line 1 (Sungai Buloh-Kajang) makes Kwasa Damansara a prime location for integrated development projects.

MRCB has been entrusted with establishing Kwasa Damansara City Centre, one of Selangor's largest and most exciting developments. It will be the main city centre for the Kwasa Damansara township. The project aims to provide a high-quality working and living environment. Other aspects like a sizeable park, jogging-friendly paths that run around the entire project, and recreational areas, will further enhance its appeal, ensuring it becomes a liveable commercial development.



64 acres



**INTEGRATED ANNUAL REPORT 2024** 

## **OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)**



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MALAYSIAN RESOURCES CORPORATION BERHAD **Overview of MRCB** 

## **OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)**

## First TOD in New Zealand

NZD0.5 billion GDV

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## THE SYMPHONY CENTRE, NEW ZEALAND

In 2021, MRCB was awarded its first TOD project overseas, in New Zealand, to develop The Symphony Centre.

Located at the intersection of Mayoral Drive and Wellesley Street in the heart of the Central Business District in Auckland, New Zealand, this development will comprise a mixture of retail, commercial, and residential space that will be built above the City Rail Link Aotea Station in Auckland after it is completed - the only mixed-use building in New Zealand to be integrated over a station. This iconic and prestigious project will benefit more than 40,000 residents and the 157,000 people who live and work in the area.



## 2024 KEY **HIGHLIGHTS**

### FINANCIAL HIGHLIGHTS

Group Revenue **RM1.6 BILLION** 2023: RM2.5 billion

Shareholders' Funds **RM4.6 BILLION** 2023: RM4.6 billion

Profit Before Tax **RM75 MILLION** 2023: RM134 million

**RM1.03** 2023: RM1.03

**Net Gearing 0.27 TIMES** 2023: 0.16 times

Dividend 1.00 SEN

### **BUSINESS HIGHLIGHTS**

**Gross Development** Value of Land Bank

**RM38** BILLION

**Unbilled Construction** Order Book

**RM14.7** BILLION

Total Land Bank

**1,163 ACRES** 

LRT3 Physical Construction Progress 98.2%



#### **DELIVERING ON** STRONG GOVERNANCE

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## **2024 KEY HIGHLIGHTS**

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS



from A in 2023

FTSE4Good from 3.6 in 2023

Index Score

.9

3

MSCI 🌐

ESG Rating

Achieved a



23% Reduction in Scope 1 & Scope 2 **GHG Emissions Intensity** 

from 2020 baseline

Total prisoners/offenders upskilled via PEKA@MRCB Programme

Achieved

78%

(CVIA), Perlis

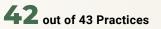
QLASSIC score for the Jabil

**Chuping Valley Industrial Area** 

production facility in the

```
470
```

Complied with the Malaysian Code on Corporate Governance:



4 out of 5 Step-Ups

## AWARDS

National Corporate Governance & Sustainability Awards 2024 **Excellence Award** -Ranked 44<sup>th</sup> Out Of 854 PLCs

Australasian Reporting Awards 2024 **Gold Award** 

BCI Asia Awards 2024 Malaysia's Top 10 Developers

#### **Railway Project Achievement Award for** the Year 2023

Safety Management **Commitments and Best Practices for 2023** 

### The Edge ESG Awards 2024

**Gold for Most Consistent Performer Over Five Years** 

#### National Annual Corporate Report Awards (NACRA) 2024

**Gold Excellence Award** For Companies With Less Than RM2 Billion In Market Capitalisation

<b>PROPERTY DEVELOPMENT &amp; INVESTME</b>	NT		
100% MRCB LAND SDN BHD	10	0%	INOVA
- 100% - Efficient Class Sdn Bhd		0%	ONES
- 100% → Crystal Hallmark Sdn Bhd		0%	MRCE
-100% $-$ Pinnacle Paradise Sdn Bhd		0 /0	_
$\neg$ 100% $\neg$ Subang Sentral Sdn Bhd	10	0%	MALA DEVE
		10	0%) → MR
			100%
– 100%)– Nilaitera Sdn Bhd			
<b>100%</b> → Rukun Juang Sdn Bhd			-10
Bukit Jalil Sentral Property Sdn Bhd			-10
– <u>100%</u> – Metro Spectacular Sdn Bhd			
– <b>100%</b> – Legasi Azam Sdn Bhd			-10
-100% MRCB Global Solutions Sdn Bhd			410
– <b>100%</b> – Lembaran Prospek Sdn Bhd			
- <b>100%</b> - Ipoh Sentral Development Sdn Bhd			
<b>70%</b> → Majestic Quest Sdn Bhd			
100% P.J SENTRAL DEVELOPMENT SDN BHD		10	<mark>0%</mark> ⊢ Sei Coi
100% SYNARGYM SDN BHD	10	0%	KUAL
100% PENANG SENTRAL SDN BHD		10	0%
100% MRCB INOVATIONS SDN BHD	70	%	KWAS
<b>100%</b> → MRCB Innovations (HK) Pte Limited <sup>#</sup>	10	0%	MRCB
100% MALAYSIAN RESOURCES CONSTRUCTION SYSTEM SDN BHD	10	0%	SOOK
100% → MRCS (Singapore) Pte Ltd^	10	0%	EXCE
( ),	10		348 S
100% MRCB UTAMA SDN BHD	10		COUN
	10		MRCE
	10		MRCE
	65.	.70%	COSY

For a complete list of companies in the Group, please turn to pages 157 to 166 (Note 42) of the accompanying Financial Report.

- denotes that the company operates in Australia (#) denotes that the company operates in Hong Kong
- denotes that the company operates in New Zealand
- (^) denotes that the company operates in Singapore

All other companies operate in Malaysia.

\*\*\*\* **5-STAR** SHASSIC rating for our Kwasa Utama C8 (Plot 2) development from CIDB

ZERO **Cybersecurity & Customer Data** Breaches

2.7% **Gender Pay Gap between** Male and Female Employees

#### **INTEGRATED ANNUAL REPORT 2024**

# RUCTURED

- ASI KRISTAL SDN BHD
- ENTRAL PARK SDN BHD
- B PUTRA SDN BHD

#### AYSIA RESOURCES LOPMENT SDN BHD

- RCB International Sdn Bhd
- MRCB Australia Holding Company <sup>→</sup> Pty Ltd\*
- 100% → MRCB Project Carnegie Pty Ltd\*
- MRCB Project Queen Street 100% → Pty Ltd\* (formerly known as MRCB Project Incorporated Pty Ltd)
- 100% → MRCB Project Vista Pty Ltd\*
- HRCB New Zealand Holdings
- HRCB Aotea Central Limited<sup>®</sup>
- LIMICB Bledisloe House Limited<sup>®</sup>
- eri Iskandar Development prporation Sdn Bhd

#### LA LUMPUR SENTRAL SDN BHD

- nity Portfolio Sdn Bhd
- SA SENTRAL SDN BHD
- SENTRAL PROPERTIES SDN BHD
- A SENTRAL SDN BHD
- LLENT BONANZA SDN BHD
- SENTRAL SDN BHD
- NTRY ANNEXE SDN BHD
- B SEPUTEH LAND SDN BHD
- B SPECTRUM SDN BHD
- **BONANZA SDN BHD**

#### **ENGINEERING, CONSTRUCTION &** ENVIRONMENT

#### 100% MRCB BUILDERS SDN BHD

- 100% MRCB Environmental Services Sdn Bhd
- **100%**→ MRCB Environment Sdn Bhd
- 100% Transmission Technology Sdn Bhd
- 100% → MRCB Engineering Sdn Bhd
- 100% Milmix Sdn Bhd
- **100%** → Region Resources Sdn Bhd
- **100%** → Sanjung Sepang Sdn Bhd
- 100% → Setia Utama LRT3 Sdn Bhd
- **65%** → Arah Rekajaya Sdn Bhd

#### 100% MRCB PRASARANA SDN BHD

**100%** → MRCB Lingkaran Selatan Sdn Bhd **100%** → MRCB Southern Link Berhad

#### FACILITIES MANAGEMENT & PARKING

- **100%** SEMASA SENTRAL SDN BHD
- 100% SEMASA PARKING SDN BHD
- 100% MRCB SENTRAL SECURITIES SDN BHD
- 100% MR SECURITIES SDN BHD
- **100%**→ Semasa Security Sdn Bhd 100% MRCB DCS HOLDING SDN BHD
- 100% Semasa District Cooling Sdn Bhd
- 100% → PJ Sentral DCS Sdn Bhd
- **100%** → Penang Sentral DCS Sdn Bhd
- **100%**→ KD District Cooling System Sdn Bhd



**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

**DELIVERING ON OUR STRATEGIES** 

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**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD Overview of MRCB

# **AWARDS** AND RECOGNITION



## Property Development

- **1. BUILDING AND CONSTRUCTION INFORMATION ASIA AWARDS 2024** Malaysia's Top 10 Developers
- 2. 2024 PROPERTYGURU ASIA PROPERTY AWARDS 26 VISTA
  - a. Best Apartment Architectural Design in the Design Award category
- b. Sustainable Design Award in the ESG Developer Award category

- 3. THE STAR MALAYSIA DEVELOPER AWARDS (MDA) 2024
  - a. Top 10 in the Market Cap RM1 Billion and Above revenue category for the prestigious Top-of-The-Chart Award
  - b. Special Award in the International category for the 1060 Carnegie development

## Environmental, Social, and Governance (ESG)

- 4. MALAYSIAN INSTITUTE OF ACCOUNTANTS NATI ANNUAL CORPORATE REPORT AWARDS (NACRA) 2024
- Gold Excellence Award (Companies with a market capitalisation of less than RM2 billion category)
- 5. LAND PUBLIC TRANSPORT AGENCY'S RAILWAY **PROJECT ACHIEVEMENT AWARD FOR THE YEAR** Safety Management Commitments and Best Practice LRT3 Project



#### **DELIVERING ON** STRONG GOVERNANCE

#### **ADDITIONAL** INFORMATION

#### **INTEGRATED ANNUAL REPORT 2024**



ONAL	6.	MINORITY SHAREHOLDERS WATCH GROUP'S
)		NATIONAL CORPORATE GOVERNANCE &
		SUSTAINABILITY AWARDS 2024
		Excellence Award 2024 Top 50 - Ranked 44th out of 854
		public-listed companies
	7	AUSTRALASIAN REPORTING AWARDS 2024
2022		
2023 es for		Gold Award for MRCB's 2022 Integrated Annual Report
	8.	THE EDGE ESG AWARDS 2024
		Gold for Most Consistent Performer Over Five Years



**INTEGRATED ANNUAL OVERVIEW REPORT 2024** 

**OF MRCB** 

**FROM OUR LEADERSHIP** 

**HOW WE CREATE** SUSTAINABLE VALUE

**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD Overview of MRCB

## **KEY MILESTONES**

Over the years, MRCB has only grown from strength to strength - proof of the group's resilience through ever-changing landscapes. Cognisant of the fact that change is a constant, we have always emphasised the importance of sound values and fundamentals, as well as the need to innovate in order to provide meaningful value to our stakeholders.

### **OVER TWO DECADES OF PROGRESS...**



#### 2001 - 2015

- · Opened Stesen Sentral KL for operations
- Completed key developments within KL Sentral CBD, such as Suasana Sentral, Hilton Kuala Lumpur, Le Méridien Kuala Lumpur, and Plaza Sentral
- Completed key developments within KL Sentral CBD, such as 1 Sentral, Sooka Sentral, and Axiata Tower
- Completed the first Green Office Campus, Platinum Sentral, MRCB's first green certified building
- · Completed key developments within KL Sentral CBD, such as CIMB Tower, Aloft KL Sentral, and Menara Allianz
- · Launched first project in Australia, the Easton Burwood in Melbourne
- Awarded the Kwasa C8 Management Contract for a provisional total project sum of RM3.1 billion

#### 2016

- · Awarded the Kwasa Damansara infrastructure PDP for RM112.3 million
- Undertook a Private Placement raising RM408.0 million
- Introduced the No-Gift Policy

#### 2017

- Raised RM1.7 billion through a Rights Issue
- · Completed the Group's re-branding exercise
- · Embarked on Digitalisation
- Signed the Corruption-Free Pledge

#### 2020

- · Revised MRCB's mission statement to reflect our focus on sustainability
- Embarked on a RM5 billion Sukuk Murabahah Programme
- · Issued RM600 million in the first tranche of the RM5 billion Sukuk Murabahał
- Contributed RM1.5 million to COVID-19 relief efforts
- · Partnered with the Ministry of Environment and Water to work on the Plastic Disclosure Project
- · Joined the United Nations Global Compact (UNGC) CFO Taskforce for the SDGs
- · Became a signatory to the Ten Principles of the United Nations Global Compact
- Awarded the first MBS project by the Ministry of Education to design and build 35 classrooms for 5 schools in Putrajaya
- Received the ASEAN Asset Class Award at the 2019 ASEAN Corporate Governance Assessment Scorecard (ACGS) Awards

#### 2019

- · Achieved ISO 37001:2016 Certification for our Anti-Bribery Management System
- Launched MRCB Building System (MBS)
- Launched the PEKA@MRCB programme
- · Licensed our MBS technology to a company in Hong Kong and Singapore
- Ranked 33<sup>rd</sup> in the Minority Shareholder Watch Group's (MSWG) Top 100 MSWG-ASEAN Corporate Governance Awards
- Ranked 1<sup>st</sup> in the Malaysian Institute of Corporate Governance's 'Transparency in Corporate Reporting' Report
- · Won a Gold Award at the Australasian Reporting Awards



#### 2018

- Awarded the LRT3 fixed price contract to MRCB's 50%-owned MRCB George Kent Sdn Bhd for RM11.4 billion
- Awarded the Bukit Jalil Management Contract for a provisional total project sum of RM11.0 billion
- Launched Penang Sentral
- Commenced implementation of an Anti-Bribery Management System
- Disposed of the Eastern Dispersal Link Expressway for RM1.3 billion
- Subscribed EPF to 80% in Bukit Jalil Sentral Property for RM1.1 billion

## ... DRIVEN BY A BROADER VISION FOR A SUSTAINABLE FUTURE

2021

- Completed the acquisition of George Kent (Malaysia) Berhad's 50% equity interest in the LRT3 project joint venture company, Setia Utama LRT 3 Sdn Bhd (SULRT3) (formerly known as MRCB George Kent Sdn Bhd)
- Acquired 683.32 acres of land in Simpang Pulai, Perak to develop an industrial/logistics park
- · Awarded the first project in New Zealand to develop The Symphony Centre, formerly known as the Aotea Central Over Station Development with a GDV of NZD452 million
- Embarked on Task Force on Climate-Related Financial Disclosures (TCFD) qualitative analysis to assess climate risks and opportunities for more robust climate risk disclosures
- Received the Industry Excellence Award (Property Sector) in the 2020 MSWG-ASEAN Corporate Governance Scorecard Assessment
- Received the Sustainability Performance Award 2021 for SDG Ambition Benchmark 6 awarded by the United Nations Global Compact Malaysia & Brunei
- Won a Gold Award at the Australasian Reporting Awards

## 2024 •

- · Completed development of a RM121.5 million Jabil's Production Facility at the Chuping Valley Industrial Area (CVIA) in Perlis
- Commenced construction of Residensi Tujuh, a RM385 million GDV residential project at Kwasa Sentral, featuring MRCB's proprietary MBS technology
- · Acquired land in Southport, Gold Coast, for a 192-unit residential development with an estimated GDV of AUD193 million for AUD7.3 million
- · Commenced operations at the MRCB Building System (MBS) fabrication yard in Saujana Putra, marking a significant milestone in producing high-guality modular components to enhance construction efficiency, minimise material waste, and reduce GHG emissions
- Awarded the RM250 million Sungai Langat Phase 2 Flood Mitigation Project
- · Achieved 98.2% completion of the physical construction of the Light Rail Transit 3 (LRT3) project
- · Achieved 23% Reduction in Scope 1 & Scope 2 GHG Emissions Intensity from the 2020 baseline
- Received Gold for the 2022 Integrated Annual Report at the 2024 Australasian **Reporting Awards**
- Received the Excellence Award Top 50 at the National Corporate Governance & Sustainability Awards
- Received Gold Award for Most Consistent Performer Over Five Years at The Edge ESG Awards
- Received the Gold Excellence Award for Companies with Less than RM2 Billion in Market Capitalisation at the National Annual Corporate Report Awards (NACRA) 2024
- Ranked 44<sup>th</sup> out of 854 public listed companies assessed by MSWG in the new National Corporate Governance and Sustainability Framework assessment
- Increased our overall FTSE4Good Bursa Malaysia Index score from 3.6 to 3.9, ranking in the top 14% of all listed companies assessed
- · Achieved an "AA" rating in the MSCI ESG ratings

**INTEGRATED ANNUAL REPORT 2024** 

#### 2022

- Launched the Ipoh Raya Integrated Park on 9 June 2022, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak
- · Completed the Mass Rapid Transit Line 2 Package V210, which contributes towards benefiting 533,000 riders a day
- Completed the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH), benefiting over 40 residential areas
- Entered into share sale agreement to acquire 39% equity stake in Sentral REIT's manager, Sentral REIT Management Sdn Bhd, increasing MRCB's stake to 80%
- Acquired Bledisloe House in Auckland, New Zealand, which will be refurbished and has an expected GDV of NZD137 million
- · Purchased 0.766 acres of prime land in Surfers Paradise in the Gold Coast, Australia for AUD17 million
- Ranked 2<sup>nd</sup> out of 864 companies assessed, and received the Excellence Award and Industry Excellence Award for the Property Sector in the 2021 MSWG-ASEAN Corporate Governance Scorecard Awards
- Received Gold at the 2022 Australasian Reporting Awards
- · Received the Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the National Annual Corporate Report Awards (NACRA) 2022 Achieved IS037001:2016 Anti-Bribery Management System re-certification

#### 2023

- Completed the sale of Menara CelcomDigi to Sentral REIT for RM450 million
- · Disposed of Plaza Alam Sentral and its adjoining land to PKNS for RM178 million
- · Disposed of residential units in VIVO, TRIA 9 Seputeh, and St Regis to PKNS for a consideration of RM80 million
- Launched VISTA, a 51-storey RM1.5 billion GDV residential development in Gold Coast, Australia
- Launched Residensi Tujuh, a RM385 million GDV residential development in Kwasa Sentral, the first residential development to be built with MRCB's sustainable modular construction technology, MBS
- Completed construction of the Sungai Besi–Ulu Kelang Elevated Expressway (SUKE) CA2 Package
- Completed the Sentral Suites and TRIA 9 Seputeh residential property projects in Kuala Lumpur
- Received Gold at the 2023 Australasian Reporting Awards
- Received Gold Award for Governance, Reporting & Transparency in the Large Corporation Category at the ESG Positive Impact Awards
- Received Silver Award for Most Consistent Performer Over Five Years at The Edge ESG Awards 2023
- Increased our overall FTSE4Good Bursa Malaysia Index score from 3.2 to 3.6
- · Achieved an MSCI ESG Rating upgrade to "A" from "RRR



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MALAYSIAN RESOURCES CORPORATION BERHAD From Our Leadership

## **REFLECTIONS FROM THE CHAIRMAN**

DEAR STAKEHOLDERS, Since the

unprecedented challenges of 2020 and 2021, the property industry has faced headwinds, both here in Malaysia and globally.

DATO' MOHAMAD **NASIR AB LATIF** Chairman

Challenges such as tight monetary policies, geopolitical tensions, and inflationary pressures continued to weigh on

However, emerging Asia's strong demand for semiconductors and electronics, bolstered by investments in artificial intelligence, continues to drive regional growth.

growth prospects.

commitment



# **DELIVERING PROGRESS AND BUILDING FOR THE FUTURE**

As high-rise urban developers, where projects require significant time and investment to realise returns, navigating this dynamic market demands astute timing of new launches, now more than ever. Our strategy has been to diligently complete existing projects and optimise sales of our stock of completed properties, capitalising on more favourable market conditions to strategically time our new ventures. This measured approach, supported by our ongoing construction activities, positions us to move forward with steady progress and assurance.

Our commitment to diversification has strengthened our resilience, paving the way for more consistent and sustainable returns. While regional economies have presented a mixed picture, Malaysia's steadfast performance has provided us with valuable opportunities for expansion and innovation. This report reviews a year of strategic progress, highlighting our achievements and outlining our efforts to build on this momentum.

#### **OPERATING RESILIENTLY**

Global economic growth in 2024 remained subdued. Challenges such as tight monetary policies, geopolitical tensions, and inflationary pressures continued to weigh on growth prospects. However, emerging Asia's strong demand for semiconductors and electronics, bolstered by investments in artificial intelligence, continues to drive regional growth.

Domestically, Malaysia's economy remained robust in 2024, with Gross Domestic Product (GDP) growth underpinned by steady private sector spending and ongoing infrastructure development. The construction sector, in particular, performed well, fuelled by large-scale infrastructure projects and sustained investment in public infrastructure. These factors drove demand for industrial park upgrades, urban transit systems, and mixed-use developments, areas where MRCB holds considerable expertise.

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### **REFLECTIONS FROM THE CHAIRMAN**

Additionally, Malaysia's push towards green infrastructure and innovation in construction provided avenues for MRCB to align its business strategy with national priorities, reinforcing our role as a key player in the country's economic progress. The government's to infrastructure development further supported the construction industry's growth.

This alignment has allowed MRCB to play a significant role in projects such as major highway and rail developments, and critical flood mitigation initiatives, which aim to enhance both connectivity and resilience across the nation.

#### **ADVANCING MRCB'S PURPOSE**

Our purpose at MRCB has always been clear to us. We are here to build meaningful places for a better tomorrow. As high-rise urban developers,

we recognise that our projects not only shape skylines, but also the fabric of our communities. This commitment drives our nation-building role, where we develop innovative and sustainable urban spaces that connect communities and support their growth. And while recent times have demanded careful navigation, we remained focused on our strategy of prioritising the completion of existing projects and optimising sales of completed inventory.

On the property development front, property sales in Malaysia remained steady, supported by the sale of completed units from several projects, including TRIA 9 Seputeh and Sentral Suites. We also strengthened our international presence in 2024, particularly in Australia.





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## **REFLECTIONS FROM THE CHAIRMAN**

In Australia, our VISTA project on the Gold Coast has seen notable success, validating our deliberate and measured approach to international expansion. The project's positive reception and sales provide a solid foundation for future projects, which will further our reach in this key market. Building on the momentum of VISTA's sales success, we acquired the Sundale Motel at 20 Queen Street, Southport, Gold Coast. This site is earmarked to be transformed into a high-quality apartment project.

In New Zealand, we spearheaded the soft launch of The Symphony Centre, a NZD452 million (~RM1,130 million) urban regeneration transit-oriented development project in Auckland's central business district and arts precinct. This 21-storey mixeduse development, situated above the Te Waihorotiu Station, is set to become a cultural, economic, and social catalyst for the city.

The completion of the construction of the RM11.4 billion Light Rail Transit 3 (LRT3) project in 2024 highlights our expertise in delivering large-scale, impactful urban infrastructure while integrating sustainability principles. From soundproofing solutions to innovative tunnelling techniques, we prioritised minimising community disruption while enhancing urban connectivity.

Our Engineering, Construction & Environment (ECE) Division has advanced climate change adaptation projects, such as the Muara Sungai Pahang and Sungai Langat flood mitigation projects. These efforts align with our goal of protecting urban communities from the increasing challenges posed by climate change.

This strategic expansion and diversification leverages our expertise, and support our goal of building resilient, diversified revenue streams while staying responsive to changing market dynamics.

#### **PROGRESSING OUR SUSTAINABILITY JOURNEY**

We consider sustainability an essential part of our business and operations, fully incorporating it into our processes rather than treating it as standalone projects or initiatives. We integrate sustainability into all aspects of our operations, aligning with the increasing demand for innovative, climateresilient solutions, sustainable products, and green buildings. By adopting advanced technologies and sustainable practices, we are refining our approach to development and infrastructure.



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The VISTA project on the Gold Coast has achieved notable success, validating our deliberate and measured approach to international expansion.

MRCB spearheaded the soft launch of The Symphony Centre, a NZD452 million (~RM1,130 million) urban regeneration transit-oriented development project in Auckland's central business district and arts precinct.

We aim to ensure that our projects make a meaningful contribution to a low-carbon future while addressing critical environmental challenges.

Residensi Tujuh in Kwasa Sentral exemplifies our sustainable modular construction technology, the MRCB Building System (MBS). By conducting the majority of the construction off-site in a controlled environment, MBS significantly reduces waste and GHG emissions, offering a more environmentally friendly alternative to traditional construction methods. As pioneers of modular high-rise construction in Malaysia, we are proud to embark on setting a new benchmark for quality and operational efficiency through Residensi Tujuh. We are also encouraged by the international recognition and adoption of the MBS, which has already been licensed to companies in Hong Kong and Singapore, and has been successfully patented in 49 countries.

We are committed to advancing our climate risk management reporting. In 2024, we took proactive steps to align our disclosures with the International Financial Reporting Standard (IFRS) on General Requirements for Disclosure of Sustainabilityrelated Financial Information, S1 and IFRS S2 on Climate-related Disclosures, developed by the International Sustainability Standards Board. This initiative, along with a gap analysis conducted in preparation for adopting the full suite of IFRS sustainability reporting standards, highlights our commitment to transparent disclosures and accountable reporting of climate-related risks and opportunities.



We also expanded our GHG emissions inventory to include emissions from our Australian office and began broadening our Scope 3 reporting to capture a wider range of indirect emissions across our value chain. These efforts, alongside detailed quantification of transition risks, ensure our sustainability practices remain vigorous, transparent, and resilient as we prepare for a low-carbon future.

MRCB's commitment to sustainability is reflected in our improved ESG ratings. Our FTSE4Good Bursa Malaysia Index score increased from 3.6 to 3.9 in the end-2024 assessment. With the new score, MRCB is ranked in the 86<sup>th</sup> percentile, placing us among the top 14% of all listed companies assessed by FTSE Russell, and among the highest-ranking construction companies within the index. MSCI also upgraded our ESG rating from "A" to "AA" in 2024.

**INTEGRATED ANNUAL REPORT 2024** 

## **REFLECTIONS FROM THE CHAIRMAN**



Ranked in the TOP 14% of all listed companies assessed by FTSE Russell.



**ESG Ratings** 





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## **REFLECTIONS FROM THE CHAIRMAN**

A visual representation of our upcoming VISTA development in Gold Coast, Australia

#### **ENHANCING GOVERNANCE**

MRCB is committed to upholding the highest standards of corporate governance. In 2024, we made further progress in aligning with the Malaysian Code of Corporate Governance (MCCG) 2021 and now comply with 42 out of the 43 Practices, and 4 out of the 5 Step-Up Practices stipulated. This builds on our progress from the previous year and reinforces our commitment to transparency, accountability, and ethical conduct across all our operations.

To further strengthen our governance framework, particularly in driving sustainability across our business, we increased the frequency of our Sustainability Management Committee meetings. These meetings allow for more focused engagement with each business unit for more effective oversight and collaboration on sustainability initiatives.

We also prioritised enhancing our human rights policies. This included aligning our English-language policy with UNICEF's Children's Rights and Business Principles and developing a Bahasa Malaysia version to ensure understanding across all our workforce. Throughout 2024, we maintained active participation in the CEO Action Network (CAN), where we hold a co-leadership role in the Diversity, Equity, and Inclusion

(DEI) workstream. A key highlight of this involvement was our contribution to developing and launching the DEI Implementation Guide for Malaysia in May 2024. This guide serves as a valuable resource for businesses across Malaysia, and one that I hope will empower all corporates to advance DEI initiatives further in their workplaces.

Our dedication to diversity remains steadfast, as evidenced by the 38% representation of women on our Board and a balanced composition of independent and non-independent directors. This diverse and inclusive perspective is essential for effective decision-making in today's dynamic business environment.

#### ACHIEVING INDUSTRY RECOGNITIONS

As we continue to strive for excellence, we are truly humbled and honoured to have been recognised by renowned bodies for our efforts in 2024. Our commitment to transparent reporting was acknowledged with the Gold Excellence Awards at the National Annual Corporate Report Awards (NACRA) and the Australasian Reporting Awards (ARA). We were also honoured to be ranked 44<sup>th</sup> out of 854 listed companies assessed and receive the Top 50 Excellence Award at the National Corporate Governance & Sustainability Awards (NACGSA).

Beyond financial reporting, our dedication to sustainability These initiatives mark the start of a new phase of growth continues to be a source of pride. The Edge Malaysia for MRCB, one driven by innovation and sustainability. From ESG Awards recognised MRCB with a Gold award for the integrating renewable energy solutions into our projects to prioritising environmental and social governance, we are most consistent performance over five years in this area. The Malaysia Developer Awards also acknowledged our ensuring that our operations align with global best practices. By maintaining a disciplined approach to managing risks achievements, both domestically and internationally, with special recognition for our 1060 Carnegie project in Melbourne. and building on the foundations we have established, we At the PropertyGuru Asia Property Awards, our residential are confident in our ability to create lasting value for all development in Gold Coast, Australia, VISTA earned the Best stakeholders and sustain our forward momentum. Apartment Architectural Design and Sustainable Design Award. These accolades reinforce our belief that sustainable IN APPRECIATION practices are not just good for the environment and our In closing, I would like to express my sincere gratitude to all communities, but also essential for long-term business those who have contributed to MRCB's success in 2024. success.

I extend my appreciation to my fellow Board members for LOOKING FORWARD their constructive insights and sound deliberations, which Looking ahead, we are keenly aware of the cyclical nature of have been instrumental in shaping our strategic direction the property market and the importance of astute timing, a and decision-making. To the Management team and all our employees, thank you for your tireless efforts and dedication lesson reinforced by the events of recent years. Building on our measured approach and strategic achievements in 2024, throughout the year. Your hard work and commitment are the we remain focused on sustaining momentum and capitalising driving force behind our achievements. on emerging opportunities. MRCB's strategic construction project pipeline, upcoming property launches, international On behalf of the Board of Directors. I would also like to thank expansion, and solid financial standing place us well to deliver the authorities, relevant Ministries, and regulators for their long-term value to stakeholders. Our portfolio of property continued support of MRCB. To our shareholders, clients, and infrastructure projects, combined with RM3.0 billion and business partners, your loyalty and trust in our vision construction contracts under negotiation, ensures that we are encourage us to aim higher and achieve more. We are truly grateful for your ongoing support. well-equipped to capture opportunities in both domestic and international markets.

Domestically, we are leveraging our expertise in large-scale infrastructure developments, including climate change adaptation projects, such as flood mitigation initiatives and renewable energy solutions. Ongoing negotiations for significant initiatives and participation in upcoming infrastructure tenders position us to contribute meaningfully to Malaysia's development. We anticipate commencing new property launches in early 2025, pending local authority approvals. Internationally, our continued expansion in Australia and New Zealand underscores our focus on diversifying revenue streams and aligning with evolving global market demands.

SECTION 2

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**INTEGRATED ANNUAL REPORT 2024** 

### **REFLECTIONS FROM THE CHAIRMAN**

### DATO' MOHAMAD NASIR AB LATIF

Non-Independent Non-Executive Chairman



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## **GROUP MANAGING DIRECTOR'S REVIEW**

DEAR STAKEHOLDERS. MRCB's performance in 2024 focused on strengthening our foundation and positioning for future opportunities. Our performance reflected resilience and adaptability across our core business areas.

# **STRENGTHENING OUR BASE FOR FUTURE** GROWTH

The Engineering, Construction & Environment (ECE) Division led the way as the main driver of revenue and profitability, highlighted by the landmark construction completion of the Light Rail Transit 3 (LRT3) project. This achievement reflects the ECE Division's expertise in delivering complex, large-scale projects and its ability to respond effectively to evolving market conditions. Looking ahead, the ECE Division's robust project pipeline, ongoing works for key infrastructure projects, as well as its involvement in climate change adaptation initiatives, will continue to strengthen its performance and contribute significantly to MRCB's overall profitability in the coming years.

The Property Development & Investment (PDI) Division strategically navigated the challenges in the Malaysian property market, particularly in the high-rise urban sector, which is characterised by higher risks and uncertainties due to premium land costs and elevated price points. Recognising the impact of market volatility and supply chain disruptions, we deliberately scaled back on new launches in recent years to protect our balance sheet, and concentrated on completing existing projects. In 2024, the PDI Division benefited from strong sales of completed project inventory and concentrated on preparing for upcoming launches in 2025. While revenue recognition from new projects will primarily occur in the coming years, the PDI Division's strategic approach has set the stage for future growth.

This momentum is further fuelled by our robust unbilled RM14.7 billion construction order book, which, combined with other proposals and property launches, positions MRCB to capitalise on significant opportunities in both domestic and international markets. As we align with evolving market dynamics, our focus remains on sustainable value creation, operational excellence, quality, and innovation.

### **DATUK IMRAN SALIM** Group Managing Director



How would you summarise MRCB's overall financial performance in 2024?

- How did MRCB's key business segments perform in 2024, and what role did they play in driving the Group's results?
- How is MRCB evolving its diversification 03 strategy to shape the future?

04

- What is MRCB's upcoming project pipeline, and how do these initiatives align with the Group's growth strategy?
- How did MRCB adapt its strategies to address the challenges and opportunities of the evolving business environment?
- How is MRCB's sustainability approach shaping project execution and driving opportunities in climate change adaptation and renewable energy?
- How does MRCB ensure the growth and well-being of its employees while preparing for future challenges?
- What are MRCB's top priorities for 2025 and beyond, and how do they align with the company's long-term vision?

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## **MRCB'S 2024** PERFORMANCE



### How would you summarise MRCB's overall financial performance in 2024?

I am pleased to report that MRCB demonstrated resilience in 2024. While revenue and profitability declined in the Property Development & Investment (PDI) Division, the strong performance of the Engineering, Construction & Environment (ECE) Division reinforced our financial stability and positioned us for future growth.



#### **FINANCIALINDICATORS**





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## **GROUP MANAGING DIRECTOR'S REVIEW**



Continued

In the financial year ended 31 December 2024, the Group recorded revenue of Gold Coast, Australia, which continued RM1,645.4 million and profit before tax of RM75.0 million, compared to RM2,537.5 to see strong demand. Meanwhile, million and RM134.2 million, respectively, recorded in the preceding financial year ended 31 December 2023.

The ECE Division remained the primary revenue and profit driver, contributing 78% of the total Group revenue. While revenue declined 26% to RM1,283.0 million, the Division's operating profit surged 91% to RM166.4 million, primarily driven by the RM11.4 billion LRT3 project, which reached 98.2% construction progress. Other contributions in the ECE Division includes the RM380 million Muara Sungai Pahang Phase 3 (Package 3) flood mitigation project, which achieved 58.5% construction progress at the end of 2024, and the Sungai Langat Phase 2 flood mitigation project, which was a project won earlier in the year, and which had therefore only achieved 10.1% construction progress by the end of 2024.

ECE Division was the primary driver of our 2024 performance

Revenue **RM1,283** million A 26% decline compared to 2023

### **Operating Profit RM166** million 91% growth compared

The PDI Division recorded Revenue of

to 2023



#### FINANCIAL INDICATORS

#### Total Equity (PM' Million)

Iotal Equity (RM Million)			
2024		4,620	
2023		4,600	
Net De	bt (RM' Million)		
2024		1,259	
2023		729	
Net Ge	aring		
2024		0.27x	
2023		0.16x	

**Deposits, Cash & Bank Balances** (RM' Million)

2024	999
2023	972

RM286.7 million, down 61% compared to 2023, and an operating loss of a GDV of AUD193 million (~RM533 RM17.6 million. The lower revenue million) and The Symphony Centre and operating loss recorded in 2024 transit-oriented development in compared to 2023 was due to the completion of two very large projects million (~RM1.130 million). in 2023, the Sentral Suites and TRIA 9 Seputeh residential developments. At the end of 2024, MRCB maintained a The disposal gains from the sale strong balance sheet, with a net gearing of Menara CelcomDigi and Plaza Alam Sentral for RM56.8 million and RM93.4 million respectively, also at the end of 2024, we remained wellcontributed to lower revenue that year. positioned to meet our operational and The weaker performance in 2024 was project financing needs. attributed to the Group's new property development projects still being in their initial development phases, when there is very minimal revenue to be recognised. However, the Division recorded RM836.0 million in property sales in 2024, including RM398.6

million from its VISTA development in

the Group's 27.94% equity interest in Sentral REIT and our associated company, Sentral REIT Management Sdn Bhd (SRM), delivered a combined profit after tax of RM16.2 million in 2024, compared to RM18.8 million in 2023.

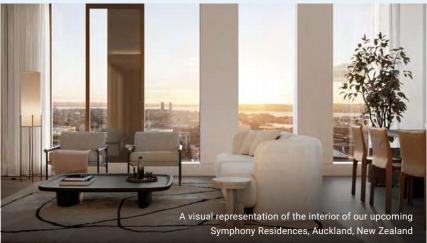
New property launches in 2024 were hampered by additional approval requirements for all new developments in Kuala Lumpur, pushing them into 2025. We have therefore earmarked RM3.9 billion worth of property launches in 2025, with RM1.9 billion in Malaysia, RM1.5 billion in New Zealand, and RM0.5 billion in Australia, in line with our continued overseas diversification strategy. Key new overseas property development projects earmarked for launch in 2025 are MARIS, a 192-unit resort-style apartment development in Southport, Gold Coast, Australia with Auckland, which has a GDV of NZD452

ratio of 0.27 times. With cash and cash equivalents of RM999.2 million



How did MRCB's key business segments perform in 2024, and what role did they play in driving the Group's results?

Group's progress for the year.



The strategic timing of projects across these Divisions ensures a steady pipeline of revenue and profit contributions. This balance ensures that as one Division reaches completion milestones, the other drives new revenue streams, enabling the Group to maintain resilience and deliver consistent value.

For the year under review, we focused on monetising our completed unsold property inventory through targeted sales campaigns for our Sentral Suites, VIVO 9 Seputeh, TRIA 9 Seputeh, and Alstonia developments, achieving total sales of completed units of RM335.5 million in 2024. Our unsold completed property inventory at the end of 2024 stood at RM397.3 million.

While we had earmarked RM3.6 billion worth of property launches in 2024, the property launches in Kuala Lumpur had to be rescheduled to 2025 due to new geotechnical approval requirements by the local authority, as well as the need to align with market dynamics. We anticipate securing approvals in the first half of 2025, with property contributions expected to strengthen from 2026 onwards.

The VISTA residential development in Gold Coast, Australia, performed well, achieving RM398.5 million in sales, representing 59% of the units available for sale and 41% of its gross development value (GDV). This success can be attributed to high demand due to net migration from other states in Australia, a limited supply of mostly dated secondary market stock, and a carefully managed sales strategy. We released units in controlled batches and delayed sales until construction costs were confirmed to secure margins. The smaller studios and one-bedroom units were first released in batches for sale, which helped build interest and momentum in the development. As demand increased, we were able to implement further price increases that the market readily absorbed.

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#### MRCB's key business segments, the PDI and the ECE Divisions, played complementary roles in driving the

Building on VISTA's momentum and further expanding our international presence, we acquired a second prime parcel of land in Southport, Gold Coast, for a new resort-style apartment development called MARIS with a GDV of AUD193 million (~RM533 million). Located 3 km from VISTA, the site overlooks Broadwater and is targeted for launch in the first half of 2025.

We soft-launched The Symphony Centre, our flagship project in New Zealand, featuring a 21-storey mixed development with a GDV of NZD452 million (~RM1,130 million). This development strategically integrates with the Te Waihorotiu (Aotea) Station, Auckland's busiest public transport hub and exemplifies the Transit Oriented Development (TODs) concept that MRCB is well-known for, by combining residential, commercial, retail, and hospitality spaces with seamless access to transit services.





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Continued

Our ECE Division has been a major driver of profit in 2024. The construction completion of the 36 km LRT3 project was a key achievement. This rail project which runs from Klang to Bandar Utama will enhance connectivity for communities in the Klang Valley, and contribute to Malaysia's transportation infrastructure. This project also demonstrates our ability to deliver large-scale, complex infrastructure development projects.

( ) For more details on the Light Rail Transit 3 (LRT3), please refer to pages 126 to 141.

The Division is also building a reputation for its expertise in climate change adaptation and environment-focused projects, such as the Muara Sungai Pahang Phase 3 (Package 3) and Sungai Langat Phase 2 flood mitigation projects. These projects address critical climate change adaptation needs while expanding our portfolio into higher-margin and strategically important sectors.

Looking ahead, the ECE Division is poised for further growth. Having secured the contract to construct five reinstated LRT3 stations and other related infrastructure works with a total contract sum of RM2.47 billion in early 2025. Additionally, there are several other major projects under negotiation, including the redevelopments of Stadium Shah Alam and Kuala Lumpur Sentral Station. These projects, when secured, will add nearly RM3 billion more to our order book, providing a substantial boost to the Division's pipeline. MRCB's tender book, valued at over RM1.6 billion, also positions the ECE Division to pursue further opportunities for growth.



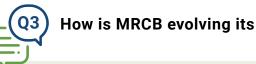
**Construction Unbilled Order Book** as at 31 December 2024 RM14.7 billion



For more details on Our Performance: Engineering, Construction & Environment, please refer to pages 118 to 125.



# STRATEGY FOR GROWTH



MRCB's medium-term growth strategy is anchored on diversification. While we remain firmly established in our core businesses, we proactively seek opportunities to diversify our business to reduce product and geographic concentration risks and deliver more consistent, sustainable returns. This approach will make us more resilient to economic and regulatory uncertainty, helping us generate more stable returns in the long-term.

MITIGATE AGAINST CONCENTRATION RISK TO ENSURE MORE CONSISTENT/SUSTAINABLE RETURNS

### DIVERSIFICATION STRATEGY

#### **NEW PROPERTY SEGMENTS**

- Target high-growth industrial/logistics segment
- Acquire **strategic land** outside of Klang Valley and Selangor
- Divest non-core land banks and assets to reinvest in higher-return opportunities
- Aligning with demographic trends i.e. addressing the housing needs of the ageing population and millennial lifestyle preferences

#### **NEW GROWTH MARKETS**

- Renewable and clean energy infrastructure (solar, waste-to-energy, and NETR opportunities)
- Grow **climate adaptation** and water projects (flood mitigation and water infrastructure)
- Leverage expertise in **power transmission and** large-scale infrastructure (rail, sustainable stadiums, and energy projects)
- Tap into emerging demand for efficient, sustainable building solutions (develop modular construction capabilities)

MRCB's diversification strategy focuses on optimising resources and capitalising on areas where we hold competitive advantages to capture opportunities in emerging sectors. This includes releasing capital tied up in non-core land banks and other assets that no longer align with our long-term growth objectives. The capital will be used to reinvest into higher and more immediate return opportunities, such as projects under Malaysia's National Energy Transition Roadmap (NETR). With an estimated capital expenditure requirement of RM1.2 trillion by 2050, NETR represents a massive market opportunity, **INTEGRATED ANNUAL REPORT 2024** 

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How is MRCB evolving its diversification strategy to shape the future?

particularly in renewable and clean energy generation, energy storage systems, and power transmission infrastructure.

We have a proven track record in delivering specialised large-scale infrastructure projects, like rail and stadiums. This expertise, coupled with our specialised skills in civil engineering and the construction of power transmission infrastructure over the last 20 years, uniquely positions us to capture a share of this important growth market.

We also see significant potential in climate change adaptation projects, particularly in flood mitigation works. The demand for such initiatives is particularly pressing, as Malaysia contends with climate challenges such as frequent flooding, which reinforce the need for sound infrastructure solutions. These projects offer better margins and higher barriers to entry compared to traditional building projects, resulting in more limited tender competition due to their specialised nature. They also represent a market in which MRCB has deep experience over many years through its environmental business.

We have also submitted proposals for large-scale solar plants, floating solar installations, and the integration of solar panels in industrial facilities. These initiatives also align with our broader sustainability goals, positioning MRCB as a key player in Malaysia's transition to a low-carbon economy.

This strategic focus on power infrastructure, water infrastructure, climate change adaptation, and renewable and clean energy infrastructure solutions, aligns with national policies and global trends. It leverages MRCB's existing expertise, providing us with a clear competitive edge in these high-growth markets.



**Q4** 

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What is MRCB's upcoming project pipeline, and how do these initiatives align with the Group's growth strategy?

MRCB has a strong pipeline of high-value infrastructure and redevelopment projects moving into 2025 and beyond.

The PDI Division has several promising launches planned for 2025, both in Malaysia and overseas. The Group has earmarked RM3.9 billion worth of property launches in 2025, with RM1.9 billion in Malaysia, RM1.5 billion in New Zealand, and RM0.5 billion in Australia, reflecting the Group's continued push for overseas diversification. In Kuala Lumpur, new property developments are now subject to additional approval requirements introduced in 2024, such as geotechnical reports and geological terrain mapping where applicable, which slowed the receipt of some approvals in 2024. We anticipate receiving the necessary approvals in the first half of 2025, allowing us to proceed with these projects from mid-2025 onwards.

We also plan to continue land banking in strategic locations to replenish inventory following the completion of ongoing projects. As part of this strategy, we acquired a special purpose vehicle (SPV) Projekmaju Sdn Bhd, a company with development rights for a RM650 million GDV project in Petaling Jaya from Nusa Gapurna Development Sdn Bhd, for RM1 million in November 2024. The acquisition grants development rights for a prime parcel of land that complements our ongoing PJ Sentral Development in Petaling Jaya. The value of this land is expected to be further enhanced upon the completion of PJ Sentral, positioning the site as the second phase of the development. The location and potential synergies with the current PJ Sentral project makes this acquisition a significant step forward, promising to contribute positively to MRCB's future earnings and cash flows.

Property Pipeline in Malaysia	Description	GDV
Ipoh Raya Integrated Industrial Park, Perak (IRIP)	Integrated industrial park of 822 acres comprising 6 phases	RM984 million
Adonis, SIDEC	Proposed 110 units of single-storey terrace houses	RM32 million
Parcel A, 9 Seputeh	Proposed high-rise residential apartments with amenities, approximately 483 units	RM417 million
Tower 5, PJ Sentral	Proposed office building with 36 storeys	RM482 million
Bukit Jalil Sentral, Phase 1A and 1B	Approx. 1,100 units of serviced apartments (subject to final product confirmation) (4.16 acres)	RM808 million
Lot R (Kolektif), KL Sentral	494 units of lifestyle office suites (0.38 acres)	RM205 million
Tower 1, PJ Sentral	Proposed high-rise serviced apartments with amenities, approximately 999 units	RM700 million
Parcel D, 9 Seputeh	Proposed serviced apartments	RM400 million
Tower 2, PJ Sentral	Proposed commercial/office building with 60 storeys	RM1,040 million

Property Pipeline Overseas	Description	GDV
MARIS, Southport, Queensland, Australia	Residential apartment development, 1,743m <sup>2</sup> site with 192 apartment units within 20 storeys	AUD193 million
VISTA, Surfers Paradise, Queensland, Australia	Residential high-rise apartment with amenities, 3,100m <sup>2</sup> site with 280 apartment units within 51 storeys	AUD504 million
Bledisloe House, Auckland, New Zealand	Refurbishment of an existing building in the Aotea precinct for commercial development, 13,000m <sup>2</sup> net lettable area	NZD137 million
The Symphony Centre, Auckland, New Zealand	Mixed-use transit oriented development residential/commercial/ office/retail 48,800m <sup>2</sup> gross floor area	NZD452 million

Under the ECE Division, we will continue to progress forward with the Muara Sungai Pahang Phase 3 (Package 3) flood mitigation project in Selangor, scheduled for completion over six years, the Sungai Langat Phase 2 flood mitigation project, and the recently secured contract to construct five reinstated stations and other related infrastructure and systems works for LRT3. We are negotiating contracts worth approximately RM3 billion for the redevelopment of Stadium Shah Alam, which is currently in the demolition phase, and the redevelopment of Kuala Lumpur Sentral Station.



MRCB's current unbilled order book stands at RM14.7 billion, supported by an active tender book valued at RM1.6 billion. We are actively pursuing a range of infrastructure projects across various sectors, including transportation, water management, and renewable energy. We are also strategically targeting industrial developments, particularly those supporting solar power generation, data centres, and related to climate change adaptation.



**Construction Project Awarded** in 2024 Sungai Langat Phase 2 -Flood mitigation project with a contract sum of RM250 million.



### **Construction Projects Under Negotiation**

 Redevelopment of Stadium Shah Alam · Redevelopment of Kuala Lumpur Sentral Station



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#### **Construction Project Awarded** in Early 2025

Five reinstated LRT3 stations and other related infrastructure works with a contract sum of RM2.47 billion.



**Unbilled Construction Order Book** RM14.7 billion



RM1.6 billion



LRT3 is shaping Shah Alam's landscape, one track at a time. For more information on this major project, please go to page 126.



Learn more about our Muara Sungai Pahang flood mitigation project on page 258.



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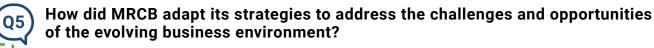
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Our strength lies in our ability to adapt to an evolving business landscape.

Our diversification strategy has driven expansion into high-growth sectors such as climate change adaptation, renewable energy, industrial developments, and overseas markets. This approach is supported by strategic project alignment, the integration of sustainability into our operations, and continuous investment in workforce development.

Diversification	Expanding into high-growth sectors such as climate change adaptation, renewable energy, industrial developments, and international markets to reduce reliance on single areas and capture emerging opportunities.
Operational Resilience	Strategically timing projects across key Divisions to maintain a consistent pipeline of work and adapt to market fluctuations.
Sustainability	Integrating sustainability into operations, guided by MRCB's Sustainable Design Policy and adopting sustainable construction methods, including MBS.
Investing in People	Providing employees with skills and development opportunities needed to navigate a complex and evolving business landscape.

() For more details on Our Risks and Mitigations, please refer to pages 78 to 87.

## DRIVING SUSTAINABILITY

How is MRCB's sustainability approach shaping project execution and driving opportunities in climate change adaptation and renewable energy?

We see sustainability as a practical and integral In 2024, we implemented the Sustainable Design Policy part of how MRCB operates, and we incorporate it into all stages of development as part of our standard practice rather than treating it as separate initiatives. We make these practices routine to align operational efficiency with broader environmental and social goals.

**Q6** 

By integrating sustainability into our projects, we have unlocked significant opportunities in areas such as climate change adaptation, as well as renewable and clean energy. For example, we secured niche flood mitigation projects, including the RM380 million Muara Sungai Pahang Phase 3 (Package 3) and RM250 million Sungai Langat Phase 2 projects. We continue to pursue other similar projects, with ongoing tenders for water-related projects and large-scale solar plants.

to guide the integration of sustainable practices into our property development projects. This policy provides a structured approach to using environmentally responsible materials, adopting innovative construction methods, and meeting sustainability standards.

For example, the Residensi Tujuh project in Kwasa Sentral showcases our commitment to sustainable construction. It utilises the MRCB Building System (MBS), a proprietary modular construction technology based on Prefabricated Prefinished Volumetric Construction (PPVC). By constructing up to 85% of the building off-site in a controlled factory environment, MBS offers several advantages, which include advantages. It includes significantly reducing energy consumption, GHG emissions, and waste while improving



build quality, as well as minimising health and safety risks typically associated with traditional construction methods.

This focus on sustainability extends to large-scale infrastructure projects such as the RM11.4 billion LRT3 project. This landmark initiative incorporates advanced technologies that enhance both efficiency and environmental impact. For instance, the use of a pre-cast girder system significantly expedited construction, reducing the completion timeline from three to four days to just one day. This method not only accelerated progress but also minimised disruptions to surrounding communities and integrated soundproofing features.

### For more details on how we integrate sustainability into the Light Rail Transit 3 (LRT3), please refer to pages 126 to 141.

Our sustainability efforts align with the commitment we made towards achieving net zero GHG emissions by 2050. We have in place a comprehensive Climate Strategy Framework that focuses on three key areas, which are GHG emissions managing emerging physical climate risks. Our initiatives in this regard include reducing Scope 1 and 2 emissions, development solutions such as modular construction.

We also completed a Climate Physical Risk Impact reduction, transitioning to a low-carbon economy, and Quantification study to identify key assets at risk from water stress and flooding, and the quantification of our transition risks in 2024. This allows us to take proactive measures collaborating with our supply chain to address Scope 3 to protect these assets. We undertook an International emissions, and adopting renewable energy and sustainable Financial Reporting Standard S1: General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and S2: Climate-related Disclosures (IFRS S2) gap We reduced GHG emissions intensity through various analysis and a greenhouse gas (GHG) inventory baseline initiatives to improve energy efficiency, achieving a 23% review to enhance our climate-related disclosures further. reduction in Scope 1 and Scope 2 emissions intensity by the We expanded our Scope 1 and Scope 2 GHG inventory to end of 2024, compared to our 2020 baseline. include operations from our Australian office to ensure our emissions reporting is accurate and comprehensive. This aligns with the GHG Protocol, which requires us to include all emissions under our operational control in our Scope 1 23%↓ Selfers and Scope 2 disclosures. We also expanded our Scope 3 Reduction in coverage to include a broader range of indirect emissions **Climate Physical Risk Impact** Scope 1 and across our value chain, encompassing 97%<sup>\*</sup> of our supply Quantification study identified Scope 2 GHG chain by value in 2024. emissions

intensity in 2024

vs 2020 baseline

- key assets for water stress and flood risks assessment. Undertook IFRS S1 and S2 Gap
- Analysis and GHG inventory Baseline Review in 2024.

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- \* Data derived from Bursa Malaysia's Centralised Sustainability Intelligence (CSI) platform
- D For more details on Our Performance: Environmental, please refer to pages 208 to 257.



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## **ENABLERS FOR THE FUTURE**

**Q7** 

How does MRCB ensure the growth and well-being of its employees while preparing for future challenges?

We prioritise the well-being of our employees as we know that a motivated and resilient workforce is crucial for our long-term success.

In 2024, we refreshed our succession plan in which we identified successors for 27 key leadership roles to ensure seamless leadership transitions. We also developed a Learning and Development framework to equip employees with the skills and expertise necessary for sustained growth, scheduled for roll out in early 2025.

To provide employees with a deeper understanding of our diverse projects, we introduced Casual Briefings led by our Project and Development Directors. These sessions offer insights into new, ongoing, and completed projects, highlighting key aspects such as sustainable features and design challenges. These briefings help employees at all levels understand our diverse projects. This fosters knowledge sharing and promotes a stronger sense of shared purpose within the company.

We also advanced our Diversity, Equity, and Inclusion (DEI) initiatives in the year under review, through awareness and capacity-building initiatives to create a more inclusive workplace. To address the rising cost of living, we introduced financial assistance through ex-gratia payments for our lowest paid employees and continued initiatives introduced in 2023, such as the Mid-Month Payout (MMP) and Earned Wage Access (EWA). We recognise the importance of our employees' mental well-being and continue to provide comprehensive mental health and well-being programmes.

For more details on Our Performance: Social, please refer to pages 162 to 203.





the company's long-term vision?

MRCB's top priorities for 2025 and beyond centre on sustainable growth, diversification, operational excellence, and empowering our people. By maintaining a strong focus on quality in both our operations and workforce, we are well-positioned to balance risks and capitalise on emerging opportunities in our sector.

We expect that the ECE Division will remain at the forefront of driving MRCB's performance in 2025. Building on our expertise in infrastructure and climate change adaptation projects, we are preparing to undertake major initiatives, which include projects currently under negotiation. It involves the redevelopments of the Shah Alam Stadium and KL Sentral Station, as well as the construction of five reinstated stations and other related works for LRT3, where we have recently secured the contract award. We will also continue the second phase of the Sungai Langat flood mitigation project and actively tender for key projects, including the Penang International Airport expansion and the Penang LRT project. While the deferment of the Mass Rapid Transit 3 (MRT3) project has temporarily removed it from our tender pipeline, we remain focused on securing and delivering other high-impact infrastructure projects.

#### ACKNOWLEDGEMENT

As we reflect on 2024, I am particularly pleased with the solid base we have built for future growth. This progress is a direct result of the commitment of everyone at MRCB. I extend my sincere appreciation to the Board of Directors for their guidance, and to our management team and employees for their hard work in navigating a dynamic operating environment.

Looking ahead, we remain focused on sustaining the momentum we have built as we move into the next cycle of growth. Our strategic project pipeline, including ongoing works for key infrastructure projects and climate change adaptation initiatives, will drive performance and strengthen MRCB's position. We are also excited about the prospects for our property development initiatives, with the new launches we have planned in the coming year.

With the backing of a committed team, and the trust of our stakeholders, MRCB is well-positioned to progress in the years ahead. As we build on our accomplishments, we will continue to push boundaries, embrace challenges, and create long-term value for all who place their confidence in us.

**DATUK IMRAN SALIM** Group Managing Director

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# What are MRCB's top priorities for 2025 and beyond, and how do they align with

The PDI Division is poised to commence several key property development projects, particularly in Kuala Lumpur, pending the necessary approvals, anticipated in early 2025. These approvals will enable us to proceed with domestic launches while continuing to advance international projects, such as the VISTA and MARIS developments in Gold Coast, Australia, and The Symphony Centre in Auckland, New Zealand. Our approach focuses on land banking to replenish inventory and offering the right product with the right-sized units that meet market demands and buyer expectations.

Sustainability continues to underpin our priorities, with efforts directed towards renewable energy initiatives such as floating solar installations and solar panel integration. Our Climate Strategy Framework guides our efforts to reduce emissions, manage climate risks, and achieve net zero GHG emissions by 2050.

Our people remain central to our success, and we will continue fostering a workforce capable of driving progress and adapting to evolving challenges. These combined efforts position MRCB to capitalise on emerging opportunities and deliver sustained value to all stakeholders.

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#### **ECONOMIC & INDUSTRY REPORT**

#### The Economy

Notwithstanding ongoing regional conflicts in Eastern Europe and the Middle East, as well as high interest rates, the global economy had mostly stabilised in 2024. The World Bank estimates that global growth held steady at 2.6% and expects this to improve to 2.7% in 2025 and 2026. However, the global economy appears to be settling at a low growth rate that will be insufficient to foster sustained economic development.<sup>1</sup>

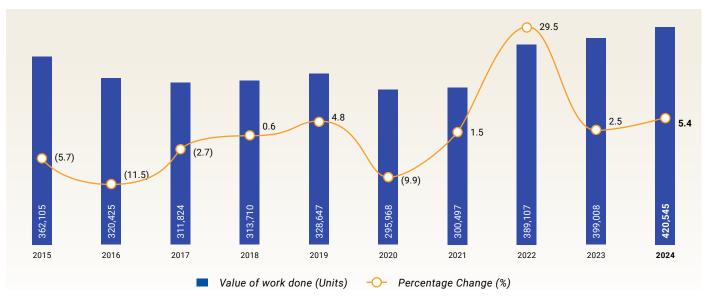
On the domestic front, the Malaysian economy expanded by 5.1% in 2024 due to continued expansion in domestic demand and a rebound in exports. Bank Negara Malaysia reports that strong household spending based on favourable labour market conditions and policy measures to support households were the main drivers of growth. Also contributing to this growth were strong investment approvals and progress on multi-year projects by private and public sectors linked to national master plans such as the New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy.

For 2025, the global environment is expected to remain challenging, and growth in Malaysia will be driven by expansion in investment activity, resilient household spending, and expansion in exports, all of which reflect the country's strong economic fundamentals. The central bank expects investment to be driven by the favourable progress of multi-year projects. Household spending will be boosted by wage growth measures, including the upward revision of the minimum wage and civil servant salaries. Exports will also see improvements with the ongoing tech upcycle, continued growth in non-electrical and electronic goods, and higher tourist spending.<sup>2</sup>

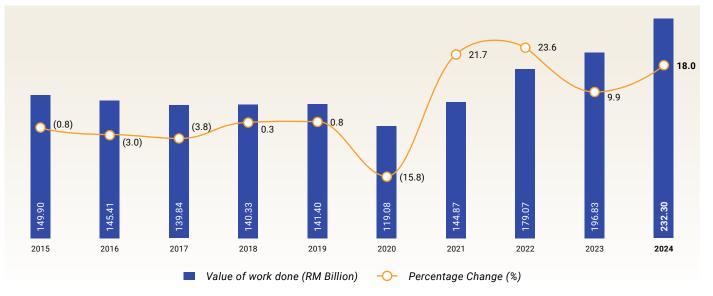
#### Property Sector in Malaysia

A total of 420,545 transactions worth RM232.3 billion were recorded in 2024, showing an increase of 5.4% in volume and 18.0% in value compared to the same period in 2023. The National Property Information Centre (NAPIC) reports that the residential property subsector made up 62.0% of total transactions and 46.0% of total value.<sup>3</sup>

#### **Transactions Volume Trend, 2015-2024**



Transactions Value Trend, 2015-2024



The residential property sector recorded 260,516 transactions worth RM106.92 billion in 2024, which amounts to a modest increase of 4.0% in volume and 5.9% in value compared to 2023. These transactions were mainly driven by higher transaction volumes in all states except Pulau Pinang, Sabah, Sarawak, Terengganu, and Perlis. Transactions in Kuala Lumpur, Johor, Selangor, and Pulau Pinang represented more than 50% of all transaction volume, with Selangor and Johor recording 29.6% (RM31.7 billion) and 19.3% (RM20.6 billion) in value, respectively.

Meanwhile, the commercial property sector recorded 45,985 transactions worth RM58.1 billion in 2024, an increase of 13.6% in volume and 51.6% in value compared to the same period the year before. Johor and Selangor led the segment with the highest transaction volumes at 21.2% and 20.0%, respectively. However, Selangor recorded the highest transaction value at RM5.9 billion (30.7%), while Johor recorded RM4.3 billion (22.4%) in commercial properties transacted.<sup>3</sup>

#### **Construction Sector in Malaysia**

Construction activity increased in 2024, with the value of work done rising by 20.2% to RM158.8 billion in 2024 compared to RM132.2 billion in 2023. The positive growth was driven by the growth in special trade activities (electrical installation, plumbing work, heat and air-conditioning installation), which grew by 35.9% to RM17.5 billion in 2024, followed by residential buildings, which grew by 24.5% to RM35.8 billion. However, in terms of value, civil engineering work made up 38.5% (RM61.1 billion) of the total value, followed by the construction of non-residential buildings at 28.0% (RM44.4 billion).<sup>4</sup>

World Bank Global Economic Prospects - January 2025

Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024

NAPIC 2024 Property Market Report

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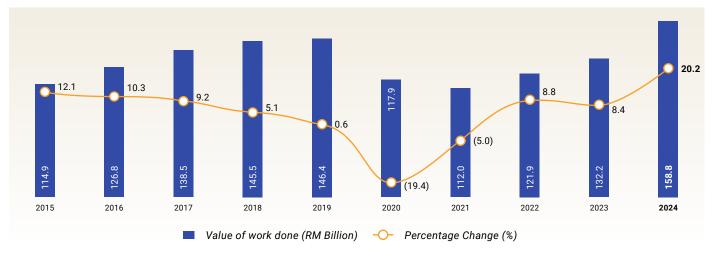
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Outlook

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#### Value of construction work done and annual percentage change, 2015-2024



#### Outlook

Despite prolonged geopolitical tensions, high interest rates, and the implementation of trade tariffs by the USA, the International Monetary Fund expects global growth in 2025 to be at 3.3%<sup>1</sup>, slightly higher than the 3.2% projected growth in 2024.

The Malaysian economy is expected to remain resilient, with growth in 2025 projected to be between 4.5% and 5.5% according to the Ministry of Finance. Supporting this growth is improved global trade and a strong demand for electronics and electrical goods, leveraging on the country's strategic position in the semiconductor supply chain. Internally, robust domestic demand, driven by strong private sector expenditure, will support the expansion. The ministry also expects the construction sector to "achieve stellar performance", supported by broad-based expansion across all sectors.<sup>2</sup>

Echoing this sentiment is the Ministry of Works projection that spending in the construction sector in 2025 will amount to RM200 billion. This is due to the construction of roads, highways, and bridges; slope and building repairs; maintenance of various facilities; as well as continuation of existing projects.<sup>3</sup> Public investment is forecast to expand by 9.3% in 2025, driven by higher capital spending from both the Federal Government development expenditure and non-financial public corporations, particularly in ongoing key infrastructure projects such as flood mitigation projects, ECRL, Pan Borneo Highway, Light Rail Transit 3 (LRT3), and Rapid Transit System (RTS) Link.

#### IMF World Economic Outlook January 2025

Belanjawan 2025

TheStar: Construction sector to get RM200bil spending boost (16 Dec 2024)

#### **KEY MARKET TRENDS & OUTLOOK**

#### Key Market Trend 1

#### **Property Market Continues to Strengthen**

The Malaysian property sector has proven to be resilient and stable throughout 2024 as it has been supported by brisk demand and new projects, reflecting investor confidence.

The Malaysian House Price Index (MHPI) stood at 225.6 points (average price RM486,678 per unit) in 2024, reflecting moderate annual growth of 3.3%.4

#### **Potential Impact**

- Sustain healthy property sales and revenue
- Robust cashflow and funding for further growth

The Valuation and Property Services Department (JPPH) also expects that the various government measures to stimulate demand in the property market and the completion of infrastructure projects, such as the Rapid Transit Link (RTS) project in Johor, the East Coast Rail Link (ECRL) project, and the Pan Borneo Highway project in Sabah and Sarawak, will further reinforce the positive property market sentiment.<sup>5</sup>

#### Response

In 2024, we achieved RM836.0 million in residential and commercial property sales, mainly from VISTA (RM398.5 million), Sentral Suites (RM122.7 million), Residensi Tujuh (RM102.0 million), and TRIA 9 Seputeh (RM128.0 million).

Following the success of VISTA, we had acquired a 1,743 sgm parcel of land in Southport, Gold Coast for AUD7 million to be developed into a 20-storey building. This development will feature 192 residential units with a GDV of AUD193 million (~RM533 million)\*, targeted for launch in the third guarter of 2025.

#### Linked

Capitals





- NAPIC 2024 Property Market Report
- Valuation and Property Services Department NAPIC 2024 Property Market Press Release Conversion for AUD/MYR as of 31 December 2024

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## **OPERATING CONTEXT**

The growth trajectory of the property market in 2025 is expected to be driven by sustainable transaction activities and growth in the construction sector through strategic infrastructure projects, residential subsectors, and non-residential buildings.

Including launches in Australia, MRCB also has plans for a total of RM3.9 billion worth of property launches in 2025. This includes RM1.9 billion worth of new properties in Malaysia, RM1.5 billion in New Zealand, and RM0.5 billion in Australia to sustain growth over the medium-term.

For more details on Our Performance: Property Development & Investment, please refer to pages 106 to 117.

**Growth Principles** 

Material Matters



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SECTION 3



**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD How We Create Sustainable Value

## **OPERATING CONTEXT**

### Key Market Trend 2

#### **Evolving Customer Trends**

Younger homebuyers have differing lifestyles and preferences when making property purchase decisions. Clients are also looking for better-designed buildings, faster construction times, and higher-quality buildings that are constructed more sustainably with improved energy efficiency and situated close to public transportation.

#### **Potential Impact**

- Building properties that do not meet consumer/client demands
- Poor sales, high number of unsold stock
- Reduced cash flow and increasing debt

There is a high demand for integrated commercial and residential developments anchored around transportation hubs. The preference among younger buyers with limited budgets is also to live in smaller, well-located units, close to good public transportation infrastructure, rather than being far from the city and enduring a long and expensive daily commute to their workplace.

Corporations increasingly need to fulfil sustainability requirements and GHG emissions reduction targets and are therefore looking to own and relocate to high-energy efficient green buildings.

Conscious consumerism is an attitude and a lifestyle increasingly on the rise among the general public, particularly the younger demographic. This way of life deals with consuming less and ensuring that what is consumed is as sustainable as possible and carbon footprints are limited, is on the rise.

#### Response

Linked

Capitals

TODs make up 71.7% of the Gross Development Value (GDV) of our property development land bank, and these developments will span into the next decade, generating revenues over the long term. MRCB continues to develop properties within its TODs that integrate commercial, residential, and other types of developments around or integrated with mass transportation infrastructure.

Outlook

We are also actively looking into micro-homes and co-living spaces with access to various lifestyle components designed to meet the emerging needs of younger homebuyers. At the same time, we are planning for developments tailored to Malaysia's ageing population and plans to launch its first development of this nature in KL Sentral in 2025.

As one of the pioneers of green building in Malaysia, having achieved its first international green building certification in 2009 and subsequently gone on to achieve numerous green building certifications and awards, MRCB is well-positioned to meet the growing demand amongst corporates for energy-efficient green buildings.

In 2019, we launched the MRCB Building System (MBS), a new prefabricated, prefinished modular construction method which uses our proprietary patented Candle-Loc Connection System. Modular construction not only improves the quality and speed of construction but is also more energy efficient and lowers GHG emissions. This method ensures our growth as conscious consumerism and demand for more sustainable construction increase, as the benefits of modular construction become known and mainstream. We have rolled out MBS locally and have already licensed the technology to companies in Hong Kong and Singapore. The technology has been successfully patented in 49 countries, with 9 more still pending approval. In 2024, we launched our inaugural residential development that will be developed using our MBS modular construction technology, Residensi Tujuh, at Kwasa Sentral.

As part of our stakeholder engagement activities, we continuously survey and gather feedback on our products and services to ensure that we are meeting the needs and expectations of both our existing customers and our targeted customers in terms of design, quality, and customer service.





#### Key Market Trend 3

#### **Environmental Stewardship**

Market demand is increasingly shifting towards organisations that emphasise their commitment to sustainability. Stakeholders, which include customers, financial institutions, and shareholders, are also becoming more discerning in dealing with organisations that are conscious of their environmental impact and proactive in their strategy towards climate action.

#### **Potential Impact**

- · Loss of customers to more responsible competitors
- Damage to reputation
- · Difficulty in securing funding from banks and equity capital from investors
- Potential legal suits from shareholders and other stakeholders

#### Response

We have already begun to adopt the IFRS S1 and S2 for our sustainability reporting in this Integrated Annual Report. This is to ensure that our sustainability reporting is fully compliant with the NSRF by 2027.

Guided by MRCB's Sustainability Framework developed in 2022 and our Climate Strategy Framework, we are well-positioned to drive our sustainability initiatives that meet the national agenda and demands from our customers' and stakeholders. Sustainability is inherently embedded into our business through our role as a Transit Oriented Developer, which features heavy integration with mass public transportation that encourages city dwellers to use public transport for commuting, taking motor vehicles off the roads, thereby reducing GHG emissions.

We also contribute to SDGs 9 and 11 by applying four green well as medium- and long-term Scope 1, 2, and 3 emissions building rating systems to increase efficiency in the use of reduction targets. energy, water, and materials in our property projects. These include Malaysia's Green Building Index (GBI), Malaysia's In 2024, MRCB became a signee of Bursa Malaysia's Green Real Estate (GreenRE), Malaysia's Carbon Reduction Centralised Sustainability Intelligence (CSI) Platform to and Environmental Sustainability Tool (MyCrest), and the achieve high-quality sustainability disclosures. As a result of US Green Building Council's Leadership in Energy and the platform's support, MRCB has initiated reporting on six Environmental Design (LEED). We also measure and make categories of Scope 3 emissions in 2024. comprehensive ESG disclosures and publish the data on

**INTEGRATED ANNUAL REPORT 2024** 

### **OPERATING CONTEXT**

#### Outlook

The focus on sustainability and ESG matters continues to expand in 2024. The Securities Commission had issued the National Sustainable Reporting Framework (NSRF), which highlights the adoption of the International Financial Reporting Standards (IFRS) S1 and S2 in sustainability reporting by 2027. This adoption was also repeated by Bursa Malaysia in further enhancements to the sustainability reporting requirements in the Main Market Listing Requirements.

> our website, where it is publicly available. In improving our construction process, we have also innovated the MRCB Building System (MBS), a modular construction technology that improves efficiency and reduces carbon footprints and the waste that goes to landfills. In 2023, MRCB developed its Sustainable Financing Framework, which was rated GOLD by MARC Ratings Berhad. It sets the guidelines for the Group's future fundraising through sustainable debt instruments.

> MRCB continues to adopt the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and conducted a quantitative assessment of the physical climate risks on its assets in 2023 and a quantitative assessment of its transition risks in 2024. We have also established a target to reduce Scope 1 and Scope 2 GHG emissions reduction by 4.2% annually. This target is aligned to the 1.5°C scenario, as



**FROM OUR LEADERSHIP** 

Internally, we organised the "Leading a Multi-Generational

Workforce" Workshop to further expand awareness about

diversity, equity, and inclusion (DEI) among General Managers

and above. We had also organised a talk on MS1184:2014

Accessibility & Universal Design Training by an architect

recommended by the Pertubuhan Akitek Malaysia (PAM)

to understand how MRCB's projects can meaningfully

promote DEI through thoughtful project designs and

For more details on Our Performance: Property Development &

Investment, please refer to pages 106 to 117.

community-focused solutions.

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### Key Market Trend 3 (Continued)

**OPERATING CONTEXT** 

#### **Response (Continued)**

To ensure that all MRCB property projects are designed and built sustainably, we have developed our Sustainable Design Policy and a highly detailed Sustainable Design Book. Together, both documents compel MRCB and the main consultants involved in all developments to be aware of sustainability aspects in design and construction. It includes aspects such as monitoring embodied carbon in raw materials, better insulation and/or ventilation for energy efficiency, universal access for all users, and use of renewable energy, among others.

In 2024, we had also improved our FTSE4Good Bursa Malaysia Index score to 3.9, up from 3.6 in 2023. This places MRCB in the top 14% of all Malaysian public-listed companies assessed by FTSE Russell and one of the highest-ranked construction companies within the index. MRCB has been a constituent of the FTSE4Good Bursa Malaysia Index since its launch in 2014. Our MSCI ESG rating also improved from "A" to "AA" in early 2025.

Linked		
Capitals	Growth Principles	Material Matters
		MM SC W CTR PCR GHGE BIO

#### Key Market Trend 4

#### **Competitive Landscape**

Significant property overhangs and a lack of catalytic infrastructure tenders are causing fierce competition within the property and construction market.

#### **Potential Impact**

- Lower revenues • Lower returns due to
- pricing competition Lower cashflow and higher indebtedness

The dwindling number of large infrastructure construction projects available for tender over the past three years has added to the competitive landscape. Nevertheless, Budget 2025 allocated RM120 billion for major infrastructure projects, which includes public-private partnerships (RM9 billion) and direct investment from Government-Linked Investment Companies (RM25 billion).

#### Response

In a bid to address concerns from discerning clients and the negotiations on a waste-to-energy service agreement and are tendering for infrastructure construction projects in East demand for sustainable construction, MRCB will continue to market MBS for its residential projects, innovate new sustainable Malaysia. development solutions, and leverage on the locations of its land bank and its proximity to mass public transportation.

MRCB has open tenders worth RM1.6 billion and pre-qualifications on a further RM1.0 billion worth of tenders. We are in ongoing negotiations for the redevelopments of the Stadium Shah Alam and the Kuala Lumpur Sentral Station, which

Outlook

will add approximately RM3 billion to our order book. In Australia, the launch of VISTA in Surfer's Paradise, Gold Coast, a 280-unit 51-storey high-rise development with a GDV of AUD504 million (~RM1,511 million) has seen 59% of its While we continue to tender, conduct direct negotiations, and submit innovative proposals for other large infrastructure units sold. This was followed by the acquisition of a 1,743 sqm projects like climate change adaptation infrastructure, we have parcel of land in Southport, Gold Coast, for AUD7 million to be also entered into new business markets and new geographical developed into a 20-storey building featuring 180 residential units with a GDV of AUD193 million (~RM533 million), targeted areas to diversify revenues and avoid competition and concentration risk. for launch in the third guarter of 2025.

In diversifying away from commercial and residential MRCB also has a presence in New Zealand through The developments, MRCB's entry into the industrial and logistics Symphony Centre with a GDV of NZD452 million (~RM1,130 development segment in 2022 via its Ipoh Raya Integrated Park million)\* in Auckland City Centre, which will begin in 2025, and was followed by the 2024 completion of the Jabil's production the refurbishment of Bledisloe House, a heritage building located facility at the Chuping Valley Industrial Area (CVIA) in Perlis, in the Aotea precinct of Auckland Central Business District with valued at RM121.5 million. We also continued advanced a GDV of NZD137 million (~RM343 million).

Linked

Capitals



Conversion for NZD/MYR as of 31 December 2024

**INTEGRATED ANNUAL REPORT 2024** 

## **OPERATING CONTEXT**

Competition within the property sector remains intense. MRCB's existing land bank is largely located in Malaysia and within prime areas of the Klang Valley, while all projects in our external construction order book are wholly located in Malaysia. This could lead to concentration risk in the event that intense competition within these markets and locations persists.

> MRCB is also diversifying into healthcare having recently entered into a joint venture agreement with the Melaka state government to develop a specialist hospital and related facilities for medical tourism in the state with a Gross Development Cost of RM520 million.

Material Matters





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## **OPERATING CONTEXT**

### Key Market Trend 5

#### **Regulatory Environment**

The property and construction sectors are bound by strict standards as well as new and more stringent regulations and corporate governance requirements. Disclosure requirements are also rapidly increasing and evolving.

#### **Potential Impact**

- Significant financial penalties due to non-compliance
- Difficulty securing funding from banks and equity capital from investors
- Reputational damage
- Unexpected costs incurred from new regulations
- Delays in construction progress

#### Outlook

MRCB is governed by a range of statutory requirements for publicly listed companies. This includes environmental, health, and safety regulations as well as sector- and industry- specific regulations and other contractual obligations that determine our ability to operate.

Recent climate change events have also created an urgent need for more comprehensive environmental disclosures, with a high possibility of new environmental regulations and disclosure requirements. This is seen through the International Sustainability Standards Board's new reporting standards being introduced and made mandatory.

#### Response

MRCB continues to prioritise good corporate governance and is guided by its certifications in Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015, Occupational Health & Safety Management Systems ISO 45001:2018, and Anti-Bribery Management Systems ISO 37001:2016. We continue to work closely with the Construction Industry Development Board, industry regulators, the government, and other regulators and stakeholders on meeting and exceeding regulatory expectations.

Our commitment towards upholding good corporate governance is evidenced by our compliance with 42 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices.

In 2024, MRCB was again awarded Gold at the 2024 Australasian Reporting Awards, as well as Gold for Most Consistent Performer Over Five Years at the Edge ESG Awards 2024. We also continued our climate action journey by conducting a quantitative assessment of the physical climate risks on our assets, and an assessment on our transition risks which was completed in early 2025, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD).

We also strengthened our Human Rights Policy by aligning it with UNICEF's Children's Rights and Business Principles. To further promote awareness and inclusivity, we developed a Bahasa Malaysia version of the policy to ensure clear communication and understanding of human rights principles across our supply chain and workforce.

(I) For more details on Our Performance: Property Development & Investment, please refer to pages 106 to 117.

#### Linked



**Growth Principles** 

**Material Matters** 





EP GC

#### Key Market Trend 6

#### **Technology & Digitalisation**

The construction sector is witnessing the impact of Industry 4.0 in terms of rapid technological advancements.

#### **Potential Impact**

- Loss of market share to more innovative competitors
- Loss of efficiency and price competitiveness
- Obsolescence in conventional construction

footprint.

Outlook

#### Response

Our efforts and investments in innovation within the organisation will reap its benefits in the future, as demonstrated by the initial success of the MBS, which has already been licensed and used in development projects completed in Hong Kong and Singapore. In 2024, we began constructing our first medium-end high-rise residential building, Residensi Tujuh at Plot F, Kwasa Sentral, with a GDV of RM385 million using our MBS construction technology. Our MBS modular construction technology can be deployed in the construction of a wide variety of applications, in both the public and private sectors, and we will continue to market it to source new projects.

Our investment in digitalisation and automation continued in 2024, with the successful deployment and activation of all Enterprise Resource Planning (ERP) modules across the organisation for leaner operations.



**INTEGRATED ANNUAL REPORT 2024** 

## **OPERATING CONTEXT**

Climate change has created an urgent need for efficient and sustainable solutions in construction. We believe modular construction will grow in demand as clients begin to realise the benefits of having up to 85% of construction undertaken offsite within a controlled environment, leading to faster, more efficient construction, better quality control, less wastage to landfills and environmental pollution, and a lower carbon

Digitalisation is key to reducing long-term costs, increasing productivity and efficiency, and lowering energy consumption and an organisation's GHG emissions.

Material Matters



**OVERVIEW OF MRCB** 

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Maintaining an active and meaningful dialogue with our internal and external stakeholders is vital to our business operations. By understanding their expectations, concerns, and interests related to our business performance, we can effectively shape our strategies and approaches. Their feedback is invaluable in identifying areas for improvement and addressing any concerns, thereby fostering the sustainable growth of our business.

At MRCB, we firmly believe in the power of partnerships to achieve our sustainability goals. Our stakeholder engagement strategy provides a framework for establishing and nurturing these partnerships, with a focus on addressing specific contexts and challenges in line with the Sustainable Development Goals (SDGs).

We assess both risks and opportunities related to each stakeholder group to gain a comprehensive understanding of their value dimensions. These insights are then integrated into our wider risk considerations within our Risk Management Policy and Framework, ensuring that all potential impacts are accounted for.

#### STAKEHOLDER ENGAGEMENT PROCESS

Our stakeholder engagement process is a five-step approach. It begins with establishing a vision and reviewing past engagement activities. Next, we set criteria to prioritise stakeholders and identify specific channels for engagements. We then prepare the necessary logistics and establish operating principles that guide us in communicating our shared values. The process is designed to attract organisations with similar values potential collaborations and for thereby identifying partnerships, opportunities.



STEP

3

STEP

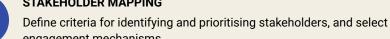
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STEP

#### PRELIMINARY ENGAGEMENT

Set vision and level of ambition for future engagement, and review past engagements







#### NEEDS ASSESSMENT

Focus on long-term goals to drive the approach, determine logistics for the engagement, and set the rules



#### CONSULTATION

Conduct the engagement by ensuring equitable stakeholder contributions, mitigating tensions, and remaining focused on priorities

#### ACTION PLANS

Identify opportunities from feedback, determine actions, revisit goals, and plan the next steps for follow-up and future engagement



Restated number to exclude number of beneficiaries reached through Yayasan MRCB's CSR programmes.





### **CLIENTS/CUSTOMERS**

#### Why We Engage

<u>ISI</u>

Customers and clients drive demand for our projects and determine future trends. They keep us in business.

#### Risks

- Changing customer lifestyles and behaviours · Loss of customers

**Opportunities** 

#### Value Proposition

Quality lifestyle and integrated commercial and residential developments around transportation hubs that meet customer demands. Innovative MBS technology, bespoke green buildings, highly specialised infrastructure, and power and climate change adaptation projects.

#### **Key Concerns and Expectations**

#### For residential property buyers

- Customer experience at each touchpoint throughout the buyer's journey
- Quality of project delivery with integrated lifestyle and transport connectivity
- Misuse of personal information
- Timeliness of delivery

#### **Response and Contributions in 2024**

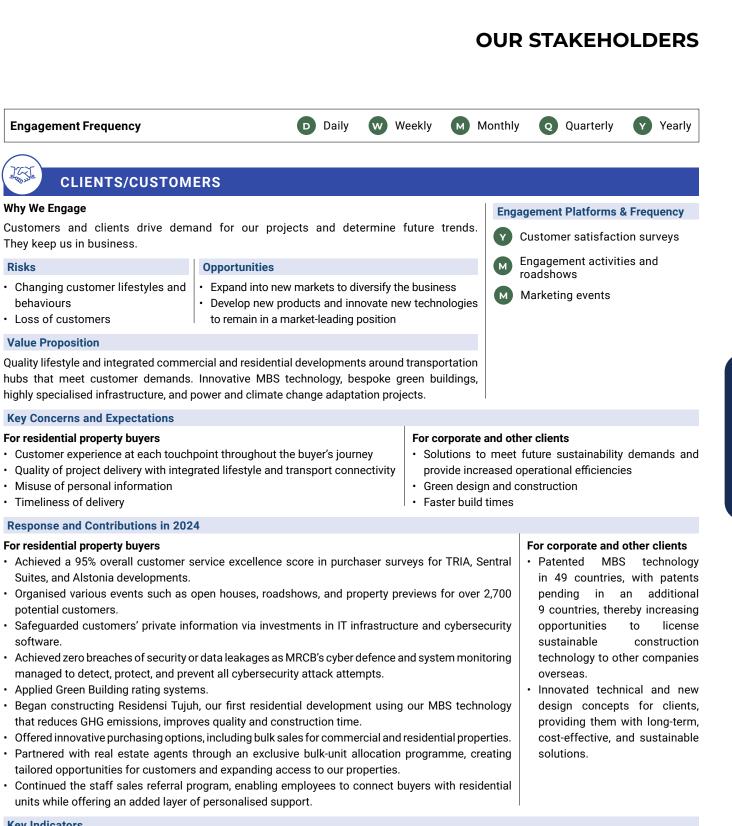
#### For residential property buyers

- Achieved a 95% overall customer service excellence score in purchaser surveys for TRIA, Sentral Suites, and Alstonia developments.
- Organised various events such as open houses, roadshows, and property previews for over 2,700 potential customers.
- · Safeguarded customers' private information via investments in IT infrastructure and cybersecurity software.
- · Achieved zero breaches of security or data leakages as MRCB's cyber defence and system monitoring managed to detect, protect, and prevent all cybersecurity attack attempts.
- · Applied Green Building rating systems.
- that reduces GHG emissions, improves quality and construction time.
- · Partnered with real estate agents through an exclusive bulk-unit allocation programme, creating tailored opportunities for customers and expanding access to our properties.
- · Continued the staff sales referral program, enabling employees to connect buyers with residential
- units while offering an added layer of personalised support.

#### **Key Indicators**

Average QLASSIC Score
2024: 81%
2023: >70%
2022: n/a

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**Property Sales** (RM' Million)

2024: 836.0 2023: 831.3 2022: 478.1

First Residential Development using the MBS Technology, Residensi Tujuh

2024: Achieved sales of RM101 million GDV with 159 units sold



**FROM OUR LEADERSHIP** 

**HOW WE CREATE** SUSTAINABLE VALUE

**Engagement Platforms & Frequency** 

Annual General Meeting (AGM)/

Q Investor Relations mobile app

Meetings and engagement

sessions with institutional

investors and investment

analysts, as well as investor

Sessions with Minority Shareholders Watch Group

(EGM)

• Analysts' briefings

Q Corporate website

(MSWG)

conferences

Extraordinary General Meeting

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## **OUR STAKEHOLDERS**

#### SHAREHOLDERS/INVESTORS/ANALYSTS

#### Why We Engage

Shareholders provide financial strength and continued access to capital, while analysts provide a fair assessment of the Group's performance and prospects.

#### Risks

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- · Loss of investor confidence
- Misaligned expectations and inadequate understanding of the Group's strategy
- **Opportunities** Strengthen communication with investors to
- Weak share price, leading to value destruction and inability to raise capital
- improve transparency and provide clarity on the Group's performance and strategies

Value Proposition

Attractive returns and growth on investments, supported by transparent disclosure and good dovernance.

#### **Key Concerns and Expectations**

- · Transparency and timely disclosure of corporate information
- Good corporate governance
- · Access to Senior Management team
- · Greater disclosure on ESG and sustainability reporting

#### **Response and Contributions in 2024**

- · Addressed and published all shareholder questions submitted before and during the virtual AGM on the corporate website; the event was attended by 903 participants.
- · Participated in four (4) ESG-specific conferences with a total of 480 participants who are investors, analysts, fund managers, and other professionals
- Conducted 20 investor relations engagements attended by 59 investors, analysts, and fund managers.
- · Hosted seven (7) casual 'coffee' sessions with sell-side analysts to gather valuable feedback and strengthen engagement, driving more impactful Investor Relations initiatives.
- Developed and published an ESG Brief detailing MRCB's ESG performance on a quarterly basis on our website.
- Included ESG matters in all quarterly analysts' briefings and meetings.
- Communicated regularly with analysts via email and phone calls to answer specific questions and provide updates.
- Published all guarterly results presentations on our website.
- Increased our overall FTSE4Good Bursa Malaysia Index score to 3.9 from 3.6 in 2023 and ranked in the top 14% of all listed companies.
- Upgraded to 'AA' rating in the MSCI ESG ratings.
- Received the Gold award at the National Annual Corporate Report Awards 2024.
- Received the Gold award at the 2024 Australasian Reporting Awards for our 2022 annual report.

#### **Key Indicators**

Profit Before Tax (RM' Million)	Dividend Payout (sen)	FTSE4Good Bursa Malaysia Index score	Analyst BUY Recommendations (%)
2024: 75	2024: 1.00	2024: 3.9	2024: 65%
2023: 134	2023: 1.00	2023: 3.6	2023: 40%
2022: 154	2022: 1.00	2022: 3.2	2022: 31%



**Engagement Platforms & Frequency** Focus groups and surveys D Social media **Risks Opportunities** Electronic direct mail (EDM) w communication and video/ Adopt new work arrangements, such as flexi-hours, which lead to multimedia engagement through improved well-being and performance video displays strategically reduced productivity Enhance Health & Wellness, including mental health programmes located in common areas of our Improve Diversity, Equity, & Inclusion (DEI) offices of the younger Capacity building and upskilling programmes M Health & Wellness programmes workforce Training and talent development Q DEI programmes Staff retention Nurture a lean and performance-driven work culture Value Proposition **Y** E-Newsletter **Key Concerns and Expectations** 

Why We Engage Our employees are the backbone of productivity and innovation. By nurturing a diverse group of talents, we are building the knowledge and skills needed to maintain our market position Competition for talent · Demotivated staff and Changing expectations Competitive remuneration, career progression, and healthy work-life balance. Equal opportunities, safe working environment, and learning and development.

- Business direction and performance
- Work-life balance initiatives
- Career advancement opportunities

#### **Response and Contributions in 2024**

- stability
- Organised confidential sessions with professional counsellors for employees to promote mental well-being.
- such as climate change, SDGs, gender equality, human rights, and decent work.
- · Allowed flexibility for staff with special-needs children or relatives.
- Implementation Guide for corporate Malaysia.

- Sustainability.
- walking challenge, a fruit festival, and a bowling tournament.
- National Day and Malaysia Day.
- bodybuilding champion, who shared her inspiring journey and tips on maintaining a healthy lifestyle.

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## **OUR STAKEHOLDERS**

- Health and safety
- Diversity, equity and inclusion
- Training

 Developed a comprehensive Learning & Development framework focusing on Training Needs Analysis, Individual Development Plans, Talent Development Programmes, and a Learning Management System to build a skilled workforce aligned with strategic objectives. • 31 key talents participated in strategy simulations, behavioural interviews, leadership workshops, C-suite engagement, and executive coaching as part of the Succession Planning Programme, aimed at developing potential leaders for 27 critical positions.

Transitioned 443 contract staff to permanent status, reinforcing our commitment to improving job security and supporting workforce

· Continued offering access to the UNGC Academy learning portal, enabling employees to explore sustainability courses on topics

Acted as Co-lead for the CEO Action Network Diversity Equity and Inclusion workstream and supported the development of the DEI

Held two (2) workshop training sessions on managing a Multigenerational Workforce, Accessibility, and Universal Design.

• Rolled out two (2) Sustainability Surveys to over 1,500 staff to gather insights and feedback.

· Held ESG 101 webinars in English and Bahasa Melayu languages, attended by 747 employees, to increase understanding of

Organised a variety of recreational activities through the Kelab Kebajikan dan Rekreasi MRCB (KKRM), including runs, an employee

• MRCB's Walking Challenge engaged 585 employees, promoting health and wellness through physical activity in conjunction with

· Held a Women's Talk in conjunction with International Women's Day featuring Dr. Aiesha Asmadi, a two-time cancer survivor and

Organised free health screening by PERKESO for employees aged 40 – 59 years old through the PERKESO SEHATi programme.

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### **EMPLOYEES (CONT'D)**

**OUR STAKEHOLDERS** 

#### **Response and Contributions in 2024**

- Organised three (3) casual briefings with the Project and Development Directors, providing employees insights into MRCB's key projects like LRT3, Sentral Suites, and Residensi Tujuh, covering progress, challenges, design principles, and sustainable construction techniques.
- · Continued providing a one-off ex-gratia payment to selected low earning employees to help with inflation and rising costs. This complements our 2023-launched Mid-Month Payout (MMP) and Earned Wage Access (EWA) programmes, which enhance financial flexibility for employees.
- Continued the Long Term Medicine (LTM) scheme to reduce medication costs for staff that are on a long-term medication.
- Achieved an average of 27.4 training hours per employee through our impactful and diverse training and development programmes, driving all MRCB employees toward continuous learning and skills enhancement.

#### **Key Indicators**

Employee Turnover (%)	Average Training Hours Per Employee	Total Salaries & Benefits Paid (RM' Million)
2024: 27.8	2024: 27.4	2024: 175.4
2023: 23.0	2023: 6.4	2023: 239.6
2022: 27.6	2022: 4.6	2022: 215.0

### **GOVERNMENT/REGULATORY BODIES**

Opportunities

#### Why We Engage

Risks

Government and regulatory bodies provide incentives, and guidance on compliance with regulatory matters, as well as direction on the national agenda.

- Changing regulations
- Non-compliance,
  - Become the standard-bearer of new regulations
- financial penalties, and reputational damage

#### Value Proposition

Ethical business conduct and identify and propose projects in support of the national development agenda. Tax contributions and innovative industry leadership.

#### **Key Concerns and Expectations**

- · Compliance with regulations
- · Involvement in national/community initiatives and industry leadership

#### **Response and Contributions in 2024**

- Contributed tax payments of RM11.5 million throughout the year.
- Health & Safety Management Systems ISO 45001:2018.
- (ABM) to provide a tower crane training site for its TVET youth and construction worker training programme.
- construction industry in Malaysia.
- Complied with 42 out of 43 Practices prescribed in MCCG 2021, together with 4 of the 5 optional Step-Up Practices.

- · Participated in industry events.

#### **Key Indicators**

Lost-time Incident Rate	Tax Payment
2024: 0.17	2024: 11.5
2023: 0	2023: 33.2
2022: 0.12	2022: 100.8

**INTEGRATED ANNUAL REPORT 2024** 

## **OUR STAKEHOLDERS**

**Engagement Platforms & Frequency** 

M Engagement sessions



Drive initiatives outlined in the national agenda · Leverage business development and expansion opportunities arising from priorities in the national agenda

· Streamlined land acquisition and development process by working closely with local and international legal and regulatory experts, as well as engaging with local councils and planning authorities to understand their requirements and potential project hurdles.

Certified with Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015, and Occupational

· Collaborated with the Construction Industry Development Board Malaysia (CIDB), through its subsidiary Akademi Binaan Malaysia

· Achieved a 5-Star SHASSIC rating for Kwasa Utama, MRCB's transit oriented development, from CIDB, which is the regulator of the

• Continued training and awareness on anti-bribery and corruption and MRCB's Whistleblowing Policy (see page 281 for more details).

· Enhanced our human rights policy to align with UNICEF's Children's Rights and Business Principles. In addition, we developed a Bahasa Malaysia version of the policy to communicate and create awareness on Human Rights throughout our supply chain.

ts (RM' Million)

#### SHASSIC CIDB Rating

2024: 97% 2023: 93% 2022: 87%



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**HOW WE CREATE** SUSTAINABLE VALUE

**Engagement Platforms & Frequency** 

Q Community briefings on projects

Community development

General enquiry emails

programmes

D Social media

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MALAYSIAN RESOURCES CORPORATION BERHAD How We Create Sustainable Value

#### LOCAL COMMUNITY/CIVIL SOCIETY/NGOS

#### Why We Engage

Our projects affect the environment and livelihoods of local communities. They offer valuable viewpoints that improve our corporate citizenship and sustainability practices.

- **Risks**
- · Negative impacts from our developments on surrounding communities, leading to reputational damage
- **Opportunities** Drive community-based initiatives to nurture
- the development of the underprivileged Provide positive economic impact on the communities surrounding our developments

#### Value Proposition

Create opportunities through economic multipliers as an indirect positive impact from our projects. Promote effective sustainable practices and contribute to community development.

#### **Key Concerns and Expectations**

- Continuity of programmes
- · Awareness of project timelines and implications
- · Management of social and environmental impacts of the Group's projects

#### **Response and Contributions in 2024**

- Donated over RM2.2 million through various community development programmes.
- Engaged with members of the public to provide updates and resolve concerns relating to the Group's projects.
- Trained 470 prisoners through MRCB's Peluang Kedua Anda @ MRCB or PEKA programme since its inception.
- · Developed climate models based on the TCFD framework to assess the physical risks of climate change at material projects and conducted a quantitative analysis of our transition risks.
- · Continued efforts toward comprehensive and transparent climate-related reporting by aligning disclosures with IFRS S1 and S2 requirements and TCFD recommendations, ensuring stakeholders understand our climate-related risks, opportunities, and management strategies.
- Participated in a CSR initiative organised by Yayasan MRCB with the Orang Asli community in Royal Belum State Park, Perak, benefiting up to 550 individuals through activities such as food supply distribution, community games, and engagement activities.

#### **Key Indicators**

Community Development Initiatives	Number of Beneficiaries from MRCB's CSR Activities	Prisoners trained through PEKA@MRCB (Cumulative)
2024: 10	2024: 158,220	2024: 470
2023: 21 2022: 21	2023: 99,613 2022: 23,610	2023: 460 2022: 345

#### SUPPLIERS/SUB-CONTRACTORS

#### Why We Engage

**Risks** 

We depend on our suppliers and sub-contractors for necessary inputs. They are critical partners in delivering our project targets.

- · Delays in project delivery
- · Non-compliance with anti-bribery and corruption regulations and
- sustainability practices Labour supply disruptions
- Health and safety

## performance

**Opportunities** 

associates

#### **Value Proposition**

Good governance practices, humane living and working conditions, and becoming pre-qualified suppliers.

#### **Key Concerns and Expectations**

- · Safe, humane, and conducive work sites and worker's living quarters Non-performance issues
- · Transparent and fair pre-qualification, procurement, and tender processes

#### **Response and Contributions in 2024**

- Expanded our e-Procurement system.
- our sites.
- effective sustainable supply chain strategies in the future.
- Developed a new Sustainable Design Policy which includes sustainable procurement.
- Engaged with suppliers to expand measurement and disclosure of Scope 3 GHG emissions.
- those generated by our supply chain.
- · Conducted 12 anti-bribery and corruption briefings to our suppliers.

#### **Key Indicators**

Procurement Spending on Local Vendors (%)	Anti-Bribery Attendance
2024: 98.1	2024: 12 w
2023: 99.6	2023: 12 worl
2022: 95.0	2023: 12 worl 2022: 10 worl

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## **OUR STAKEHOLDERS**

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#### **Engagement Platforms & Frequency**

Q Health and safety training Survey on sustainability

On-site briefings

M Anti-bribery workshops

Guidance and training on and adherence to Standard Operating Procedures to ensure safe working conditions

· Arranged Centralised Labour Quarters (CLQs) to ensure adequate accommodation and healthy living conditions for foreign workers at

· Partnered with UNGC to assess our supply chain's ESG readiness, engaging 75 suppliers in the ESG Start Assessment to develop

• Expanded our Scope 3 emissions measurement and reporting from our supply chain to 97% of the value procured.

Adopted Bursa Malaysia's Centralised Intelligence Platform as a digital tool to track and effectively manage our GHG emissions, including

y & Corruption Workshops &

#### orkshops, 111 attendees

rkshops, 219 attendees rkshops, 55 attendees

#### Scope 1 & 2 Emissions (%) Reduction from 2020 Baseline

2024: 23% 2023: 49% 2022: 65%



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### **OUR STAKEHOLDERS**

#### MEDIA Why We Engage **Engagement Platforms & Frequency** The media delivers corporate news to all our other stakeholders, creating visibility and Q Press releases public confidence in our brand. Engagement sessions Risks **Opportunities** Press conferences and media Misrepresentation or lack of understanding Strengthen relationships with media Q briefings of MRCB's business and performance for effective stakeholder outreach and · Inability to correct inaccuracies due to lack communications of working relationship with the media

#### Value Proposition

Access to the latest business development updates and industry insights.

#### **Key Concerns and Expectations**

- · Timely and accurate information on corporate, industry, and business developments
- Access to Senior Management team
- Transparency

2024: 68

2023: 59

2022: 20

#### **Response and Contributions in 2024**

- Disseminated regular press releases.
- Conducted nine (9) media events with 194 media attendees, including seven (7) press conferences attended by 178 media personnel. · Communicated and met with ten (10) media titles consisting of print and digital media to explain strategy, discuss upcoming
- infrastructure construction projects, and answer all questions and queries.

 $(\square)$  See page 57 for more details on press conferences held in 2024.

#### **Key Indicators Press Releases & Published Articles** Media Events & Attendance

#### Number of Social Media Interactions

2024: 9 events, 194 media attendees

2023: 8 events, 109 media attendees

2022: 7 events, 163 media attendees

2024: 848,323

2023: 576,524 2022: 555,095

#### **KEY HIGHLIGHTS OF OUR STAKEHOLDER ENGAGEMENT ACTIVITIES IN 2024**

#### Integrated ESG Engagement Sessions

In 2024, we continued integrating ESG topics into analysts' briefings and investor meetings rather than addressing them separately. ESG matters remained a key area of interest for the finance, investment, and professional communities.

This resulted in MRCB's participation in four (4) ESG-focused conferences, with a total of 480 investors, analysts, fund managers, and professionals attending. These conferences provided valuable insights into MRCB's ESG strategy, performance, and future plans. They also served as knowledgesharing platforms between MRCB, other corporates, and sustainability experts.

Qualitative assessments were conducted after each session, with participants unanimously expressing satisfaction with the ESG discussions.

#### Press Conferences

Several on-site press conferences were conducted to engage with the media and communicate certain initiatives to the public in 2024.



27 March 2024

Signing Ceremony for the Commencement of Demolition Work at Stadium Shah Alam

Breaking of Fast Ceremony with His Royal Highness, the Sultan of Selangor, and the local community, and distribution of financial aid for Hari Raya Aidilfitri

9 September 2024

Launching Ceremony for the National Day and Malaysia Day 2024 Logo and Theme

30

No. of Media Personnel

(PIKAS 2030)



No. of Media Personnel

Launch of ABM Wilayah Tengah Tower Crane Training Facility under the CIDB-MRCB TVET Construction Collaboration Programme



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## **OUR STAKEHOLDERS**



MRCB's ESG Brief is regularly updated and available on the Investor Relations section of our website at:

(2) https://www.mrcb.com/investor-relations/overview.html

No. of Media Personnel 40

No. of Media Personnel 25

Launching Ceremony of the "Pelan Induk Kerjasama Awam-Swasta 2030"



No. of Media Personnel 25

Breaking of Fast Ceremony with YB Dato' Seri Dr. Wan Azizah, Member of Parliament for Bandar Tun Razak. Event includes Public Engagement and Hari Raya Aidilfitri Donation



No. of Media Personnel 18

Malaysian Human Rights Celebration at Stesen Sentral Kuala Lumpur

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#### **Responsible Procurement & Supplier Assessment**

Our commitment to having a sustainable supply chain includes procuring from foreign suppliers only when it is absolutely necessary for the business. Engaging local suppliers over foreign suppliers helps reduce transportation costs and GHG emissions. In 2024, 98.1% or RM1,347 million of our total spend on suppliers and contractors was to local companies, as verified by our Internal Audit Department.

We collaborated with UNGC to enhance supply chain sustainability through ESG readiness assessments and increased our Scope 3 GHG emissions reporting.

In 2024, we expanded the measurement and reporting of Scope 3 emissions across our supply chain, covering 97% of the value procured.

#### UNGC Communication on Progress (CoP) 2024

In our commitment to the UNGC and its Ten Principles, MRCB completed its annual submission of the CoP report in July 2024, available on UNGC's website. The report consists of a statement on the initiatives undertaken this year with respect to human rights, labour, environmental, and anti-corruption.

#### **MEMBERSHIPS & PARTNERSHIPS**

#### CEO Action Network (CAN)

MRCB joined the CEO Action Network (CAN) in 2021. CAN is a closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity building, action, and performance. CAN represents over 20 critical sectors with 70 members. It consists of a working group with three workstreams on (1) Waste and Circularity; (2) Policy Advocacy, and Awareness & Capacity Building; and (3) Diversity, Equity, and Inclusion; with MRCB being part of the two latter workstreams.

In September 2021, we joined CAN members to pledge and publicly announce 14 Collective Commitments to be achieved under three categories, namely environment, people, and governance. Our initiatives are aligned to CAN's and the country's goal to achieve a Net Zero energy future and achieve Malaysia's Shared Prosperity Vision by 2030. MRCB acted as Co-lead for the CEO Action Network Diversity Equity and Inclusion workstream in 2024, and supported the development of the DEI Implementation Guide for corporate Malaysia.

More information on how our strategy and initiatives align with CAN is available in Our Approach to Sustainability section on pages 142 to 161.

#### 30% Club Malaysia

As part of MRCB's strengthening commitment towards championing Diversity, Equity, & Inclusion (DEI), in 2023, we joined the 30% Club Malaysia, a global business-led campaign founded in the United Kingdom to advocate for gender parity in boardrooms and senior leadership. The Malaysian Chapter works to catalyse real transformation in Corporate Malaysia, with a primary focus on facilitating at least 30% women representation on the boards of companies listed on Bursa Malaysia.

#### **EUROCHAM Malaysia**

EUROCHAM Malaysia was established as a primary link between EU businesses, the Malaysian government, and the business community. It facilitates trade and investment between Europe and Malaysia. MRCB became a member in the first guarter of 2022.

#### Climate Governance Malaysia (CGM)

CGM is the Malaysian chapter of the World Economic Forum's Climate Governance Initiative (CGI), with the aim to help steer companies through an effective climate transition strategy. MRCB became a member in 2023 and is committed to aligning its strategies on climate change with the broader goals set by the CGI.

#### British Malaysian Chamber of Commerce (BMCC)

The British Malaysian Chamber of Commerce (BMCC) helps to advance bilateral trade relations between the United Kingdom and Malaysia and aims to provide channels for businesses to reach Southeast Asian markets and the region. MRCB has been a member since 2017.

#### Unit Peneraju Agenda Bumiputera (TERAJU) under the Ministry of Economy

TERAJU acts as the main coordinator of the high trajectory Bumiputera Socio-Economic Agenda and plays a role in encouraging Bumiputera participation in high impact strategic industries towards creating a sustainable Bumiputera development ecosystem, with a fair, equitable, and inclusive economic distribution. During the year, MRCB participated in several discussions and focus groups to support the empowerment of local communities.

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## **OUR STAKEHOLDERS**

#### Minority Shareholders Watch Group (MSWG)

MRCB ensures equitable treatment for all shareholders, including minority shareholders, safeguarded by the Minority Shareholders Watch Group (MSWG). MSWG upholds the rights of minority shareholders in Malaysia's capital market. including the right to access information, express opinions, and seek redress. Over the years, MSWG has actively participated in MRCB's Annual General Meetings.

#### Malaysian Institute of Corporate Governance (MICG)

MRCB has been a member of the Malaysian Institute of Corporate Governance (MICG) since 2017. As part of its commitment to uphold best practices in corporate governance, MRCB adheres to the standards and guidelines set by the MICG. This membership aids in enhancing corporate accountability and transparency, thereby ensuring that the rights and interests of all shareholders are protected.

#### UNGC Network Malaysia & Brunei (UNGCMYB)

MRCB has proudly been a participant of the United Nations Global Compact Network Malaysia and Brunei (UNGCMYB) since 2020. We are committed to upholding the UNGC's Ten Principles in our business operations, focusing on human rights, labour, environment, and anti-corruption. Being part of UNGCMYB enables us to align our strategy with universally accepted principles and contribute to building a better world. Our Chief Corporate Officer is on the National Advisory Panel of UNGCMYB.

#### Malaysia Australia Business Council (MABC)

Supported by its co-patrons, the Malaysian Minister of International Trade and Industry and the Australian High Commissioner to Malaysia, the MABC plays a critical role in advancing bilateral trade and investment between Malaysia and Australia. MRCB has been a member since 2020.



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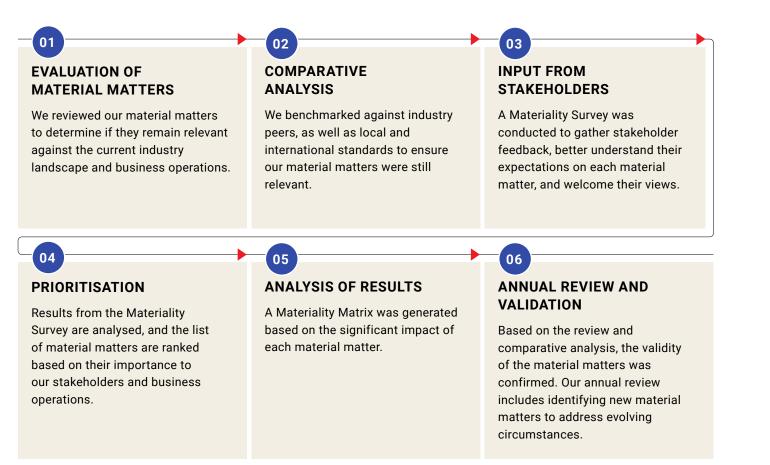
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## DETERMINING **OUR MATERIAL MATTERS**

#### **OUR MATERIAL MATTERS**

Material matters are the cornerstone of our business strategy, driving our commitment to sustainable value creation for our stakeholders. We prioritise addressing material matters that have the most significant impact on our business and stakeholders, identified through a materiality assessment. This shapes our business strategy and resource allocation to ensure that our identified environmental, social, and governance (ESG) impacts, as well as climate-related risks and opportunities, remain relevant.

## MATERIALITY ASSESSMENT PROCESS



Our 2024 review, which compared our performance to local and regional peers and alignment with international frameworks, confirmed the continued relevance of the 20 material matters identified in 2022. Our core business activities remained the same, and we deemed that these material matters aligned with our strategic objectives and stakeholder expectations, reflecting our business impact on the economy, environment, and society. The results of this review, including the prioritisation and mapping of these material matters, are further detailed on pages 63 and 64.

**OUR MATERIAL MATTERS AND DEFINITIONS** 



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## DETERMINING OUR MATERIAL MATTERS

#### DEFINITIONS

Upholding values, principles, standards, and practices to act ethically as a sustainable business. This includes anti-bribery, anti-corruption, and anti-competition practices within our operations, protection of data privacy, and professional conduct with others such as suppliers and customers.

Compliance with applicable laws and regulations relating to listing requirements and our industry, as well as other instruments concerned with environmental and socio-economic standards that allow us to obtain the licenses and approvals to operate.

Quality of products and services, and actions that directly affect stakeholders, the community at large, and the environment.

Economic value generated and distributed to stakeholders as a direct result of an organisation's performance.

Our ability to contribute additionally, either monetarily or non-monetarily, that comes from any impact and spillover effect of MRCB's projects on the local communities (e.g. increased productivity through its TOD that shorten commutes and generate more employment opportunities) or deliberate initiatives through CSR activities.

Meeting MRCB's needs for materials, goods, utilities, and services in an environmentally friendly, responsible, and ethical way.

Integrating principles of health and safety throughout our business operations and in the lifecycle of our products.

Engaging with our employees to ensure talent attraction and retention for a skilled workforce. This entails providing training, benefits, and a healthy work environment.

Enhancing our products and services by understanding clients' and customers' preferences, and providing an overall positive customer experience to maintain our reputation.

Providing equal opportunities to all employees as well as empowering women and minorities in the workplace. Diversity pushes innovation through the exchange of ideas and perspectives, and strengthens our organisation.



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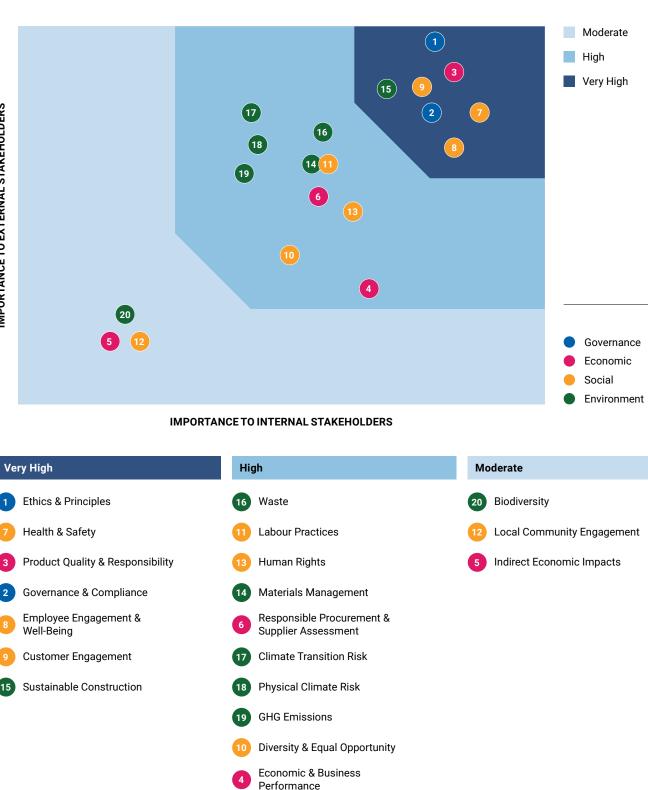
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**DETERMINING OUR MATERIAL MATTERS** 

	MATERIAL MATTERS	DEFINITIONS
	11 Labour Practices	Carrying out efforts to meet labour standards and improve labour-related processes, including hiring of local and foreign labour and participating in initiatives that alleviate socio-economic issues.
OCIAL	12 Local Community Engagement	Carrying out efforts to proactively engage with local communities and manage impacts on people in the communities surrounding project construction sites.
	13 Human Rights	Integrating human rights principles in our business operations, conducting due diligence to avoid infringing the rights of others, and addressing any negative human rights impacts related to the business to ensure no human rights violations.
	14 Materials Management	Responsibly managing consumption of raw materials and enhancing supply chain traceability and certification to mitigate negative environmental impacts.
	<b>15</b> Sustainable Construction	Reducing negative environmental impact through green design in our building and infrastructure development projects. This includes adhering to relevant green building standards, managing energy and water consumption, and integrating sustainable designs and sustainable practices in the construction and operation of buildings and other developments.
	16 Waste	Implementation of a systematic approach to identify, manage, reduce, and responsibly dispose of, or recycle waste throughout our business operations.
RONMENT	17 Climate Transition Risks	Importance of addressing the risks from transitioning from business-as- usual to a lower-carbon economy. This may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change (e.g. increased demand for renewable energy, increased usage of electric vehicle charging points, etc).
	18 Physical Climate Risks	Importance of addressing physical risks resulting from climate change and shifts in climate patterns (e.g. extreme weather events such as floods, chronic heat waves, and rising sea levels).
	19 GHG Emissions	Importance of monitoring and reducing GHG emissions (e.g. carbon dioxide and methane) into the atmosphere from our business operations.
	20 Biodiversity	Our efforts to minimise harm to local natural ecosystems and biologically sensitive areas from our business operation.





#### **ADDITIONAL** INFORMATION

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### DETERMINING OUR MATERIAL MATTERS

#### MATERIALITY ANALYSIS AND DISCUSSION

Building on our 2022 foundation, our 2024 materiality review reaffirmed the continued relevance of our 20 identified material matters to our strategic goals and stakeholder expectations. This alignment was further validated through evaluating emerging risks and trends, and benchmarking against industry peers and relevant frameworks such as the GRI Standards and Bursa Malaysia's Sustainability Reporting Guidelines.

Our review identified that the five highest-ranking material matters - Ethics & Principles, Governance & Compliance, Product Quality & Responsibility, Health & Safety, and Customer Engagement remain crucial to our operations, given our heavily regulated industry and commitment to stringent quality and safety standards. These areas align with our core values and are essential for maintaining a competitive edge through responsive customer engagement. Dedicated initiatives addressing these matters can be found on pages 160-161, 157-160, 112-113, 163-172 and 193-195, respectively.

From our materiality assessment in 2022, we observed that greater importance was placed on Employee Engagement and Well-being, and Sustainable Construction. This shift underscores the rising importance of mental well-being and employee satisfaction, as well as the increasing demand for environmentally friendly construction practices and ethical consumerism. In 2024, we increased communication on our employee medical benefits, which now include virtual consultation services and long-term medication support. We also continued to provide mental health support via confidential third-party counselling for our employees by professional counsellors and increased employee engagement via surveys, health and wellness programmes, including curated health screenings, a cancer awareness campaign, wellness talks, and organised a two-month long walking challenge.

In collaboration with MRCB's recreational club Kelab Kebajikan and Rekreasi MRCB (KKRM), sporting activities and tournaments, a trip abroad, and a fruit festival were held to bring employees together and promote team building. We also focused on employees learning and development, increasing our training hours from 6.4 in 2023 to 27.4 hours per employee in 2024. These initiatives cover a wide range of areas from Anti-bribery and Corruption, Sustainability, Leadership Development, Health and Safety, Diversity, Equity, and Inclusion, and technical upskilling.

In 2024, we enhanced our human rights policy to align with UNICEF's Children's Rights and Business Principles. In addition. we developed a Bahasa Malaysia version of the policy to communicate and create additional awareness on Human Rights throughout our supply chain. For more information on our employee engagement and well-being initiatives, please refer to pages 173 to 184 of this report. We also introduced engagement sessions by our Project Directors on our key property and infrastructure development projects, which were themed "Casual Briefings", so that employees could have a better understanding of our projects. We also continued with our Skip-Level Employee Engagement sessions with the Group Chief Financial Officer, an open and informal communication platform for our employees to quiz our top leadership on any topics they desire, and to understand the outlook and future plans for the business.

Our dedication to sustainable construction remains steadfast. Our proprietary modular construction technology, MRCB Building System (MBS), and our adherence to the green building certification standards continue to shape our practices, as they have done so since we obtained our first international green building certification in 2009. In 2024, the MRCB Sustainable Design Policy was developed. This new policy mandates compliance with our Design Book, which incorporates climate change, embodied carbon, pollution, resource management, guality standards, and sustainable materials and procurement considerations into the design and planning of all our residential and commercial property development. This new policy demonstrates our ongoing commitment to environmentally responsible development.

Our commitment to continuous improvement ensures our sustainability efforts remain relevant and impactful. By regularly assessing material issues, we align our actions with the evolving expectations of our business and stakeholders. This exercise fosters a future rooted in responsibility, positive change, reflected in our core business practices.

Our material sustainability issues are systematically incorporated into our Enterprise Risk Management framework and Key Enterprise Risks, which are also in alignment with Global Reporting Initiative (GRI) standards and mapped to the corresponding UN SDGs to demonstrate our dedication to promoting universal and shared values

Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
GOVERNANCE				
Ethics & Principles	<ul> <li>KER 001 - Project Delivery Risk</li> <li>KER 004 - Business Continuity Risk</li> <li>KER 005 - Environmental, Social, and Governance (ESG) Risk</li> <li>KER 006 - Regulatory Risk</li> </ul>	\$ <b>*</b>	205: Anti-corruption 206: Anti-competitive Behaviour	8 (2011 MINS AND 10 MINS - 2007) 10 MINS - 2007
Governance & Compliance	KER 005 – Environmental, Social, and Governance (ESG) Risk KER 006 – Regulatory Risk	11 \$ 11 11 11 11 11 11 11 11 11 11 11 11 11	2-27: Compliance with Laws and Regulation 307: Environmental Compliance 419: Socioeconomic Compliance	<b>M</b>
ECONOMIC	' '			
Product Quality & Responsibility	KER 008 – Quality Risk	153 \$ #	2-25: Process to Remediate Negative Impact 201: Economic Performance	8 recent war and 9 notices movies
Economic & Business Performance	KER 001 – Project Delivery Risk KER 002 – Liquidity Risk	\$ &	201: Economic Performance	
Indirect Economic Impacts	KER 003 – Marketing Risk KER 008 – Quality Risk	\$ 🔿	203: Indirect Economic Impacts	-
Responsible Procurement & Supplier Assessment	KER 001 – Project Delivery Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	1551 <b>\$</b>	204: Procurement Practices 308: Supplier Environmental Assessment 414: Supplier Social Assessment	8 ROCHT WIRK AND ROCHWARK AND ROCHWARK AND 12 RESPURSING ROCHWARK AND ROCHWARK ROCHWARK AND ROCHWARK AND ROCHWARK ROCHWARK AND ROCHWARK AND ROCHWARK ROCHWARK AND ROCHWARK AND ROCHWARK ROCHWARK AND ROCHWARK AND ROCHWARK AND ROCHWARK ROCHWARK AND ROCHWARK AND ROCHWARK AND ROCHWARK ROCHWARK AND ROCHWARK AND ROCHWA
SOCIAL				
Health & Safety	KER 005 – Environmental, Social, and Governance (ESG) Risk KER 007 – Safety, Health, and Environment Risk	11 <b>\$</b>	403: Occupational Health & Safety	3 contacting Advantacione 

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## DETERMINING OUR MATERIAL MATTERS



DETERMINING OUR MATERIAL MATTERS

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Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
SOCIAL				
Employee Engagement & Well-Being	KER 004 – Business Continuity Risk		401: Employment 404: Training and Education	3 ODD MALTH A DUALTY A D
Customer Engagement	KER 003 – Marketing Risk KER 008 – Quality Risk	<b>X</b> \$	418: Customer Privacy	9 ROGITIV INVISION AND INVASION
Diversity & Equal Opportunity	KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk		405: Diversity and Equal Opportunity	5 tiget 5 tiget 5 tiget 12 kinetelik kinetelik 12 kinetelik
Labour Practices	KER 001 – Project Delivery Risk KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	Î \$ #	402: Labour/Management Relations	5 tout 5 tout 6 tour 6
Local Community Engagement	KER 005 – Environmental, Social, and Governance (ESG) Risk KER 008 – Quality Risk	$\bigcirc$	413: Local Communities	3 AND MALIN 
Human Rights	KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk		400: Social	
ENVIRONMENT				
Materials Management	<ul> <li>KER 001 - Project Delivery Risk</li> <li>KER 005 - Environmental, Social, and Governance (ESG) Risk</li> <li>KER 007 - Safety, Health, and Environment Risk</li> </ul>	\$ <b>2</b>	301: Materials	11 акончин стер Алеконовета А

Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
ENVIRONMENT				
Sustainable Construction	KER 001 – Project Delivery Risk KER 007 – Safety, Health, and Environment Risk	153 <b>\$</b>	302: Energy 303: Water and Effluents 305: Emissions	11 возначинство можно в 12 колонисти можно в 12 колонисти можно в 12 колонисти можно в 13 колонисти можно в 14 ко
Waste	<ul> <li>KER 001 - Project Delivery Risk</li> <li>KER 005 - Environmental, Social, and Governance (ESG) Risk</li> <li>KER 007 - Safety, Health, and Environment Risk</li> </ul>		306: Waste	
Biodiversity	KER 005 – Environmental, Social, and Governance (ESG) Risk		304: Biodiversity	15 (Ff. 15) (Alao) (Ala
Climate Transition Risks	KER 005 – Environmental, Social, and Governance (ESG) Risk	K.	300: Environmental	
Physical Climate Risks		\$		
GHG Emissions				

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# **OUR APPROACH TO VALUE CREATION**

As a pioneer of green buildings and Transit-Oriented Developments (TODs), and a leading infrastructure construction company, we are committed to understanding the continuously evolving stakeholder needs and expectations that will enable us to create value for all.

02

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By assessing internal and external factors, such as the operating environment, our business strategies, our Capitals, and Material Matters, we aspire to set new standards by optimising our resources and realising our potential.

## MINDFUL GOVERNANCE

01 —	ASSESSING OUR CONTEXT
	ASSESSING OUN CONTEXT

ODEDATING CONTEXT	
OPERATING CONTEXT	

The external operating environment affects our ability to create value due to broader macroeconomic influences, including, but not limited to, supply volatility, political or regulatory changes, and supply or demand disruptions.

Property &	Competitive
Construction Market	Landscape
Evolving	Regulatory
Customer Trends	Environment
Environmental Stewardship	Technology & Digitalisation
<b>RISKS &amp; OPPORTUNITIES</b>	<b>D</b> page 78

Well-managed business risks and opportunities prevent disruptions to our value-creation process. As part of our Enterprise Risk Management (ERM) process, the Group has identified the eight Key Enterprise Risks (KERs) that are most important to our business and present opportunities for value creation for each stakeholder group.

KER 001 Project Delivery Risk	KER 005 Environmental, Social, and Governance (ESG) Risk
KER 002	KER 006
Liquidity Risk	Regulatory Risk
KER 003 Marketing Risk	KER 007 Safety, Health, and Environment Risk
KER 004	KER 008
Business Continuity Risk	Quality Risk

#### **ENGAGING WITH STAKEHOLDERS & IDENTIFYING MATERIAL MATTERS**

STAKEHOLDER ENGAGEMENT	Г	🗇 page 48
Value creation revolves around our stakeholders, as they are central to bur business. Through		Clients/Customers Government/ Regulatory Bodies Local Communities/ Civil Society/NGOs
engagement, we gain a deeper understanding of e		Employees
now they perceive "value" <sup>Ш</sup> and how their contributions support the Group in creating	\$	Shareholders/ Investors/Analysts
t. Our stakeholders also play	L.	Media
a pivotal role in shaping our material matters.		Suppliers/ Sub-contractors

#### MATERIAL MATTERS page 60

The systematic identification and ranking of the issues that are most critical to our business allow us to find areas where we can create the most value.



#### CAPITALS **D** page 72 Our six Capitals are the business inputs and outputs through which we can execute plans and measure the value created from our business model and strategies. Access to the management of the six Capitals is critical to managing every aspect of the business. Social & Relationship uman Capita Capital Intellectual Capital **Financial Capital** Natural Capital Manufactured Capital 🗇 page 88 STRATEGY

**TAKING STOCK OF CAPITALS &** 

FORMULATING OUR STRATEGY

Our strategy, underpinned by MRCB's Sustainability Framework, sets out defined Key Action Plans and Key Enablers of the business.



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## **OUR APPROACH TO VALUE CREATION**



#### MONITORING, MANAGING, AND **REPORTING ON VALUE CREATION**

Successfully managing different types of capital and

executing strategic plans can meet both stakeholder

expectations and organisational priorities, while ensuring

long-term value creation. However, these actions may have

negative short-term consequences. In other words, value

is created based on our appraisal of stakeholder concerns,

#### VALUE CREATION

04



risk mitigation, and the exploration of opportunities for sustainable growth and responsible business. To drive our We rely on business our resources activities

Resultina in value creation for our stakeholders

page 142

🗇 page 70

Governed by our strategy and strong Corporate Governance

EMBEDDING SUSTAINABILITY IN OUR VALUE 05 CHAIN

#### **APPROACH TO SUSTAINABILITY**

Our commitment to sustainability principles is embedded throughout our operations and decision-making processes. We demonstrate this by:

- · Aligning our business strategies with sustainable development goals
- Implementing sustainability-driven innovations in our projects and processes
- Cultivating a culture of sustainability among our employees and stakeholders
- Measuring and reporting on our sustainability performance and impact

By integrating sustainability into our core business, we ensure that our value-creation process is not only financially viable but also environmentally responsible and socially beneficial in the long term.



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MALAYSIAN RESOURCES CORPORATION BERHAD How We Create Sustainable Value

# C E

ICINIECC MODE		PURPOSE	VISION	MISSION	VALUES
	and a leading infrastructure construction company, we are committed to eds and expectations that will enable us to create value for all.	To Build Meaningful Places for a Better Tomorrow	Setting the Standard	Leading the Field Sustainably through Innovation in Property Development, Engineering, and Construction	<ul> <li>Courageous</li> <li>Creative</li> <li>Driven</li> <li>Customer</li> <li>Customer&lt;</li></ul>
ALUE CREATION PROCESS IS GOVERNED BY M	IINDFUL GOVERNANCE				
IPUTS	OUR BUSINESS ACTIVITIES	OUTPUTS	VALUE	CREATED	STAKEHOLDERS IMPACTED & UNSDG ALIGNMENT
UMAN 1,483 skilled professionals RM1.2 million invested in learning & development 77 health and safety trainings Workforce composition: 40% female, 60% male	Property Development & InvestmentEngineering, Construction & EnvironmentFacilities Management & Parking	<ul> <li>Achieved zero loss time injuries a man-hours for key projects (LRT3 Kwasa Utama C8)</li> <li>2.7% mean employee gender pay</li> <li>27.4 average training hours per ender</li> </ul>	B, Sungai Pahang, and • 5-S TOI gap • RM	<b>175.4 million</b> paid in salaries & benefits <b>star SHASSIC rating</b> for Kwasa Utama D project <b>1.1 million</b> revenue per employee	3 meanan →√→
<b>TELLECTUAL</b> 50+ years of industry experience, including 20 years in TOD expertise Patented <b>Modular Building System (MBS) technology</b> Enterprise Resource Planning (ERP) system implementation	Standard Langeners	<ul> <li>MBS technology patented in 49 co 9 more</li> <li>Licensed our MBS technology in 5</li> <li>Won Gold awards at the Australas NACRA 2024</li> <li>Achieved zero security breaches a</li> </ul>	Singapore & Hong Kong sian Reporting Awards & • Upg	reased FTSE4Good score from 3.6 to <b>3.9</b> neered Malaysia's transition to modular nstruction (Residensi Tujuh) banded MBS technology internationally graded MSCI ESG rating from 'A' to ' <b>AA</b> '	9       Image: Second sec
IATURAL ISO 14001:2015 compliant Environmental Management Systems 1,163 acres of land bank Enhanced Sustainable Design Policy Net zero GHG emissions target by 2050	Automation & Core Values	<ul> <li>29,067 tCO<sub>2</sub>e Scope 1 &amp; 2 emissi</li> <li>Achieved &gt;4.2% annual GHG emi</li> <li>Conducted climate physical risk of water stress &amp; urban flooding</li> <li>Conducted quantitative analysis of All commercial projects qualify for accreditation</li> <li>Secured development rights for a near PJ Sentral (GDV: RM650 mill</li> </ul>	issions reduction quantification from of transition risks or Green Building Index a 26-acre prime project	viewed our Scope 1 and Scope 2 GHG entory and achieved a <b>23%</b> reduction in issions intensity from the 2020 baseline banded our Scope 3 emissions asurement and reporting from our supply ain to <b>97%</b> of value procured quired Southport land, Gold Coast, stralia	Image: Second state       Image: Second state<
OCIAL & RELATIONSHIP 169,267 stakeholders engaged 2,385 approved suppliers/subcontractors	Operating Risks & Material	<ul> <li>3,355 customers engaged across</li> <li>10 community initiatives benefiti</li> <li>470 prisoners/offenders trained t</li> <li>751 suppliers engaged, 75 compleasessment</li> <li>26 investor engagements, includi sessions</li> <li>Collaboration with CIDB for TVET programmes</li> <li>8 industry awards &amp; recognitions</li> </ul>	ng <b>158,220</b> people spe through PEKA@MRCB leted UNGC's ESG Start (ba ing <b>4</b> ESG-specific init	<b>1,347 million (98%</b> of procurement) ent on local suppliers % customer satisfaction score sed on surveys) <b>12.2 million</b> spent on community iatives	Image: Non-State       2 min       4 min       8 min       1 min       1 min       1 min
FINANCIAL RM4.4 billion share capital RM2.3 billion total borrowings	Context     Mitigations     Matters       Our Products     • Quality Rail & Road Infrastructure	<ul> <li>RM1.6 billion revenue</li> <li>RM75.0 million profit before tax, RM63.5 million profit after tax</li> <li>RM999.2 million cash &amp; bank bal</li> <li>RM836.0 million in property sales</li> </ul>	sha • Net lances • RM	<b>45 million</b> dividend payout to areholders t gearing at <b>0.27 times</b> <b>2,345 million</b> market capitalisation <b>11 million</b> in tax contributions	8 Enterent
MANUFACTURED RM38 billion GDV land bank (1,163 acres) RM1.9 billion GDV in ongoing property projects RM11.4 billion ongoing infrastructure projects RM26.1 billion external construction order book	<ul> <li>World-Class Residential Properties</li> <li>Bespoke Commercial Green Building Developments</li> <li>Innovative Buildings and Complex Structures</li> <li>Power Projects, Rehabilitation of Rivers &amp; Coastal Areas, and Flood Mitigation</li> <li>Facilities Management &amp; Carpark Ownership</li> </ul>	<ul> <li>LRT3 construction progress: 98.2 financial</li> <li>Launched 110 units of single-stor (SIDEC – Adonis, RM31.8 million</li> <li>MBS fabrication yard operational reducing waste, and speeding up</li> </ul>	ry terrace houses GDV) ord – boosting efficiency, • QL/	<b>836 million</b> in property sales <b>1631.3 million</b> unbilled property sales <b>14.7 billion</b> unbilled construction ler book <b>ASSIC</b> scores: <b>83</b> % (Alstonia), & (Jabil industrial project)	8 courses 11 cour
COMPETITIVE ADVANTAGES					
eer and early   Largest listed	Strong corporate governance practices, a Innovated and developed	Possess an enviable track record as	Specialist in climate c	hange   Long pipeline of	projects through a land bank
eloper of Malaysia's Bumiputera construction	constituent of the FTSE4Good Index since a proprietary modular	an infrastructure developer, including	adaptation infrastruction		vith a GDV of <b>RM38 billion,</b> an

developer of Malaysia's first internationally certified green buildings.

Bumiputera construction company in Malaysia.

constituent of the FTSE4Good Index since 2014, an MSCI ESG rating of "AA", and a signatory to the Ten Principles of the United Nations Global Compact.

a proprietary modular construction technology -MRCB Building System (MBS). an infrastructure developer, including constructing railways and highways infrastructure, stadiums, and high-voltage power transmission projects.

environmental projects, such as the rehabilitation of rivers and coastal

### **DELIVERING ON** STRONG GOVERNANCE

### **ADDITIONAL** INFORMATION

#### INTEGRATED ANNUAL REPORT 2024

- adaptation infrastructure projects and
- erosion, and flood mitigation projects.

of **1,163 acres** with a GDV of **RM38 billion,** an unbilled construction order book of RM14.7 billion, and a strong balance sheet with a net gearing of 0.27 times.



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**OUR VALUE CREATING BUSINESS MODEL** 

# TRADE-OFES BY CAPITAL

The six Capitals are our means to achieve strategic objectives and create value for our stakeholders. These are the resource and relationship inputs that enable value-creating activities and outcomes. While managing these Capitals, businesses frequently experience trade-offs between and within them. We aim to maximise the positive outcomes of our capital inputs and minimise any trade-offs. In doing so, we aim to balance the short-, medium-, and long-term outcomes of value creation. Below is a review of our Capitals and their trade-offs.

### **HUMAN CAPITAL**

### Our Approach

Ensure optimal productivity and provide a conducive workplace that embraces diversity, and creates a safe, secure, and positive work environment.

We believe that our employees' goals should be aligned with the Group's and as such, we aim to ensure their personal and professional needs are met.

#### Value Creation

### Trade-Offs

Create motivated teams with innovative ideas, invest in learning and development, and produce a pipeline of internal talents.

High turnover as talented employees are headhunted by other companies in the same industry.

### Our Focus in 2024

- Reinforced our commitment to DEI in 2024 by co-leading the CEO Action Network; Diversity, Equity, and Inclusion Workstream; and supporting the development of the DEI Implementation Guide for corporate Malaysia.
- Conducted two workshops on understanding and managing a multigenerational workforce, and promoting accessibility through Universal Design (MS 1184:2014). These workshops enhances awareness and provides employees with tools to foster an inclusive and accommodating workplace.
- · Participated in the 30% Club Speed Mentoring Programme, empowering women leaders with insights for career success and supporting MRCB's commitment to gender-balanced leadership.
- As part of MRCB's Succession Planning Programme, 31 identified talents participated in targeted activities. It includes Business Strategy simulations, Competency Behavioural Interviews, Leadership Development Programme (LDP), an Outward Mindset Workshop, and a pilot Executive Coaching Programme to enhance their leadership and strategic capabilities.
- · Enhanced MRCB's Human Rights Policy to align with UNICEF's Children's Rights and Business Principles, and introduced a Bahasa Malaysia version of the policy to strengthen accessibility and inclusivity
- · Developed a new Learning & Development (L&D) framework aligned with strategic objectives to foster a skilled and engaged workforce. The framework focuses on Training Needs Analysis, Individual Development Plans, Talent Development Programmes, and Learning Management Systems. This ensures the effective implementation of learning initiatives through clear strategies and defined L&D roles.
- · Conducted assessment-based e-learning training on Anti-Fraud, Anti-Bribery, and Anti-Corruption annually, with 99% employee participation in mandatory anti-corruption and ethics trainings in 2024.
- · Conducted Internal Audit Training and Workshops for employees based in the head office, promoting integrity, transparency, compliance, and alignment with ABMS standards.
- · Held Casual Briefings led by Project and Development Directors, offering employees insights into ongoing, completed, and upcoming projects. Key sessions included updates on Setia Utama LRT3, Sentral Suites, 9 Seputeh, PJ Sentral, Seri Iskandar, and modular construction at Residensi Tujuh, enhancing understanding of MRCB's development initiatives.
- Conducted internal training on Sustainability through ESG 101 webinars in English and Bahasa Melayu languages, attended by 747 employees.
- Provided impactful and diverse training and development programmes, achieving an average of 27.4 training hours per employee in 2024.
- · Transitioned a significant number of contract staff to permanent employment contracts, reinforcing our commitment to improving job security and supporting workforce stability.

### **INTELLECTUAL CAPITAL**

#### **Our Approach**

Aggressively defend our market-leading position in the property and construction sectors by leveraging our TODs and green building expertise. We ensure compliance with globally recognised management systems and invest in the innovation of a proprietary modular construction technology, MBS, which is more sustainable and efficient. MRCB also looks at continuously adding value to the production process and development of end products.

Using our intellectual capital and expertise to innovate solutions for climate change adaptation infrastructure. This includes food mitigation, renewable energy and energy transition infrastructure, the industrial and logistics segment, sustainable stadiums, as well as waste-to-energy projects providing new and diverse sources of long-term revenue.

### Value Creation

Our strong track record strengthens our value proposition Investments in new technologies are earmarked to deliver as a TOD and green building developer, and an engineering returns over the long term, with no immediate financial rewards, putting pressure on profitability and cashflow in company with innovative and forward-looking project delivery solutions for customers. the short-term.

### Our Focus in 2024

- Commenced the construction of Residensi Tujuh, a RM385 million GDV residential development at Kwasa Sentral showcasing MRCB's proprietary MBS technology, the first residential development in Malaysia to utilise MBS.
- · Our MBS technology has successfully gained patents in 49 countries and pending patents in 9 others. It has also been licensed to other companies and already used in completed projects in Singapore and Hong Kong, marking international adoption.
- Achieved zero security breaches or data leakages in 2024, as MRCB's robust cyber defence and system monitoring successfully detected, mitigated, and prevented all attempted cybersecurity attacks.
- Implemented Microsoft 365 E5 Security for all employees and deployed Microsoft Defender for Cloud.
- Adopted e-invoicing to comply with Lembaga Hasil Dalam Negeri's e-invoicing requirements.
- Held phishing simulations and cybersecurity awareness campaigns for employees to recognise and mitigate cyber threats.
- · Adopted artificial intelligence power tools such as Microsoft CoPilot to streamline operations and boost productivity, enabling our workforce to focus on more impactful tasks.
- efficiency and more streamlined processes.
- Property Development & Investment Division.
- Zealand, providing a consolidated, real-time data source for streamlined reporting and decision-making.

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### **OUR VALUE CREATING BUSINESS MODEL**

### Trade-Offs

Fully deployed our new Enterprise Resource Planning (ERP) platform across the organisation to achieve improved operational

· Implemented a new cloud-based construction management platform to enhance project collaboration from design to completion, a new Customer Relationship Management (CRM) system, and a digital Defect Management Platform in the

· Implemented new sales and contract status tracking systems along with CRM tools across our projects in Australia and New



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### **NATURAL CAPITAL**

### **Our Approach**

Manage our consumption of energy, water, and materials through monitoring and efficiency measures. Develop sustainable construction methodologies like our MBS, which is a faster and more energy and waste-efficient construction technology. Implement more rigorous sustainable procurement strategies by implementing policies and processes that embed sustainability at the project design stage. This ensures that only locally sourced materials are specified and materials that meet sustainability specifications are procured.

#### Value Creation

Trade-Offs

Progressively reduce our environmental footprint and deliver responsible products (value proposition) to our customers.

Our consumption footprint and the associated costs increase as we expand and grow our operational and geographical footprint.

### Our Focus in 2024

- Developed climate models based on the TCFD framework to assess the physical risks of climate change at material projects. We also conducted a quantitative analysis of our transition risks and opportunities for more robust disclosures on climate risks and opportunities.
- Achieved a 23% reduction in our Scope 1 and Scope 2 GHG emissions against our 2020 baseline and reviewed our Scope 1 and Scope 2 GHG inventory to ensure we have set robust GHG inventory boundaries.
- Expanded the measurement and reporting of our Scope 3 emissions from our supply chain to 97% of the value procured.
- · Adopted Bursa Malaysia's Centralised Intelligence Platform as a digital tool to track and effectively manage our GHG emissions, including those generated by our supply chain.
- · Enhanced MRCB's Sustainable Design Policy, which sets design and procurement standards related to sustainable development.
- · Focused on natural capital centred around implementing enhanced energy reduction and decarbonisation strategies across our operations, and employing technology such as MBS / modular construction to minimise waste and GHG emissions.
- Expanded our development portfolio by acquiring a 1,743 sqm parcel of land in Southport, Gold Coast, for a residential project with a GDV of AUD193.2 million, slated for launch in 2025.
- Strengthened our asset base through the acquisition of Projekmaju Sdn Bhd for RM1 million, securing development rights for a prime 26-acre property development project adjacent to our PJ Sentral development.

### SOCIAL AND RELATIONSHIP CAPITAL

#### **Our Approach**

Engage and cooperate with various stakeholders, including regulators, suppliers, and sub-contractors, regarding their expectations and pain points. We also support local communities through CSR programmes and community development initiatives.

### Value Creation

Strengthen stakeholder relationships and reinforce their confidence in our resilient business and solutions.

#### Our Focus in 2024

- November 2024
- Furthered our commitment to the broader community through the PEKA@MRCB programme, a structured prisoner upskilling initiative launched in 2019, which has trained 470 prisoners since its launch.
- Provided financial assistance in cash and in-kind, including food packs, school supplies, and renovations, to support underprivileged and marginalised communities, along with a significant RM1 million donation to aid flood victims.
- · Invested a total of RM2.2 million in CSR initiatives in 2024, including community development, education, disaster relief, and environmental conservation to strengthen stakeholder relationships and support societal well-being.
- sessions on the OSHA (Amendment) 2022.
- · Conducted Integrity, Anti-Bribery, and Anti-Corruption Awareness training for 111 individuals representing 85 companies, including business associates and vendors.

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### **OUR VALUE CREATING BUSINESS MODEL**

### Trade-Offs

Due to the increasing importance of environmental, social, and governance (ESG) matters, resources (financial and non-financial) are allocated to address critical stakeholder expectations, irrespective of their priority and returns to the business.

· Demonstrated a dedicated focus on social and relationship capital through impactful initiatives such as engagement with the Orang Asli community of Royal Belum State Park, Perak. We participated in Yayasan MRCB's initiative to provide essential household supplies, community games and engagement activities with up to 550 individuals in Bongor Village.

· Collaborated with the Construction Industry Development Board Malaysia (CIDB) through its subsidiary Akademi Binaan Malaysia (ABM) to provide a training site equipped with a 30 metre tower crane for their TVET programme, launched in

· Held Occupational Health and Safety Week in July 2024, which includes awareness



Read more about how our TVET Crane Initiative is empowering the next generation of technical talent, on page 204.



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### **FINANCIAL CAPITAL**

#### **Our Approach**

Manage liquidity and maintain a sound financial structure and a healthy balance sheet by aiming to keep the Group relatively asset and debt-light. Ensure business operations are optimised to generate revenue, profits, and cashflow. Efforts are undertaken to ensure access to capital meets future sustainability requirements.

#### Value Creation

Maintain and deliver attractive shareholder and investor returns by disposing of non-core assets and monetising our inventory of completed unsold stock. Refinance highinterest rate debt with lower interest rate debt.

#### Trade-Offs

There is a trade-off between the interests of short-term investors who seek to maximise short-term gains and our longer-term growth plans that require the investment of financial capital. Investors are also increasingly demanding more rigorous ESG and climate mitigation strategies, which require capital investment and will impact financial performance and returns for investors, in the short-to medium-term.

### Our Focus in 2024

- Proactive cash flow management kept our net gearing ratio at 0.27 times.
- · New loans were secured at the subsidiary level to support operations and projects.
- The Group also continued its plan to diversify into new market segments in Malaysia by expanding overseas and mobilising MBS to achieve faster and more efficient construction with fewer defects, resulting in faster construction and cashflow.
- Achieved total property sales of RM836.0 million in 2024, contributing significantly to revenue growth and reinforcing financial stability.
- Sold 59% of all units at VISTA in Gold Coast, Australia achieving a sales rate of 41% of GDV (RM398.5 million).
- Monetised existing inventory, selling residential stock worth RM814.3 million in 2024.

### MANUFACTURED CAPITAL

#### **Our Approach**

The Group's land bank continues to be carefully and strategically developed to provide sustainable revenues in the future. TODs are aligned with national infrastructure plans and our focus on green buildings. The Group actively tenders for complex construction projects with higher pre-qualification requirements and barriers to entry, such as rail infrastructure, climate change adaptation infrastructure, energy transition and renewable energy development projects, and sustainable stadiums. Efforts are undertaken to ensure materials are locally sourced and meet sustainability specifications.

### Value Creation

Develop sustainable communities through our TODs that seamlessly integrate mass public transport with working and living areas. This delivered productivity and enhance economic activity and social development. Protect the environment by constructing responsibly using sustainable materials and new technologies.

#### Our Focus in 2024

- Promoted integrated and connected living through our TOD projects, while reducing urban sprawl, congestion, and GHG emissions. In Auckland, New Zealand, our TOD named The Symphony Centre (GDV: NZD452 million ~RM1,130 million) achieved a soft launch of its commercial and residential components.
- Awarded the RM250 million Sungai Langat Phase 2 Flood Mitigation Project, further solidifying our expertise in delivering critical infrastructure projects that address environmental challenges.
- · Completed Lilium @ SIDEC (GDV: RM32 million) and Alstonia @ Bukit Rahman Putra (GDV: RM248 million), while Sentral Suites (GDV: RM1.5 billion) reached 96% sales and TRIA 9 Seputeh (GDV: RM0.9 billion) reached 94% sales by end-2024.
- Reached 98.2% completion stage for of the RM11.4 billion LRT3 project and reached 58.5% completion stage for the RM380 million Muara Sungai Pahang Phase 3 flood mitigation project by the end of 2024.
- · Continued emphasis was given to ensuring all commercial development projects being designed qualified for the Green Building Index accreditation.
- · Launched 110 units of single-storey terrace houses in SIDEC Adonis, with a GDV of RM31.8 million.
- The MRCB Building System (MBS) fabrication yard in Saujana Putra was operational in 2024, producing high-quality modular components that enhanced construction efficiency, reduced material waste, and supported faster and more sustainable project delivery.

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### **OUR VALUE CREATING BUSINESS MODEL**

### Trade-Offs

Further development of our urban land bank could reduce green spaces within urban areas and create negative impacts on natural capital.



LRT3 is shaping Shah Alam's landscape, one track at a time. For more information on this maior project, please go to page 126.



Learn more about our Muara Sungai Pahang flood mitigation project on page 258.



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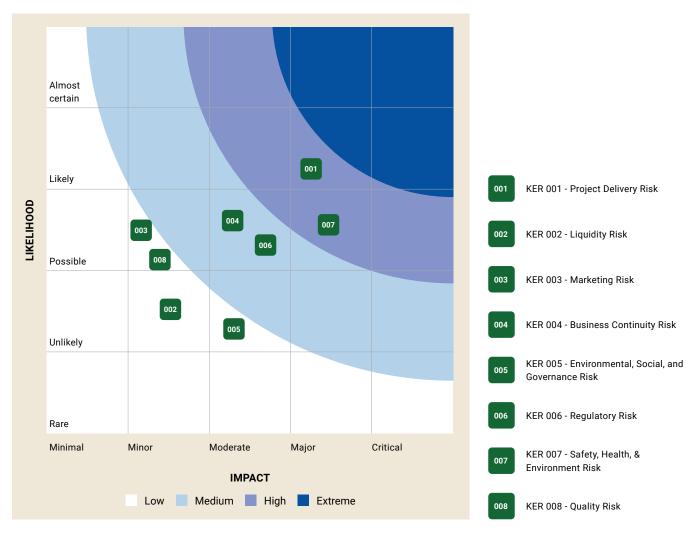
# **OUR RISKS AND MITIGATIONS**

We strive to achieve a balance between realising value-creation opportunities and mitigating adverse risks. MRCB's risk-based approach is designed to protect our ability to create value and achieve our corporate objectives. We are guided by a robust Enterprise Risk Management (ERM) process, that is linked to strategy formulation and execution in a systematic manner to address the Group's top risks.

The purpose of the ERM process is to identify potential events that may substantially impact the Group. It was designed according to ISO 31000:2018, demonstrating our commitment to international best practices. We use the ERM process to drive consistency and resilience in our risk methodology.

The principal risks faced by the Group are mapped out below. The risk matrix shows the level of each risk based on its likelihood and impact ratings, which ultimately indicate its level of exposure to our business strategies.

The Board, through its Audit & Risk Management Committee (ARMC), has identified eight Key Enterprise Risks (KER) that may impact the ability of the Group to achieve its strategic objectives. The ARMC is further supported by the Senior Management in ensuring that these risks are monitored and managed within the Group's acceptable risk appetite and risk tolerance levels. The heatmap below provides an overview of the residual risk ratings of the KERs:



#### **PROJECT DELIVERY RISK** 001

We rely on both internal and external stakeholders for timely project delivery. Each phase of project development has risks that may impact quality, timeliness, and profitability. Our business is also susceptible to the changing prices and supply of raw materials, as well as manpower shortages.

#### Potential Impact on Value

- · Low product quality and safety
- Higher costs than budgeted
- Public complaints, loss of reputation, and recognition of losses
- Exposure to Liquidated Ascertained Damages (LAD)
- · Delays in finalising documentation for contractual claims reduces cash flow and profitability
- Reputational damage

### Mitigation Strategies

- · Benchmark against global standards on quality and safety as well as environmental stewardship. · Implement strategies to address the impact of adverse weather conditions and climate change on project delivery.
- · Procure building materials in bulk at the outset of
- projects to secure prices and raw material supply. · Adopt new technologies, such as the MRCB Building System (MBS) and digitalisation of processes, as well as conduct value engineering exercises to enhance construction efficiency and
- cost optimisation. · Continuous project monitoring through Project Review Meetings to monitor project performance and productivity.
- Regular contractor and sub-contractor performance reviews and evaluations.
- · Step in to take over construction work packages from poor-performing subcontractors.



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### **OUR RISKS AND MITIGATIONS**

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· Delays in product handover due to health and safety violations, and remedying poor quality construction

### Results in 2024

Achieved recertification of ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, ISO 45001:2018 Occupational Health & Safety Management Systems, and Public Safety and Health at Construction Sites Guidelines 2007.

Developed climate models based on the TCFD framework to assess the physical risks of climate change at material projects and conducted a quantitative analysis of our transition risks

Enhanced MRCB's Sustainable Design Policy, which outlines internal design and procurement policies, including additional allowances on certain raw materials to ensure product quality and timely delivery.

· Achieved 22% construction progress for Residensi Tujuh, our first residential development using modular construction technology.

 Achieved 98.2% physical construction progress for the LRT3 project as of 31 December 2024

 Achieved 58.5% physical construction progress for the Muara Sungai Pahang flood mitigation project as of 31 December 2024.

 Achieved 10.1% physical construction progress for Phase 2 of the Sungai Langat flood mitigation project as of 31 December 2024.

· Achieved zero loss time injury for the LRT3 construction project.







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**OUR RISKS AND MITIGATIONS** 

#### LIQUIDITY RISK 002

We require finance and liquidity to sustain our business obligations. The inability to liquidate assets may impede our cash flow.

#### Potential Impact on Value

- Inability to operate or develop our land bank
- Operational disruptions increase indebtedness and reduce profitability
- Inability to meet financial obligations and exposure to potential legal suits from creditors/financial institutions
- Inability to attract capital/investors
- Reputational damage

#### Mitigation Strategies

Material Matters

- · Diversify funding sources for efficient flow of capital and funding.
- · Maintain optimal liquidity position by constantly monitoring and reporting liquidity risks.
- · Capitalise on opportunities to refinance debt to lock in lower cost of capital.
- · Conduct regular reviews/assessments of trade debtors, cash flow, and funding plans.
- Monetise existing inventory of completed unsold stock
- Expand the use of MBS to benefit from faster and more efficient construction with fewer defects. resulting in faster construction and cash flow.
- · Seek opportunities to dispose of non-core land holdings and other non-core assets to unlock value and improve liquidity position.

Capitals

### Results in 2024

- Managed cash flow proactively, resulting in net gearing of 0.27 times. · Sold RM836 million worth of properties.

Stakeholders Affected

- Sold RM500.5 million of our completed residential properties.
- · Achieved a sales rate of 26% of GDV for Residensi Tujuh, our first development utilising our proprietary modular construction technology, MBS.
- Sold 59% of all units at VISTA in Gold Coast, Australia, achieving a sales rate of 41% of GDV.

**Growth Principles** 



We need to design and deliver products that meet the aspirations of our targeted demographic and meet socioeconomic conditions in our development locations, and create effective marketing strategies to attract customers. We also need to ensure that the rising cost of materials are managed well and that our products are priced competitively. An ineffective product, marketing, and pricing strategy may impact our ability to sell our products, generate revenue, profits and cash flow, and repay development loans.

#### Potential Impact on Value

- · Lack of demand for our products
- Unsold inventories, leading to increased holding and debt servicing costs
- · Shortfall in revenue generation and negative impact on profits and cash flow
- High levels of net gearing

#### Mitigation Strategies

# · Continuously assess market demand and conduct market surveys to determine product design, sales, and property launch strategies. • Engage with current customers/clients to ensure products meet design and quality expectations. · Engage and enlist new agents to help market MRCB's properties. • Develop pricing strategies to enable customers to obtain financing easily.



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### **OUR RISKS AND MITIGATIONS**

Status	

### Results in 2024

- · Achieved property sales of RM836 million.
- Achieved a sales rate of 96% of GDV for Sentral Suites and a sales rate of 94% of GDV for TRIA 9 Seputeh.
- · Achieved 100% sales rate for Lilium Phase 2, Bandar Sri Iskandar.
- · Achieved a sales rate of 41% of GDV for VISTA, Gold Coast Australia and executed a phased sales strategy to maximise the opportunity of implementing price increases.
- Launched Adonis, a 110 unit of residential property in Bandar Seri Iskandar with a GDV of RM32 million
- · Prepared for the launch of Kolektif@KL Sentral, a 494-unit commercial development with a GDV of RM205 million.
- Prepared for the launch of Parcel A, 9 Seputeh, a 483-unit residential development with a GDV of RM417 million.
- · Implemented a Tenanted Sale Programme for Sentral Suites (retail units) to increase attractiveness due to high-quality tenant mix.
- · Explored bulk sales for commercial units.
- · Partnered with real estate agents through an exclusive bulk-unit allocation programme to expand our reach to a wider client base for residential and commercial property unit sales.
- · Continued operating our staff sales referral programme, offering incentives to staff who successfully introduced buyers to our residential units.







**FROM OUR LEADERSHIP** 

Achieved zero breaches of security or data leakages as MRCB's cyber defence and

system monitoring managed to detect, protect, and prevent all cybersecurity attack

· Implemented Microsoft 365 E5 Security for all employees and deployed Microsoft

· Adopted e-invoicing to comply with Lembaga Hasil Dalam Negeri's e-invoicing

Held annual phishing simulations and cybersecurity awareness campaigns for

· Adopted artificial intelligence power tools such as Microsoft Copilot to streamline

· Fully deployed all Enterprise Resource Planning software modules and operations

Implemented a new cloud-based construction management platform that improved

operations and boost productivity, enabling our workforce to focus on higher value-

HOW WE CREATE SUSTAINABLE VALUE

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**OUR RISKS AND MITIGATIONS** 

#### 004 **BUSINESS CONTINUITY RISK**

A robust Business Continuity Plan is necessary for business continuity and resilience against unprecedented occurrences, such as the COVID-19 pandemic, which severely impacted operations and necessitated the adoption of mitigation strategies and digital technology and investment in critical Information Technology (IT) infrastructure.

Results in 2024

attempts.

Defender for Cloud.

requirements

added tasks.

across the organisation.

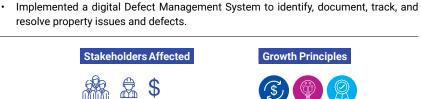
#### Potential Impact on Value

- Operational disruptions result in poor construction progress, which limits the ability to recognise revenue
- Reputational damage
- Inability to market our products leading to liquidity issues and high indebtedness/financial stress
- Potential breach and loss of confidential data/information due to cyber attacks

### **Mitigation Strategies**

- · Continuously update our Business Continuity Plan and other related policies and SOPs. · Continuously review Information Security
- Controls.
- · Perform annual IT audits through external consultants covering security, access controls, backup, disaster recovery, and IT controls.
- · Extensively communicate and disseminate information on new cybersecurity risks to all staff.
- · Review and develop robust policies that adapt to the changing environment.
- · Utilise cloud technology to ensure seamless work integration if remote working becomes necessarv.
- · Continuously invest in IT Security software applications and Disaster Recovery Plans.
- · Establishment of a Data Governance Framework.

# Material Matters EP GC EBP PQR



collaboration in managing projects from design to completion.

employees to recognise and mitigate cyberthreats.





Building resilience through ESG is a priority, not just for industry regulators, but also for financial institutions and increasingly discerning customers and investors, who demand that companies focus not only on increasing value for all stakeholders, but also ensures that businesses are run sustainably and ethically with minimal negative impact on the environment and community at large.

#### Potential Impact on Value

- · Significant fines and penalties from breaching environmental laws and regulations
- Adverse environmental impact on surrounding communities
- Financial costs from remediation, possible litigation, or fines
- Reputational damage, resulting in loss of sales and cashflow
- Inability to attract capital from banks and investors due to reduced ESG ratings

#### Mitigation Strategies

- · Institutionalise an oversight committee to Held Sustainability Management Committee (SMC) meetings and engagements with individual business units (Engineering, Construction & Environment, Property implement, monitor, and develop ESG-related Development & Investments, Facilities Management & Parking) to implement strategies and initiatives. Establish and monitor GHG emissions reduction decarbonisation strategies
- targets
- · Evaluate climate and transition risks to the company and its assets and formulate targeted strategies to mitigate and manage the risks.
- Undertake ESG assessments of the supply chain and expanded Scope 3 emissions measurement and disclosure.
- Create a comprehensive strategy that integrates and embeds sustainability principles more deeply within the business and corporate strategy.
- · Communicate our human rights policies-related requirements internally and externally.
- Continuously communicate the importance of ESG to the business, internally and externally.
- · Elevate disclosure of ESG data points, targets, and align to best practices and the latest regulatory requirements.
- · Elevate ESG-related partnerships.
- · Expand and enhance the use of MRCB Building System (MBS) to reduce GHG emissions and lower construction wastage.
- Enhance Diversity, Equity, and Inclusion awareness and practices, embedding it in our business.

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### **OUR RISKS AND MITIGATIONS**

### Results in 2024

- Reduced Scope 1 and Scope 2 GHG emissions by 23% from 2020 baseline.
- Maintained a target to reduce Scope 1 and Scope 2 GHG emissions by 4.2% annually, aligned to the 1.5°C scenario.
- Reviewed and expanded Scope 1 and Scope 2 GHG inventory.
- · Conducted quantitative analysis on our transition risks and opportunities for more robust disclosures on climate risks and opportunities.
- · Expanded our Scope 3 emissions measurement and reporting from our supply chain to 97% by value of total amount procured.
- · Adopted Bursa Malaysia's Centralised Intelligence Platform as a digital tool to track and effectively manage our GHG emissions, including those generated by our supply chain.
- · Evaluated and set indicator-specific targets to further embed sustainability into the business and monitor progress and performance.
- · Enhanced and updated our Human Rights Policy to align with UNICEF's Children's Rights and Business Principles.
- Developed a Human Rights Policy in Bahasa Malaysia.
- Achieved MSCI ESG Rating upgrade to "AA" from "A".
- Increased our overall FTSE4Good Bursa Malaysia Index score from 3.6 in 2023 to 3.9 in 2024, improving our ranking to the top 14% of all listed companies assessed
- Complied with 42 out of the 43 Practices prescribed in the MCCG 2021, together with 4 out of the 5 optional Step-Up Practices.
- · Achieved the Gold Award for MRCB's 2022 Integrated Annual Report at the Australasian Reporting Awards 2024.

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**FROM OUR LEADERSHIP** 

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MALAYSIAN RESOURCES CORPORATION BERHAD How We Create Sustainable Value

# **OUR RISKS AND MITIGATIONS**

litigation Strategies	Results in 2024
	<ul> <li>Received the Top 50 Excellence Award at the National Corporate Governance and Sustainability Awards 2024 organised by the Minority Shareholders Watch Group (MSWG).</li> <li>Won the Gold Award for Most Consistent Performer Over Five Years (Large Company Category) at The Edge ESG Awards 2024.</li> <li>Completed IFRS General Requirements for Disclosure of Sustainability-related Financial Information (S1) and Climate-related Disclosures (S2) gap analysis and developed an adoption roadmap to align with new reporting standards.</li> <li>Upskilled 747 employees through sustainability training (ESG 101).</li> <li>Participated in a corporate social responsibility initiative with Yayasan MRCB for the Orang Asli community of Royal Belum State Park, Perak, providing essential household</li> </ul>
	<ul> <li>supplies and engaging with up to 550 individuals in Bongor Village.</li> <li>Acted as co-lead for the CEO Action Network's Diversity, Equity, and Inclusion workstream and supported the development of the DEI Implementation Guide for corporate Malaysia.</li> <li>Achieved 22% construction progress for Residensi Tujuh at Kwasa Sentral, our first residential development using MBS, our more sustainable modular construction technology.</li> <li>Conducted Diversity, Equity, and Inclusion capacity-building trainings on Leading a Multigenerational Workforce and MS1184:2014 Universal Design and Accessibility in</li> </ul>



the Built Environment.



**REGULATORY RISK** 

We are governed by a range of rules and procedures that determine our ability to operate. This includes statutory requirements for public listed companies, industry-specific regulations, and other contractual obligations.

### Potential Impact on Value

- · Significant fines and penalties for non-compliance
- Stop-work orders cause delays and higher costs
- · Reputational damage impacts ability to attract future capital from banks and investors

### Mitigation Strategies

- · Provide Board members with regular updates on relevant regulatory changes.
- Engage with Government bodies and regulators to better understand the potential risks of proposed regulatory changes.
- · Benchmark against locally and internationally recognised standards of corporate governance. · Review and update Policies and Guidelines.
- Conduct compliance audits by internal/external auditors.
- · Conduct communication, awareness, and training exercises with internal and external stakeholders.



**INTEGRATED ANNUAL REPORT 2024** 

### **OUR RISKS AND MITIGATIONS**

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### Results in 2024

- Conducted Quarterly Risk Reviews to review, monitor, and mitigate potential risks through risk action plans.
- · Obtained recertification for ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, and ISO 45001:2018 Occupational Health & Safety Management Systems.
- · Ranked 44th out of 854 public listed companies assessed in the new National Corporate Governance and Sustainability Framework assessment and received the Top 50 Excellence Award at the National Corporate Governance and Sustainability Awards 2024 from MSWG.
- Complied with 42 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices.
- Awarded Gold for MRCB's 2022 Integrated Annual Report at the Australasian Reporting Awards 2024.
- · Won the Gold Excellence Award at the 2024 National Annual Corporate Report Awards (NACRA).
- Developed 10 new policies which include a new Sustainable Design Policy, translated our Human Rights policy into Bahasa Malaysia, and reviewed and enhanced 28 other policies.
- Achieved ISO 37001:2016 Anti-Bribery Management System (ABMS) recertification.
- Assessed 100% of MRCB's operations for bribery and corruption-related risks through Bribery Risk Assessments and Bribery Risk Facilitation exercises.
- Delivered integrity, anti-bribery, and anti-corruption awareness programmes:
- > Organised integrity, anti-bribery and anti-corruption training for our vendors, attended by 111 individuals from 85 companies.
- > Delivered policy, regulatory, and relevant anti-bribery guidelines via electronic direct mail (EDM) to 3,000 suppliers in our database.
- > Held six ISO 37001: 2016 Anti-Bribery and Management System (ABMS) standard trainings for 133 employees.
- > Conducted "Integrity Breeds Integrity" Training for 574 employees.
- > Conducted two cycles of Bribery Risk Facilitations to support each department to identify and mitigate potential risks.
- > 98.7% of our employees successfully completed anti-bribery and anti-corruption trainings and achieved a score of 80% and above in the assessment.

( ) For more details on our Ethics and Principles initiatives, refer to pages 160 to 161.

**Stakeholders Affected** 





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**OVERVIEW OF MRCB** 

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### SAFETY, HEALTH, & ENVIRONMENT RISK

We depend on the health and safety of our people and a safe environment. Major breaches will cause adverse financial and non-financial impacts.

#### Potential Impact on Value

- · Significant fines and penalties for non-compliance and reputational damage
- Operational disruptions due to stop-work orders being issued by authorities, impacting construction progress and limits the ability to recoanise revenue
- Inability to attract future capital from banks and investors
- Damage to property or environment
- Stop-work orders by authorities lead to delays and idling costs, which impacts our profit margin
- Inability to attract workers for our current and future projects

#### Mitigation Strategies

- Results in 2024
- · Establish robust frameworks and policies that guide operational excellence.
- · Raise awareness among our workforce and other stakeholders on HSE best practices through continuous training and awareness programmes, including safety "toolbox" briefing sessions at construction sites.
- · Conduct regular audit of safety standards at construction sites
- · Manage and monitor HSE issues by continuously monitoring site conditions.
- · Conduct social risk impact assessments on labour and working conditions of contractors and sub-contractor workers.

- · Conducted 77 training and awareness modules for 1,653 participants, consisting of employees, site workers, and sub-contractors.
- · Trained 143 competent personnel in DOSH 'Competent Person' technical-based trainings
- Held four engagement programmes on National Occupational Safety and Health (OSHA) (Amendment) Act 2022 with National Safety and Health Department and Utechtium (under UiTM).
- Continued to construct Residensi Tujuh project using our MBS modular construction technology. This will significantly improve safety and reduce accidents, as up to 85% of work is undertaken in controlled conditions on ground level.
- Recorded zero loss time injury for LRT3 project with 9,538,690 man-hours.
- · Held Occupational Health and Safety Week, including awareness sessions on the OSHA (Amendment) Act 2022 in July 2024.
- · Held seven roadshows across our construction sites to promote awareness on OSHA (Amendment) Act 2022.
- · Conducted daily safety "toolbox" sessions at construction sites to raise awareness of ongoing safety procedures necessary during the various construction phases.
- · Conducted a digital communications programme to all employees to cultivate a culture of safety first.

 $(\Box)$  For more details on our Health and Safety, please refer to pages 163 to 172.





We are expected to consistently deliver high-quality products to our customers. Doing so enhances customer loyalty and strengthens our corporate brand.

#### **Potential Impact on Value**

- Low property values
- · Low demand for products and reduced sales
- · Negative impact on revenue and cash flow
- · Poor Return on Investments for purchasers
- High levels of unsold inventories
- Reputational damage

#### Mitigation Strategies

- · Implement Quality, Environmental, Safety, and Health (QESH) Policy that governs the QESH Management System, and ensures operation is in compliance with three management systems: ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.
- · Implement higher quality control at the point of construction to minimise defects through the adoption of modular construction using our MBS technology.
- · Conduct stakeholder engagement sessions to enhance customer experience.
- Regularly monitor and conduct quality audits to ensure construction quality.
- · Measure customer satisfaction.
- Develop and implement periodic awareness programmes and continuous education on quality.



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· Achieved a 5-Star SHASSIC rating for our Kwasa Utama C8 (Plot 2) transit-oriented development, from the Construction Industry Development Board (CIDB), which is the regulator of the construction industry in Malaysia.

 Achieved 22% of construction progress for Residensi Tujuh project, a residential development in Kwasa Sentral being constructed using our MBS construction technology, which will significantly improve guality standards as up to 85% of construction work is undertaken offsite in controlled manufacturing conditions.

Achieved QLASSIC scores of 83% for the Alstonia residential development and 78% for the Jabil industrial project.

· Achieved a 95% overall customer service excellence score in purchaser surveys for TRIA, Sentral Suites, and Alstonia developments.

· Developed MRCB's Sustainable Design Policy that incorporates resource management, quality standards, sustainable materials, and procurement considerations into the design and planning of all developments.

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# **OUR STRATEGIC ROADMAP**

the long-term sustainability of our business is the cornerstone of everything that we do. To sustain growth, we are guided by our four Growth Principles and the accompanying seven Key Action Plans:

### STRENGTHEN CORE FOR SUSTAINABLE RETURNS

### **ENSURE STEADY PIPELINE OF PROJECTS**

### Key Action Plan

To secure and develop land in strategic locations, and tender for large construction projects with relatively higher prequalification requirements and barriers to entry, with a focus on infrastructure.

### **Key Indicators**

- Revenue
- Profit Before Tax
- Finance Cost
- Order Book
- Land Bank

### **2024 KEY INITIATIVES**

Our commitment to generate value for shareholders and stakeholders whilst ensuring

- · Continue to participate in tenders for new infrastructure construction projects Present innovative infrastructure development proposals and solutions to clients for direct negotiation
- · Launch new property development projects to provide future revenue streams
- Proactively manage land bank and non-core assets to optimise assets and create disposal opportunities to unlock value and recycle capital into new and potentially more profitable projects to grow the property development pipeline
- Continue to monetise GDV from existing property development projects and recognise revenue from construction progress from the RM26.1 billion of on-going infrastructure projects

### **2024 ACHIEVEMENTS**

- Achieved property sales of RM836.0 million.
- Undertook direct negotiations with clients for the redevelopment of Stadium Shah Alam and KL Sentral Station. The projects are to be officially awarded in early 2025.
- Awarded the RM250 million Sungai Langat Phase 2 Flood Mitigation Project.
- · Soft launched RM1.4 billion worth of residential property projects, including the residential segment of The Symphony Centre in Auckland, New Zealand with a GDV of approximately RM1,130 million, Lifestyle Suites / Kolektif at KL Sentral, and Adonis in Sri Iskandar, Perak.
- · Planned for RM3.9 billion worth of new property launches in 2025 in Malaysia, Australia, and New Zealand.
- · Acquired a 1,743 sqm parcel of land in Southport, Gold Coast, Australia, for AUD7 million to be developed into a 20-storey building featuring 192 residential units with a GDV of AUD193 million (~RM533 million), targeted for launch in 2025.
- Increased the value of our land bank to a GDV of RM37.8 billion.
- Unbilled construction order book of RM14.7 billion.

### 2025 (Q1) ACHIEVEMENTS

- · Awarded RM2.47 billion contract to construct five reinstated stations and other related infrastructure and systems works for LRT3.
- · Signed a joint-venture agreement with the Melaka state government to develop a specialist hospital and related facilities for medical tourism in the state with a Gross Development Cost of RM520 million.

### STRENGTHEN CORE FOR SUSTAINABLE RETURNS (CONT'D)

**ENSURE STEADY PIPELINE OF PROJECTS** (CONT'D)

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to tender for infrastructure construction projects with relatively high pre-qualification requirements and barriers to entry, particularly in the rail, energy transition, water, and climate adaptation infrastructure sectors, and any other new market opportunities where MRCB's technical expertise and skill sets can create value. We will also prioritise the implementation and construction of the infrastructure projects recently secured. We target to launch RM3.9 billion of new property development projects in 2025 and will continue to focus on completing our existing property development projects.

### LONG-TERM PRIORITIES

To continue to grow our construction order book and property development pipeline in Malaysia and overseas, as well as improve the consistency of our long-term revenue streams through a more diversified portfolio of projects and geographic presence.







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### **OUR STRATEGIC ROADMAP**

### 2025 (Q1) ACHIEVEMENTS (CONT'D)

 Signed a Memorandum of Agreement with the Ministry of Transport and the Perak state government to jointly develop the 67-acre lpoh Sentral, a transit oriented development (TOD) with an estimated GDV of RM6.3 billion.





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**OUR STRATEGIC ROADMAP** 

### **DIVERSIFICATION & OPERATIONAL EXPANSION**

### **GEOGRAPHICAL EXPANSION**

### **Key Action Plan**

To expand in existing and new overseas markets, backed by sound strategy and robust implementation.

### **Key Indicators**

- International property sales
- Revenue from international projects
- International land bank/ project GDV
- New international launches

### **2024 KEY INITIATIVES**

- · Continue our expansion into Australia and New Zealand by proactively identifying and pursuing development opportunities, while increasing international market awareness and presence
- Launch The Symphony Centre, Auckland, New Zealand
- · Evaluate new property development and other projects in Australia and New Zealand.
- Source projects in Sabah, East Malaysia

### **2024 ACHIEVEMENTS**

- · Soft launched The Symphony Centre in Auckland, New Zealand, a mixed residential development with a GDV of NZD452 million (~RM1,130 million) in Q2 and Q4 2024, formerly known as the Aotea Central Over Station Development.
- Continued plans for the refurbishment of Bledisloe House, a heritage building located adjacent to The Symphony Centre development in the Aotea precinct in Auckland, New Zealand, with an expected GDV of NZD137 million (~RM343 million)
- Sold 59% of all units at VISTA in Gold Coast, Australia, achieving a sales rate of 41% of GDV (RM612.2 million).
- Initiated plans to develop MARIS, a 20-storey building featuring 192 residential units with a GDV of AUD193 million (~RM533 million) on a 1,743 sgm parcel of land in Southport, Gold Coast acquired for AUD7 million, targeted for launch in 2025.
- Tendered for the upgrading works of the Tawau Airport in Sabah.
- · Secured RM3.5 billion GDV of overseas projects pipeline.

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to execute its plans to implement the pipeline of RM3.5 billion of projects in Australia and New Zealand in 2025. The plan includes the continuation of the marketing of VISTA in Gold Coast, as well as the official launch of The Symphony Centre in Auckland. This is ahead of the project site's handover by the local authorities after completion of the rail station, which the project will sit above and be integrated with. We will also be marketing MARIS, our property development in Southport, Gold Coast, when it launches in 2025. We will continue to explore expansion opportunities in Australia and New Zealand, as well as seek other overseas opportunities. We will also continue to tender for infrastructure construction projects in East Malaysia.

### LONG-TERM PRIORITIES

To grow the Group's Australia and New Zealand businesses, aiming for them to become significant and sustainable long-term contributors to the Group, by recycling capital and reinvesting the profits from existing projects in these territories into a greater number of new projects.

### **ENTER INTO NEW MARKETS**

### Key Action Plan

To expand our business in identified new key markets, such as the renewable energy, large scale solar (LSS), other energy transition, and climate change adaptation infrastructure sectors. This also includes other markets, such as sustainable stadiums, airport renovation and upgrading works, coliving, healthcare and assisted living property market segments, and target contracts to construct iconic infrastructure.

### **Key Indicators**

- Contract awards
- Project launches in new property market segments
- Tenders for projects in new market segments

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to negotiate and submit tenders for climate change adaptation infrastructure construction projects, large-scale solar, and other clean energy projects, as well as negotiating the conclusion of the terms for the WTE plant service agreement.

### LONG-TERM PRIORITIES

Continue to expand into new market segments to grow our construction order book and property development pipeline to improve the consistency of our long-term revenue streams through a more diversified project and market segment base.



# **2024 ACHIEVEMENTS**

- Continued to advance negotiations with the Government for the redevelopment of KL Sentral Station, which is expected to be awarded in 2025. Continued to negotiate terms for the redevelopment of Stadium Shah Alam.
- Awarded the Sungai Langat Phase 2 flood mitigation project worth RM250 million.
- · Submitted proposals and tenders for stormwater management and flood mitigation solutions to the Federal Government and various State Governments.
- Submitted and re-submitted tenders and proposals for large-scale solar plants, floating solar installations, and the integration of solar panels on industrial facilities.

## 2025 (Q1) ACHIEVEMENT

Cost of RM520 million.

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### OUR STRATEGIC ROADMAP

### **2024 KEY INITIATIVES**

· Continue negotiations with key stakeholders and the Government to sign a concession agreement for a Waste-to-Energy (WTE) project

- Participate in tenders for large-scale solar projects in Perlis, Kedah, and Selangor, as well as for the airport upgrading and renovation works in Pulau Pinang and Tawau, Sabah
- Market industrial and logistics segment offerings and solutions at the Ipoh Raya Integrated Park to foreign direct investors
- Market climate adaptation infrastructure solutions to the Federal and State Governments
- · Propose infrastructure development solutions to the Federal and State Governments

- Continued to advance negotiations for a WTE plant service agreement.
- Entered into negotiations with the Melaka state government for the development of a specialist hospital and related facilities for medical tourism in the state.
- Submitted proposals and tenders for the expansion of the Penang Airport and upgrading works for Tawau Airport.
- Completed the construction of the Jabil's production facility at the Chuping Valley Industrial Area (CVIA) in Perlis, valued at RM121.5 million. The facility was handed over to the client, who is now earning rental income from the facility.

· Signed a joint-venture agreement with the Melaka state government to develop a specialist hospital and related facilities for medical tourism in the state with a Gross Development





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## **OUR STRATEGIC ROADMAP**

### **TECHNOLOGY ADOPTION & INNOVATION**

### ACHIEVE LEAN AND **EFFICIENT OPERATIONS**

### Key Action Plan

To improve data security and operational efficiency through robust business processes and the adoption of new technologies, anchored on MRCB's Digitalisation & Automation Roadmap.

### **Key Indicators**

- Productivity (Revenue/ Employee)
- Cost savings
- Data Breaches

### **2024 KEY INITIATIVES**

- · Optimise costs through the digitalisation and automation processes
- · Conduct operational cost rationalisation and value engineering exercises
- Implement Enterprise Resource Planning (ERP) system to digitise and automate processes
- Rationalise office space

### **2024 ACHIEVEMENTS**

- · Achieved RM1.11 million in revenue per employee productivity ratio for 2024.
- · Achieved administrative cost savings due to efficiencies from digitalisation and automation
- of operations, which also resulted in office space rationalisation. In 2024, we reduced office space by 4% (5,554 sg. ft.) by optimising office space in the various premises that we occupy in KL Sentral CBD and at commercial spaces in VIVO 9 Seputeh.
- Reduced administration costs by successfully deploying a digital Defect Management System for property buyers.
- Implemented Microsoft 365 E5 Security for all employees and deployed Microsoft Defender for Cloud.
- Adopted e-invoicing to comply with the Inland Revenue Board's e-invoicing requirements.
- · Conducted annual phishing simulations and cybersecurity awareness campaigns for employees to recognise and mitigate cyber threats.
- Adopted artificial intelligence power tools such as Microsoft Copilot to streamline operations and boost productivity, enabling our workforce to focus on more impactful tasks.
- Fully deployed our new Enterprise Resource Planning (ERP) platform across the organisation to achieve improved operational efficiency and more streamlined processes
- · Implemented a cloud-based construction management platform to enhance project collaboration from design to completion, along with a new Customer Relationship Management (CRM) system, and a digital Defect Management Platform in the Property **Development & Investment Division.**
- Implemented new sales and contract status tracking systems along with CRM tools across our projects in Australia and New Zealand, providing a consolidated, real-time data source for streamlined reporting and decision-making.
- · Achieved zero breaches of security or data leakages as MRCB's cyber defence and system monitoring managed to detect, protect, and prevent all cybersecurity attack attempts.

### SHORT-TO-MEDIUM-TERM PRIORITIES

Drive further productivity and cost efficiencies through digitalisation and automation, including the adoption of Artificial Intelligence (AI) tools, to further reduce headcount through natural attrition and office space rationalisation.

### LONG-TERM PRIORITIES

To continue adopting digitalisation and automation, including AI and other new technologies for leaner and more efficient operations, and to maintain cost competitiveness.

### **LEVERAGE ON MRCB BUILDING SYSTEM (MBS)**

### **Key Action Plan**

To construct projects using MBS and license out this modular construction technology to other construction companies.

### Key Indicators

- Revenue from licensing MBS technology
- Number of MBS projects

nine countries.

with analysts

usina MBS

- yard in Saujana Putra.

### SHORT-TO-MEDIUM-TERM PRIORITIES

To complete the construction of Residensi Tujuh, establishing it as a reference development that showcases modular construction and our modular technology, MBS, and to use MBS to construct more residential projects. Expand applications to other construction projects in the public and private sector such as schools, affordable housing, Centralised Labour Quarters (CLQs), External Labour Quarters (ELQs), police accomodation, and prisons, where speed of construction is a client priority, and market these to relevant stakeholders.

### LONG-TERM PRIORITIES

To increase the percentage of property developments constructed using MBS technology in Malaysia.



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### OUR STRATEGIC ROADMAP

### **2024 KEY INITIATIVES**

· Include a brief on our MBS technology as key part of our ESG in all briefing sessions

Continue to market Residensi Tujuh as the inaugural Malaysian residential development

Partner with CIDB's Akademi Binaan Malaysia to improve TVET programmes aligned to MRCB's modular construction technology

### **2024 ACHIEVEMENTS**

 Successfully secured patents for our MBS technology in 49 countries, an increase from 20 last year and just 11 the year before. Applications are currently pending in another

Residensi Tujuh, our first residential development using modular construction technology is currently at 22% physical completion.

· Launched a Technical and Vocational Education and Training (TVET) programme in collaboration with Construction Industry Development Board (CIDB), focusing on crane operations and other core trades aligned to our MBS technology at our new fabrication

 The MBS fabrication yard in Saujana Putra was operational in 2024, producing highquality modular components that enhanced construction efficiency, reduced material waste, and supported faster and more sustainable project delivery.

Conducted internal briefings for employees attached to MBS by the project director for greater awareness, and to develop informal ambassadors internally.



**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

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**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Strategies Our Performance

### **OUR STRATEGIC ROADMAP**

### **QUALITY PRODUCTS & PEOPLE**

### **UPHOLD GOOD** GOVERNANCE

### Key Action Plan

To create a culture that is committed to making ethical decisions based on the set policies and procedures, which result in high-quality products and good HSE practices.

### **Key Indicators**

- SHASSIC Score
- Customer Satisfaction Survevs
- Anti-Bribery & Anti-**Corruption Training**
- MCCG 2021 Compliance MSWG-ASEAN Corporate Governance Scorecard
- FTSE4Good Bursa Malaysia Index Score
- MSCI ESG Rating

### **2024 KEY INITIATIVES**

- Organise regular "toolbox" talks to educate site workers and employees on best HSE practices
- Comply with world-class Quality, Environmental, Safety, and Health Systems through the adoption of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and OHSAS 18001:2007
- · Comply with international labour laws and assess our suppliers as well as contractors and subcontractors
- Conduct anti-bribery and corruption training for staff

### **2024 ACHIEVEMENTS**

- Achieved a 5-Star SHASSIC rating from CIDB, the regulator of the construction industry in Malaysia, for our Kwasa Utama Transit-Oriented Development.
- Provided Environmental, Safety & Health (ESH) Training to 1,653 employees, site workers, and contractors in 2024, compared to 873 in 2023 and 507 in 2022. Modules include Permit to Work, Working at Height, Risk Management and HIRADC, Site Machinery Inspection Training (i.e., excavator, dump truck), You See You Act Campaign, Lifting Awareness, Barge Crawler Crane Inspection Training, BOBCAT Telehandler Training, and Mobile Crane Inspection Training and Chemical Awareness.
- Achieved a 95% overall customer service excellence score in purchaser surveys for TRIA, Sentral Suites, and Alstonia developments.
- Increased our overall FTSE4Good Bursa Malaysia Index score to 3.9 (from 3.6 in 2023 and 3.2 in 2022), placing MRCB in the top 14% of public-listed Malaysian companies assessed by FTSE Russell.
- Awarded Gold for Most Consistent Performer Over Five Years at The Edge ESG Awards 2024.
- Awarded Gold Excellence Award (Companies with a market capitalisation of less than RM2 billion) at the Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2024.
- Improved our compliance with 42 out of the 43 Practices (previously 41 out of 43), and 4 out of the 5 Step-Up Practices prescribed in the Malaysian Code of Corporate Governance 2024.
- Conducted anti-bribery and anti-corruption trainings for 98.7% of employees. All participants achieved a score of 80% and above in the assessments for these programmes

### **UPHOLD GOOD GOVERNANCE (CONT'D)**

### SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to proactively identify and address emerging challenges to our business, ensure all risks are well mitigated, continue our commitment towards upholding good ethics and corporate governance, comply with all best practices, and safeguard the interests of all employees and stakeholders.

### LONG-TERM PRIORITIES

To further improve operational and sustainability standards by developing strategies, adopting best practices, and meeting global standards that will allow MRCB to compete with the very best internationally.

### **DEVELOP A SKILLED** WORKFORCE

### **Key Action Plan**

To produce performancedriven employees aligned with the Group's purpose and strategic objectives that continuously strive to exceed our financial and nonfinancial targets, while being responsive to the external environment and customer demands.

### **Key Indicators**

- Number of staff trained · Average training hours per employee
- sustainability, attended by 747 employees. Continued Individual Learning and Development Plans for high-performing talents, aimed at narrowing skills gaps to equip future leaders as part of the Group's Succession Planning process.

- matter experts
- Conduct internal capacity building on sustainability, and anti-bribery and anti-corruption awareness through training and communication programmes
- 2024 ACHIEVEMENTS
- - Organised Multi-Generational Workforce Workshop for general managers and above to expand awareness and provide training on managing a multi-generational workforce as well as diversity, equity, and inclusion (DEI).
  - Conducted internal briefings on three key projects (LRT3, Sentral Suites, and MBS & Residensi Tujuh) by the respective development directors. Conducted ESG 101 online workshops in English and Bahasa Malaysia to train employees from the executive to manager job grades to understand and appreciate

**INTEGRATED ANNUAL REPORT 2024** 

### **OUR STRATEGIC ROADMAP**

### 2024 ACHIEVEMENTS (CONT'D)

· Engaged with employees from the executive to manager job grades with our ESG 101 online workshops to ensure better understanding on the fundamentals of environmental, social, and governance issues in our organisation.

· Achieved MSCI ESG Rating upgrade to "AA" from "A".

· Initiated gap analysis to assess alignment with IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures) to evaluate our existing governance, risk management, and reporting frameworks against the disclosure requirements set by the International Sustainability Standards Board (ISSB). This initiative will enable MRCB to enhance sustainability governance, improve disclosure quality, and strengthen investor confidence, positioning the Group for compliance with international reporting expectations.

### **2024 KEY INITIATIVES**

· Encourage knowledge sharing between Management, in-house specialists, and subject-

Continue to improve training and talent development



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### **OUR STRATEGIC ROADMAP**

### **QUALITY PRODUCTS & PEOPLE**

**DEVELOP A SKILLED** WORKFORCE (CONT'D) Conducted a motivational talk by a two-time cancer survivor and body-building champion.

- Conducted a talk on MS1184:2014 Accessibility & Universal Design Training by an architect recommended by the Pertubuhan Akitek Malaysia (PAM) to understand how MRCB's projects can meaningfully promote DEI through thoughtful project designs and community-focused solutions.
- Achieved an average of 27.4 training hours per employee compared to 6.4 hours in 2023. Besides extensive training on health, safety, anti-corruption, and anti-bribery, employees also attended training for specific target groups. These trainings include employability and entrepreneur training for GEP proteges, leadership development for employees in the succession planning programme, briefings on projects by Project Directors and Development Directors, training in topics linked to DEI, among others.
- Developed a new Learning & Development Framework to spearhead employee development.

### SHORT-TO-MEDIUM-TERM PRIORITIES

We will continue to focus on our talent development and succession planning initiatives, including Individual Development Plans, to build a competent and driven workforce with clearly defined career paths, ensuring our people can grow with the organisation. Our new group-wide Learning & Development Framework will be implemented in early 2025.

### LONG-TERM PRIORITIES

To have a sustainable, dynamic, engaged, and nimble workforce that can adapt to changing environments. We want to ensure a smooth and sustainable business operations while aiming to be recognised as a trusted and preferred employer.







Nor Aini Mohd Arif Senior Engineer - Quality Assurance and Quality Control (MRCB Builders)



### **DELIVERING ON** STRONG GOVERNANCE

**ADDITIONAL** INFORMATION

BUILDING MEANINGFUL CAREERS

"MRCB has empowered me to lead with precision, innovate fearlessly and confidently deliver quality work.,,

∷ Q  $\checkmark$ 



**OVERVIEW OF MRCB** 

**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

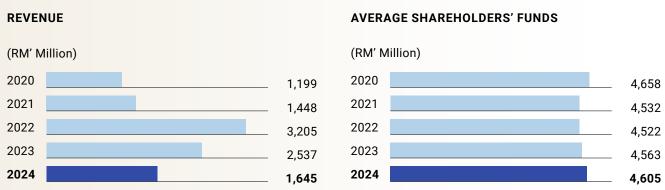
**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

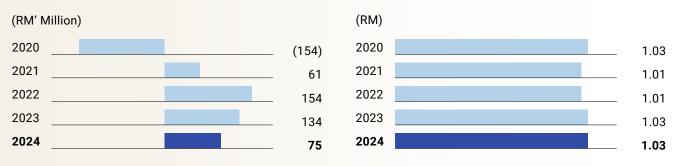
MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Strategies Our Performance

**5-YEAR GROUP FINANCIAL HIGHLIGHTS** 

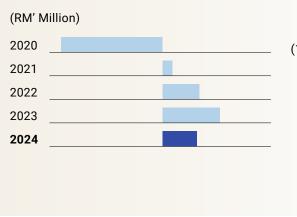
	2020	2021	2022	2023	2024
	(restated)				
FINANCIAL RESULTS (RM' MILLION)					
Revenue	1,199	1,448	3,205	2,537	1,645
Gross Profit	253	180	446	331	270
Profit/(loss) before taxation	(154)	61	154	134	75
Profit/(loss) after taxation	(177)	7	54	101	64
Profit/(loss) attributable to equity holders	(177)	16	65	101	64
FINANCIAL POSITION (RM' MILLION)					
Total cash & bank balances and investment securities	842	680	593	1,072	1,000
Total assets	8,314	9,205	9,229	8,845	9,034
Total borrowings	1,933	1,932	2,057	1,801	2,259
Total net assets	4,551	4,513	4,531	4,594	4,615
Share capital	4,332	4,356	4,356	4,356	4,356
Total equity	4,561	4,540	4,537	4,600	4,620
FINANCIAL RATIOS					
Basic earnings/(loss) per share (sen)	(4.02)	0.36	1.45	2.26	1.43
Return on average shareholders' funds (%)	(4)	0	1	2	1
Return on total net assets (%)	(4)	0	1	2	1
Share price at year end (RM)	0.48	0.36	0.295	0.445	0.525
Price earning ratio (times)	(11.94)	100.00	20.34	19.69	36.71
Dividend per share (sen)	1.00	1.00	1.00	1.00	1.00
Dividend yield (%)	2.1	2.8	3.4	2.2	1.9
Net assets per share attributable to equity holders (RM)	1.03	1.01	1.01	1.03	1.03
Net gearing ratio (times)	0.24	0.28	0.32	0.16	0.27
Market capitalisation (RM' Million)	2,118	1,608	1,318	1,988	2,345
Average shareholders' funds (RM' Million)	4,658	4,532	4,522	4,563	4,605
Weighted average no. of shares (No. of shares' Million)	4,412	4,447	4,468	4,468	4,468
Share capital (No. of shares' Million)	4,412	4,468	4,468	4,468	4,468
BANK BORROWINGS (RM' MILLION)					
Bank borrowings	1,326	523	646	390	848
Sukuk	607	1,409	1,411	1,411	1,411
Total borrowings	1,933	1,932	2,057	1,801	2,259
Less:					
Total cash & bank balances and investment securities	(842)	(680)	(593)	(1,072)	(1,000)
Total net borrowings	1,091	1,252	1,464	729	1,259



### **PROFIT/(LOSS) BEFORE TAXATION**



### PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS



**INTEGRATED ANNUAL REPORT 2024** 

### **5-YEAR GROUP FINANCIAL HIGHLIGHTS**

NET ASSETS PER SHARE

**BASIC EARNINGS/(LOSS) PER SHARE** (Sen) 2020 (177) (4.02) 2021 16 0.36 2022 65 1.45 2023 101 2.26 2024 64 1.43

SECTION 4



**OVERVIEW OF MRCB** 

**FROM OUR LEADERSHIP** 

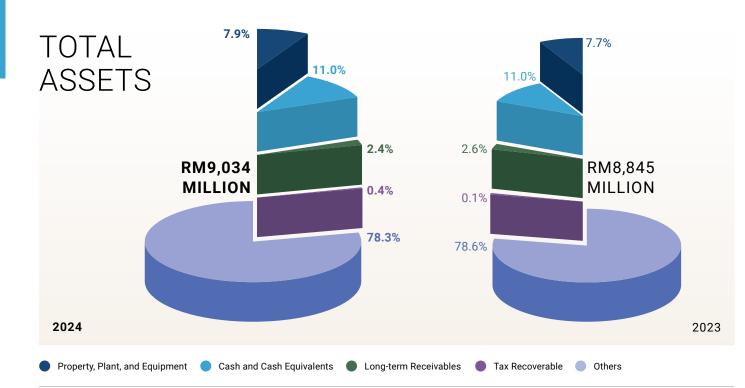
HOW WE CREATE SUSTAINABLE VALUE

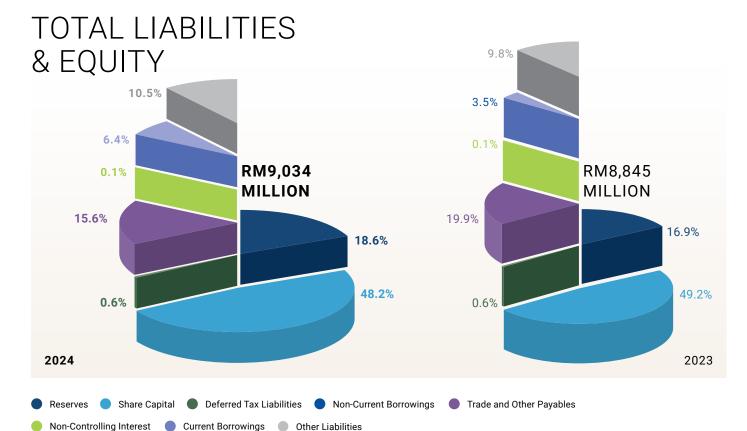
**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Strategies Our Performance

SIMPLIFIED STATEMENT OF **FINANCIAL POSITION** 





# **GROUP SEGMENTAL FINANCIAL** POSITION

RM' MILLION	2020 (restated)	2021	2022	2023	2024
REVENUE					
Property Development & Investment	635	498	915	738	288
Engineering, Construction &					
Environment	515	903	2,234	1,734	1,283
Facilities Management & Parking	43	35	46	51	56
Others	6	12	10	14	18
Total Revenue	1,199	1,448	3,205	2,537	1,645
OPERATING PROFIT/(LOSS) BY SEGMENT**					
Property Development & Investment	63	153	177	149	(18)
Engineering, Construction &					
Environment	(174)	(41)	70	87	167
Facilities Management & Parking	7	(1)	(1)	(2)	9
Others	1	6	(5)	(9)	26
Total Segment Results	(103)	117	241	225	184

\*\* Earnings before interest, tax, and unallocated corporate expenses

**INTEGRATED ANNUAL REPORT 2024** 



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# **GROUP QUARTERLY FINANCIAL POSITION**

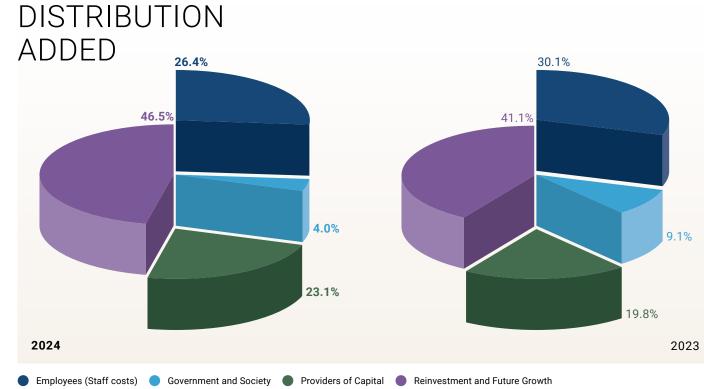
2024 RM' MILLION For the period ended	First Quarter 31/3/2024	Second Quarter 30/6/2024	Third Quarter 30/9/2024	Fourth Quarter 31/12/2024	2024 YTD
Revenue	476	372	426	371	1,645
Profit/(loss) before taxation	19	48	2	6	75
Profit/(loss) after taxation	3	51	9	1	64
Profit/(loss) attributable to equity holders	3	51	9	1	64
Basic earnings/(loss) per share (sen)	0.07	1.15	0.20	0.01	1.43
Dividend per share (sen)	-	-	-	1.00	1.00
Net assets per share attributable to equity holders (RM)	1.03	1.03	1.03	1.03	1.03

2023 RM' MILLION For the period ended	First Quarter 31/3/2023	Second Quarter 30/6/2023	Third Quarter 30/9/2023	Fourth Quarter 31/12/2023	2023 YTD
Revenue	742	599	504	692	2,537
Profit/(loss) before taxation	21	15	19	79	134
Profit/(loss) after taxation	8	11	2	80	101
Profit/(loss) attributable to equity holders	8	11	2	80	101
Basic earnings/(loss) per share (sen)	0.19	0.24	0.03	1.80	2.26
Dividend per share (sen)	-	-	-	1.00	1.00
Net assets per share attributable to equity holders (RM)	1.02	1.01	1.01	1.03	1.03

# **STATEMENT OF VALUE ADDED**

### VALUE ADDED

RM' MILLION	2023	2
Total revenue	2,537	1,
Direct and indirect costs	(2,497)	(1,
Value added from operation	40	
Other operating income	21	
Other gains	150	
Share of results of associates	18	
Share of results of joint ventures	(5)	
Finance income	23	
Total value added	247	



**INTEGRATED ANNUAL REPORT 2024** 

### DISTRIBUTION ADDED

2024
,645
,533)
112
33
1
15
(5)
27
183

RM' THOUSAND	2023	2024
Staff costs	239,607	175,423
Government and Society		
(Corporate Taxation and CSR		
Expenses)	72,293	26,225
Providers of Capital		
Dividends declared	44,675	44,675
Finance costs	112,761	108,817
Non-controlling interest	55	(124
	157,491	153,368
Reinvestment and Future Growth		
Retained earnings, depreciation and amortisation	326,971	308,779
Total value distributed	796,362	663,795



**FROM OUR LEADERSHIP** 

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Delivering On Our Strategies Our Performance

**2024 FINANCIAL CALENDAR** 

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS					
29 FEBUARY 2024	30 MAY 2024	30 AUGUST 20	)24	27 NOVEMBER 2024	
FOURTH QUARTER	FIRST QUARTER	SECONI QUARTE		THIRD QUARTER	
Ended 31 DECEMBER 2023	Ended 31 MARCH 2024	Ended 30 JUNE 2024		Ended 30 SEPTEMBER 2024	
DIVIDEND					
First and Final	ANNOUNCEMENT DATE		EX DATE		
Single Tier Dividend of	29 FEBRUARY 2	2024	30 APR	RIL 2024	
1 SEN					
per Ordinary Share for the	ENTITLEMENT DATE		PAYMENT D	ATE	
Financial Year Ended 31 December 2023	2 MAY 2024		20 MA	( 2024	
ANNUAL GENERAL MEETI	NG				

### MRCB'S

### 53<sup>RD</sup> ANNUAL **GENERAL MEETING**

was held virtually through live streaming from the broadcast venue at KL Sentral Room, Level 30, Menara Allianz Sentral

ΝΟΤΙ	CE DATE	
25	APRIL	2024

MEETING DATE 24 MAY 2024



Sergeant Rostamren Auxiliary Police Sergeant (Stesen Sentral Kuala Lumpur)



### **DELIVERING ON STRONG GOVERNANCE**

**ADDITIONAL** INFORMATION

BUILDING MEANINGFUL CAREERS



At MRCB, I have grown as a capable leader, ensuring safety and overcoming challenges with my team to protect more than 220,000 commuters daily. "



**OVERVIEW OF MRCB** 

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Delivering On Our Strategies Our Performance

# **PROPERTY DEVELOPMENT & INVESTMENT**

# Catalysing **Economic** Growth

### What We Do

**Our Property Development &** Investment (PDI) **Division focuses** on creating transformative urban spaces that prioritise sustainability and innovation. With a focus on transit-oriented developments (TODs) and urban regeneration, we aim to enhance connectivity, drive economic growth, and address the evolving needs of modern communities.



<b>Transforming Urban Spaces</b> Our flagship project, Kuala Lumpur Sentral CBD, is a global benchmark for TOD, which integrates living and working spaces with a transportation hub. This development attracts global corporations as tenants, and highlights the value of well-connected urban environments.
Pre-Selling and Pre-Leasing Expertise We secure long-term leases for bespoke commercial green buildings through effective pre-selling and pre-letting strategies.
Malaysia's Green Building Malaysian C



Key	Hi	nhl	iał	nts





## 2024



Index (GBI)



My**CR**EST

(MyCREST)





**INTEGRATED ANNUAL REPORT 2024** 

### **PROPERTY DEVELOPMENT & INVESTMENT**

Expanding	TOD	Expertise
-----------	-----	-----------

We continue expanding our TOD concept to strategic locations, including the PJ Sentral Garden City, Penang Sentral, and Kwasa Sentral, to enhance urban connectivity.

### Strategic Diversification

We are expanding into industrial and logistics segments, exploring land opportunities beyond Klang Valley and Selangor. By diversifying, we strengthen our international presence and tap into emerging potential climate change adaptation and renewable energy projects.

### International Expansion

We pursue residential and TOD projects overseas, including the VISTA project in Gold Coast, Australia, and The Symphony Centre in Auckland, New Zealand, to diversify and strengthen our expertise and presence in key international markets.

### **Property Investment**

Our property investment activities are mainly conducted through our 27.94% stake in Sentral REIT, contributing to stable income and long-term value.

### **Our Green Building Certifications**

Malaysian Carbon Reduction and **Environmental Sustainability Tool** 

US-based Leadership in **Energy and Environmental** Design (LEED)



Singapore-based Building **Construction Authority** (BCA) Green Mark

**Property Sales RM836.0** MILLION

72% of GDV from TODs



**Unbilled Property Sales** 





Sentral REIT & Sentral **REIT Management Profit** Contribution





**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

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MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Strategies Our Performance

### **PROPERTY DEVELOPMENT & INVESTMENT**

#### **2024 KEY DEVELOPMENTS**

We expanded our property development portfolio by securing a 1,743 sqm parcel of land in Southport, just 3 km from Surfers Paradise, Gold Coast, for AUD7 million in 2024. This acquisition builds on the strong demand for the VISTA residential development in Gold Coast, Australia, and aligns with our diversification and expansion strategy. This desired site comes with unobstructed views of the Southport Broadwater. We plan to transform the Southport site into a 20-storey resort-style apartment complex featuring 192 residential units with a gross development value (GDV) of AUD193 million. The development is designed to capitalise on its strategic location and meet high market demand, and it is targeted for launch in 2025.

The Symphony Centre project in New Zealand progressed with targeted soft launches throughout 2024. In June, a commercial soft launch was conducted through an off-market campaign, where appointed agents approached businesses to gauge interest and gather feedback. This was followed by a residential soft launch in November, held through private appointments at MRCB's newly opened display suite. A public launch is scheduled for the first half of 2025.

In 2024, MRCB acquired Projekmaju Sdn Bhd for RM1 million and secured the development rights for a prime project spanning approximately 26 acres adjacent to PJ Sentral. This strategically located project, with a GDV of RM650 million, aligns with our focus on high-growth urban areas and will contribute to future earnings significantly. This acquisition enhances our land bank in a key strategic location and provides a solid platform for future growth in the Klang Valley.

While we had planned RM3.6 billion worth of property projects for development, our Kuala Lumpur launches have been rescheduled to 2025. This is due to delays caused by stringent new mandatory geotechnical reporting requirements, introduced by the local authority following a climate-related geological incident in the centre of the city. Approvals are anticipated in early 2025, with property contributions expected to strengthen from 2026 onwards as existing development projects mature and these new launches progress.

### **2024 FINANCIAL PERFORMANCE**



In 2024, PDI recorded a decline in revenue and operating loss compared to 2023. This was primarily due to the completion of large development projects, Sentral Suites and TRIA 9 Seputeh, and disposal gains from the sales of Menara CelcomDigi and Plaza Alam Sentral for RM56.8 million and RM93.4 million respectively in 2023. The weaker performance in 2024 was also due to the Group's new property development projects still being in their initial development phases, when there is very minimal revenue to be recognised.

The Division recorded RM836.0 million in property sales in 2024, including RM398.5 million from its VISTA development in Gold Coast, Australia, which continued to see strong demand.

The Group's 27.94% equity-owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd (SRM), contributed a combined profit after tax of RM16.2 million in 2024 compared to RM18.8 million in 2023.

The PDI Division has a strong pipeline of new projects, including the VISTA development in Australia, which has already achieved significant sales. As of the end of 2024, the Division had recorded RM631.3 million in unbilled sales from new projects, which will be recognised progressively over the construction period of the Malaysian projects and on construction completion and financial settlement for the Australian projects, positioning it for future growth.

	Description	GDV	Status as of	Revenue
Development	(acreage/units)	(RM/AUD)	31 December 2024	Contribution
Alstonia Hilltop Homes, Bukit Rahman Putra	4.11 acres (16,646 sqm) 31 Units of Superlink Villa and 214 Units of Condominium Units	RM247.8 million	100% completed	RM29.7 million
Jabil's Production Facility @ CVIA, Perlis	One-storey production facility including warehouse and operation office (100,874 sq. ft.)	RM121.5 million	100% completed	RM1.3 million (Rental)
Residensi Tujuh, Kwasa Sentral	29-storey serviced apartment complex with 573 residential units built on 94 acres	RM384.9 million	22% construction progress	RM4.5 million
Kalista, Bukit Raman Putra	46-units of freehold semi-detached and superlink homes built on 4.52 acres	RM101.6 million	100% completed	RM2.5 million
VIVO 9 Seputeh, Jalan Klang Lama	Residential high-rise development with amenities, built on 7.96 acres with 287 apartment units	RM1,248.3 million	100% completed	RM28.2 million
Sentral Suites, KL Sentral	Commercial high-rise development with amenities, built on 4.6 acres with 1,434 serviced apartment units and 41 retail units	RM1,641.4 million	100% completed	RM94.5 million
TRIA 9 Seputeh, Jalan Klang Lama	Residential high-rise development with amenities, built on 4.57 acres with 734 apartment units	RM939.6 million	100% completed	RM50.0 million
Lilium, Bandar Seri Iskandar	90-units of double-storey landed terrace houses	RM31.9 million	100% completed	RM9.9 million
VISTA, Surfers Paradise, Queensland, Australia	Residential high-rise amenities, 3,100 sqm site with 280 apartment units within 51 storeys	AUD503.6 million	0% completed	N/A

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### **2024 SALES PERFORMANCE**

MRCB's property sales in 2024 were strong, particularly for completed developments such as Sentral Suites, VIVO 9 Seputeh, and TRIA 9 Seputeh. Collectively, we achieved sales totalling RM335.5 million for completed units during the year. These sales were further supported by contributions from our Alstonia development which was completed in December 2024.

In Australia, we sold 59% of all the units available for sale at VISTA, a residential development on the Gold Coast, driven by strong demand, and a phased and progressive pricing strategy. However, due to Australian consumer protection regulations, revenue can only be recognised after construction completion and financial settlement by the purchasers, which means contributions from these sales will occur much later.

**INTEGRATED ANNUAL REPORT 2024** 

### **PROPERTY DEVELOPMENT & INVESTMENT**



**PROPERTY DEVELOPMENT & INVESTMENT** 

**OVERVIEW OF MRCB** 

**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

Breakdown of

Sales in 2024\*\*

(RM' Million)

101.0 21.7 0.0 39.9 0.0 128.0 12.7

0.0

10.0 22.2

398.5 102.0

836.0

**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD

Delivering On Our Strategies Our Performance

Sales Achieved in 2024 © 0.6% YoY	Project	Total GDV (RM' Million)	% Sales GDV Achieved as of 31 Dec 2024*
	Completed Projects		
	Sentral Suites – Residential	1,535	96%
	Sentral Suites – Commercial	107	86%
	Kalista, Bukit Rahman Putra	102	93%
40%	VIVO, 9S – Residential	982	94%
	VIVO, 9S – Commercial	266	87%
RM836.0 million	TRIA, 9S	940	94%
	St. Regis	165	79%
60%	1060 Carnegie - Commercial	29	56%
	Lilium, SIDEC	32	100%
	Alstonia, Bukit Rahman Putra	248	71%
	Ongoing Projects		
<ul> <li>Completed Projects</li> <li>- RM335.5 million</li> </ul>	VISTA, Gold Coast	1,511	41%
<ul> <li>Ongoing Projects</li> </ul>	Residensi Tujuh, Kwasa Sentral	385	26%
- RM500.5 million	TOTAL	6,303	

Note: \* % Sales Achieved refers to the total value of SPAs signed and stamped from the projects' launch up until the reporting period as a percentage of the project's total gross GDV and is adjusted for SPAs that have been terminated by purchasers

\*\* Sales refers to the total value of SPAs signed and stamped

### Unbilled Sales From Ongoing Projects

97%

VISTA, Gold Coast

Residensi Tujuh

MRCB's unbilled sales as of the end of 2024 totalled RM631.3 million. Unbilled sales represent signed and stamped purchase agreements that are pending revenue recognition, which will be recognised progressively in tandem with construction progress. They include completed and unsold units in Malaysia, as well as properties that are still under development in Malaysia and Australia.

Unbilled Ongoing	Sales From Projects	Project	Construction Progress (%)	Revenue Recognised in 2024* (RM' Million)	Unbilled Sales** (RM' Million)
		<b>Residential Projects</b>			
		Alstonia, Bukit Rahman Putra	100%	134.0	0.0
	1631.3	Residensi Tujuh, Kwasa Sentral	22%	4.8	19.1
m	nillion	VISTA, Gold Coast	N/A	-	612.2
		TOTAL		138.7	631.3

Note:

Revenue Recognised refers to the value of properties that have been sold to buyers, which has already been recognised as revenue as the properties get constructed

\*\* Unbilled Sales refers to sales that are yet to be recognised progressively as revenue

### LAND BANK

At the end of 2024, MRCB held a substantial land bank of 1,163 acres with an estimated GDV of RM38 billion. Our land bank portfolio is expected to drive the PDI Division's revenue for the next 10 years.

	Land Size	GDV			Completion
	Acres	(RM' Million)	% Stake	Start Date	Date
Transit Oriented Developments					
KL Sentral (Lot F & Lot R)	6.08	4,154	100%	2025	2028
PJ Sentral Garden City	11.91	3,291	100%	2013	2026
Penang Sentral	22.65	2,689	100%	2015	2027
Cyberjaya City Centre	43.99	5,006	70%	TBD	TBD
Kwasa Sentral	64.30	10,851	70%	2018	2030
The Symphony Centre,	1.00	1,130	100%	2025	2028
New Zealand (NZD452 million)					
Total	149.93	27,121			
Commercial Developments					
Pulai Land, Johor	67.52	770	100%	TBD	TBD
Total	67.52	770			
Residential Developments					
9 Seputeh	17.63	2,522	100%	2014	2030
Bukit Rahman Putra	13.18	637	100%	2016	2024
Bandar Sri Iskandar (Phase 2D)	58.84	227	100%	2020	2031
VISTA, Gold Coast (AUD504 million)	0.77	1,511	100%	2024	2028
MARIS, Southport (AUD193 million)	0.43	533	100%	TBD	TBD
Total	90.85	5,430			
Industrial Developments					
Ipoh Raya Integrated Park, Perak	822.07	984	100%	TBD	TBD
Total	822.07	984			
Others					
Bledisloe House, Auckland, New Zealand (NZD137 million)	0.73	343	100%	TBD	TBD
Metro Spectacular Land, Jalan Putra	10.06	2,325	100%	TBD	TBD
Muara Tuang Land, Samarahan	22.07	871	100%	TBD	TBD
Total	32.86	3,539			
Grand Total	1,163.23	37,844			

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### **PROPERTY DEVELOPMENT & INVESTMENT**



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## **PROPERTY DEVELOPMENT & INVESTMENT**

### **ENSURING QUALITY**

### QLASSIC Standards

We are committed to delivering buildings that meet the highest standards of quality. To achieve this, we follow the QLASSIC (Quality Assessment System in Construction) for property standard, ensuring that all our completed developments meet or exceed industry benchmarks for quality of finished products.

QLASSIC evaluates the final product's aesthetic and functional quality, focusing on aspects such as flooring, walls, ceilings, and built-in elements. We implement a strict quality control process throughout the project to ensure every detail aligns with the design specifications and meets high standards.

Project Sites	Category	2024
Alstonia, Bukit Rahman Putra	Residential	83%
Jabil's Production Facility @ CVIA, Perlis	Industrial	78%

### PDI PERFORMANCE DRIVEN BY MRCB'S KEY STRATEGIES AND INITIATIVES IN 2024

STRENGTHEN CO	RE FOR SUSTAINABLE RETURNS
Key Action Plan: Ensure Stea	ady Pipeline of Projects
Key Initiatives	Outcomes
Targeted sales campaigns	Achieved total property sales of RM836.0 million
Preparing new launches	<ul> <li>Preparing to launch projects with a total GDV of RM3.9 billion, adapted to market conditions while prioritising compliance with regulations</li> </ul>
Land bank expansion	<ul> <li>Acquired a 1,743 sqm parcel of land in Southport, Gold Coast, Queensland, Australia, for AUD7 million</li> <li>Acquired Projekmaju Sdn Bhd for RM1 million and secured development rights for a 25.5 acres prime project adjacent to PJ Sentral</li> </ul>



### **DIVERSIFICATION & OPERATIONAL EXPANSION**

Key Action Plan: Geographical Expansion and Enter into New Markets

Key Initiatives	Outcomes
Expand presence in	<ul> <li>Acquired a parcel of land in Southport, Gold Coast, for a new residential development with a GDV of</li></ul>
international markets	AUD193 million, targeted for launch in early 2025

TECHNOLOGY AD	OPTION & INNOVATIO
Key Action Plan: Achieve Lea	n & Efficient Operations ar
Key Initiatives	Outcomes
Application of modular construction technology, MRCB Building System (MBS)	<ul> <li>Pioneered the first resid Residensi Tujuh develop</li> <li>Licensed MBS to compa</li> </ul>
Adopt new sales and contract status tracking and Customer Relationship Management (CRM) systems for use in international markets	Deployed the CRM syste consolidated all-in-one-lo
Implement Enterprise Resource Planning (ERP) system to digitise and automate processes	<ul> <li>Improved transaction eff</li> <li>Achieved leaner, more co</li> </ul>
Digital transformation across Business Units	<ul> <li>Improved operational eff</li> <li>Implemented a new clomanaging projects from</li> <li>Provided insightful sales</li> <li>Facilitated systematic in defects through Defect M</li> </ul>

### QUALITY PRODUCTS AND PEOPLE

Key Action Plan: Uphold Good Governance and Develo		
Key Initiatives	Outcomes	
Implement a Sustainable Design Policy	<ul> <li>Established a structured of environmentally response with sustainability stand</li> </ul>	
Achieve targeted QLASSIC Standards to ensure product quality	<ul> <li>Surpassed set targets with a set of target of targets with a set of target of targe</li></ul>	
Safety and Health Assessment System in Construction (SHASSIC)	Achieved 5 Star rating, 9	
Safe and timely delivery of key projects	Completed Lilium, Banda	
Developed procurement Policies and Guidelines specifically for the International Business Unit (IBU)	<ul> <li>Ensured policies and gu that promote practicality</li> </ul>	

**INTEGRATED ANNUAL REPORT 2024** 

### **PROPERTY DEVELOPMENT & INVESTMENT**

### ON

nd Leverage on MRCB Building Systems (MBS)

dential property in Malaysia to utilise MBS construction technology in MRCB's

anies in Hong Kong and Singapore, and patented in 49 countries

em across Australia and New Zealand projects for consistent, up-to-date, and ocation source of data and report generation

ficiency across Procurement, Property and Leading, and Financial modules ost-efficient operations, streamlined workflows, and enhanced productivity

ficiency, reduced paperwork, and streamlined processes oud-based construction management platform that improved collaboration in design to completion s experience with a new CRM system

identification, documentation, tracking, and resolution of property issues, and

Management System

### o a Skilled Workforce

d policy for all developments to integrate sustainable practices, ensuring the use onsible materials, adoption of innovative construction methods, and compliance dards

which were 80% for residential and 70% for industrial. Achieved:

dential)

cility at the Chuping Valley Industrial Area (CVIA) in Perlis – 78% (industrial)

97.1% score for Kwasa Utama C8 (Plot 2)

ar Seri Iskandar on time and abided by Health and Safety standards

uidelines are adaptable to international jurisdictional regulations and practices y, efficiency, and strong governance



**PROPERTY DEVELOPMENT & INVESTMENT** 

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### **RISKS AND MITIGATION EFFORTS**

Risk	Mitigation Efforts	Results
Additional authority approval requirements	<ul> <li>Engaging specialist consultants for required reports and drawings (e.g. geotechnical, geological)</li> </ul>	Ensured compliance with new regulatory requirements for property developments
Escalating construction costs, and challenges in securing main contractors and sub-contractors due to high demand	<ul> <li>Engaging Tier 1 builders in Queensland via Early Contractor Involvement (ECI) to secure reliable pricing</li> <li>Mitigating contract risks through meticulous review and negotiation</li> </ul>	<ul> <li>Secured Tier 1 builder commitment and reliable pricing for the VISTA project</li> <li>Secured fair and balanced contracts with appropriate risk mitigation</li> </ul>
Investment risk amid escalating construction costs and uncertain revenue projections in Australia	<ul> <li>Strengthening due diligence processes and feasibility assessment for new projects in Australia</li> <li>Developing in-house expertise for project feasibility evaluation</li> </ul>	<ul> <li>Enhanced accuracy in project feasibility assessments enabled confident investment decisions, such as the acquisition of land at Southport, Queensland</li> </ul>
Potential project delays due to lengthy approval processes in Australia and New Zealand	<ul> <li>Engaging specialist consultants familiar with the Foreign Investment Review Board (FIRB) requirements to expedite foreign investment and development approvals</li> </ul>	<ul> <li>Successfully obtained foreign investment and development approvals for key projects, which include</li> <li>MARIS, Southport (Australia)</li> <li>The Symphony Centre (New Zealand)</li> </ul>
Potential sales impact from construction delays	<ul> <li>Maintaining buyer confidence through clear communication and targeted marketing</li> </ul>	<ul> <li>Maintained sales momentum through effective communication with agents and a targeted marketing approach, leading to:</li> <li>VISTA sales of RM398.5 million in 2024</li> </ul>

### **OUTLOOK AND PROSPECTS**

The PDI Division is poised for steady growth, supported by a robust pipeline of ongoing and upcoming projects, a diversified land bank, and innovative construction methods. With RM3.9 billion in new property launches planned for 2025, subject to approvals, the Division is well-positioned to deliver sustained returns. Efforts to monetise completed units and expand into new markets, both locally and internationally, further strengthen its performance potential. The application of modular construction technology in Residensi Tujuh underscores MRCB's commitment to sustainable and efficient practices.

### **Steady Pipeline of Ongoing and Upcoming Projects**

RM1.5 billion in New Zealand.

### **Property Projects** in the Pipeline

(\$)

### **RM5.8** BILLION GDV

VISTA, Surfer's Paradise, (AUD504 million) Kwasa Sentral Plot F (Re Total 2023

2023 Launches

2025 Launches

**RM3.9** 

GDV

**BILLION** 

Adonis, SIDEC Total 2024

2024 Launches

### 2025 Launches

The Symphony Centre, A (NZD452 million) Lot R (Kolektif), KL Sentra Bledisloe House, Aucklar (NZD137 million) MARIS, 20 Queen Street, (AUD193 million) Phase 1A and 1B, Bukit Parcel A, 9 Seputeh Tower 5, PJ Sentral Total 2025

**INTEGRATED ANNUAL REPORT 2024** 

### **PROPERTY DEVELOPMENT & INVESTMENT**

Strong pipeline of new projects and ongoing revenue from existing developments. RM3.9 billion in new property launches are planned for 2025, pending planning approvals, with RM1.9 billion in Malaysia, RM0.5 billion in Australia, and

	GDV (RM' Million)	Units
, Gold Coast	1,511	280
esidensi Tujuh)	385	573
	1,896	853

GDV (RM 'Million)	Units
32	110
32	110

	GDV (RM' Million)	Units
uckland	1,130	78
ral CBD	205	494
nd City Centre	343	En Bloc
, Southport	533	192
Jalil Sentral	808	1,124
	417	483
	482	Office Building
	3,918	2,371



**PROPERTY DEVELOPMENT & INVESTMENT** 

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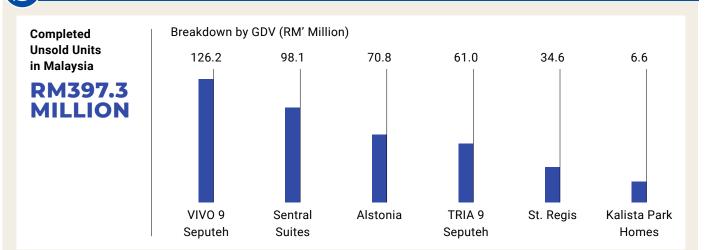
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### **Steady Pipeline of Ongoing and Upcoming Projects**

- Key ongoing projects, including VISTA in Australia and Residensi Tujuh, are expected to continue to drive sales and strengthen the Division's performance.
- The Division's substantial land bank, spanning 1,163 acres with a GDV of RM38 billion, provides a strong foundation for sustainable long-term growth.
- Upcoming overseas launches planned for 2025:
- MARIS, a 192-unit resort-style apartment development in Southport, Gold Coast, Australia with a GDV of AUD193 million (~RM533 million).
- The Symphony Centre transit-oriented development in Auckland, New Zealand, with a GDV of NZD452 million (~RM1,130 million).
- Bledisloe House, refurbishment of a heritage building in Auckland, New Zealand, with a GDV of NZD137 million (~RM343 million).

### **Monetising Completed Units**



Monetising our inventory of unsold completed units valued at RM397.3 million as of 31 December 2024.

· Revenue from sales of completed units are recognised upon the completion of the sales and purchase agreements process and full financial settlement by purchasers.

### Leveraging Sustainable Construction Methods

construction methods.

Reduced environmental impact	Enhanced quality control	Improved efficiency
Lower GHG emissions and waste	Greater precision and quality in the	Faster construction timelines and
generation	construction process	improved project efficiency

### **Commitment to Industry-Wide Sustainability**

### **Expanding Our Footprint**

As part of our long-term growth plan, MRCB is actively expanding its presence both locally and internationally, diversifying our portfolio and unlocking new opportunities for sustainable development. Our efforts include:

- in Bandar Seri Iskandar, Perak.
- high-demand location.
- optimal financing terms to support sustainable growth in overseas ventures.

**INTEGRATED ANNUAL REPORT 2024** 

### **PROPERTY DEVELOPMENT & INVESTMENT**

Residensi Tujuh in Kwasa Sentral is the first residential development in Malaysia to utilise MRCB's Modular Building System (MBS), showcasing innovative modular construction technology and highlighting the benefits of sustainable

 Continue efforts to promote wider adoption of MBS across our developments and throughout the construction industry. · Following the implementation of the Sustainable Design Policy, MRCB will continue integrating environmentally responsible materials, adopting innovative methods, and ensuring all projects comply with sustainability standards.

• Diversifying our land bank into new regions in Malaysia and reduce reliance on the Klang Valley and Selangor. Continuing our efforts to extend the MRCB brand beyond central Malaysia, as reflected by our entry into the Industrial and Logistics sectors in Perak and Perlis, and the recently completed residential projects Alstonia in Bukit Rahman Putra, and Lilium

Obtaining new development opportunities through the acquisition of Projekmaju Sdn Bhd and securing development rights for a 25.5 acres parcel of land in Jalan Sultan, Petaling Jaya. This provides significant growth prospects with Phase 2 of the PJ Sentral Development with a GDV of RM650 million. We expect the acquisition to positively impact the Group's future earnings and cash flow, driven by its strategic location and the development potential of the project land. Strengthening our international presence with the acquisition of a desirable site in Southport, Gold Coast, Australia, some 3 km from the successful VISTA development, paving the way for a resort-style apartment complex in a

Expanding in New Zealand with the upcoming launch of The Symphony Centre and redevelopment of the Bledisloe House in Auckland, New Zealand, offering opportunities to strengthen MRCB's presence in key international markets. • Greater availability of external funding options for international projects, which includes financing from Australian and New Zealand banks, Malaysian banks, private financiers, and mezzanine financiers, enhancing MRCB's ability to secure



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MALAYSIAN RESOURCES CORPORATION BERHAD

# **ENGINEERING, CONSTRUCTION & ENVIRONMENT**

# **Driving A Sustainable Future**

### What We Do

Our Engineering, **Construction & Environment (ECE)** Division is a leading construction company in Malaysia. With a strong track record in delivering large complex projects, ECE has played a key role in constructing essential infrastructure, including rail and road networks, stadiums, and power transmission projects. The Division also specialises in environment and climate change adaptation projects such as flood mitigation.





### **Delivering National Infrastructure**

We have been instrumental in constructing esser infrastructure projects, including the Light Rail Tra (LRT), as well as major highways such as the Su Besi-Ulu Kelang Elevated Expressway (SUKE) and Damansara-Shah Alam Elevated Expressway (DA

### **Climate Change Adaptation Projects**

We have specialist knowledge in climate change adaptation projects, including river rehabilitation, co erosion control, and flood mitigation. These proje require technical precision and targeted solution manage natural challenges effectively.

Quality Management Systems ISO 9001:2015

# **Key Highlights 2024**





**INTEGRATED ANNUAL REPORT 2024** 

### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**

	Building Complex Facilities
ential ransit Ingai d the ASH).	We have extensive expertise in delivering complex projects, such as stadiums and arenas. A standout achievement includes the refurbishment of the Kuala Lumpur Sports City and the iconic National Stadium in Bukit Jalil, earning international recognition and awards
	for innovation and excellence.
5	Power Infrastructure
ge coastal jects ns to	We have specialised expertise in constructing high-voltage power transmission systems, ensuring reliable energy distribution to support Malaysia's growing population and economies.

### International Standards



Environmental Management Systems ISO 14001:2015



Occupational Health & Safety ISO 45001:2018





% Of Infrastructure Projects In **External Client Order Book** 







Construction Unbilled Order Book\*\*





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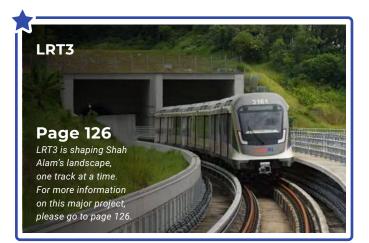
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### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**

### **2024 KEY DEVELOPMENTS**

The RM11.4 billion Light Rail Transit 3 (LRT3) project advanced steadily and reached 98.2% physical completion and 95.8% financial completion as of 31 December 2024. This includes achieving 94.9% completion on systems works and 99.6% completion on all civil works, bringing the project closer to completion. The project also incorporated several innovative engineering solutions to enhance efficiency and minimise disruption to surrounding communities.



The Muara Sungai Pahang Phase 3 flood mitigation project also continued on track, with 58.5% physical construction and 53.9% financial completion recorded by the end of the financial year, 3.5% ahead of schedule. This climate change adaptation infrastructure initiative aims to mitigate flood risks in the region by enhancing the river's natural flow, reducing sediment build-up, and improving water quality.



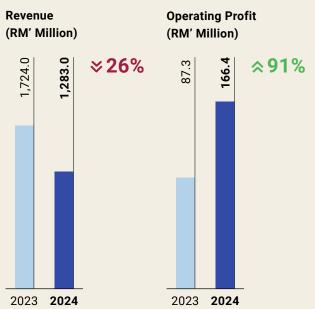
Projects Awarded in 2024	Contract Value	Project Timeline
Sungai Langat	RM250	Commence:
Phase 2:	million	January 2024
Flood mitigation		Targeted Completion:
Project		6 years

MRCB commenced work on two other key projects in 2024, namely the Sungai Langat Phase 2 flood mitigation project, valued at RM250 million, and the demolition works for the Shah Alam Stadium, valued at RM35 million.

While new mega infrastructure projects remained on hold in 2024, we maintained strong momentum through our ongoing developments. These projects include the construction of Residensi Tujuh using our modular MRCB Building System (MBS), Kwasa Utama C8, and the construction of the Malaysian National Film Development Board's (FINAS) headquarters, which continue to drive progress and revenue stability.

A recent positive development was the reinstatement of five previously cancelled stations and other related infrastructure and systems works for the LRT3 project. This added RM2.47 billion to our order book and reaffirmed the project's importance in enhancing Malaysia's transportation network.

### 2024 FINANCIAL PERFORMANCE



The ECE Division contributed 78% to the Group's overall revenue. In 2024, ECE led MRCB's financial performance with a healthy 91% increase in Operating Profit despite a reduction in revenue for the year.

The Division's revenue was largely contributed by the RM11.4 billion LRT3 project and the RM380 million Muara Sungai Pahang Phase 3 flood mitigation project, which achieved 95.8% and 53.9% financial progress, respectively. Future growth for the Division will be driven by the RM2.47 billion contract to construct five reinstated stations and other related infrastructure and systems works for the LRT3 project, and other significant pending project awards that are still under negotiation, such as the redevelopments of the Shah Alam Stadium and Kuala Lumpur Sentral Station.

### **ACTIVE PROJECTS AND TENDER BOOK STATUS**

### **2024 CONSTRUCTION ORDER BOOK**

MRCB's Construction Order Book at the end of December 2024 stood at RM26.1 billion, reflecting the Group's robust pipeline of ongoing projects across multiple sectors. This includes RM14.7 billion in unbilled contracts, ensuring sustained revenue in the coming years.

Projects	Contract Value (RM' Million)	Financia Progres End 2024
Buildings		
FINAS	220	619
Shah Alam Stadium – Demolition works	35	479
Infrastructure		
LRT3	11,432	969
Transit Oriented Development (TOD) projects		
Bukit Jalil Sentral (provisional contract costs)	10,116	09
Kwasa Utama C8 (provisional TCC)	2,414	0%
Environment		
Muara Sungai Pahang Phase 3	380	549
Sungai Langat Phase 2	250	69
Fee-based orders		
Kwasa Utama C8 - management contract	177	
Kwasa Land - PDP Infra	175	
Bukit Jalil Sentral - management contract	841	
Semarak City Phase 1 - management contract	27	
TOTAL	26,067	



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### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**



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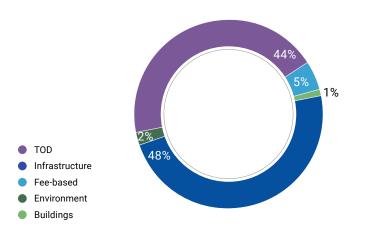
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### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**

The Division's project mix is led by Transit-Oriented Development (TOD) projects, including Bukit Jalil Sentral and Kwasa Utama C8, followed closely by major infrastructure projects such as the LRT3. The Environment and climate change adaptation portfolio is also gaining momentum with the ongoing Muara Sungai Pahang Phase 3 flood mitigation project and the recently awarded Sungai Langat Phase 2 project. Together with the fee-based and building development portfolios, these projects highlight MRCB's diverse capabilities.



### **PROJECT PORTFOLIO**

We maintain a healthy project portfolio with awarded contracts, ongoing project negotiations, and active tenders and prequalifications as follows:

Projects Awarded in 2024 RM250 MILLION	<ul><li>Project Name</li><li>Sungai Langat, Phase 2</li><li>Flood mitigation project</li></ul>		Contract ValueProject TimelineRM250 millionStart: Jan 2024 Target completion: 6 years		
Projects Awarded YTD 2025 RM2.5 BILLION	<ul> <li>Project Name</li> <li>Construction of five L Stations and other rel infrastructure</li> </ul>		Projects Under Negotiation <b>RM3.0</b> <b>BILLION</b>	<ul> <li>Project Name</li> <li>Redevelopment of Stadium Shah Alam</li> <li>Redevelopment of KL Sentral Station</li> </ul>	
Current Tender Book RM1.6 BILLION	Pre-Q Tenders <b>RM1.0</b> BILLION	Projects <ul> <li>Airports, flo</li> </ul>	ood mitigation, and wa	ater infrastructure projects	

### **COMMITMENT TO SAFETY AND QUALITY**

SHASSIC 5-STAR SAFETY RATING

The Construction Industry Development Board (CIDB) awarded MRCB with the Safety and Health Assessment System in Construction (SHASSIC) 5-star rating for our Kwasa Utama transit-oriented development. The SHASSIC 5-star rating is a recognised benchmark in construction safety, reflecting our efforts to ensure robust safety and health management systems are implemented at our worksites.

### **QLASSIC STANDARDS**

We prioritise quality to ensure the longevity, safety, and customer satisfaction of our projects. MRCB adheres to the Construction Industry Development Board's (CIDB) Quality Assessment System in Construction (QLASSIC), a standardised system that evaluates the workmanship quality of building projects based on the Construction Industry Standard (CIS 7:2006). The system uses site inspections to ensure compliance with quality benchmarks, promoting the philosophy of 'Do Things Right the First Time'. MRCB aims for a QLASSIC score between 70-75%, with 70% recognised as a credible benchmark. In 2024, MRCB exceeded these targets in both residential and industrial categories.

Project Sites	Category	2024
Alstonia, Bukit Rahman Putra	Residential	83%
Jabil's Production Facility at the Chuping Valley Industrial Area (CVIA), Perlis	Industrial	78%

### ECE PERFORMANCE DRIVEN BY MRCB'S KEY STRATEGIES AND INITIATIVES IN 2024

<b>STRENGTHEN CO</b>	RE FOR SUSTAINABL
Key Action Plan: Ensure Stea	dy Pipeline of Projects
Key Initiatives	Outcomes
Projects under negotiation	<ul><li>RM3 billion worth of pro</li><li>Redevelopment of SH</li><li>Redevelopment of KI</li></ul>
Current tenders for new infrastructure projects	<ul><li>RM1.6 billion in prospect</li><li>Bidding for the Penal</li><li>Submitting proposal</li></ul>
	I & OPERATIONAL EX

Key Action Plan: Geographical Expansion and Enter into				
Outcomes				
<ul> <li>Secured Sungai Lang.</li> <li>Recorded steady wormitigation project wit</li> </ul>				
Submitted tenders for areas of operation				



**INTEGRATED ANNUAL REPORT 2024** 

### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**

### LE RETURNS

- rojects under negotiation for: Shah Alam Stadium **KL Sentral Station**
- ective tenders, including: ang Airport expansion
- Is for upgrading works at Tawau Airport

### (PANSION

o New Markets

at, Phase 2 flood mitigation project worth RM250 million rk progress on RM380 million Muara Sungai Pahang Phase 3 flood th 58.5% physical construction as of the end of 2024

or projects in East Malaysia, expanding beyond MRCB's traditional



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HOW WE CREATE SUSTAINABLE VALUE

**DELIVERING ON OUR STRATEGIES** 

**DELIVERING ON OUR** SUSTAINABLE VALUE

MALAYSIAN RESOURCES CORPORATION BERHAD

Delivering On Our Strategies Our Performance

### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**

### **TECHNOLOGY ADOPTION & INNOVATION**

### Key Action Plan: Achieve Lean & Efficient Operations and Leverage on MRCB Building Systems (MBS)

Key Initiatives	Outcomes
Application of modular construction technology, MRCB Building System (MBS)	<ul> <li>Introduced MBS construction technology in Residensi Tujuh, making it the first residential property in Malaysia to utilise this method</li> <li>Licensed MBS to companies in Hong Kong and Singapore, and secured patents in 49 countries</li> </ul>
Deploy Enterprise Resource Planning (ERP) system for automation and digitalisation	<ul> <li>Optimised operations, enhanced cost efficiency, and streamlined workflows, improving transaction efficiency across Procurement, Construction, and Financial modules</li> <li>Fully implemented and activated all ERP modules enterprise-wide</li> </ul>
Digitalising Operations for enhanced efficiency	<ul> <li>Enhanced operational efficiency, minimised paperwork, and optimised processes</li> <li>Introduced the Autodesk Cloud Construction management platform to improve collaboration and streamline project management from design to completion</li> </ul>

### QUALITY PRODUCTS AND PEOPLE

Key Action Plan: Uphold Good Governance and Develop a Skilled Workforce				
Key Initiatives	Outcomes			
Adhere to global quality standards and safety benchmarks	<ul> <li>Maintained certifications in ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, and ISO 45001:2018 for Occupational Health and Safety</li> </ul>			
Ensure high safety standards	<ul> <li>Promoted essential safety practices throughout all stages of construction at our project sites</li> <li>Recorded zero lost time injury for the LRT3, Muara Sungai Pahang, and Kwasa Utama C8 projects</li> <li>Received a SHASSIC 5-star rating for safety standards employed in construction for our Kwasa Utama C8 (Plot 2) development</li> </ul>			

### **RISKS AND MITIGATION EFFORTS**

Risk	Mitigation Efforts	Results
Delays in new project tenders and awards, such as the MRT3, impacts the replenishment of order book	<ul> <li>Diversifying project focus by targeting other infrastructure and environmental projects to have a stable balance of project mix, which includes sustainable stadiums, and climate change adaptation projects such as flood mitigation, water, clean energy, renewable energy, and large- scale solar projects</li> <li>Broaden focus across Malaysia, including East Malaysia</li> </ul>	<ul> <li>Secured new contracts, such as the Sungai Langat Phase 2 flood mitigation project, valued at RM250 million</li> <li>Maintained active tender book with prospective projects in both East and Peninsular Malaysia</li> <li>Secured RM2.47 billion project to construct five stations and other related infrastructure and systems works for LRT3 in early 2025</li> </ul>

Risk	Mitigation Efforts	Results
Intense industry competition	<ul> <li>Leveraging specialised expertise in sustainable stadiums, climate change adaptation and environmental projects, and energy transmission infrastructure construction, targeting high- demand, untapped markets with critical needs for environmental-related and other infrastructure</li> <li>Capitalise on MBS to offer more sustainable, cost effective, and efficient solutions that differentiate MRCB from competitors</li> </ul>	<ul> <li>Grew pipeline of climate change adaptation infrastructure projects such as the RM250 million Sungai Langat Phase 2 flood mitigation project</li> <li>Progressed negotiations for the contract to redevelop Shah Alam Stadium</li> <li>Increased adoption of MBS in projects such as Residensi Tujuh, enhancing efficiency and strengthening MRCB's reputation for innovation</li> </ul>

### **OUTLOOK AND PROSPECTS**

The ECE Division is expected to lead the performance of the Group in 2025 and 2026, supported by a robust order book and strategic infrastructure and climate change adaptation initiatives. With an unbilled construction order book valued at RM14.7 billion, direct negotiations for a further RM3.0 billion of projects, a tender book of RM1.6 billion, and pre-gualifications for a further RM1.0 billion in projects, the Division is well-positioned to capitalise on emerging opportunities in Malaysia's construction sector. The ECE Division's strategic focus on large-scale infrastructure and environmental projects, combined with its strong order book, positions itself to capitalise on Malaysia's projected construction industry growth of 5.6% annually from 2025 to 2028.

### **Major Infrastructure Projects**

### Capitalise on Budget 2025 Focus Areas

- initiatives.
- · Prepare to participate in tenders to expand presence in a growing market.

### **Expand Environment and Climate Change Adaptation Initiatives**

- 2025.
- opportunities in flood mitigation, renewable and clean energy infrastructure, and water projects.

### **Champion ESG and Sustainable Construction**

- construction.

**INTEGRATED ANNUAL REPORT 2024** 

### **ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION**

· A key milestone for the Division was receiving the letter of award for the construction of five reinstated stations and other related infrastructure and systems works for the LRT3 project, with a contract value of RM2.47 billion in early 2025. Other future growth drivers for the Division include the redevelopments of Stadium Shah Alam and Kuala Lumpur Sentral Station, which are currently under negotiation. These projects are expected to provide a steady revenue stream over the medium-term.

Target infrastructure development projects in East Malaysia, including clean energy, transportation, and water supply

 Ongoing flood mitigation projects, including the RM250 million Sungai Langat Phase 2 and the RM380 million Muara Sungai Pahang Phase 3, are progressing well and are expected to contribute more significantly to the Division's revenue in

Build on the success of MRCB's proven expertise in environment and climate change adaptation projects to pursue new

· Integrate sustainable practices, ensuring the use of environmentally responsible materials, adoption of innovative construction methods, and compliance with sustainability standards as guided by MRCB's Sustainable Design Policy. Expand the use of MBS to reduce environmental impact, improve efficiency, and set new benchmarks in sustainable

SECTION 4



OVERVIEW OF MRCB FROM OUR LEADERSHIP HOW WE CREATE SUSTAINABLE VALUE

Tunne

Control

STN11

Alan

Dato' Menteri DELIVERING ON OUR STRATEGIES

3162

UiTM

Shah Alam Shah Alam

Bukit

Raja

Baru

Klang

Pasar

Klang

Raja Muda DELIVERING ON OUR SUSTAINABLE VALUE

### LRT SHAH ALAM LINE:

# TRANSFORMING KLANG VALLEY CONNECTIVITY

Tropicana

**OUICK FACTS** 

Caters to

> 2 MIL

population in the Western

**Corridor of Klang Valley** 

**Designed** for

24.960

passengers per hour per

direction

**SS** 7

LRT K

Idaman

Target Revenue Service Date: 30 September 2025

Bandar BU 11 Utama Kayu (Bandar Ara Utama 11) STN01 STN02 STN03

**MRT KAJANG LINE** 

### Legends:

#	LRT Shah Alam Line Station
---	----------------------------

LRT Shah Alam Line
 Provisional Station

Interchange Station

LRT Kelana Jaya Line Station

# MRT Kajang Line Station

Underground

27	BI	E Lun L	
Glenmarie			
ANA JAYA LINE			

rn Y	<b>86,700</b> anticipated ridership per day in 1st year	20 elevated stations completed	<b>37 KM</b> in length (2km underground)	<60 M at 6 minut	ourney time of INUTES e frequency eak hours
er	<b>126,100</b> anticipated ridership per day by 5 <sup>th</sup> year	<b>5</b> reinstated stations planned for completion by 2028	<b>2,300</b> parking bays at 6 stations	<b>22 X</b> 3-car trains	80 KM/I operational speed



Jalar

Meru

## The LRT3 project, also known as the LRT Shah Alam Line, will connect two million people between Bandar Utama and Klang when it goes live in 2025.

The Line has **two integrated stations**, 'Glenmarie 2' and 'Bandar Utama', linking seamlessly with existing transit lines such as the MRT Sungai Buloh – Kajang line via the Bandar Utama Station and the LRT Kelana Jaya line via the Glenmarie 2 Station, enhancing accessibility and alleviating traffic congestion.

The LRT Shah Alam Line is set to transform daily commutes and has been designed to accommodate up to **24,960 passengers per hour per direction**, making it a highly efficient mode of transport, suitable for accommodating daily commuters in the Klang Valley.

The line prioritises speed and efficiency, boasting a **journey time of under 60 minutes from end to end**. With trains running at six-minute intervals during peak hours and **operating at speeds of 80 km/h**, commuters can expect faster, smoother, and more convenient travel.



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# **A BLEND OF PAST AND PRESENT:** THE AESTHETIC **VISION OF LRT STATIONS**

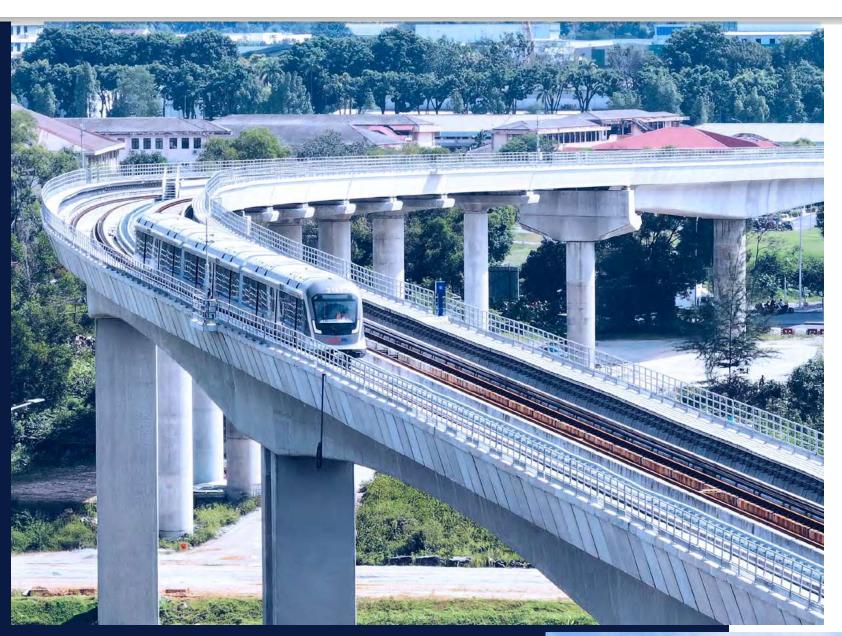
**REPORT 2024** 

The design vision for the LRT Shah Alam Line stations was to create a minimalistic yet modern structure. The aim was to appeal to future generations and encourage them to embrace public transportation as a sustainable mode of commuting.

The station design was inspired by traditional Malay headwear, the Tanjak, which represents a level of prestige, history, and confidence. This incorporation of cultural elements into the design not only paid homage to the country's deep-rooted ethnic traditions but also adds a unique charm to the stations.

Tanjak translates into the two planes disabilities, reflecting our commitment of the metal deck structure that wraps to inclusivity in providing a seamless the elevated stations. Practical yet dynamic, the varied edges do not just create a non-streamline form but also function well in relation to the design's response to climatic needs. With the pitch design, we had left a portion of the centre section open to direct sunlight, representing the open central area of an actual Tanjak, which ensures not only efficient ventilation but also allows natural light to filter in, creating a pleasant and comfortable environment for commuters.

The stations' concept is not just about aesthetics, but also functionality, spanning over two floors and equipped with various amenities. The station is also designed to be fully accessible



The folded and pleated songket of to all users, including individuals with travel experience for all. These features include ramps for wheelchair users, elevators for easy movement between floors, wide doorways for accessibility, and tactile paving to guide visually impaired passengers. Amenities and services provided include accessible toilets, Braille signage and priority seating areas.

> All buildings are designed appropriately to relate them to their surroundings and, where necessary, to stations and other public sections of the LRT system. Architectural finishes and materials for the main public spaces in the stations consider safety, comfort, durability, aesthetics, and long-term maintenance.

Implementing passive building design strategies into the project was a significant step towards creating a more sustainable built environment. These strategies prioritise natural elements such as optimising natural lighting, ventilation, and insulation. They reduce the reliance on energyintensive mechanical systems, offering long-term benefits such as cost savings through reduced energy consumption, lower GHG emissions, and decreased maintenance requirements compared to active systems that rely on complex technologies. Hence, to have a more sustainable built environment and to create a lively and liveable city, the following strategies were implemented:



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### Internal building temperature management



• To allow a comfortable temperature for commuters, a jack roof system was implemented into the design. The system allows hot air to pass out from the internal building for internal temperature management. Roof materials are installed with energy-efficient rock wool insulation to help provide occupants with a more comfortable internal temperature.

### Maximise usage of daylighting

A slim and shallow building massing allows more natural daylight to penetrate the building. This reduces the internal lighting energy usage.

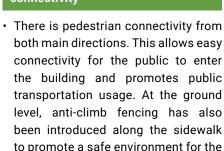
### Façade as weather protection

The general building façade has been slightly cantilevered and tapered to prevent rainwater from entering the station's concourse and platform areas.

03

### Promote pedestrian urban connectivity

building surroundings.



# Water Efficient

· Sanitary fittings for efficient water usage, such as water-saving dualflush toilets and low-flow faucets, are installed.

# Local Materials

· Local building materials selection were prioritised as much as possible to reduce GHG emissions from transportation.





The project also included the construction of the LRT Shah Alam Line's 147-acre Depot, a sprawling complex equivalent to 112 football fields, that will serve as the operational heart of the line. Strategically located in Johan Setia, south of Klang, this state-of-the-art facility houses 18 buildings and facilities, including:

### **ADDITIONAL** INFORMATION





impacting the internal acoustics of the room and vice

versa, allowing comfortable noise levels and easy

communication between operators within the room.

### Heavy & Light Maintenance Building

The Heavy & Light Maintenance Building, a substantial facility encompassing 594,343 square feet, equivalent to approximately 45 standard badminton courts, plays a pivotal role in the Line's operations. This dedicated space facilitates the comprehensive maintenance of trains, ensuring that every component, from wheels and brakes to hydraulics and on-board computer systems, undergo rigorous inspection and testing. The building's capacity enables the maintenance of up to fourteen Light Rail Vehicles (LRVs) simultaneously.

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### **Stabling Yard**

A stabling yard at the depot is a facility where trains are parked when they are not in service, similar to an airport's hangar for aeroplanes. This area acts as a 'home base' and is used for storing trains, typically during offpeak hours or overnight, ensuring that each train is securely stored and ready for its next journey. This facility accommodates six stabling tracks, each capable of storing four LRVs simultaneously.

Beyond just parking the LRVs on the

tracks, the stabling yard may also be

used for minor maintenance tasks, inspections, and cleaning of the train carriages, where minor checks and tune-ups are performed to keep the vehicles in top condition. It is an essential component of a train depot, helping to ensure that trains are properly managed, maintained, and ready for service when needed.

By keeping the trains organised and in optimal condition, the stabling yard plays a vital role in maintaining the punctuality and reliability of the LRT3 service.



### **Train Washing Plant**

The train washing plant functions as a high-powered cleaning station. This plant was designed to handle the thorough cleaning of every train, similar to how a car wash services vehicles. This not only enhances the train's visual appeal for passengers but also promotes safety by removing debris that could obscure potential issues and extend the train's lifespan by preventing corrosion.



**MRCB** celebrated a major milestone in infrastructure development when it successfully excavated the first 2.3-kilometre twin tunnel using advanced **Tunnel Boring** Machines (TBMs) in Shah Alam, Selangor.





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Located between Persiaran Hishamuddin & Persiaran Dato Menteri in Shah Alam, the twin tunnels, each boasting a spacious 5,800 mm inner diameter, wide enough to fit two full-sized cars side-by-side, showcases MRCB's commitment to cutting-edge technology. Each of the 19,632 precast segments that line the tunnels were meticulously designed and placed, ensuring the tunnel's stability and longevity. The construction of these complex tunnels involved a dedicated team of 270 personnel.



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Another first was MRCB's use of innovative U-Trough Girder technology, which allowed construction components to be pre-fabricated, a method known worldwide for being efficient and cost-effective. This was the first project in Malaysia to utilise this groundbreaking technology, which not only puts Malaysia on the global map of infrastructure innovation but also sets a new standard for future railway projects in the country.

This technology features an integrated design with a built-in noise barrier, effectively minimising noise pollution during operation, making it an ideal solution for projects in densely populated areas.

The use of the pre-fabricated U-trough technology also allowed for a quicker installation process. Unlike the traditional Segmental Box Girder (SBG) method, which takes three days to install one span, the U-Trough Girder technology could be installed within a day, reducing constructionrelated disruptions to local communities residing close to the project.

The U-Trough Girder technology was not just a construction method; it's an innovation in infrastructure development, paving the way for more efficient and effective construction projects. The LRT Shah Alam Line project was a testament to this, showcasing how innovative technologies and engineering can transform the way we build our cities.

The implementation of the U-Trough Girder project technology is one of the key initiatives under the Industrial Collaboration Programme (ICP), a government-driven initiative designed to leverage public sector procurement to stimulate local industry growth, technology transfer, and economic development.

This technology exemplifies MRCB's commitment to innovation, sustainability, and efficiency. It has not only enhanced our construction methodologies but also contributed to reducing material waste and accelerating project timelines, solidifying our position as a leader in responsible infrastructure development.

A total of 2,040 units of U-trough girders were cast and installed for the LRT Shah Alam line.



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## LONG-SPAN STRUCTURES FOR EFFICIENT TRANSIT

**REPORT 2024** 

# **FEATURES**



The project's long-span structures, a significant feature of the LRT Shah Alam Line, were strategically designed to optimise the alignment and minimise the number of piers required. The successful completion of 17 long-span structures, varying from 35m to 108m, are seamlessly integrated with U-trough girders employing advanced engineering techniques, ensuring the structural integrity and durability of these longspan structures.

Upon the commencement of operations, a fleet of 22 three-car Light Rail Vehicles (LRVs) will be deployed to serve commuters travelling between Bandar Utama and Johan Setia. Each LRV has air conditioning system that is ozone-friendly, been meticulously assembled at Batu Gajah, Perak, with a length of approximately 60 metres vehicles offer ample passenger capacity, with 102 80 km/h, offers efficient end-to-end journeys in less designated seats and a total carrying capacity of 624 passengers.

system and LED lights that actively conserve brakes, significantly reducing air contamination. when the service commences. The regenerative braking system is another noteworthy feature which converts the dynamic

# LIGHT RAIL VEHICLES (LRV) WITH **CUTTING-EDGE SUSTAINABILITY**

### **Green Technology Features**



Inverter Air Conditioner & Smart Air-Cond System Having Temperature Sensors and Load Sensors for ensuring energy efficiency



Regenerative Braking System & Recycle Power DC to AC System

Excess DC voltage will be inverted to AC and re-injected back into 33kV Network



LED Lights & Smart Interior Lighting System Utilising natural sunlight for energy optimisation

### **Interior Accessibility Features**



Cantilever & longitudinal seats

arrangement

Perch Seat



Wheelchair space in each car

Safety Belt



LED Backlit LCD Panel

> braking effect into electrical energy, reducing energy consumption and enhancing efficiency. Additionally, the LRVs are designed with a smart reducing the impact on the ozone layer.

and a width of 2.7 metres. These state-of-the-art The LRV, capable of reaching a maximum speed of than 60 minutes. Designed for a 30-year service life, these LRVs have undergone meticulous testing and maintenance at the LRT3 Depot in Johan Setia. It has the first of its kind smart interior lighting Each LRV requires approximately two months to assemble and 45 days of rigorous factory testing. energy. The LRVs also use asbestos-free friction A fleet of 19 LRVs will operate simultaneously,

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# **EMPOWERING COMMUNITIES** THROUGH INDUSTRIAL **COLLABORATION PROGRAMME (ICP)**

The Industrial Collaboration Programme (ICP), is a Malaysian government initiative designed to boost national technology development by connecting local companies with government procurement needs. Launched in 2014 by the Ministry of Finance, ICP encourages technology transfer and local technology development and produces local expertise in public projects.

Linked to macroeconomic frameworks such as Malaysia's Vision 2020, Malaysia's Five-Year Development Plans, and the Industrial Masterplan, the ICP is designed to align businesses with the nation's economic goals. To be eligible for the ICP, businesses must meet a set of rigorous criteria. They must offer a unique product or service, conduct a feasibility study to forecast the impact of their product or services, and present an idea that has never been executed in Malaysia before. This ensures that only the most innovative and impactful businesses are selected.

As a leading urban property developer, MRCB has consistently demonstrated its dedication to creating sustainable and liveable environments. This commitment is evident in our involvement through the LRT3 project which we awarded 64 contracts for under the ICP, with a total value of RM20 million, all in the pursuit of excellence and innovation.

Each proposal sent to MRCB went through a meticulous filterisation process before being forwarded to the Technology Depository Agency to be filtered further. As of December 2024, a total of 45 projects have been completed.

A notable project is MRCB's collaboration with MAHSA University to introduce environmentally friendly mosquito control kits to combat the spread of Aedes mosquito and lower the levels of dengue in the community. Unlike traditional methods that rely on harmful pesticides, these kits use environmentally friendly means to control the mosquito population. This reduces the risk of dengue and minimises the impact on the environment.

The kits have been installed in most of the LRT Shah Alam Line project sites, including the Centralised Labour Quarters (CLQs) and nearby residences. This strategic implementation ensures that the kits have the maximum impact in areas where they are most needed

MRCB assisted by providing financial support, ensuring compliance, facilitating stakeholder engagement and monitoring the progress to ensure the project was executed seamlessly.

ICP has also provided opportunities for various institutions, such as The Institute of Engineers Malaysia (IEM) to provide a comprehensive and standardised programme for local graduate engineers. This initiative is designed to facilitate progressive training to help these engineers attain a minimum level of professional competency and orientation.

The programme is not an alternative to existing Pre-Professional Engineer programmes. preparatory training Instead, it serves as a guideline to assist and facilitate graduate engineers in their pursuit of professional interviews for first-tier Professional Engineering qualifications.

### The PROJECT'S **Key Milestones**



of LRV testing on

mainline

2016	2017	2018	
24 August	1 March	April	
Launch of project	Construction of Depot commenced	1 <sup>st</sup> U-girde installatio	
• • • • • • • • • • • • • • • • • • • •	2021		
29 December	25 October	25 Dece	
Tunnel Boring Machine 2 Breakthrough	Tunnel Boring Machine 1 Breakthrough	Deploy Tunne Machi	
2023			
23 January	February	March	
Completion of the viaduct's foundation works (Pier works)	Power Supply to Depot	Comme LRV Tes	
2024		0	
June	December	October	
Commencement	Completion of Long	Power S	

Span Works

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### 2020

**10 February** 

**CIDB 5-Star INFRASTAR** Certification awarded

### ember

wment of el Boring ine 2

### 2 November

**Deployment of** Tunnel Boring Machine 1

### April

encement of esting at Depot

Completion of U-girder Installation

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### 10 May

upply to

Track

Completion of LRV Delivery to Depot

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# **AWARDS & ACHIEVEMENTS**









Safety Av 2020

BRITIER BRITIER COTWIN

Man Banana

1. MSOSH Gold Merit Award 2019 for Excellent Occupational, Safety and Health (OSH) Performance.

5

2. Safety and Health Assessment System in Construction Industry (SHASSIC) 5-star certificate and a score of 96% for meeting CIS 10: 2018 Safety and Health

Assessment System in Construction.

- 3. British Safety Council International Safety Award 2020 for demonstrating a strong commitment to good health and safety management for the year 2019.
- 4. 5-star Sustainable INFRASTAR certification for the design phase of the project in 2020. The LRT3 project is the first rail infrastructure project to receive a 5-star rating for Environmental Sustainability in Malaysia.
- 5. Safety, Health, Environmental & Quality (SHEQ) Day Sustainable INFRASTAR 2022 Award for the LRT3 project (design stage).
- 6. Land Public Transport Agency (APAD) Railway Project Achievement Awards 2024 for safety management commitments and practices on the LRT3 project.



**Atteyah Balgis** Trackworks Manager (LRT3 Project)



### **DELIVERING ON STRONG GOVERNANCE**

**ADDITIONAL** INFORMATION

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BUILDING MEANINGFUL CAREERS

**MRCB** has supported my journey from **Engineer to** Manager, helping me to overcome challenges, refine my skills and continuously grow in the industry. "



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MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Sustainable Value

# **OUR APPROACH TO SUSTAINABILITY**

**Sustainability** as an Integral **Business Principle** 

MRCB embraces a sustainability-first mindset, integrating it seamlessly into our business thinking, decision-making, processes, and project execution. By embedding sustainability into everything we do, we aim to make it an inherent part of our operations.

Our approach to sustainable urban development focuses on designing spaces that connect communities, drive commerce, and promote environmental stewardship. As Malaysia's Transit-Oriented Development (TOD) pioneer, we have set benchmarks with transformative projects such as KL Sentral, which enhance livability and economic vitality. Building on this success, we are replicating the TOD approach in key projects such as PJ Sentral Garden City and Penang Sentral, and The Symphony Centre in Auckland, New Zealand, to transform developments into innovative and sustainable urban developments.



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We leverage cutting-edge technologies such as the MRCB Building System (MBS) to reduce waste, energy use, and GHG emissions. Our ongoing Residensi Tujuh will be Malaysia's first high-rise residential project to utilise our pioneering modular construction technology, MBS.

We also invest in solutions such as District Cooling Systems (DCS) to enhance energy efficiency and lower our GHG emissions. Our DCS plants centralise chilled water production for air conditioning, supplying multiple buildings within a defined area through shared infrastructure. This eliminates the need for separate cooling systems in each building within these areas, resulting in substantial reductions in energy consumption. For example, our DCS plants at KL Sentral, PJ Sentral, Penang Sentral, and Kwasa Damansara deliver reliable and efficient cooling to the buildings located in these developments, achieving energy efficiency compared to each building operating its own separate cooling towers.

We also engage closely with our stakeholders to foster a shared understanding of sustainable development and align our objectives in our quest to achieve net zero emissions. Through multi-stakeholder collaborations, we endeavour to maximise positive social impact while continuously striving for excellence in pursuing a sustainable legacy. Our commitment to creating meaningful places ensures that we are building not just for today, but for a better tomorrow.

MRCB is actively working towards aligning its sustainability reporting with the IFRS Sustainability Disclosure Standards (S1: General Sustainability-related Disclosures and S2: Climate-related Disclosures), encompassing both general and industry-specific requirements, including the Engineering & Construction Services standards and the Home Builders standards. While our current reporting already aligns with a significant portion of the standards, we have established a clear roadmap to progressively enhance our disclosures over the short-,



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**OUR APPROACH TO SUSTAINABILITY** 

#### **MRCB'S SUSTAINABILITY FRAMEWORK**

SETTING THE STANDARD								
SUSTAINABILITY PILLARS								
Prosperity	People	Pe	) ace	Planet	Partneship			
		•	9					
Building Resilient Co	ommunities	s, Strengthening Envi	ironmental Stewardsl	nip, Driving	Sustainable Growth			
Our Sustainability Pillar	s	Embedding ES	G Into Business	С	reating Long-Term Value			
<b>People</b> Foster collaborative relationships and nurture community well-being		Develop green-cer	<b>Building</b> tified buildings and	Aim to sig	<b>Net Zero by 2050</b> Aim to significantly reduce greenhouse gas emissions across our operations			
Planet Champion eco-frien	dly	sustainable TODs that integrate living and working spaces around transportation hubs		Sustainable Procurement Prioritise environmentally responsible and ethical sourcing of materials and services				
stewardship Partnership		Infrastructure Excellence Building world-class infrastructure to improve connectivity		<b>Industry Leadership</b> Set standards in sustainable practises and innovation within the industry				
Cultivative strategic to provide innovativ solutions		Eco-Design Standards		Inclusive Community Development Develop projects that enchance community well-being and inclusivity				
Strive for economic	Prosperity           Strive for economic growth           benefiting all stakeholders		Integrate eco-friendly designs and adopt sustainable construction methods		<b>Eco-Friendly Construction</b> Advance new technologies and methods such as MBS for sustainable construction			
	Uphold integrity and openness in all business		<b>Engagement</b> Delasting partnerships takeholders business practises and job creation		al economies through sustainable			
			9					
		Driven by Our Mate	rial Considerations					
Business Performance and Impact	and	Integrity I Responsibility	Environmental Management		People and Communities			
Responsibility • Ethics &		nce & Compliance Principles (including pery & Anti-Corruption)	<ul> <li>Materials Management</li> <li>Sustainable Construction</li> <li>Waste</li> <li>Climate Transition Risk</li> <li>Physical Climate Risk</li> <li>GHG Emissions</li> <li>Biodiversity</li> </ul>		<ul> <li>Health &amp; Safety</li> <li>Employee Engagement &amp; Well- Being</li> <li>Customer Engagement</li> <li>Diversity &amp; Equal Opportunity</li> <li>Labour Practices</li> <li>Local Community Engagement</li> <li>Human Rights</li> </ul>			

#### **KEY FOCUS AREAS FOR SUSTAINABLE PRACTICES**

MRCB integrates sustainability across its operatio stakehold				
Operational         Excellence	Sustainable Business Practices	F		
Implement eco- efficiency strategies to reduce energy, water, and waste impacts. This includes measuring and minimising our carbon footprint, integrating modular construction technology, and establishing policies.	Focus on sustainable construction, including green buildings and transit-oriented development infrastructure. We also adopt responsible procurement practices by sourcing local materials and meeting sustainability specifications.	Pro sus rob str tra rep we con intu sta FT MS sta		
SUSTAINABLE DEVELOPMENT	Clobal Compact TCFD	T DISCLOSUR		

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# **OUR APPROACH TO SUSTAINABILITY**

ns through targeted focus areas that ensure positive outcomes for ders and the environment.



#### Risk Management and Governance

roactively manage ustainability sks through bust governance ructures. By acking and porting progress, e ensure mpliance with ternational andards such as TSE4Good, TCFD, ISCI, IFRS and GRI andards.

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#### Corporate **Responsibility and Community Impact**

Align corporate responsibility initiatives with the **UN** Sustainable **Development Goals** (SDGs). We explore ways to measure social impact to maximise the value of our initiatives.



### Collaborative Stakeholder Engagement

Engage with diverse stakeholders, including employees, customers, regulators and NGOs. We also strengthen our partnerships with organisations such as UNGC Malaysia & Brunei, CEO Action Network (CAN), and the 30% Club to align our efforts with national and global priorities.





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2018



**OUR SUSTAINABILITY JOURNEY** 

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GRI Street

GOALS Seat

aligned to GRI Standards

Sustainability Report

Alignment to two

UN SDGs

2017

2020

2021 Ĵ;ŧŧ;

- **€** GOALS q SUSTAINABLE DEVELOPMENT GOALS IR 13 CLIMATE ACTION 16 PEACE, JUSTIC AND STRONG INSTITUTIONS TCFD Sustainability Report • Publication of inaugural • Signatory of the Ten · Embarked on Task Force on Principles of the UNGC aligned to GRI Standards Integrated Annual Report **Climate-Related Financial** • Alignment to six more • Member of the UNGC in accordance with the Disclosures UN SDGs, making a total International Integrated Alignment to four more • Member of the CEO Action Network of eight Reporting Framework UN SDGs, making a total (CAN) Expanded measurement and Launched our proprietary of twelve modular construction Obtained external reporting on Scope 3 GHG technology, MBS assurance for selected emissions Developed our MRCB sustainability data • Established Scope 1 & 2 GHG Sustainability Framework • Set Scope 1 and Scope 2 emissions reduction targets • Aligned to eight UN SDGs emissions baseline Alignment to two more UN SDGs, making a total of fourteen Obtained external assurance of selected sustainability performance data and report

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- Published TCFD-aligned qualitative climate and transition risk
- disclosures
- Expanded reporting on Scope 3 GHG emissions to 64% of supply chain by value
- Developed a Climate Strategy Framework
- Developed a Human Rights Policy
- aligned with the International
- Labour Organisation Core
- Conventions and Labour Standards
- Obtained external assurance of
- selected sustainability performance data and report
- Achieved FTSE4Good Bursa
- Malaysia Index score of 3.2
- Aligned to 14 UN SDGs
- · Set Net Zero 2050 target and short-, medium- and long-term emissions
- reductions targets



13 const score

2023

MSCI 🌐

- Climate Physical Risk disclosures Conducted supply chain ESG
- readiness assessments through UNGC ESG START
- Member of Climate Governance Malaysia
- · Signed a Memorandum of Co-operation with Bursa Malaysia and the London Stock Exchange to become an early adopter of its Centralised Sustainability Intelligence (CSI) Platform
- Inclusion of Human Rights clauses and obligations to provide sustainability data into our standard supplier contracts
- Continued expansion of the Sustainable Design Policy
- Co-lead CAN's Diversity, Equity, and Inclusion (DEI) workstream
- Expanded Scope 3 GHG emissions data collection from supply chain to 88% from 64% by value
- Obtained external assurance of selected sustainability data
- Increased overall FTSE4Good Bursa Malaysia Index score from 3.2 to 3.6
- · Achieved "A" in MSCI ESG ratings
- · Aligned to 14 UN SDGs



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#### **OUR SUSTAINABILITY JOURNEY**



- · Conducted IFRS S1 and S2 gap analysis to enhance alignment with international sustainability reporting standards and improve climate-related disclosures, and developed a short-, medium-, and long-term implementation roadmap
- Developed a new Sustainable Design Policy that incorporates climate change, resource management, quality standards and sustainable material, and procurement considerations into the design and planning of all our projects, demonstrating our commitment to environmentally responsible development
- Aligned our English-language Human Rights Policy with UNICEF's Children's Rights and Business Principles
- Introduced a Bahasa Malaysia version of our Human Rights Policy to ensure accessibility and inclusivity
- Expanded Scope 1 and 2 GHG emissions inventory to include emissions from our international operations
- Widened and enhanced Scope 3 GHG emissions reporting to capture a broader range of indirect emissions across the value chain
- Co-lead the CEO Action Network's (CAN) Diversity, Equity, and Inclusion (DEI) workstream and supported the development of the DEI Implementation Guide for Malaysia launched in May 2024
- Increased FTSE4Good Bursa Malaysia Index score from 3.6 to 3.9 in the end-2024 assessment and improved our ranking to be the top 14% of all listed companies assessed
- Achieved an MSCI ESG Rating upgrade to "AA" from "A"

## STRENGTHENING SUSTAINABILITY INTEGRATION INTERNALLY

#### 1. Understanding Our People: Employee Sustainability **Pulse Survey**

We conducted a pulse survey among employees to assess their baseline understanding of sustainability. The results provided a clear view of knowledge gaps, helping us tailor training and engagement initiatives. One key insight was that language plays a crucial role in shaping sustainability awareness, highlighting the need for clearer communication in internal engagement and reporting.

#### 2. Strengthening Transparency: IFRS Sustainability Gap Assessment

To enhance disclosure quality, we carried out an IFRS Sustainability Gap Assessment to evaluate how our reporting aligns with IFRS S1 and S2 standards. This assessment identified areas for improvement, guiding our approach to a more structured and investor-relevant sustainability and climate-related disclosures.

#### 3. Aligning with Global Standards: IFRS-Based Reporting

For the first time, we incorporated IFRS-based reporting principles into our disclosures, marking an initial step towards full compliance with the IFRS standards. This effort reflects our move towards greater transparency and accountability in sustainability reporting.

#### ALIGNMENT TO UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Recognising our responsibility as a leader in property and construction, we are commited to actively contribute towards global sustainable growth. We have strategically integrated the UN SDGs into our business, focusing on 14 goals where we can make the most significant impact. Our targeted initiatives aim to significantly advance these specific SDGs, demonstrating our dedication to corporate responsibility.

# SUSTAINABLE **DEVELOPMENT G**ALS

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# SDGs Description

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Contribute to poverty reduction by empowering communities through CSR initiatives, including community development, education, skillbuilding programmes, and targeted local interventions

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Recognise that supporting basic human needs to achieve zero hunger is essential for ensuring holistic human rights protection



Promote health and well-being by

commitment to the welfare of our

communities and employees

More information on initiatives to ensure safety at the workplace can be found at Health & Safety, pages More information on initiatives to ensure surely at the neuronal 163 to 172 and Employee Engagement & Well-being, pages 173 to 184.

ensuring safe and healthy living and working environments in our development projects, reflecting our

beneficiaries.

203

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# **OUR APPROACH TO SUSTAINABILITY**



#### Our Responses and Contributions

 Focused on Corporate Social Responsibility (CSR) efforts aimed at providing relief and long-term support for impoverished and vulnerable communities. • Contributed RM2.2 million to CSR initiatives in 2024, which impacted 158,220

More information on our CSR initiatives can be found at Local Community Engagement on pages 195 to

• Through Yayasan MRCB, we provided food supplies for 550 Orang Asli individuals of Bongor Village, Royal Belum State Park.

More information on our community engagement initiatives can be found at Local Community Engagement on pages 195 to 203.

· Enforced strict safety standards and systems across all operations in line with the Quality, Environmental, Safety, and Health (QESH) Policy.

 Conducted continuous safety training to safeguard our workforce and the public. · Organised programmes to support employees' physical and mental well-being.



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# **OUR APPROACH TO SUSTAINABILITY**

#### SDGs Description



#### Our Responses and Contributions

Enhance community development and foster a more informed and sustainable society through fostering education and lifelong learning

· Collaborated with CIDB to launch a TVET Tower Crane Training Site under the CIDB-MRCB TVET programme to enhance the employability of TVET graduates in the Malaysian construction industry through improved curriculum, faculty, and infrastructure, with 10 trainees enrolled every two months since May 2024.

More information on our CSR initiatives can be found at Local Community Engagement on pages 195 to 203.



Recognise women's contribution to the industry and commit to promoting the advancement of women, especially in fields related to property development, engineering, and construction

Focus on developing TODs that

stimulate local economies,

create job opportunities, and

while strengthening inclusive

fair and equal treatment

support economic sustainability,

employment policies that promote

- Women make up 40% of our workforce, and we support working mothers through initiatives and benefits that encourage workforce participation and promote children's well-being.
- Committed to addressing the gender pay gap and achieving 38% female representation at the Board level.
- · Ensured women's effective representation and equal opportunities for leadership at all levels of decision-making across business activities.
- · Implemented policies and practices that are free from and prevent gender bias across the Group and our communities.
- · Participated in the 30% Club's speed mentoring programme to empower women leaders and promote a culture of growth and inclusivity.

More information on initiatives to support women's empowerment can be found at Diversity & Equal Opportunity, pages 184 to 188.

- · Developed TOD and infrastructure projects that drive economic growth, create employment opportunities, and contribute significantly to national development.
- · Offered employees competitive remuneration and training programmes to support career growth and professional development.
- Protected stakeholder rights under MRCB's Human Rights Policy, ensuring compliance with local and international laws, maintaining a safe workplace, and opposing forced labour, modern slavery, and child labour.

More information on initiatives to support our human capital can be found at Employee Engagement & Well-being, pages 173 to 184 and Diversity & Equal Opportunity, pages 184 to 188.

Develop and construct green buildings, and where possible, make efforts to incorporate sustainable construction features in our infrastructure projects

- Developed a new Sustainable Design Policy to integrate sustainable practices into all projects.
- · Applied MBS modular construction technology, with Residensi Tujuh becoming Malaysia's first residential property development to use this technology.
- Licensed MBS technology to companies in Hong Kong and Singapore and patented it in 49 countries to drive global innovation in construction.
- More information on initiatives using MBS can be found at Our Performance: Engineering, Construction & D More information on and Environment, pages 118 to 125.

SDGs Description	Our Respon



Promote workforce diversity, community inclusivity, and equitable urban environments to bridge social and economic disparities



Contribute to sustainable urban living by connecting communities and businesses, integrating developments with mass public transport systems to encourage walking and public transport use, thereby reducing GHG emissions and vehicular traffic in cities



Implement sustainable resource management and consumption practices, and promote sustainable construction in our development projects, emphasising recycling, energy efficiency, and the use of environmentally friendly materials

planning of our projects.

vibrant cities.



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# **OUR APPROACH TO SUSTAINABILITY**

#### ses and Contributions

 Co-led the Diversity, Equity, and Inclusion Workstream in the CEO Action Network (CAN) and collaborated on the development of the DEI Implementation Guide for

• Ensured a safe and supportive work environment for female employees, including facilities such as Mother's Room for nursing mothers.

 Committed to addressing the gender pay gap and achieved 38% female representation at the Board level.

More information on initiatives to support workforce diversity can be found at Employee Engagement & More information on initiatives to support workforce diversity can be used in the second seco

• Constructed rail and road infrastructure, green buildings, and housing that reduce GHG emissions, connect communities, and provide affordable, comfortable living in

• Delivered climate change adaptation projects, including coastal erosion control and flood mitigation, to enhance urban and rural resilience against natural challenges. • Contributed to creating sustainable, inclusive, and thriving cities that align with global goals for sustainable development.

More information on our operational activities can be found at Our Performance: Property Development More information on our operational activities can be round at our reference of the second at

 Developed a new Sustainable Design Policy that incorporates resource management and sustainable materials and procurement considerations into the design and

• Enforced our QESH Policy at project sites, incorporating the 3Rs (Reduce, Reuse, Recycle) to minimise environmental impact.

Monitored water and energy usage and waste generation at project sites and implemented strategies for continuous improvement.

• Provided regular training courses and toolbox talks to ensure construction site safety for workers and employees.

• Utilised MBS modular construction technology and sustainable materials to enhance efficiency and reduce environmental impact.

More information on environmental efforts can be found at Our Performance: Environmental on pages



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Actively engage in climate action initiatives aimed at reducing greenhouse gas emissions and promoting resilience in urban planning

**Our Responses and Contributions** 

including employee commute and supply chain activities.

Measured and disclosed GHG emissions for Scope 1, Scope 2, and Scope 3.

• Expanded our Scope 1 and 2 GHG emissions inventory in 2024 and broadened Scope

Monitored energy and water consumption, as well as waste generation, and developed

· Aligned climate risk reporting with IFRS S1 and IFRS S2 standards, and completed a

· Strengthened climate risk management by quantifying transition risks and

principles of Malaysia's National Policy on Biological Diversity where applicable.

More information on environmental efforts can be found at Our Performance: Environmental on pages

gap analysis in preparation for adopting the full suite of IFRS sustainability standards.

implementing strategies to ensure resilience and transparency in preparing for a

strategies to increase energy efficiency and reduce waste across all operations.

3 reporting to capture a wider range of indirect emissions across our value chain,

17 FORTING SOULS Engage in collaborative

partnerships with various

government, industry peers and

achieve sustainable development

community organisations, to

goals through innovative and

responsible urban projects

stakeholders, including

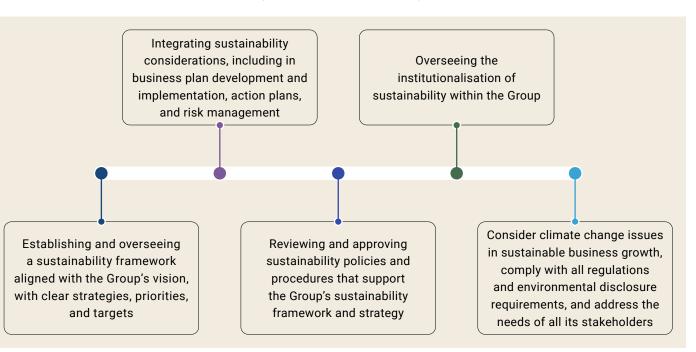
**SDGs Description** 

More information on our commitment to sustainability can be found at Our Performance: Approach to Sustainability, pages 142 to 161 and Corporate Governance Overview Statement on pages 276 to 316.

## SUSTAINABILITY GOVERNANCE

#### **Board Oversight**

To ensure effective oversight, the Board of Directors is responsible for establishing MRCB's overarching strategy, which includes a sustainability strategy to guide its sustainability efforts. The Board ensures that sustainability-related and climate-related risks, opportunities, and trade-offs are systematically embedded into strategy, major transactions, and risk management processes. Our Board Charter outlines the Board's responsibility with respect to sustainability, which includes:



low-carbon future More 1110. 208 to 256. More information on environmental efforts can be found at Our Performance: Environmental on pages · Committed to the Ramsar Convention and aligned our operations with the five

D More mo... 208 to 256. Prioritise biodiversity conservation in our development projects, actively integrating green spaces and ecological considerations into urban planning

16 PEACE JUSTIC AND STRONG INSTITUTIONS

Foster transparent and responsible business practices, uphold good corporate governance, ensure ethical conduct, and promote peaceful and inclusive societies through responsible urban development

- Complied with 42 of the 43 Practices and 4 of the 5 Step-Up Practices prescribed in the MCCG 2021
- Enhanced our human rights policies by aligning with UNICEF's Children's Rights and Business Principles and developing a Bahasa Malaysia version to ensure inclusivity and understanding across the workforce.
- · Maintained active participation in the CEO Action Network (CAN), co-leading the Diversity, Equity, and Inclusion (DEI) workstream, and contributed to the development and launch of the DEI Implementation Guide for Malaysia in 2024.
- Operated an ISO 37001:2016 internationally certified Anti-Bribery Management System, providing robust channels for whistleblowing and grievance reporting.
- Upheld a zero-tolerance policy towards bribery and corruption, as articulated in our Anti-Bribery and Anti-Corruption Policy, and ensured alignment with international governance standards.

More information on governance efforts can be found at the Governance and Compliance on pages 157 to 159, Ethics and Principles on pages 160 to 161 and Corporate Governance Overview Statement on pages 276 to 316.

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# **OUR APPROACH TO SUSTAINABILITY**

#### Our Responses and Contributions

 Adopted the universal Ten Principles, as a signatory of the United Nations Global Compact (UNGC) and a member of the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB).

 An active member of the CEO Action Network's (CAN) and its Diversity, Equity, and Inclusion (DEI) workstream, and co-lead its DEI workstream.

 Member of 30% Club Malaysia, Climate Governance Malaysia, Malaysian Institute of Corporate Governance, and Minority Shareholders Watch Group.



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MRCB's sustainability governance aligns with IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

() More information on our Corporate Governance Framework can be found in our Corporate Governance Overview Statement on pages 276 to 316.

Strategic decisions, major asset acquisitions, and development In line with its Terms of Reference, the NRC ensures that proposals undergo a comprehensive risk assessment conducted by Business Units, which is thereafter presented to the Board, assessing financial, climate, environmental, and social risks, and how these will be managed and mitigated. The Board reviews these trade-off assessments to balance financial, sustainability, and climate objectives, ensuring that short-term gains do not compromise long-term resilience.

The Board maintains active oversight through updates on sustainability and climate risks and opportunities as a permanent agenda item at its guarterly board meetings. These updates provide critical insights that shape the Board's strategic decisions, guiding the integration of sustainability and climate considerations into the Group's operations and long-term planning. Once these decisions are made, Management is responsible for executing them across relevant functions.

#### Board Effectiveness – Skills and Expertise

The Nomination & Remuneration Committee (NRC) is responsible for identifying suitable candidates who possess the necessary skills and competencies to fulfil the roles of the Board, as outlined in the Board Charter, which includes sustainability and climate-related responsibilities.

the Board of Directors participates in relevant programmes and training courses to enhance their understanding of sustainability and climate-related risks and opportunities. All Directors are also required by Bursa Malaysia to complete the Mandatory Accreditation Programmes II, which delves deeply into key focus areas to help directors navigate through existing and emerging sustainability issues.

In 2024, dedicated sessions were held for the Board of Directors to further strengthen their understanding of key sustainability matters, in particular TCFD aligned assessments for quantifying the group's climate-related physical risks and opportunities. This continuous development process equips the Board with the necessary expertise to effectively steer the organisation on its sustainability journey.

#### **Management Execution and Operationalisation**

The board's strategic direction is driven and implemented by the Group Managing Director and Senior Management. MRCB continuously assesses, monitors, and benchmarks against industry-specific trends and developments, both local and international, to identify sustainability-related risks and opportunities. Senior Management and Business Units monitor the competitive landscapes and present potential opportunities.

To translate these strategic priorities into measurable progress, Key Performance Indicators (KPIs) are then established to ensure alignment with sustainability objectives.

#### Sustainability Performance Linked to Remuneration

Sustainability performance is integrated into the Group Managing Director and Senior Management's KPIs and directly linked to their remuneration. These KPIs include managing sustainability, climate change, and addressing climate-related risks and opportunities.

#### PERFORMANCE-LINKED REMUNERATION

GHG Emissions Reduction Targets contribute:

- 15% of the Group Managing Director's (GMD) KPIs
- 10% of the Group Chief Operating Officer's KPIs
- 10% of the Chief Corporate Officer's (CCO) KPIs

Corporate Governance & Sustainability Performance:

- 10% of the CCO's KPI is tied to the MSWG Asean Co Governance and Sustainability Scorecards
- 15% of the CCO's KPI is linked to the Group's Bursa M FTSE4Good Score

Sustainability KPIs are cascaded down and integrated into the roles of middle management and employees, fostering a cohesive company-wide culture of sustainability. Departments work closely to drive impactful progress towards our sustainability goals. We have implemented the following initiatives to achieve these objectives:

#### Competency building

### **Enterprise Risk Management**

- Conducted skills gap analyses to identify capability needs.
- Implemented targeted talent development initiatives to build the organisation's sustainability competencies.
- Monitor sustainability and climate-related risks at multiple levels to ensure a comprehensive risk management approach.
- Systematically integrating sustainability-related risks in our Enterprise Risk Management (ERM) and documenting them within a risk register incorporating likelihood and magnitude criteria for comprehensive risk assessments.
- assessments are integrated and project risk registers.
- $(\Box)$ pages 78 to 87

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	• Renewable Energy Expansion is weighted at 20% of both the GMD's and Group Chief Financial Officer's total KPIs
orporate Malaysia	<ul> <li>Health &amp; Safety KPIs are included in the Engineering, Construction &amp; Environment Division's Chief Executive Officer's remuneration KPIs and cascaded down to Project Directors and relevant site-based staff</li> </ul>

Physical climate-related risk into departmental operational

More information on our ERM can be found in our Risks and Mitigations on

#### Scenario Analysis

- Climate scenario analysis covering the locations of the Group's assets has been conducted to assess potential future climate risks and enhance resilience, allowing for proactive decision making.
- Safety and Health Department conduct scenario analysis as part of its Emergency Response Plan and Hazard Identification, Risk Assessment, and Determining Control (HIRADC) processes. These analyses cover a broad range of risks, including natural disasters, disasters caused by human activities, and everyday workplace hazards.

Moving forward, we intend to broaden our scenario analysis to cover other material sustainability-related areas for risk identification beyond the climate and safety & health topics.

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The Chief Corporate Officer (CCO), as chair of the SMC, is delegated by the Board to lead the strategic management of sustainability and climate-related risks and opportunities.

The CCO is responsible for:

Overseeing sustainability and climate-related policies, risk management, and internal controls and procedures	Aligning sustainability governance with key functions such as risk, procurement, and human resources
Driving capability-building initiatives to strengthen sustainability and climate-related competencies	Chair of the Sustainability Management Committee

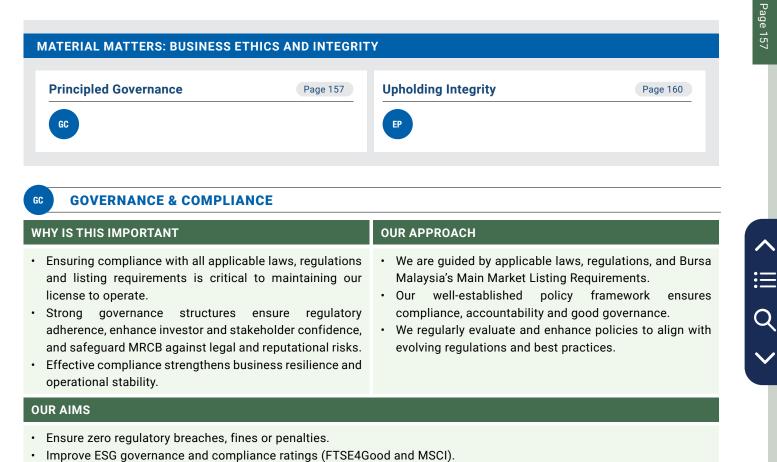
#### **Sustainability Management Committee**

The Sustainability Management Committee (SMC) sets operational sustainability targets, monitors performance, and integrates sustainability considerations into decision-making.

The SMC comprises Heads of Divisions and Departments of our core operations and corporate functions. Outcomes from the SMC meetings, along with other pertinent sustainability updates, are presented to the Board for discussion and deliberation.

#### Key Matters Discussed at the 2024 SMC Meetings

Topics of Discussion	Initiatives and Outcomes
Decarbonisation	• Deliberated on Divisional decarbonisation strategies to reduce MRCB's carbon footprint and
Strategies	enhance energy efficiency.
	Business divisions provided updated emissions reduction data to ensure progress tracking.
Policies	<ul> <li>Enhanced human rights policies by aligning with UNICEF's Children's Rights and Business Principles and developed a Bahasa Malaysia version to ensure accessibility and understanding across the workforce.</li> </ul>
Other Sustainability	Reviewed ongoing sustainability initiatives.
Matters	• Discussed IFRS Sustainability Disclosure Standards (IFRS S1 and S2) gap assessment and early adoption.



- · Enhance quality and transparency of disclosure in our annual integrated report.

#### OUR INITIATIVES AND PROGRESS

MRCB is committed to upholding the highest standards of governance and regulatory compliance to ensure transparency, accountability, and business resilience. Compliance with applicable laws and regulations, including Bursa Malaysia's Main Market Listing Requirements (MMLR) and industry-specific regulations, is a fundamental priority that enables us to maintain our license to operate and sustain investor and stakeholder confidence. We also ensure that we align our practices with environmental and socio-economic standards to support sustainable business growth.

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#### Improved ESG Ratings

- FTSE4Good Bursa Malaysia Index score increased from 3.6 to 3.9 in the end-2024 assessment and improved our ranking to be the top 14% of all listed companies assessed.
- MSCI ESG rating upgraded from "A" to "AA".

#### Enhanced Alignment with the Malaysian Code on Corporate Governance (MCCG) 2021

Achieved compliance with 42 out of 43 Practices and 4 out of 5 Step-Up Practices.

#### **Expanded Board Diversity**

Achieved 38% female board representation, surpassing our 30% target as part of our commitment to fostering a more inclusive and representative leadership team.

#### **Strengthening Human Rights Policies**

- Aligned English-language Human Rights Policy with UNICEF's Children's Rights and Business Principles.
- Developed a Bahasa Malaysia version to improve accessibility and understanding among employees.

#### **Board Oversight and Governance Enhancements**

The Board ensures that key regulatory developments, risk assessments, and compliance priorities are proactively addressed. Regular reporting to the Board on governance matters enhances transparency, supports informed decision-making, and drives the implementation of governance improvements across the Group.

#### Policies and Frameworks Supporting Compliance

MRCB operates under a comprehensive policy framework that guides governance and compliance practices. Key policies include:

- Code of Business Ethics
- Anti-Bribery and Corruption Policy
- · Whistleblowing Policy

We conduct periodic reviews and enhancement of governance policies to ensure that MRCB remains at the forefront of corporate governance excellence. In 2024, we established 10 new policies and procedures and enhanced 28 of our existing policies.

#### Aligning with IFRS S1 & S2

MRCB initiated a gap analysis to assess alignment with IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures). This analysis evaluates our existing governance, risk management, and reporting frameworks against the disclosure requirements set by the International Sustainability Standards Board.

This initiative will enable MRCB to enhance sustainability governance, improve disclosure quality, and strengthen investor confidence, positioning the Group for compliance with international reporting expectations. Moving forward, we will develop an action plan to address identified gaps and progressively integrate IFRS-aligned disclosures into our reporting framework.

#### **Ongoing Improvements and Future Focus**

Building on our governance progress, we will continue to:

- · Conduct regular training and capacity-building initiatives to enhance compliance awareness at all levels. Strengthen compliance reporting mechanisms to ensure timely identification and resolution of regulatory risks. Align governance practices with international ESG and sustainability frameworks to further integrate sustainability considerations
- into decision-making.

( ) For more information on our governance please refer to our Corporate Governance Overview Statement on pages 276 to 316.

#### CHALLENGES

- Keeping up with evolving regulations to ensure com with new laws, listing requirements, and sustai standards.
- Embedding a strong governance culture across al of the organisation to reinforce accountability and decision-making.
- Integrating ESG into governance to align de making with sustainability and climate-related fi disclosures.

#### OUTLOOK

We will continue to strengthen our governance culture by enhancing compliance frameworks, improving regulatory alignment, and reinforcing oversight from the Board and leadership. As laws and listing requirements evolve, we will ensure proactive adaptation to new governance and sustainability standards.

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	OPPORTUNITIES
npliance iinability ill levels d ethical	<ul> <li>Strengthening governance frameworks to enhance transparency, risk management and regulatory compliance.</li> <li>Reinforcing tone from the top by ensuring leadership drives a culture of integrity and compliance.</li> <li>Leveraging governance in ESG leadership to improve investor confidence and sustainability performance.</li> </ul>
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WHY IS THIS IMPORTANT

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	OUR APPROACH
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- Embedding ethical values and integrity into our corporate culture helps ensure consistently sound and responsible decision-making.
- Upholding principles of fairness, honesty, and responsibility ensures trust and credibility among internal and external stakeholders.
- Ethical business practices safeguard stakeholder interests and corporate reputation.
- We comply with ISO 37001:2016 Anti-Bribery Management System (ABMS) to strengthen ethical governance.
- We conduct regular training and awareness programmes to embed anti-bribery, anti-corruption culture across the organisation.
- Our ABMS ensures strict compliance with anti-corruption laws and reinforces accountability.
- We continuously enhance internal controls and monitoring mechanisms to uphold ethical business practices.
- Regular training and awareness programmes embed anti-bribery, anti-corruption, and across the organisation.

#### OUR AIMS

- 100% of operations assessed for corruption-related risks.
- · Zero incidents of corruption, bribery or unethical business conduct.
- 100% of employees complete mandatory training on anti-corruption.

#### OUR INITIATIVES AND PROGRESS

MRCB upholds strong ethical values and integrity, embedding them into our business practices to foster transparency, accountability, and responsible decision-making across all operations.

We have zero tolerance for all forms of bribery and corruption and are committed to conducting business ethically and in compliance with all applicable laws and regulations in the countries where we operate.

We also implemented an ISO 37001:2016 Anti-Bribery Management System (ABMS) certified, to prevent, detect, and respond to bribery risks and demonstrate a culture of integrity, transparency, openness, and compliance.

#### 2024 INITIATIVES

Programme	Outcome
Strengthening Anti-Bribery and Corruption Compliance	<ul> <li>Ensured continued complia System through regular aud</li> <li>100% of operations are ass</li> <li>Zero incidents of corruption in 2024.</li> </ul>
Upholding Conflict of Interest & Ethical Business Conduct	<ul> <li>Conducted comprehensive transparency in decision-m</li> <li>Held two cycles of Bribery potential risks.</li> </ul>
Building a Responsible Supply Chain: Due Diligence and Ethical Standards	<ul> <li>Ensure 100% of suppliers a Anti-Bribery Policies.</li> <li>Conduct supplier due dilig supply chain.</li> <li>Organised anti-bribery and 85 companies.</li> <li>Delivered policy, regulatory via electronic digital mail (</li> </ul>
Internal Training and Capacity Building	<ul> <li>Conduct mandatory anti-bincluding targeted session</li> <li>98.7% of employees con achieved a score of 80% at</li> <li>Held six Anti-Bribery Mana</li> </ul>

For more information on our Anti-Bribery Management System (ABMS) ISO 37001:2016 and how we manage and communicate our anti-bribery and corruption policy and initiatives, please refer to page 326 (Statement on Risk Management and Internal Control).

#### CHALLENGES

- Maintaining vigilance against corruption risks.
- Managing third-party compliance risk by ensuring suppliers, contractors, and business partners uphold the same ethical standards.

#### OUTLOOK

We will continue to reinforce ethical business practices, ensuring integrity, transparency, and accountability remain central to our operations and decision-making.

**INTEGRATED ANNUAL REPORT 2024** 

# **OUR APPROACH TO SUSTAINABILITY**

iance with ISO 37001:2016 certification for the Anti-Bribery Management dits and compliance reviews.

sessed for corruption-related risks through audits and compliance reviews. n, bribery, or unethical business conduct were reported across all operations

e conflict of interest assessments across key business units to ensure naking.

y Risk Facilitations to support each department to identify and mitigate

and business partners comply with MRCB's Code of Business Ethics and

gence assessments to identify and mitigate potential ethical risks in the

anti-corruption training for our vendors, attended by 111 individuals from

y and relevant anti-bribery guidelines to 3,000 suppliers in our database (EDM).

bribery, anti-corruption, and anti-competition training for all employees, ns for high-risk roles.

mpleted mandatory anti-corruption and ethics trainings annually and and above in the assessment.

agement System ISO 37001:2016 standard training for 133 employees.

#### **OPPORTUNITIES**

Building stakeholder trust by demonstrating a firm stance on ethical business practices and responsible corporate behaviour.



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# **OUR PERFORMANCE** SOCIAL

MRCB is committed to fostering a future where individuals, communities, and societies can thrive together. Social sustainability is a key priority for us. Our approach focuses on building inclusive, resilient, and harmonious communities while empowering individuals to reach their full potential. By aligning our social goals with economic and environmental sustainability, we aim to build a foundation for equitable and progressive communities.

OCT -

#### October 2022

MRCB joined the CEO Action Network's Diversity, Equity & Inclusion (DEI) workstream to collaborate with leading companies to elevate DEI awareness, enhance relevant policies, and implement strategic interventions to foster positive change in Malaysia's workforce.

# JUL

July 2023

MRCB joined the 30% Club Malaysia, a global business-led campaign advocating gender parity in boardrooms and senior leadership. We are committed to gender equality and working with other leading companies to foster meaningful progress in corporate Malaysia.

#### August 2023 - AUG -

-MAY-

MRCB was appointed Co-Lead of the CEO

Action Network's DEI workstream to lead members in developing DEI guidelines tailored to the varying readiness and capabilities of member organisations and other Malaysian companies.

#### May 2024

As co-lead of the CEO Action Network's DEI workstream, MRCB supported the development of the DEI Implementation Guide, a key initiative to advance workplace inclusivity across Malaysia.





# Building Social Sustainability and Inclusion

**HEALTH & SAFETY** 

**EMPLOYEE ENGAGEMENT AND** WELLBEING

Achived **5 STAR** CIDB SHASSIC rating / 97.1% score

Average training hours per employee

**27.4 HOURS** compared to 6.4 hours in 2023

#### **CUSTOMER ENGAGEMENT**

Achieved

95% average overall customer service excellence score

ZERO substantiated complaints of customer privacy or data loss

## **HEALTH AND SAFETY**

### WHY IS THIS IMPORTANT

- We recognise safety as a fundamental right and prior all employees and workers across our offices, fac and construction sites, and are committed to pro them a safe work environment.
- Effective health and safety practices minimise th of workplace accidents, injuries, and illnesses to p lives and maintain operational efficiency.

#### OUR AIMS

#### **QESH** Objective

- 1. ESH Rating/SHASSIC CIDB Score
- 2. Non-Conformance Report (NCR)
- 3. Incident Rate
- 4. Stop Work Orders (by clients or relevant authoriti
- 5. Fatality

**INTEGRATED ANNUAL REPORT 2024** 

# OUR PERFORMANCE SOCIAL

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LABOUR PRACTICES

ZERO

VIOLATIONS of labour rights have been reported in our value chain **HUMAN RIGHTS** 

Developed **Human Rights Policy** in Bahasa Malaysia

#### LOCAL COMMUNITY ENGAGEMENT

# **RM2.20 MILLION**

was contributed to communities

## OUR APPROACH

ority for cilities, oviding he risk protect	<ul> <li>We comply with local and international health and safety regulations, guided by the Department of Occupational Safety and Health (DOSH), Construction Industry Development Board (CIDB), Quality, Environmental, Safety and Health (QESH) policies, and ISO standards.</li> <li>We promote a safety-first culture through continuous training, regular toolbox talks at our construction sites, and employee engagement initiatives to ensure safety is prioritised in daily tasks.</li> </ul>
	Annual Taxaat
	Annual Target
	More than 80%

	More than 80%
	85% closed in less than 7 days
	Less than 2.5
ies)	0
	0



**FROM OUR LEADERSHIP** 

HOW WE CREATE SUSTAINABLE VALUE

Our QESH policies are aligned with:

Occupational Safety and Health

Factories and Machinery Act

**Development Board Act 1994** 

**Requirements for Contractors** 

MRCB's Construction Safety

Act (Amendment) 2022

Construction Industry

(Repeal) 2022

**DELIVERING ON OUR STRATEGIES** 

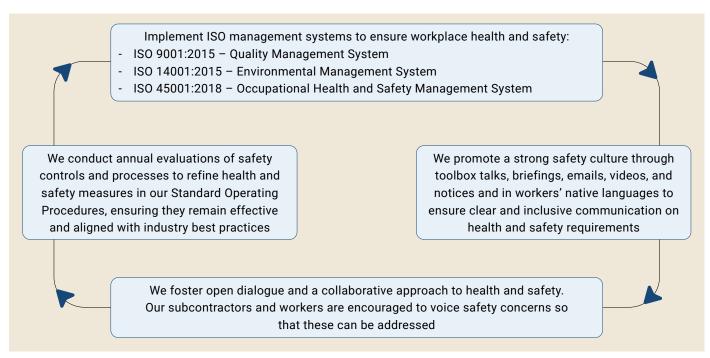
**DELIVERING ON OUR** SUSTAINABLE VALUE

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#### **OUR INITIATIVES AND PROGRESS**

#### STRENGTHENING HEALTH AND SAFETY ON CONSTRUCTION SITES

The inherently high-risk nature of engineering and construction activities, such as working at height, exposure to falling objects, noise from construction activities, risk of electrocution from electrical works, and the operation of machinery and equipment requires robust safety measures. Our leadership-driven safety culture is aimed at protecting the well-being of everyone at our sites, with safety remaining a top priority in every aspect of our operations. Potential risks or safety concerns may be reported immediately through the scanning of a readily accessible QR code at our sites.



#### Quality, Environmental, Safety and Health (QESH) Policies

We have established Quality, Environmental, Safety and Health (QESH) policies that reflects our commitment to minimising environmental impacts and ensuring the safety and health of employees, contractors, and the public. Recognising occupational health and safety as a legal requirement, we prioritise compliance to mitigate risks of legal, financial, and reputational damage.

Our QESH strategies are regularly reviewed and strengthened to uphold our objectives of reducing environmental impacts and maintaining robust safety and health standards. These strategies set performance benchmarks aligned with industry best practices to ensure accountability and continuous improvement.

Under our wholly-owned construction subsidiary, MRCB Builders Sdn. Bhd., 100% of the operations achieved ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications in 2024.

#### **QESH Objective Target and Performance in 2024**

QESH Objective Target	Annual Target	2024 Performance
ESH Rating/SHASSIC CIDB Score	More than 80%	97.1%
Non-Conformance Report (NCR)*	85% closed in less than 7 days	100%
Incident Rate	Less than 2.5	1.78
Stop Work Order (by clients or relevant authorities)	0	0
Fatality	0	0

\* i.e. from ESH Inspection and ESH Internal Audit

#### Safety and Health Assessment System in Construction (SHASSIC)

MRCB employs SHASSIC, an independent safety and health assessment system developed by Malaysia's Construction Industry Development Board (CIDB), to evaluate and enhance safety practices at construction sites. The system evaluates safety through a comprehensive approach, including document checks (20%), physical site inspections (60%), and employee interviews (20%).

SHASSIC scores reflect the strength of an organisation's occupational safety and health management system. Scores between 90% and 100% indicate excellence, with a proactive commitment from top management, while scores from 80% to 89.9% reflect exceptionally good practices and strong leadership commitment.

In 2024, our Kwasa Utama C8 (Plot 2) project underwent the SHASSIC assessment and achieved a 97.1% score, earning a prestigious 5-star rating, demonstrating our commitment to top-tier OSH standards.

#### SHASSIC Score

ESH Rating/SHASSIC CIDB Score

Project Sites

#### **Environmental, Safety, and Health Governance**

The Group Managing Director, Group Chief Operating Officer, and the Executive Vice President of Security are responsible for overseeing safety and health. The Board provides oversight by reviewing and deliberating the Environmental, Safety, and Health Report, which contains comprehensive data and information on all safety related incidences across all our construction activities and is a standard agenda item at all quarterly Board Meetings. Health and Safety Key Performance Indicators (KPIs) are embedded in the Engineering Construction and Environment Division CEO's remuneration KPIs and cascaded down to Project Directors and relevant site-based staff, ensuring accountability in safety performance.

In addition, an annual Environmental, Safety and Health Management Review meeting is held and attended by representatives from all relevant business units. This meeting provides updates on the QESH Management System, reviews Environmental, Safety and Health (ESH) objectives, targets, and performance, and highlights the latest ESH communication efforts. It also serves as a platform to identify improvement opportunities to ensure the continuous enhancement of ESH practices across MRCB.

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2022	2022	2023	2024
72%	87%	93%	97.1%
 			Kwasa Utama
Sentral Suites	Alstonia	PR1MA	C8 (Plot 2)



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#### **Environmental, Safety, and Health Committee**

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We have established an Environmental, Safety, and Health (ESH) Committee at MRCB's headquarters, comprising an advisor, chairperson, secretary, and management representatives from each department.

In compliance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996, we have also formed ESH Committees at our construction sites, including key development locations such as Kwasa Utama C8 (Plot 2), Residensi Tujuh, Stadium Shah Alam, LRT3, and Muara Sungai Pahang. These committees, chaired by the Heads of Projects and including representatives from subcontractors, hold monthly meetings to address ESH matters and ensure site-specific safety practices.

#### **Priority Areas**

The Board reviews detailed data across the following areas to improve our overall occupational health and safety performance:

- Accidents/incidents that have occurred in the year
- Notice of Improvement/Prohibition (NOI/NOP)
- Number of Stop Work Orders (SWO) issued, ESH Audits, ESH inspections and inductions, and ESH Trainings

The ESH committee meets at least once every quarter. The objectives of the ESH Committee are to:

- Foster cooperation and consultation between Management and workers
- Establish a two-way communication channel
- Encourage discussion and raise awareness on issues pertaining to Safety and Health

#### MANAGING SAFETY AT THE WORKPLACE

Hazard Identification, Risk and Opportunity Assessment, and Determining Control (HIRADC)

MRCB has implemented a comprehensive HIRADC Standard Operating Procedure (SOP) for its headquarters, buildings, and infrastructure projects. This SOP applies to all activities and personnel, including sub-contractors and visitors. HIRADC analysis is reviewed annually at the headquarters and biannually at project construction sites. Additional reviews are conducted whenever there are changes to the condition of activities, introduction of new materials or any new activities, and modification works.

#### **Emergency Response Plans**

Our Emergency Response Plans outline procedures for rapid and effective responses to emergencies, including any fall from height, fires, explosions, landslides, chemical spills, and floods. These plans also detail immediate actions, such as issuing Stop Work Orders (SWO) for serious incidents involving fatalities, structural collapses, or transmission line accidents, to prevent escalation and additional injuries, and ensure overall safety.

Emergency responses involve coordination with authorities, including the Royal Malaysian Police (PDRM), Fire & Rescue Department (BOMBA), and ambulance services. Clear and effective communication is critical, guided by an Emergency Communication Flowchart that starts with the individual who reports the event and extends to all relevant internal and external stakeholders for prompt action.

# Health and Safety Culture

## NINE

Induction programmes conducted by ESH representatives attended by 139 employees

### 886

**Toolbox Session Briefings conducted** 

218

of work

MRCB's Auxiliary Police Personnel Ensuring Public Safety

MRCB's Auxiliary Police personnel play a critical role in ensuring public safety at KL Sentral and surrounding areas. Trained in emergency response, surveillance, and crisis management, they have swiftly responded to 351 incidents since 2016. Their expertise spans a wide range of medical emergencies, from assisting 71 disabled and elderly individuals to handling 29 road accident injuries and 21 escalator-related falls. Through continuous training with the Malaysian Fire & Rescue Department and hospitals, they remain equipped to handle a diverse range of emergencies, from heart attacks to trauma injuries, ensuring a secure environment for millions of commuters daily.

In 2024, their dedication was formally recognised when the team received a Letter of Appreciation from the Inspector General of Police at the 35th Annual Malaysian Auxiliary Police Association Conference. Their proactive patrols and surveillance across KTM, LRT, and ERL lines reinforce public confidence, while their swift medical response capabilities continue to safeguard lives.

**INTEGRATED ANNUAL REPORT 2024** 

# OUR PERFORMANCE SOCIAL

Engineers and main contractor representatives conducted **2,417 PRE-TASK** 

talk briefings before commencement

36

of our workforce participated in the "You See You Act" campaign

## 43 of our workforce and

foreign labourers participated in training on specific work-related hazards such as Working at Height and Waste Management





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## **OUR PERFORMANCE** SOCIAL

#### **Occupational and Non-Occupational Health Service**

In our efforts to support employee health and well-being, MRCB provides occupational and non-occupational health and medical services, including support for non-work-related health concerns and mental well-being. We communicate these initiatives to employees through email, physical talks and events, and the Human Resources portal. Further details are available in the Employee Engagement and Well-being section of this report on pages 173-184.

#### Environmental, Safety & Health (ESH) Training

We provide relevant training to ensure our employees are well aware of and equipped to deal with safety and health matters. In 2024, 100% of our site employees and contractors completed mandatory ESH trainings. This comprised a total of 1,653 employees, site workers, and contractors who participated in 77 training sessions across various safety-focused modules, reinforcing our high safety and health standards.

	2022	2023	2024
Number of employees, site workers, and contractors trained on health and safety standards and other ESH- related matters	507	873	1,653

#### **Training Modules**

- Crane & Machinery Safety Awareness
- Working at Height Training
- Lifting Awareness (Slinging, Rigging & Signalman training)
- Occupational Noise Exposure
- Safe Excavation Training
- Scheduled Waste Awareness
- · Incident & Accident Investigation & NADOPOD training
- ESH training risk management and HIRADC
- Site Machinery Inspection Training (excavator, dump truck)
- You See You Act Campaign Unsafe Act Unsafe Condition
- OSHA (Amendment) 2022

#### **Organisation Safety and Health Week**

In July 2024, we held an Organisation Safety and Health (OSH) Week to foster a strong health and safety culture among our employees and stakeholders. The event aimed to raise awareness about workplace safety and promote best practices. As part of the OSH week, we collaborated with Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP) Kuala Lumpur and Putrajaya, who conducted a session for our employees and management on the Occupational Safety and Health (OSHA) (Amendment) Act 2022.

In addition to the OSH week, we held seven roadshows to engage our employees on the new OSHA (Amendment) 2022.



#### Safety Incidents

In 2024, there were zero incidents of non-compliance related to safety and health at all of our work sites and offices. We recorded two near-miss incidents, two lost-time injuries and six property damages as detailed in the table below. Total man-hours decreased by 23% compared to the previous year due to completion of projects.

Notably, we met all five QESH objectives in 2024, as reported in page 165.

Man hours				2022	2023	2024
Engineering, Construction and Environment (ECE)				20,588,460	15,857,101	12,099,556
	202	2	202	23	20	24
Type of Incidents	MRCB	Others	MRCB	Others	MRCB	Others
III Health	0	0	0	0	0	0
Near Miss	0	3	0	4	0	2
First-aid Cases	0	4	0	1	0	0
Medical Treatment	0	0	0	0	0	0
Fatality	0	0	0	0	0	0
Lost Time Injury (LTI)	0	2	0	0	0	2
Environmental Incident	0	0	0	0	0	0
Property Damage	0	11	0	7	0	6
Dangerous Occurrences	0	0	0	0	0	0
Others (Theft, fire)	0	0	0	0	0	0
Stop Work Order (SWO) Received from						
Authorities	0	1	0	0	0	0
Notice of Prohibition (NOP) Received from						
Authorities	0	0	0	0	0	0

Notes

1. Others represent workers who are not MRCB employees.

2. Safety incidents have been restated to include LRT3 project.

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#### Incidents (2024)

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**OUR PERFORMANCE** 

Incident	Project	Remarks
Near Miss	Kuala Pahang	A lorry transporting rock material to the site accidentally dropped some of its load onto a public road. No injuries occurred in this incident. A root cause investigation was conducted and corrective measures were communicated to the transporter to prevent recurrence.
Near Miss	Kwasa Utama C8 (Plot 2)	An unexpected slope failure occurred during trenching excavation. No injuries occurred in this incident. A thorough assessment was conducted, and mitigation measures were implemented to prevent recurrence.
LTI	Saujana Putra Casting Yard	A lifting hook point on an inner mould failed during installation, and fell on a worker's leg. The worker was attended to, and necessary corrective actions were implemented to prevent recurrence.
LTI	FINAS	During excavation work, a part of a slope gave way. Workers who were on site inspecting the depth levels were brought to safety and sent to hospital for evaluation. An investigation was conducted to determine the cause, and necessary measures were implemented to prevent recurrence.

Incident	Project	Remarks
Property Damage	LRT3	The rear section of a lorry had bumped into a water pipe valve causing overflow of water from the pipe.
Property Damage	LRT3	During an excavation, an excavator's bucket had accidentally made contact with an existing water pipe and damaged it.
Property Damage	LRT3	During micro piling, some cement grout splashed onto four vehicles that were parked in a nearby parking lot.
Property Damage	LRT3	A train derailment of three cars occurred at a rail track turnout during testing and commissioning exercise.
Property Damage	LRT3	A train's front section had made contact with a buffer stop during a test run.
Property Damage	LRT3	A short circuit occurred during a pre-PICO test at the uninterruptable power supply room resulting in a spark to an electrical cable.

#### Safety Matrix

Safety matrices are integral to enhancing our safety protocols by assessing and prioritising risks at project sites. This tool enables us to evaluate the potential impact and likelihood of risks and helps us to minimise accidents and incidents effectively. Our internal safety audit and inspection teams conduct regular checks to ensure adherence to safety standards and identify areas for improvement at construction sites.

To prevent the recurrence of incidents, we implement corrective actions such as refresher training on safe lifting practices, thorough inspections of lifting gear before work begins, and ensuring supervisors provide full oversight of lifting plans.

We also foster a culture of transparency and accountability by encouraging workers and employees to report incidents without fear of repercussions, prioritising the safety and well-being of everyone on our project sites. To make reporting more convenient, a QR code is available for workers and employees to easily access the reporting platform and submit incident reports.

#### Safety performance at our project sites

Safety Matrix	2022	2023	2024
Incident Rate (Incidents per thousand workers)	1.63	0	1.78
Rate of Recordable Work-Related Injuries (Injury Rate) (Injuries per million man-hours worked)	0.12	0.34	0.17
Lost Time Incident Rate (LTIR) (Incident per million man-hours worked)	0.12	0	0.17
Fatality Rate	0	0	0

Note: Safety Matrix data includes employees and contractors at project sites Source: The rates above were calculated using the formulae provided by DOSH and GRI Standards

#### **Key definitions**

Type of Incidents	Health and Safety Definition
III Health	Identifiable, adverse physical, and/or work-related situation.
Near Miss	Any accident at place of work property.
First-aid Cases	Cases in which first aid is de required by medical practition
Medical Treatment	Cases where medical treatm admission to a hospital is requ
Lost Time Injury	Injuries causing incapacity for
Fatality	Injury leading to immediate de

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# **OUR PERFORMANCE** SOCIAL

, or mental condition arising from and/or made worse by a work activity

rk which has potential to cause injury to any person or damage to any

lelivered at the workplace, and where no further medical treatment is ners.

nent by medical practitioners is given but no medical leave and/or quired.

<sup>r</sup> more than 4 days and/or any injury that requires hospitalisation. leath or death within 1 year of the accident.

SECTION 5

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#### **Key definitions (Continued)**

Type of Incidents	Health and Safety Definition
Environmental	<ul> <li>Minor: Simple contamination with localised effects for short duration.</li> </ul>
Incident	• Major: Simple contamination with widespread effects to heavy contamination with localised effects for extended durations.
	Catastrophic: Very heavy contamination with widespread effects for extended durations.
Property Damage	<ul> <li>Minor: Incident with damage to properties with an estimated cost below RM150,000.</li> <li>Major: Incident with damage to properties with an estimated cost from RM150,000 to RM500,000.</li> <li>Fatal/Catastrophic: Incident with damage to properties with an estimated cost of above RM500,000.</li> </ul>
Dangerous Occurrences	An occurrence arising out of, or in connection with work, and is of a class specified in Schedule 2 of the Notification of Accident, Dangerous Occurrence, Occupational Poisoning, and Occupational Disease (NADOPOD).

OPPORTUNITIES

and foster new partnerships.

industry demands.

Demonstrate strong health and safety commitments to

strengthen stakeholder trust, attract staff and investors,

Providing ongoing training and retraining opportunities

fosters a resilient workforce, ensuring employees are

well-equipped to handle evolving safety challenges and

#### CHALLENGES

- The need to ensure consistent safety practices across a diverse workforce, including subcontractors and temporary workers, who may have varying levels of training and experience and communication abilities.
- To continuously address inherent safety risks in construction activities, such as working at height, machinery operation, and hazardous materials, while maintaining readiness for emergencies such as natural disasters or large-scale accidents.
- To comply with evolving local and international health and safety regulations, including new laws, to meet stakeholder expectations and ensure transparent reporting.

#### OUTLOOK

We will maintain our focus on continuous improvement of our safety standards to ensure the well-being of our employees, contractors, and stakeholders. We remain committed to enhancing our safety culture through rigorous training, adopting advanced safety technologies, and aligning with global best practices.

#### **EMPLOYEE ENGAGEMENT AND WELL-I**

#### WHY IS THIS IMPORTANT

- Employees are the key stakeholders and critical dr MRCB's success.
- Prioritising employee engagement and we enhances morale, reduces turnover, and cre resilient, motivated workforce essential for ac business objectives.
- Supporting personal and professional growth stren employee loyalty and helps attract and retain top t a competitive labour market that is well equipped us deliver our strategic goals.

#### OUR AIMS

· Achieve an employee satisfaction score of at leas

#### OUR INITIATIVES AND PROGRESS

#### OUR WORKFORCE

Our workplace management strategy prioritises building a stable and skilled workforce, which is integral to our value-creation process and achieving strategic objectives. In 2024, MRCB employed an average of 1,483 employees across various business operations and regions covering Malaysia and Australia, with eight of those employees based in Australia. The reduction in employee count from 2023 to 2024 was driven by the completion of some of our construction projects.

In 2024, we successfully converted a significant number of our contract workers to permanent roles, strengthening workforce stability. Given the project-based nature of our business in the construction industry, we recognise the need for contract workers to support project demands and specialised requirements. By balancing a core team of experienced permanent employees with a flexible contract workforce, MRCB ensures continuity and the ability to scale resources effectively.

#### Average number of employees for the year

\* Does not include SULRT3 employees

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BEING	
	OUR APPROACH
rivers of ell-being eates a chieving ngthens talent in I to help	<ul> <li>Build a thriving and sustainable workplace that supports long-term growth and employee well-being.</li> <li>Create a positive and dynamic work environment that inspires collaboration and innovation.</li> <li>Foster a sense of purpose and dedication by aligning employees' roles with organisational values and goals.</li> </ul>
st 80%.	

2022*	2023	2024
1,401	1,669	1,483



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#### Employees by Age Group

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	2022	%	2023	%	2024	%
<30	275	20%	253	15%	191	13%
30-50	965	69%	1178	71%	1,061	72%
>50	161	11%	238	14%	232	15%

#### **Employees by Gender**

	2022	%	2023	%	2024	%
Male	786	56%	1039	62%	897	60%
Female	615	44%	630	38%	586	40%

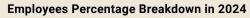
#### **Employees by Employment Type**

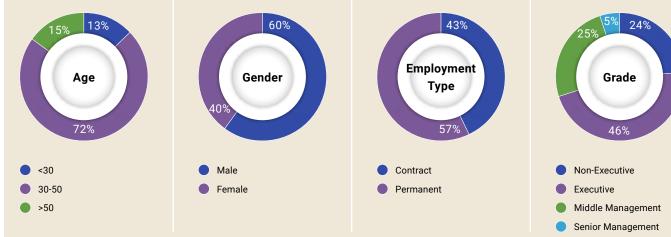
	2022	%	2023	%	2024*	%
Contract	939	67%	1268	76%	588	43%
Permanent	462	33%	401	24%	791	57%

\* Data as at 31 December 2024

#### **Employees by Grade**

	2022	%	2023	%	2024	%
Non-Executive	490	35%	451	27%	358	24%
Executive	609	44%	751	45%	682	46%
Middle Management	240	17%	384	23%	365	25%
Senior Management	62	4%	83	5%	78	5%



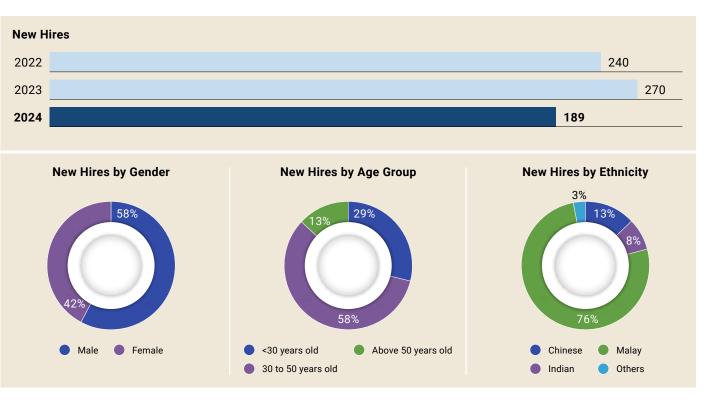


#### **Quality Hires and Employee Turnover**

MRCB aligns its talent acquisition with strategic growth objectives and operational needs by clearly defining job roles and requirements. This approach streamlines the hiring process and ensures we attract qualified candidates efficiently while minimising downtime.

In 2024, we hired 189 new employees, decreasing our hiring by 30% compared to the previous year. This downward hiring trend reflects our project-based business structure, where employees are employed on a contract basis for specific functions on specific projects and transition out once their work on these projects is completed.

We prioritise equal opportunities for growth and advancement, evaluating employees based on contributions, skills, and abilities. By focusing on merit, we ensure fairness and inclusivity while rewarding good performance.



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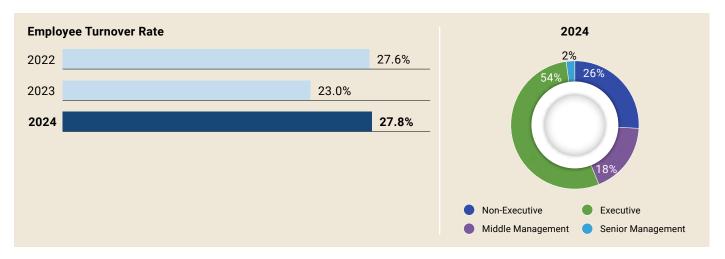
HOW WE CREATE SUSTAINABLE VALUE

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MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Sustainable Value

### In 2024, MRCB's staff turnover rate increased from 23.0% in 2023 to 27.8% in 2024.



#### **Graduate Employability Programme**

MRCB is committed to developing Malaysia's talent pipeline by creating opportunities for fresh graduates to build meaningful careers in the property development and construction industry. Through our Graduate Employability Programme (GEP), we provide practical training, managerial skills development, and industry-specific knowledge to equip graduates for long-term success in this sector.

The GEP is aligned with the Ministry of Entrepreneur Development and Cooperatives' Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) Development Programme. The programme enhances graduate employability while also enabling us to identify and develop talent for our workforce.

In 2024, we onboarded 64 fresh graduates from local and international universities into the GEP. Over a paid training period of eight months to one year, participants gained hands-on work experience and attended a comprehensive 10-day soft-skills training programme. This training covered topics such as communication, networking, organisational adaptability, sustainability, entrepreneurship, critical and creative thinking, and professional etiquette. By the end of 2024, we hired 10 graduates from the GEP into full-time positions at MRCB.

#### **Employee Benefits and Welfare**

MRCB adopts leading industry practices in employee benefits and wellness. These include annual leave, medical insurance, and role-specific allowances. To ensure our offerings remain relevant and competitive, we regularly review and enhance our benefit packages, aligning them with industry standards and employee expectations.

Leave	Medical	Others		
<ul> <li>Annual Leave</li> <li>Medical Leave</li> <li>Emergency Leave</li> <li>Exam Leave</li> <li>Marriage Leave</li> <li>Paternity Leave</li> <li>Pilgrimage Leave</li> <li>Replacement Leave</li> <li>Family Care Leave</li> </ul>	<ul> <li>Outpatient treatment</li> <li>Hospitalisation Benefit</li> <li>Maternity Benefit</li> <li>Executive Health Screening</li> <li>Dental Benefit</li> </ul>	<ul> <li>Mileage Claims</li> <li>Air Travel and Accommodation</li> <li>Transfer Allowance</li> <li>Staggered Working Hours</li> <li>Mobile Phone Bill</li> <li>Car Allowance and Petrol Card</li> <li>Professional Membership Fee</li> <li>Educational Assistance</li> </ul>		
For full-time eligible employees based on job grade				

#### **Pro-family Benefits**

We provide pro-family benefits to foster a supportive work environment that helps employees balance their professional responsibilities with family commitments. In compliance with Malaysia's Employment Act (Amendment) 2022, we offer both paternity and maternity leave.

In 2024, 100% of both male and female employees returned to work after completion of their parental leave. 92% of male employees and 74% of female employees remained employed 12 months after their parental leave concluded.

#### Parental Leave

Average number of employees entitled to parental lea Male

Female

Total number of employees that took parental leave, b Male

Female

#### **Family Care Leave**

We provide Family Care Leave to support employees serving as primary caregivers for terminally ill family members. The benefit, available as paid or unpaid leave, reflects our commitment to supporting staff during critical family situations. In 2024, 11 employees utilised this benefit.

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	2022	2023	2024
ave, by gender			
	574	811	690
	330	401	382
by gender			
	31	42	38
	24	27	27



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## OUR PERFORMANCE SOCIAL

#### Enhanced Targeted Financial Access for Selected Employees

In 2024, we reviewed our employee segments and provided a one-off targeted financial support through an ex-gratia payment to our lowest salary earners to address inflation and rising costs of living. This initiative aligns with the government's efforts to enhance the socioeconomic well-being of the nation and supports our employees during challenging economic conditions.

We also continued offering the Mid-Month Payout and Earned Wage Access, following their successful implementation in 2023. These initiatives help employees manage monthly expenses, emergencies, and unplanned expenditures between paydays. The programmes received positive feedback for their effectiveness in improving financial flexibility.

#### **Employee Engagement Programme**

Clear and effective communication is essential for fostering a positive workplace culture and enhancing employee satisfaction.

We prioritise keeping our workforce engaged and well-informed through a variety of communication tools, including staff newsletters, emails, digital and print signages, video displays in office areas, the HR portal, WhatsApp, and Microsoft Teams.

To further engage employees and promote connection, we organise regular initiatives such as talks, health and sports events, and social gatherings. These activities not only strengthen team bonds but also encourage a healthy balance between work and leisure.

#### Casual Briefings by Project and Development Directors

The Casual Briefings are organised to give employees an in-depth understanding of MRCB's projects, including those in the pipeline, ongoing, or recently completed. These sessions are led by Project Directors or Development Directors, and aim to provide insights into project concepts, designs, sustainable features, and other key aspects. These sessions aim to enhance employees' understanding of projects undertaken by MRCB.

#### Casual Briefings held in 2024

Topics	Description
Briefing on Setia Utama	Provided a comprehensive overview of the LRT3 project, covering its progress, challenges, and key
LRT3 (SULRT3)	infrastructure, sustainability and system features, with participation from employees across various the
	organisation.
Briefing on Sentral	Offered insights into projects such as Sentral Suites, 9 Seputeh, PJ Sentral, and Seri Iskandar Development
Suites and other	(SIDEC), focusing on their key features, design principles, and MRCB's innovative approaches. Employees
projects	from various departments participated, gaining a deeper understanding of the company's commitment
	to quality development.
Briefing on MRCB	Gave employees an overview of modular construction and its application in the ongoing Residensi Tujuh
Building System (MBS)	project at Kwasa Damansara. It highlighted the innovative techniques used and the benefits in terms of
	efficiency and sustainability, offering employees valuable insights into this innovative approach.

#### Impact and Benefits

- · These briefings foster a culture of continuous learning and engagement among employees.
- They provide a platform for direct interaction with project leaders, allowing employees to gain firsthand knowledge and insights.
- The sessions help in building a sense of community and shared purpose within the organisation, as employees from various departments come together to learn.
- Future plans:
- To continue these briefings regularly, covering a diverse range of projects and topics.
- Feedback from participants will be used to improve the format and content of future sessions to ensure they remain relevant, engaging and valuable to employees.

#### Wellness Programmes

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We promote employee well-being through a range of wellness programmes designed to support physical, mental, and emotional health. These initiatives reflect our commitment to creating a balanced and supportive work environment, fostering a healthier and more productive workforce.

nitiatives	Description
Professional Counselling Services or Employees	MRCB recognises the important and overwhelming moments, but relationships, or marital issues address this, MRCB provides con- support our employees. This pro- In 2024, MRCB continued to pri- to provide confidential counse
From Survivor to 'hriver" by Dr. Aiesha Ismadi	In conjunction with Internationa a two-time cancer survivor an overcoming cancer and achie She provided valuable tips on r management.
IRCB Walking Challenge	The MRCB Walking Challenge a collaboration with Kelab Ke among employees through pl Day celebrations. A total of 5 commitment to maintaining ar
	Total Steps Taken
	344,074,635 steps taken by a teams over the two months
	Distance Covered
	Approximately 268,378 kilometres
	Daily Average
	Employees walked an average of 10,982 steps per day, which approximately 8.57 kilometres

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# OUR PERFORMANCE SOCIAL

nce of supporting employees whom might be going through challenging ooth at work and at home. Career setbacks, financial difficulties, strained can significantly impact an employee's performance and well-being. To nfidential counselling services by experienced independent counsellors to rogramme was introduced in 2023.

rovide mental health support by engaging two professional counsellors elling for personal and career-related challenges.

al Women's Day, a special session was held featuring Dr. Aiesha Asmadi, nd bodybuilding champion. Dr. Aiesha shared her personal journey of ieving international success in bodybuilding, inspiring all attendees. maintaining a healthy lifestyle, including movement, nutrition, and stress

was a 54-day event held from 26 August to 18 October 2024. It was ebajikan & Rekreasi MRCB, aimed to promote health and wellness physical activity, in conjunction with the National Day and Malaysia 585 MRCB employees participated in the challenge, showcasing their an active lifestyle.



SECTION 5



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#### **Training and Development**

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#### Learning and Development Framework

MRCB is committed to fostering a culture of continuous learning and professional growth. To cultivate this, we developed a comprehensive Learning and Development framework in 2024, designed to empower employees at every stage of their career. This framework is built upon several key pillars, ensuring a structured, flexible, and impactful learning and development process aligned with the organisation's strategic goals. These pillars include:

Structured Learning Framework	Provides a structured approach to employee development, focusing on Skills, Talent, Enterprise, Position, and Self-initiated learning. This ensures that employees have a clear pathway for continuous improvement, aligned with their current roles and future career aspirations.
Focus on Core Competencies	Emphasises the development of core competencies such as communication, collaboration, critical and analytical thinking, and decision-making. These competencies are essential across all levels and roles, ensuring employees are well-rounded and capable of contributing to the organisation's goals.
Career-Stage Specific Development	Development programmes are tailored to different career stages, from non-executive level to senior leaders and other talents identified as future successors. Each stage has specific training programs to ensure employees develop the necessary skills as they progress in their careers, as well as individual bespoke training programmes.
Blended Learning Approach	The approach combines online and physical training, workshops, seminars, and certifications.

#### **Training and Development Progress**

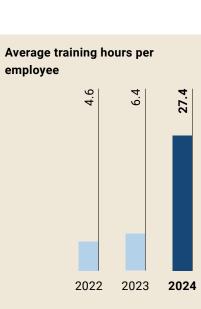
原 40,661 Total training hours 2023: 8,884 hours

ر م م م 27.4

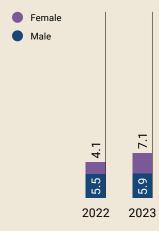
Average employee training hours 2023: 6.4 hours

MRCB significantly increased its investment in training, rising from RM568,516 in 2023 to RM1,189,274 in 2024, reinforcing our commitment to upskilling our workforce and future-proofing our operations. This commitment is reflected in the sharp increase in average employee training hours, which grew to 27.4 hours (equivalent to three working days) in 2024 from 6.4 hours per employee.

This substantial growth is driven by the expansion of training opportunities and the consolidation of all training programmes across the organisation. Key departments, including Integrity and Discipline, Health and Safety, Security, and Sustainability, are leading this effort by delivering targeted training to enhance employee capabilities. These combined initiatives equip employees with the necessary skills and knowledge to adapt to the evolving demands of the industry and contribute to the company's ongoing success.



3-year average training hours by gender



3-year average training hours by grade



Total traini hours by employee category (h

Total traini interns, GE Total traini (RM) Average tra

expenditur (RM/emplo

26.0

2024

We are committed to ensuring our workforce is aligned with our goal of embedding sustainability across our operations. To support this aim, we provide them with opportunities such as targeted training, capacity-building initiatives, and access to global sustainability resources, to strengthen their knowledge to integrate sustainability into their daily work.

## Sustainability Engagement

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- 35% inter
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		2022	2023	2024
	Non-executive	2,736	628	10,055
ing	Executive	8,644	4,876	20,985
	Middle Management	3,041	2,498	7,966
(hours)	Senior Management	917	882	1,655
iing hou EP (houi	rs, including for rs)	15,338	8,884	40,661
ing dev	elopment cost	905,651	568,516	1,189,274
-	and development Ill-time employee	272.21	411.67	801.94

#### Sustainability Programme

We conducted sustainability awareness and capacity-building sessions to equip our employees with the knowledge and skills needed to drive sustainable practices across the organisation.

<ul> <li>findings include:</li> <li>of our employees are</li> <li>rested in how their work</li> <li>tes to sustainability</li> <li>of our employees are</li> <li>rested in how their personal</li> <li>tyle relates to sustainability</li> <li>tyle re</li></ul>	INABILITY ENGAGEMENT	SUSTAINABILITY ENGAGEMENT TRAININGS
	of our employees are rested in how their work tes to sustainability of our employees are rested in how their personal tyle relates to sustainability he employees requested	<ul> <li>Fundamentals in Sustainability (ESG 101)</li> <li>Diversity, Equity, and Inclusion</li> <li>For more information on our Diversity, Equity and Inclusion</li> </ul>



**FROM OUR LEADERSHIP** 

**UNGC Academy Portal** 

and

Provided employees access to a

broad range of sustainability-focused

courses on the United Nations

Global Compact's Academy Portal.

Topics include climate change

Development Goals, gender equality, human rights, and decent work.

environment, Sustainable

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#### Fundamentals in Sustainability (ESG 101)

In 2024, we expanded our training on the fundamentals of environmental, social, and governance (ESG) issues to reach a broader group of employees. To ensure inclusivity and better understanding, we also introduced a training session conducted in Bahasa Melayu.

ESG 101 in English	ESG 101 in Bahasa Melayu
292	455
employees	employees

#### Succession Planning Programme

MRCB's talent-building initiative, aims to develop a robust pool of highly skilled employees ready to step into key roles. Having a stable succession planning pipeline of talents ensures organisational stability and continuity. Our succession planning training and development plans are tailored to individual employees while aligning with the organisation's needs, values, culture, and succession plans.

The company has identified 27 key positions under its Succession Planning framework, with 31 key talents earmarked as successors. In 2024, MRCB organised several targeted activities for these talents, including:

Programmes	Description
Business Strategy	Talents undertook a Business Strategy simulation assessment to evaluate their problem-solving,
Simulation	creative solutions, scenario planning and strategic management skills. The results highlighted areas
Assessments	for improvement and identified future development programmes.
Competencies	Talents undertook a Competencies Behavioural Interview, which is a structured behavioural and
<b>Behavioural Interview</b>	situational interview session that assesses individual competencies against benchmarked succession
	positions.
One-on-One	Each talent received personalised feedback on their assessment results, including a summary of
<b>Assessment Sessions</b>	development areas and guidance for career growth.
Leadership	Designed, customised and structured approaches were adopted to strengthen leadership capabilities
Development	in the Leadership Development Programme.
Programme	
Outward Mindset	In November 2024, a two-day workshop, "Developing and Implementing an Outward Mindset" was
Workshop	conducted by the Arbinger Institute Singapore. The workshop helped talents make shifts in leadership
	development, team effectiveness, customer satisfaction, collaboration, and conflict resolution.
Engagement sessions	Informal sharing sessions were held to encourage and foster closer interaction between talents and
with the C-Suites	Senior Management, encouraging exchange of ideas and strengthening rapport.
Pilot Executive	Selected key talents participated in an executive coaching pilot programme to further enhance their
<b>Coaching Programme</b>	leadership and strategic capabilities.

#### Performance and Career Development Reviews

MRCB conducts annual performance reviews for all employees, assessing their achievements against their Key Performance Indicators (KPIs) set at the beginning of the year.

In 2024, 100% of employees underwent performance evaluations. For Senior Management, these reviews are closely aligned with financial objectives and MRCB's material matters to ensure that organisational goals are seamlessly integrated with our sustainability aspirations. These priorities are cascaded to all levels of the organisation and are tracked to ensure a cohesive and accountable performance.

#### Performance Management System

In 2024, a comprehensive training on Managing the Performance Management System (PMS) Process was organised for 394 middle and senior management. The targeted programme was designed to address the low rating of PMS as part of our 2023 Employee Engagement Survey. The programme was aimed to strengthen the connection between the organisation, it's leaders, employees and fostering improved performance across the board.

Equip leaders with essential skills to manage performance discussions effectively



We continue to invest in talent development, employee well-being, and engagement to build a resilient, future-ready workforce. While we have made significant progress, we recognise both the challenges we face and the opportunities ahead. Moving forward, we remain committed to strengthening our capabilities and adapting to the evolving needs of our employees and the organisation.

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Develop a culture of transparency through regular two-way communication between supervisors and employees

Motivate employees towards continuous growth and excellence SECTION 5

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**OVERVIEW** 

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## CHALLENGES

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#### **OPPORTUNITIES**

- Building a strong talent pool while fostering a highperformance culture and equipping employees with the necessary skills for professional growth.
- Retaining top talent amid increasing competition and evolving employee expectations for career development and well-being.
- Balancing work demands with employee well-being by addressing mental health needs and promoting a healthy work-life balance.
- Implement the newly finalised Learning and Development framework to drive employee growth and align with the goal of becoming a high-performance organisation.
- Leverage digitalisation to streamline processes, enhance employee well-being initiatives, and improve overall workplace efficiency.
- Strengthen employee engagement and retention by offering targeted development opportunities and fostering a supportive, innovative work environment.

#### OUTLOOK

We are focused on enhancing initiatives that foster collaboration, growth, and a supportive work environment. Following the positive reception of our project briefings introduced in 2024, we will continue these sessions in 2025 to strengthen inter-department understanding and collaboration. By building on successful programmes and aligning with employee needs, we aim to create a more engaged and resilient workforce that drives organisational success. The new Learning and Development Framework, which will be rolled out in 2025, will be pivotal in ensuring we have a skilled workforce aligned with our strategic objectives.

#### DIVERSITY AND EQUAL OPPORTUNITY

WHY IS THIS IMPORTANT	OUR APPROACH
<ul> <li>Promoting Diversity, Equity, and Inclusion (DEI) ensures a fair and supportive workplace where all employees feel valued, fostering innovation, collaboration, and a stronger organisational culture.</li> <li>A diverse workforce reflects the communities we serve, enhancing our ability to understand and meet the needs of stakeholders while driving sustainable growth.</li> <li>Prioritising equity and inclusion helps attract and retain top talent, ensuring a competitive and resilient workforce aligned with our long-term goals.</li> </ul>	<ul> <li>We leverage the strength of our diverse workforce, encompassing different genders, age groups, skill sets, cultures, and ethnicities, to foster innovation and drive organisational success.</li> <li>We actively promote DEI through targeted initiatives, including leadership development, awareness training, and inclusive hiring practices, to build a workplace that reflects the diversity of the communities we serve.</li> </ul>

#### OUR AIMS

· 30% women representation on the Board and Senior Management.

#### **OUR INITIATIVES AND PROGRESS**

#### **Building a Diverse Workforce**

MRCB values Diversity, Equity, and Inclusion (DEI) as essential principles in fostering a supportive and respectful workplace, as outlined in our Employee Handbook. Our workforce reflects the rich diversity of Malaysia, comprising individuals from various ethnic backgrounds, including Malays, Chinese, Indians, and others. While we currently have no employees classified as disabled, we remain committed to creating an inclusive environment that welcomes and supports individuals from all walks of life.

	2022*	2023	2024
Employees by Gender			
Male	56%	62%	60%
Female	44%	38%	40%
Employees by Ethnicity			
Malay	78%	78%	78%
Chinese	11%	12%	12%
Indian	7%	7%	7%
Others	3%	3%	3%
Employees by Age Group			
<30	20%	15%	13%
30-50	69%	71%	72%
>50	11%	14%	15%

\* excluding SULRT3 employees

#### Launched DEI Implementation Guide

In May 2024, the CEO Action Network (CAN) unveiled the Diversity, Equity, and Inclusion (DEI) Implementation Guide for Malaysia, which is a significant advancement in promoting DEI across Corporate Malaysia.

MRCB played a key role as co-lead of CAN's DEI Workstream, and steering the development of this comprehensive guide. The guide was collaboratively developed by workstream members and benefited from the expertise of subject matter experts, including Architects of Diversity, LeadWomen, and the Malaysian Coalition on Ageing and Social Economic Research Initiative (SERI). These experts provided valuable input and reviewed the final drafts to ensure the guide's relevance and effectiveness.

A key feature of the guide is the inclusion of self-assessment tools that enable companies to evaluate their current DEI status, identify gaps, and progress towards adopting best practices tailored to their organisational needs.

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#### Speed by Mentoring Programme by 30% Club

In May 2024, MRCB participated in the 30% Club Speed Mentoring Programme, an initiative aimed at empowering and fostering the growth of women leaders. The programme provided participants with valuable insights, including the importance of leveraging their unique strengths to build successful careers. By supporting and empowering women leaders through such initiatives, MRCB reinforces its commitment to cultivating a workplace culture that enables women to reach their fullest potential.

The 30% Club is a global campaign advocating for gender balance in corporate leadership, aiming for at least 30% representation of women on boards and in senior management positions. Its mentoring initiatives are designed to develop leadership skills, enhance career growth, and promote inclusivity within organisations.

#### **DEI Internal Capacity Building**

MRCB continued to strengthen its DEI internal capacity building in 2024. Building on the success of its DEI programmes in 2023, we organised two workshop training sessions focused on fostering a deeper understanding of a multigenerational workforce and promoting accessibility through Universal Design in alignment with MS 1184:2014 standards. These sessions aimed to enhance awareness and equip employees with the knowledge and tools to create an inclusive workplace that accommodates diverse needs and perspectives.

#### 2023 Initiatives

**Unconscious Bias** 

Gender Equality and Equity

Male allyship

#### 2024 Initiatives

age groups effectively.

Multigenerational Workforce Workshop	MS1184:2014 Accessibility & Universal Design Training
<ul> <li>11% of our employees are above 50 years old, while 20% are under 30, reflecting the diversity of age groups within our workforce.</li> <li>As Malaysia transitions into an ageing nation with increasing generational diversity, this programme was designed to prepare senior leaders to effectively manage and lead across generational gaps.</li> <li>Senior leaders selected for this training gained insights into the nuances of managing a multigenerational</li> </ul>	<ul> <li>Explored how MRCB's projects can meaningfully promote DEI through thoughtful project designs and community- focused solutions.</li> <li>Participants gained insights into the needs of individuals with varying abilities and learned about design considerations and best practices from regional and international perspectives.</li> <li>Dr Naziaty was recommended to MRCB by the Persatuan Arkitek Malaysia (PAM) to conduct this session.</li> </ul>
workforce, equipping them with the skills to lead diverse	Arkitek Malaysia (PAM) to conduct this session.

Our upcoming redevelopment of Stadium Shah Alam and Kuala Lumpur Sentral Station will feature accessibility improvements, creating inclusive spaces that benefit all visitors and users, including those with disabilities.

#### Women In Leadership

We are committed to increasing female representation on the Board and in Senior Management, in line with our support of SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth.

Women's representation on the board increased to 37.5%, strengthening diversity at the highest level of leadership. We recognise that diverse leadership teams bring broader perspectives and experiences, leading to better decisionmaking and stronger organisational performance.

Through our Succession Planning Programme, we identify and support female talent, equipping them for leadership roles and fostering inclusivity across our organisation.

#### Women representation on the Board





\* By job grade - categorised as women in leadership positions

#### **Empowering Working Mothers**

Women make up 40% of our workforce, and we understand the dual responsibilities many women shoulder at work and home. MRCB supports working mothers in balancing their professional and caregiving roles, aligning with the principles of the Convention on the Rights of the Child, which emphasises every child's right to life, survival, and development.

As a responsible employer, we are committed to creating a workplace that supports working parents and promotes family well-being. Our initiatives and benefits are designed to empower working mothers by providing the resources and support they need to nurture their families while thriving in their careers.

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#### Benefits to Support Women at Work

#### Three months of paid maternity leave

· Female employees are entitled to up to 98 days of paid maternity leave.

#### Financial support for labour delivery

- · Employees who have just given birth may claim up to RM3,000 to assist with their delivery bills.
- Newborns receive cash gifts.

#### Staggered and shortened work hours

- · Employees are entitled to opt for flexible work hours to fit their needs better.
- Expecting mothers are entitled to opt for shortened work hours that allow them to attend to their health and well-being.

## Safe and Respectful Workplace Conduct

- · Sexual Harassment Policy in place.
- Formal complaint process that promptly investigates in a strictly confidential and fair manner.
- Necessary and appropriate actions taken to remedy any form of harassment.



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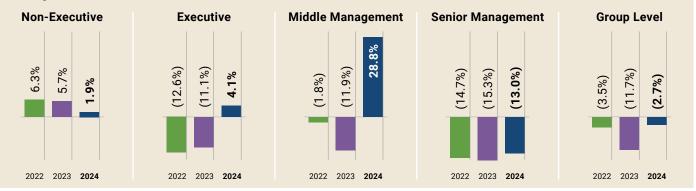
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As part of our commitment to SDG 8: Decent Work and Economic Growth, we track the gender pay gap as a key metric to gauge our efforts in achieving pay equity and gender inclusion. Gender is not a factor in pay decisions at MRCB, which are typically based on a combination of qualifications, experience, skills, performance, job size and market benchmarks, amongst other factors. To provide a broad perspective, our approach involves merely measuring the average pay differences between female and male employees, without taking these factors into account.

In 2024, the salary and benefits paid to women compared to men in MRCB improved to 0.97:1, up from 0.88:1 the previous year. This positive trend demonstrates a significant step towards closing the gender pay gap within the company towards full pay equity.

#### Three year gender pay gap by employee category

Positive percentages indicate women on average are paid more than men, while negative percentages show men on average earn more than women.



\* Excluding bonus payouts

#### CHALLENGES

- Women are less likely to apply for roles in the engineering and construction industry due to the perception of it being a 3D industry - dirty, difficult and dangerous and physically demanding.
- Limited awareness and understanding of the various dimensions of Diversity, Equity, and Inclusion hinder the effective implementation of comprehensive DEI initiatives.

#### **OPPORTUNITIES**

- Build internal capacity to increase awareness, understanding, • and implementation of best DEI practices within the workplace and across projects.
- Create targeted programmes to attract and retain women and underrepresented groups in traditionally male-dominated roles, such as those in the engineering and construction sectors.
- Leverage diverse perspectives and experiences within the workforce to drive innovation, improve decision-making, and enhance organisational performance.

#### OUTLOOK

We will continue to strive to create a more inclusive and equitable workplace while addressing barriers in traditionally maledominated industries such as ours, particularly construction. Investments in modular construction technology through the MRCB Building System (MBS) can play a role in transforming the perception of the construction industry. By enabling work to be carried out in safer, controlled environments, MBS creates opportunities for individuals, including women, who may not have previously considered careers in construction. Moving forward, we will continue leveraging insights from industry experts and peers to strengthen our DEI practices to build a workforce that reflects the diversity of the communities we serve.

#### **LABOUR PRACTICES**

#### WHY IS THIS IMPORTANT

- We are committed to respecting labour rights and upholding ethical employment practices to ensure fair treatment, proper compensation, and a safe working environment for all our employees.
- Adhering to ethical labour practices fosters employee trust and loyalty, which are essential for retaining talent and maintaining a productive workforce.
- Ensuring compliance with local and international labour laws safeguards the company's reputation and reinforces its position as a responsible and transparent employer.

#### OUR AIMS

- · Zero violations of labour rights.
- Uphold fair treatment, proper compensation, and compliance with labour laws
- Zero tolerance for discrimination or harassment.

#### **OUR INITIATIVES AND PROGRESS**

#### Compliance with Laws, Rules, and Regulations

MRCB strictly abides by the Malaysian Employment Act Aligned with SDG 8: Decent Work and Economic Growth, 1955, and the Children and Young Persons (Employment) Act MRCB upholds a zero-tolerance policy against discrimination, harassment, and bullying in the workplace. We ensure all 1966. This commitment extends to our external stakeholders including customers and suppliers/contractors, especially employees are treated fairly, regardless of race, gender, age, when entering into new commercial agreements with us, and religion, or nationality. Incidents of bullying or harassment can be reported through our Whistleblowing Policy and e-form, we are committed to maintaining ethical labour practices across all aspects of our operations and partnerships. which are accessible via our website or reported directly to our Human Resources Department.

There was no discrimination against any individual or group because of their race, religion, gender, or disability reported We are committed to providing equal opportunities and in 2024. protecting our employees from any form of discrimination, harassment, or exploitation, including intimidation, wage MRCB is also pleased to report that there were no incidents garnishment, debt bondage, or abusive working and living related to non-compliance of human rights principles and conditions. Our practices adhere to national wage and labour standards in 2024. This indicator has been verified by working hour regulations and meet the standards of the MRCB Group's Internal Audit. International Labour Organisation (ILO) for child labour and minimum working age.

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# OUR PERFORMANCE SOCIAL

## OUR APPROACH

We uphold labour practices that prioritise the health, safety, and well-being of our employees, as outlined in our Code of Conduct and Human Rights Policy. These commitments are reinforced through policies such as the Quality, Environmental, Health, and Safety (QESH) Policy, ensuring alignment with our social performance responsibilities to customers, vendors, and suppliers. We continuously monitor and review our labour practices to

ensure compliance with evolving laws and regulations. We visit and audit the centralised living quarters provided to foreign workers by our subcontractors, to ensure they comply with all legal requirements and the standards we demand.

#### Fair and Lawful Employment Practices

We respect employees' rights to freedom of association and collective bargaining, ensuring fair and lawful employment practices throughout our operations and supply chain.



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#### Foreign Labour Living and Working Conditions

MRCB is committed to ensuring the well-being of foreign workers and providing them with adequate living and working conditions. As of December 2024, we directly employed 22 foreign workers, compared to 31 in 2023. To support their welfare, we provide Centralised Labour Quarters (CLQs) equipped with essential amenities. All CLQs comply with local authorities' standards for water supply and fire safety regulations.

#### Sexual Harassment Awareness Campaign

MRCB strictly opposes all forms of workplace harassment, including sexual harassment, and adheres to Section 81H of the Employment Act (Amendment) 2022, which mandates employers to raise awareness through prominently displayed notices. In alignment with this, we run an ongoing campaign to educate employees on recognising harassment and understanding the proper channels for reporting and addressing it.

Awareness is promoted through training sessions and posters displayed across all facilities. In 2024, we further strengthened this initiative by conducting sexual harassment trainings Auxiliary Police workforce. We also conducted internal training in Bahasa Melayu, ensuring inclusivity and a broader reach among our workforce.

**OPPORTUNITIES** 

and vendors.

Build internal and external capacities to increase

awareness, understanding, and implementation of best

labour practices across our workforce, subcontractors,

Enhance employee engagement and retention through

targeted initiatives that align with fair labour practices

and promote a supportive work environment.

External training 168 attendees	Internal training in Bahasa Melayu <b>156</b> attendees

•	Staying updated and ensuring full compliance with
	evolving labour laws, regulations, and industry standards
	across all operations.

- Cascading ethical labour practices throughout our value chain and ensuring our subcontractors and vendors adhere to the same high standards.
- Addressing labour shortages and competition for skilled talent while maintaining fair and lawful employment practices.

#### OUTLOOK

CHALLENGES

MRCB remains committed to upholding best labour practices across all levels of our organisation and value chain. Moving forward, we will continue to align with evolving labour laws and industry standards to ensure compliance and ethical practices. Our focus will include strengthening partnerships with regulatory bodies, as well as enhancing awareness and capacity-building initiatives for our workforce and subcontractors.

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#### WHY IS THIS IMPORTANT

- Respecting and upholding human rights fosters a positive workplace culture, enhances employee trust, and supports our reputation as a responsible and ethical employer.
- Protecting human rights across our operations and value chain minimises risks of exploitation, forced labour, and other unethical practices, ensuring compliance with global standards and reducing risks of reputational damage.

#### OUR AIMS

· Zero violations of human rights.

#### OUR INITIATIVES AND PROGRESS

#### Enhancing Human Rights Practices Across Operations and Supply Chain

In 2024, we strengthened our Human Rights Policy by aligning it with UNICEF's Children's Rights and Business Principles. To further promote awareness and inclusivity, we developed a Bahasa Malaysia version of the policy to ensure clear communication and understanding of human rights principles across our supply chain and workforce.

#### Fostering a Respectful and Inclusive Workplace

Our Code of Business Ethics (Code) ensures a workplace culture that values inclusivity, mutual respect, and individual contributions. We uphold a zero-tolerance policy for discrimination and harassment in any form, covering race, gender, age, religion, disability, or nationality.

To address workplace concerns, employees and the public can report issues, including misconduct, through clear and established channels. Our commitment to transparency and ethical practices is reflected in making the Code publicly accessible on our corporate website.

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## OUR APPROACH

We uphold fundamental human rights, including freedom of association, collective bargaining, and non-discrimination, guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and reinforced by our Code of Conduct and Human Rights Policy.

Policies such as the Quality, Environmental, Health, and Safety (QESH) Policy support our social performance responsibilities, ensuring the protection of employees' health, safety, and well-being while extending human rights practices to customers, vendors, and suppliers.

We conduct regular risk assessments and provide training to employees and subcontractors to ensure human rights are respected across our operations and value chain, fostering a culture of ethical and responsible practices.



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#### Investigation and Action

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MRCB enforces a strict stance against non-compliance, including breaches of anti-bribery regulations, company policies, human rights standards, and our Code of Business Ethics (Code). For external parties, violations may lead to contract termination, and legal action may be pursued if MRCB's interests are harmed.

A dedicated team thoroughly investigates all reported grievances and concerns, ensuring the complainant or whistleblower is kept informed of progress and outcomes. For employee-related cases, disciplinary action, ranging from warnings to termination, is carried out in accordance with the Limits of Authority and relevant policies. For incidents involving suspected corruption, legal breaches, or criminal activities, MRCB has a policy of reporting the matter to the relevant authorities and cooperates fully with investigations.

Supplier-related violations are addressed through MRCB's Human Rights Policy and supplier performance management processes. Business partners are encouraged to utilise their grievance mechanisms for remediation. Confirmed violations may result in actions such as contract termination or dismissal, depending on the severity of the breach.

Transparency is integral to MRCB's corporate governance. The Audit and Risk Management Committee and the Board are promptly informed of disclosures, investigation findings, and actions taken, ensuring accountability and reinforcing ethical practices across all operations.

#### Grievance Mechanism

**OPPORTUNITIES** 

human rights practices.

MRCB maintains a range of grievance mechanisms and reporting channels at both operational and company-wide levels. These mechanisms help identify and address potential and actual human rights impacts guickly and effectively.

At the operational level, management oversees grievance mechanisms tailored to workplace concerns, ensuring swift resolution. Employees submit grievances through an internal complaint system, and we ensure confidentiality and protection against reprisal for all reports.

At the company-wide level, broader reporting channels are available for all employees and third parties dealing with MRCB. Employees can access the grievance framework via the Group's intranet, while third parties can raise concerns through external channels. Reports of improper conduct, including human rights violations, can be submitted using the whistleblowing e-form available on our website or emailed directly to whistleblowing@mrcb.com, in line with our Whistleblowing Policy.

Lead by example to positively influence stakeholders,

subcontractors, and vendors to adopt and adhere to best

Enhance internal capacity through training and awareness

programmes, equipping employees to identify and

address human rights issues effectively.

#### **CHALLENGES**

- Ensuring human rights issues are well understood and consistently applied across our organisation and throughout our value chain, including subcontractors and suppliers.
- Monitoring and addressing potential human rights risks across complex supply chains.
- Building awareness and capacity among employees and external stakeholders to recognise and uphold human rights in daily practices and decision-making.

#### OUTLOOK

We will prioritise ongoing communication with employees and stakeholders to reinforce the importance of human rights practices. This includes expanding training programmes, enhancing monitoring mechanisms, and fostering partnerships with industry and regulatory bodies to stay aligned with global standards.

#### **CUSTOMER ENGAGEMENT**

#### WHY IS THIS IMPORTANT

- Delivering quality demonstrates our commitm excellence, safety, and customer satisfaction aci construction projects.
- Effective customer engagement builds trust and long-term relationships, enhancing our reputation competitiveness in the industry.
- Understanding customer needs and expectations us to tailor our projects and services, ensuring rel and value while driving continuous improvement.

#### OUR AIMS

- Achieve a QLASSIC score of 70% for industrial proj construction quality standards and exceeding minimum expectations.
- Zero complaints related to breaches of customer privacy.

#### OUR INITIATIVES AND PROGRESS

## **Producing Quality Products to Ensure Customer Satisfaction**

Quality is fundamental to our commitment to excellence and client satisfaction. The quality of our output directly impacts the safety, longevity, and ultimate value of the properties and infrastructure we create for our clients.

We adhere to the Construction Industry Development Board's (CIDB) Quality Assessment System in Construction (QLASSIC) standards to objectively measure and evaluate the workmanship quality of building construction projects. Based on the Construction Industry Standard (CIS 7:2014), QLASSIC assesses various construction elements, including structural, architectural, mechanical and electrical, and external works, assigning scores that reflect the overall quality of a project.

In 2024, MRCB achieved commendable QLASSIC scores for its projects:

#### **Project Sites**

Alstonia, Bukit Rahman Putra Jabil's Production Facility at the Chuping Valley Indust

Apart from the QLASSIC assessment, MRCB adopts a rigorous Pre-Delivery Inspection process. This involves internal teams conducting thorough inspections of properties before handing them over to purchasers, clients, and customers. The process ensures adherence to industry best practices, with at least two months allocated for any necessary rectification work prior to handover. By analysing defects from past projects, MRCB proactively addresses potential issues in future designs.

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nent to cross all fosters ion and s allows elevance	<ul> <li>We adhere to CIDB's Quality Assessment System in Construction (QLASSIC), a standardised system that evaluates the workmanship quality of building construction projects.</li> <li>Our commitment to quality is reinforced through regular assessments, training, and improvements to align with industry standards and meet customer expectations effectively.</li> <li>We integrate customer feedback into our quality management processes, ensuring continuous improvement and alignment with the evolving needs of our stakeholders.</li> </ul>

	2024
	83%
strial Area (CVIA), Perlis	78%

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We view customer engagement as a vital component of delivering value and driving satisfaction. We focus on meaningful interactions to understand customer needs and provide solutions that align with their expectations. Prompt responsiveness is central to our approach, with policies in place to address feedback or complaints within three working days.

We make communication seamless through multiple channels, including WhatsApp, telephone, email, and social media. In 2024, we recorded zero substantiated complaints regarding breaches of customer privacy or data loss.

#### **Customer Experience**

We leverage data and customer feedback to identify opportunities for improvement and implement impactful changes. Regular interactions with customers allow us to monitor progress, refine strategies, and create tailored action plans based on their feedback.

To better understand customer needs and expectations, we conduct targeted surveys. These surveys collect insights on various aspects, including the facilities in the malls we manage and the performance of solicitors, agents, and in-house sales staff. The feedback serves as a foundation for refining our offerings and ensuring we consistently exceed expectations.

In 2024, we conducted a customer satisfaction survey for three of our completed residential projects - Sentral Suits, TRIA and Alstonia as part of our Customer Service Excellence Initiatives. These interactions help us better address concerns, deliver on expectations, and strengthen our relationships with customers

#### **Customer Satisfaction Survey Scores**

	2022	2023	2024
Overall Purchasers	Achieved 85% for 1060 Carnegie in Melbourne, Australia	Achieved an average of 80% for the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects	Achieved an average of 95% for Sentral Suites, TRIA and Alstonia projects
Call Centre	100% Satisfied	100% Satisfied	100% Satisfied

#### **Increasing Brand Awareness**

Building strong brand awareness is essential for driving marketability, influencing customer behaviour, and achieving long-term business success. Brands with strong presence are seen as more valuable and reliable, which enhances pricing power and profitability.

We strive to showcase best practices and consistently deliver on quality. These efforts have been recognised through awards received for our property development projects in 2024.

( ) Further details on these achievements can be found on pages 16 and 17 of this report.

#### CHALLENGES

- Competing with industry peers to deliver unique compelling customer propositions that differ MRCB in a competitive market.
- Meeting the evolving expectations of cust particularly as preferences shift towards sustain technology integration, and personalised services.

#### OUTLOOK

We will continue our focus on enhancing customer satisfaction by aligning with customer expectations and leveraging innovation. Through the MRCB Building System (MBS) and our latest innovative developments, we aim to deliver high-quality solutions that reflect the evolving preferences of our customers, including the types of homes they desire.

We are also committed to addressing the niche needs of select clients seeking climate change adaptation projects. By incorporating customer insights, adopting cutting-edge technologies, and showcasing sustainable practices, we strive to differentiate ourselves in the market.

## LOCAL COMMUNITY ENGAGEMENT

LOCAL COMMUNITY ENGAGEMENT

#### WHY IS THIS IMPORTANT

- Engaging with local communities helps build trust, foster goodwill, and create positive social impacts, which are essential for long-term project success and sustainability.
- Supporting community development through education, employment opportunities, and infrastructure improvements enhances the quality of life and strengthens the connection between MRCB and the communities it serves.

#### OUR AIMS

- Positively impact approximately 100,000 beneficiaries each year through targeted programmes and initiatives.
- community impact.

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	OPPORTUNITIES
ue and rentiate	<ul> <li>Leveraging digital platforms and tools to improve customer interaction, streamline communication, and provide seamless service delivery.</li> </ul>
tomers, nability,	<ul> <li>Expanding customer feedback mechanisms to gather actionable insights for continuous improvement and innovation in service offerings.</li> <li>Building long-term relationships with customers through tailored engagement strategies that address specific</li> </ul>
	<ul> <li>needs and preferences.</li> <li>Showcasing sustainability initiatives and practices in projects to attract environmentally conscious customers and align with evolving market expectations.</li> </ul>

## **OUR APPROACH** We support communities through stakeholder engagement strategies, initiatives, and partnerships with NGOs to ensure our efforts are collaborative and impactful We contribute to Yayasan MRCB which operates independently, governed by its Board of Trustees.

Our approach aligns with our pillars to support sustainable and inclusive environments, foster education and skills development, and promote health and well-being

Contribute RM1 million annually to Yayasan MRCB and Corporate Social Responsibility (CSR) initiatives to drive meaningful

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# OUR INITIATIVES AND PROGRESS

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MRCB is committed to uplifting local communities through impactful engagement initiatives, carried out both directly and via Yayasan MRCB, its charitable foundation. These efforts focus on education and social well-being, supporting underprivileged groups and fostering long-term positive change.

#### **MRCB'S SOCIAL IMPACT INITIATIVES**

Upskilling Workforce to Drive Innovation, Industry and **Economic Growth** 

#### Building Skilled Construction Workforce through TVET

MRCB is strengthening Malaysia's skilled workforce by investing in Technical and Vocational Education and Training (TVET) initiatives that enhance employability and reduce reliance on foreign labour. In 2024, MRCB, in collaboration with CIDB Malaysia, established the Central Region Malaysian Construction Academy (ABM) Tower Crane Training Site in Jenjarom, Selangor, a dedicated Tower Crane Training Site. This on-site practice area, equipped with a fully installed tower crane, provides hands-on learning opportunities for trainees, ensuring they gain practical experience aligned with industry demands.

The CIDB-MRCB TVET programme strengthens the industry by improving curriculum, faculty expertise, and training infrastructure. It places a strong emphasis on Modular Construction, promoting sustainability, minimising waste, and reducing dependency on foreign labour. These are key factors that contribute to long-term community resilience and self-reliance.



Since May 2024, the programme has welcomed 10 trainees every two months, creating a steady pipeline of skilled professionals. This structured approach ensures that local communities gain access to sustainable employment opportunities while contributing to the industry's transformation toward a more sustainable and inclusive future.

Beyond infrastructure, MRCB supports workforce reintegration through the Peluang Kedua Anda (PEKA) programme, which has trained 470 individuals through CIDB-accredited courses, equipping them with the skills needed to re-enter the job market as qualified professionals. By embedding TVET in its sustainability agenda, MRCB is actively closing the skills gap, fostering economic mobility, and strengthening national development. These efforts not only empower individuals with career stability but also contribute to the resilience and sustainability of Malaysia's construction sector.



#### Supporting Industry Innovation and Economic Growth Enhancing Flood Preparedness Through Real-Time through Industrial Collaboration Programme Monitoring

MRCB's Industrial Collaboration Programme (ICP) supports MRCB is safeguarding urban mobility and infrastructure Malaysia's economic growth by aligning business initiatives resilience by developing a Flood Monitoring, Prediction, with national development goals. Introduced in 2014 by the and Mitigation Performance System to reduce flood risks Ministry of Finance (MoF), the ICP connects macroeconomic in vulnerable areas. The Proof of Concept project includes policies such as Malaysia's Five-Year National Development five Flood Monitoring Poles, with the main pole installed at Plans and the Malaysian Industrial Masterplan to industry the Shah Alam Rapid Bus Depot and four others within a 5 advancements. Since 2019, MRCB has played a key role in the km radius. This IoT-based system provides real-time early ICP, particularly in the LRT3 project, by providing RM20 million warnings and data-driven insights, enabling authorities to in grants and offering advisory and consultation support to take proactive measures before floods occur. ICP Project Providers (IPPs). To qualify, IPPs must introduce a unique, first-in-Malaysia product or service and undergo a The system collects rainfall intensity, ground surface water stringent approval process involving MoF, Prasarana Malaysia Berhad, and the Technology Depository Agency (TDA).

The programme fosters economic expansion, job creation, and knowledge-based industries. MRCB has awarded 64 contracts, each valued between RM250,000 and RM500,000, to innovative projects such as eco-friendly mosquito control kits developed with MAHSA University to combat dengue, and AI-powered medical augmentation software in Penawar Hospital, Johor. All 64 ICP projects are set for completion by June 2025, reinforcing MRCB's commitment to advancing Malaysia's industrial and technological capabilities.

#### **Renewable Energy for Sustainable Infrastructure**

MRCB is strengthening Malaysia's expertise in sustainable urban development by integrating renewable energy into The funds were used to provide immediate assistance, including transport infrastructure. The WindTree pilot project at essential supplies, temporary shelters, and other necessities the LRT3 Depot in Johan Setia creates opportunities for to alleviate the hardships faced by affected communities. This technology adoption and workforce upskilling in clean energy initiative reflects MRCB's ongoing commitment to supporting solutions while lowering operational costs and improving vulnerable groups during times of crisis, reinforcing the energy security for public facilities. importance of corporate responsibility in disaster response and recovery.

The WindTree system generates 4.2kW of power by combining Aeroleaf® vertical-axis wind turbines with solar energy. Designed to operate at wind speeds as low as 2.5 m/s, it powers guardhouse lighting and reduces reliance on conventional electricity. The initiative aligns with Malaysia's Green Technology Master Plan and National Energy Transition Roadmap (NETR), demonstrating a practical approach to decentralised renewable energy.

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levels, wind direction, and wind speed, supporting accurate prediction and analysis. Publishing early warning alerts improves response times and helps mitigate flood damage. This scalable and automated solution enhances flood preparedness, ensuring safer transport operations and better protection for communities.

#### 2024 Flood Relief Emergency and Fund

In response to the devastating floods that affected nine states in Malaysia during November and December 2024, MRCB launched a community relief initiative to support families and individuals in need. The company contributed RM1 million and 350 food baskets to the flood relief efforts, aiding 150,000 individuals displaced by the disaster.



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#### **Yayasan MRCB Uplifting Communities**

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#### Yayasan MRCB Outreach Programmes

Yayasan continued its mission to enhance the quality of life for underprivileged communities through targeted outreach initiatives for the year under review. Established in 2015 as MRCB's foundation, Yayasan MRCB has consistently delivered impactful programmes focused on education, financial assistance, healthcare, skills empowerment, and community well-being. Special emphasis has been placed on supporting individuals with physical challenges and uplifting the Orang Asli community.

#### 2024 Orang Asli Outreach Programme

Yayasan MRCB in collaboration with the Malaysian Relief Agency (MRA) Perak, organised a three-day, two-night Community Engagement Programme from 20 to 22 December 2024, benefiting 550 Orang Asli individuals in Kampung Bongor, Sungai Kejar, Royal Belum, Gerik, Perak. Supported by 55 MRCB volunteers, the programme provided essential food supplies, community games and engagement activities to enhance community well-being. Yayasan MRCB contributed RM23,530 towards this initiative, reinforcing its commitment to improving the lives of marginalised communities.

The engagement extended beyond aid distribution, fostering meaningful interactions between volunteers and the Orang Asli families. Volunteers shared meals, conducted sports activities for children, and engaged in community bonding sessions, strengthening social connections and trust. The village head, Batin Bain, expressed gratitude for the initiative, highlighting the impact of sustained engagement on the community's well-being. This is the seventh year Yayasan MRCB has run this programme with the Orang Asli community at Royal Belum State Park, demonstrating our long-term dedication to supporting underserved indigenous communities through both direct assistance and capacity-building efforts.



Strengthening Community Bonds Through Ramadan Iftar

Yayasan MRCB continued to support underprivileged communities by hosting its annual Iftar Ramadan Programme, benefiting marginalised individuals. The initiative provided financial aid and 'duit raya' to orphans, single mothers, people in need, and Tahfiz school students to ease their burden in preparing for Hari Raya Aidilfitri. The first event, held at Masjid Tengku Kelana Jaya Petra, Petaling Jaya, was graced by His Royal Highness the Sultan of Selangor, Sultan Sharafuddin Idris Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj, and Her Royal Highness Tengku Permaisuri Norashikin. The second event, held at Thorig Bin Ziyad Mosque, Army Base, Sungai Besi Camp, was attended by YB Dato' Seri Dr. Wan Azizah, alongside the local community.

These gatherings strengthened social ties by fostering a sense of togetherness and solidarity while reinforcing MRCB's commitment to community well-being. The programme also brought together local leaders, and MRCB's board and management, demonstrating the company's role in addressing social needs beyond business.



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#### CONTRIBUTION AND IMPACT TO COMMUNITIES

#### MRCB Group

In 2024, MRCB Group contributed RM2,203,500 through various community initiatives, directly benefiting 158,220 individuals. These efforts were carefully aligned with key United Nations Sustainable Development Goals (SDGs), particularly those focused on poverty and hunger, good health and well-being, promoting quality education, and fostering sustainable economic development. This data has been verified by MRCB Group's Internal Audit.

	Targeted Communities/			
No	Organisations	Programme	Programme Impact	
1 Norm ★★★★★★★ 2 Normality Development and Well-Being				
1	Yayasan MRCB	Supported Yayasan MRCB in advancing community development efforts.	A contribution of <b>RM1 million</b> was made to Yayasan MRCB to support impactful community development initiatives across Malaysia.	
2	Flood victims	2024 Flood Relief Assistance.	A contribution of <b>RM1 million and 350 food baskets</b> were made to support up to <b>150,000 flood victims</b> .	
		Karyawan's Charity Golf Tournament - Fund Raising.	A donation of <b>RM5,000</b> was made to Karyawan's Charity Golf Tournament, benefiting <b>120 flood</b> <b>victims</b> .	
3	Negeri Melaka         State Golf Association to		A contribution of <b>RM50,000</b> was made to the Melaka State Golf Association to promote <i>Tahun Melawat</i> <i>Melaka 2024</i> , benefiting <b>500 individuals</b> .	
4         Bagan Dalam communities         The Bagan Dalam Unity Fun Walk 2024           Programme.         Programme.			A donation of <b>RM20,000</b> was made for the Bagan Dalam Unity Fun Walk 2024, benefiting <b>1,500 local</b> <b>community members</b> .	
5	Kuala Lumpur Police Contingent	Contributed to The Kuala Lumpur Police Contingent, as organiser to host The Royal Malaysia Police National Sports Day Celebration 2024 (HSN 2024).	A contribution of <b>RM15,000</b> was made for the Royal Malaysia Police National Sports Day Celebration 2024 (HSN 2024), which benefited <b>2,500 local</b> <b>community members</b> .	
6	State Economic Planning Unit employees	Donation to Kelab Kebajikan dan Rekreasi Seksyen Makro dan Penswastaan, Unit Perancang Ekonomi Negeri.	A donation of <b>RM1,500</b> was made to the Welfare and Recreation Club of the Macro and Privatisation Section, State Economic Planning Unit benefiting up to <b>300 individuals</b> .	

	Targeted Communities/				
No	Organisations	Programme	Programme Impact		
4 quality EDUCATIO	4 Stating Quality Education				
7	St. John's Students	Partnership Contribution to St. John's Institution Cadet Band for three years (2024 - 2026).	A <b>RM40,000 yearly</b> partnership contribution over three years to St. John's Institution Cadet Band, benefiting 200 students (2024 - 2026).		
8	Students	Program Jejak Budaya Madani, Bahasa Melayu DiJulang 2.0.	A contribution of <b>RM2,000</b> was made for the 'Jejak Budaya Madani, Bahasa Melayu DiJulang 2.0' Programme, supporting <b>100 students</b> .		
Sustainable Economic Growth					
9	Malaysian artists	Perbadanan Kemajuan Filem Nasional Malaysia.	A contribution of <b>RM50,000</b> was made to the National Film Development Corporation Malaysia (FINAS), benefiting <b>1,500 Malaysian artists</b> .		
10	Public and Selangor Government Officials	Donation to Selangor State Government to support the Selangor State Hari Raya Aidilfitri Open House - Program Majlis Riuh Raya Kita Selangor 2024.	A donation of <b>RM20,000</b> was made to support the Selangor State Hari Raya Aidilfitri Open House, benefiting up to <b>1,500 individuals</b> .		
Tota	I Amount Contributed	by MRCB Group	RM2,203,500		
Tota	l Beneficiaries by MR	CB Group	158,220		

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Programme	Impact

St. John's	A RM40,000 yearly partnership contribution over			
ree years	three years to St. John's Institution Cadet Band,			
benefiting 200 students (2024 - 2026).				
ani, Bahasa Melayu	A contribution of <b>RM2,000</b> was made for the 'Jejak			
	Budaya Madani, Bahasa Melayu DiJulang 2.0'			
	Programme, supporting 100 students.			
Nasional Malaysia.	A contribution of <b>RM50,000</b> was made to the			
	National Film Development Corporation Malaysia			
	(FINAS), benefiting 1,500 Malaysian artists.			
Government to	A donation of RM20,000 was made to support the			
lari Raya Aidilfitri	Selangor State Hari Raya Aidilfitri Open House,			

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In 2024, Yayasan MRCB independently conducted various community engagement initiatives that benefited local communities.

No	Targeted Communities/ Organisations	Programme	Programme Impact	
1 <sup>10</sup> 1 Poverty <b>1</b> :10	2 ZERO HUMBER 1111			
local community Parlim members Setem Raya A Bin Ziy		Majlis Berbuka Puasa (Ihya Ramadhan) Di Parlimen Bandar Tun Razak Bersama Penduduk Setempat dan Penyampaian Sumbangan Hari Raya Aidilfitri 2024M / 1445H at Masjid Thoriq Bin Ziyad, Kem Tentera Darat, Sungai Besi, Kuala Lumpur.	<b>4,500 individuals</b> , including asnaf and local communities, benefited from the lftar event at Masjid Thoriq Bin Ziyad, Kuala Lumpur.	
		Majlis Berbuka Puasa (Ihya Ramadhan) DYMM Sultan Selangor Bersama Rakyat dan Penyampaian Sumbangan Hari Raya Raya Adilfitri 2024M / 1445H at Masjid Tengku Kelana Jaya Petra, Petaling Jaya, Selangor Darul Ehsan.	<ul> <li>6,500 individuals, including asnaf and representatives from local organisations benefited from the Iftar event at Masjid Tengku Kelana Jaya Petra, Selangor.</li> <li>Communities:</li> </ul>	
			<ol> <li>Asnaf (B40 Category)</li> <li>Masjid Tengku Kelana Jaya Petra attendees</li> <li>Pertubuhan Pusat Jagaan Limpahan Kasih</li> <li>Pertubuhan Kebajikan Anak Kesayanganku</li> </ol>	
2	Persatuan Dialisis Touch Patients	Donation to Persatuan Dialisis Touch of one unit of Dialysis Machine.	Purchased of dialysis machine for Persatuan Dialisis Touch, benefiting <b>60 patients</b> .	
3	Bongor Village Families	A collaboration with MRA Perak to Organise Community Engagement Programme with Orang Asli at Kampung Bongor, Sungai Kejar, Royal Belum, Gerik, Perak Darul Ridzuan on 20 - 22 December 2024.	Community engagement programme for <b>550 Orang</b> <b>Asli families</b> in Bongor Village, organised with MRA Perak and supported by 55 MRCB volunteers.	
4	Pusat Aduan Rakyat Malaysia	Appeal for Charity Donation Assistance for B40 Community & Orphans in Conjunction with the Deepavali 2024 Musical & Arts Fiesta Organised by Pusat Aduan Rakyat Malaysia.	Supported <b>650 individuals</b> from the B40 community and orphans during the Deepavali 2024 Musical & Arts Fiesta.	
5	Pertubuhan Urus Peduli Asnaf	Contribution of Food Basket at the Zakat & Duit Raya Distribution to Asnaf from Pertubuhan Urus Peduli Asnaf Ceremony.	Food baskets were distributed to <b>132 asnaf</b> during the Zakat & Duit Raya Distribution Ceremony.	
6	Persatuan Karyawan Malaysia	Donation to Persatuan Karyawan Malaysia to organise "Makan Malam Amal Legend" to help artists from B40 families who have financial and health problems.	A donation was made for the Legends Charity Dinner, supporting <b>50 artists</b> from B40 families facing financial and health challenges.	

No	Targeted Communities/	Dro <i>gramme</i>	Drogramma Import	
7	Organisations Persatuan Kebajikan Amal Jian An Malaysia	Programme Appeal for Persatuan Kebajikan Amal Jian An Malaysia for Little Shao Heng living and medical expenses.	Programme Impact Made a contribution to support Little Shao Heng's living and medical expenses.	
		<b>500 individuals</b> benefited from donations to the Indian Community Arts & Culture Carnival.		
9	Pejabat Agama Daerah Seberang Perai Utara (Butterworth)	Sponsorship of Food Baskets during the visit of Tuan Yang Terutama Tun Dato' Seri Utama Ahmad Fuzi Bin Haji Abdul Razak Yang Dipertua Negeri Pulau Pinang At Masjid Jamek Lahar Looi, Daerah Seberang Perai Utara (Butterworth).	Food baskets for <b>50 beneficiaries</b> during the visit of Governor of Penang to Masjid Jamek Lahar Looi, Butterworth.	
Quality Education				
10	Children of Melawati Police Station Staff	Contribution Application for Community Programme School Assistance.	<b>50 children</b> of Melawati Police Station staff through the Community Programme School Assistance.	
11	Sekolah Sultan Alam Shah	Appeal for Financial Contribution for the Propose of Purchasing of Gamelan Traditional Music Instruments for Sekolah Sultan Alam Shah.	Purchased of Gamelan traditional music instruments, benefiting <b>100 students</b> .	

### CHALLENGES

- · Ensuring equitable support for communities with a needs and priorities.
- Delivering high-impact initiatives and effectively re out to communities in need.

#### OUTLOOK

We are committed to investing in communities and creating sustainable, long-term positive impacts. By enhancing livelihoods, supporting education, and building resilience, we aim to address socioeconomic challenges effectively. We will continue to prioritise community engagement within our business strategy while exploring collaborations and partnerships to expand the reach and impact of our efforts to contribute to a more inclusive and equitable future.

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	OPPORTUNITIES
diverse eaching	<ul> <li>Strengthening relationships with local communities and other stakeholders through targeted programmes that address their specific needs, fostering trust and goodwill.</li> <li>Creating opportunities for partnerships with local stakeholders to enhance the reach and impact of community development initiatives.</li> <li>Creating long-term positive impacts to uplift livelihoods and contribute to an equitable future for all through sustained and inclusive community engagement.</li> </ul>

**MRCB** 

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# **ELEVATING WORKFORCE DEVELOPMENT:**

# MRCB **AND CIDB'S TVET CRANE** INITIATIVE

To enhance the construction industry's workforce, MRCB partnered with the Construction Industry Development Board (CIDB) to launch a Technical and **Vocational Education and** Training (TVET) programme focused on crane operations. This collaboration aimed to address the pressing need for skilled labour in Malaysia's construction sector, particularly in Modular Construction, which emphasises sustainability and efficiency.

The Need for Skilled Labour in Construction

The construction industry in Malaysia faces challenges related to a shortage of skilled workers. Recognising this gap, MRCB and CIDB initiated a programme designed to elevate the employability of TVET graduates by enhancing their competencies through a robust curriculum, an improved training facility, and an upgraded infrastructure. This initiative not only aims to provide employment opportunities but also seeks to create a sustainable workforce that can adapt to the evolving demands of the construction landscape.

#### THE CIDB-MRCB TVET PARTNERSHIP

Signed on 7 June 2023, the Memorandum of Understanding (MoU) between CIDB and MRCB set the foundation for a three-year collaboration aimed at increasing the employability of TVET graduates. This initiative emphasises competency-based training and hands-on experience to equip trainees with the skills necessary to meet industry demands. A flagship component of this partnership is the Tower Crane Training Programme, inaugurated at a dedicated training facility built by MRCB in Bandar Saujana

The training facility is a testament to MRCB's commitment to bridging the gap between theoretical knowledge and practical application. Accredited by both CIDB and the Department of Occupational Safety and Health, the site offers participants hands-on training with an actual 30-metre tower crane. This approach departs from traditional simulator-based instruction, providing trainees with invaluable "real life" experience and confidence in operating complex machinery.





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#### Focus on Modular Construction

An important aspect of this collaboration is its emphasis on Modular Construction, a more sustainable construction method that not only reduces waste and GHG emissions but also improves build quality and reduces the industry's reliance on foreign labour. By investing in TVET programmes tailored to this innovative approach, MRCB is positioning itself at the forefront of sustainable construction practices. The training encompasses various disciplines critical to modular construction, including:

- Concrete Technology
- Formwork Technology
- Crane and Heavy Machineries
- Safety, Health, and Environment Programmes

These areas are crucial for developing a skilled workforce capable of meeting the industry's future demands.

#### **Training Structure and Opportunities**

The TVET programme includes specialised training modules such as:

- Tower Crane Operation & Rigging: A three-month course focusing on practical rigging and crane operations.
- On-the-Job Training: Participants gain hands-on experience through placements at MRCB's construction sites or partner locations.

The training site located at Bandar Saujana Putra serves as both a crane training facility and a casting yard for MRCB's modular systems. This multi-purpose facility ensures that trainees receive guality instruction aligned with industry standards.

By prioritising local talent development, MRCB and CIDB aim to reduce the construction sector's dependency on foreign labour. The programme is designed to cultivate a sustainable workforce equipped with essential skills that can contribute significantly to the industry's growth.

#### **Career Prospects for Trainees**

Graduates from the crane operation training programme will find themselves well-positioned in the job market. Skilled crane operators are highly sought after, offering lucrative career paths within the construction sector. With this specialised training, these individuals will not only enhance their employability but also gain access to stable income opportunities that contribute positively to their communities.

The collaboration between MRCB and CIDB represents a forward-thinking approach to addressing the skills gap in Malaysia's construction industry. By investing in TVET programmes focused on crane operations and Modular Construction, both organisations are setting new standards for competency, sustainability, and

self-reliance in the workforce. This initiative not only prepares young Malaysians for successful careers but also strengthens the overall capacity of the construction sector to innovate and grow sustainably.



Visvanathan Jeyagobi Safety & Health Officer (MRCB Builders)



MCB

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#### **DELIVERING ON** STRONG GOVERNANCE

**ADDITIONAL INFORMATION** 

BUILDING MEANINGFUL CAREERS

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**MRCB's support** has enhanced my professional growth, enabling me to prioritise safety and achieve impactful milestones that truly make a difference. "



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# **A** Commitment to Environmental **Stewardship**

MRCB is committed to advancing environmental sustainability, which is an integral part of our business operations. We are working towards achieving net zero greenhouse gas (GHG) emissions by 2050, in line with the Paris Agreement and Malaysia's national target for net zero across Scope 1, 2, and 3 by the same year. Our strategy takes a practical and comprehensive approach, aiming to optimise resource efficiency, reduce GHG emissions, improve energy conservation, and support a transition to cleaner, more sustainable practices. By integrating these efforts, we strive to contribute to the creation of resilient, meaningful spaces that align with our purpose of building a better tomorrow.

In pursuit of greater transparency, we are proactively strengthening our climate-related reporting. We are aligning our disclosures with the International Financial Reporting Standards (IFRS) S1: General Sustainability-related Disclosures and S2: Climate-related Disclosures, alongside the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). By taking these steps ahead of the required implementation date we aim to provide our stakeholders with clear and insightful information on our climate-related risks, opportunities, and the strategies we are adopting to manage them. While we are committed to this enhanced approach, we recognise that this is an evolving process and may require refinement as we continue to improve our reporting practices.

MRCB complies with all applicable laws and guidelines, such as the Environmental Quality Act 1974. In 2024, we received zero environmental fines or penalties and recorded zero incidents of non-compliance related to environmental laws and regulations.







## **DELIVERING ON** STRONG GOVERNANCE

## **ADDITIONAL** INFORMATION

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#### **OUR 2024 ENVIRONMENTAL** PERFORMANCE

GHG EMISSIONS INTENSITY REDUCTION AGAINST 2020 BASELINE

22.7%

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**GHG EMISSIONS** ABSOLUTE INCREASE AGAINST 2020 BASELINE





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#### **CLIMATE CHANGE AND EMISSIONS**

Governance

Integration into business plans

and performance management

Staff engagement and capacity

Board commitment and

oversight

building

As a key player in the construction industry, we recognise the significance of our role in promoting sustainability within the sector. Our Climate Strategy Framework is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we are aligning and refining our approach in accordance with the International Financial Reporting Standards (IFRS) S1 and S2. In line with Malaysia's climate goals and the Paris Agreement, we are working towards net zero GHG emissions by 2050, exploring clean energy and waste-to-energy solutions to reduce emissions.

CLIMATE STRATEGY FRAMEWORK					
SUSTAINABILITY ASPIRATION: NET ZERO GHG EMISSIONS BY 2050					
	Managing C	Managing Climate-related Physical Risks			
Strategy >	GHG Emissions Reductions	Transition to Low Carbon		Managing Emerging Physical Climate Risks	
Focus area	GHG emissions reductions	Sustainable business practice	Green infrastructure	Climate-related physical risk adaptation	
Key Initiatives	<ul> <li>Established Scope 1, 2, and 3 emissions reduction targets in line with Malaysia's Net Zero by 2050</li> <li>Scope 3: Adopt the CSI platform to improve Scope 3 disclosures and inventory</li> <li>Evaluate and integrate new emissions reduction technologies into our operations, for example, MBS and our future waste-to-energy (WTE) project</li> <li>Explore ways to increase generation and usage of renewable energy and electrification of plant and machinery (e.g. solar energy, low or zero carbon fuels such as hydrogen, and biofuel)</li> <li>District Cooling System (DCS)</li> <li>LED and smart lighting retrofitting solutions</li> <li>Solar Photovoltaic installation at our TODs</li> <li>Cultivate an energy saving culture</li> <li>Carbon offsets and sequestration</li> </ul>	<ul> <li>Develop MRCB's climate risk management process in accordance with TCFD and IFRS recommendations</li> <li>Tap into sustainable financing</li> <li>Continue developing green buildings and transitioning to lower emissions buildings</li> <li>Integrate new Sustainable Design Policy, which comprises more intensive sustainable design principles and sustainable procurement into our projects and assess the embodied carbon in our projects</li> <li>Further digitalisation of our operations</li> <li>Internal carbon pricing</li> <li>Employee upskilling</li> </ul>	<ul> <li>Invest into research and development related to technical know-how of constructing sustainable and environmentally friendly facilities</li> <li>Identify opportunities in low carbon construction materials as alternatives to carbon intensive construction materials such as cement, steel, glass, heavy machinery, and equipment</li> <li>Target and build climate change adaptation infrastructure projects such as flood mitigation infrastructure</li> <li>Target and build clean energy infrastructure projects aligned to Malaysia's New Energy Transition Roadmap (e.g., large scale solar projects)</li> </ul>	<ul> <li>CLIMATE ADAPTATION <ul> <li>Implement systems for regular monitoring of climate hazards and their impacts</li> <li>Employee upskilling</li> </ul> </li> <li>CLIMATE RESILIENCE <ul> <li>Continue physical risk assessments on new land investments or development projects</li> <li>Integrate climate risk assessments into future engineering designs</li> </ul> </li> </ul>	

Enablers

Transparency and Compliance

Continue third party assurance

of emissions disclosures

Strengthen ESG scoring,

disclosures

IFRS S1 and S2, and TCFD

Collaboration and Engagement

Continue engagement with

and trends

regulators and investors to

monitor emerging regulations

Collaborate with stakeholders

to drive a low carbon economy

Data Management

Improve Scope 3 collection and

calculation, in alignment with

Utilise CSI platform to improve

Improve Emissions Data

protocols and standards

Scope 3 disclosures and

inventory

Management System

# -- Business As Usual Path to Net Zero Emissions By 2030 By 2025 42% reduction 21% reduction of Scope 1 & 2 emissione of Scope 1 & 2 emissions 2020 Baseline: Scope 1 emissions 1,983 tCO,e Scope 2 emissions 25,521 tCO Total Scope 1 & 2 emission 27,504 tCO. 2025 2020

#### **Initial Strategy**

- Climate Risk Management Integration Sustainable Design Policy  $\bigcirc$ Implementation
- Green Building Development
- MRCB Building System (MBS) **District Cooling System**  $\bigcirc$
- (DCS) LED and Smart Lighting
- **Retrofitting Solutions**
- Cultivate an Energy Saving Culture
- Employee Upskilling

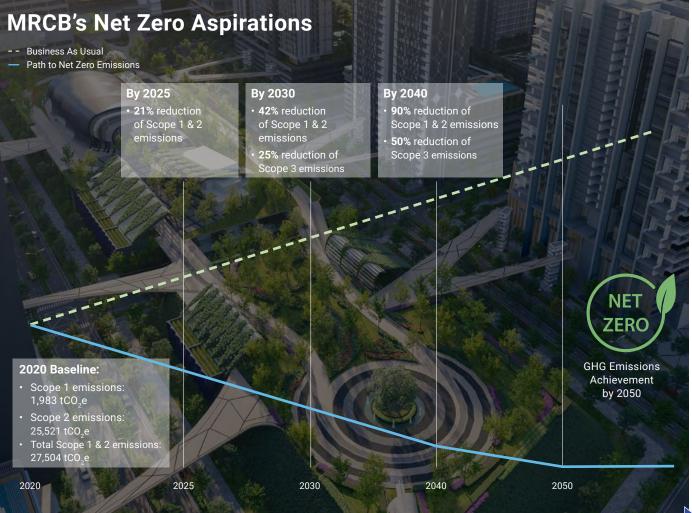
# Scaling Up

- Embark on Large Scale Solar Projects
- Waste-to-Energy
- Projects **Renewable Energy** 
  - Transition Solar Photovoltaic
  - Installation at our TODs
  - Low Carbon Construction
  - Materials
  - Internal
  - **Carbon Pricing**
  - Implementation

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# **OUR PERFORMANCE ENVIRONMENTAL**



#### **Sustaining Momentum**

- Lower Emissions Buildinas
- Transitioning to lower or zero emissions energy sources plant and equipment at our construction sites (e.g., electric, biofuel and hydrogen)

#### Getting to Net Zero

- Complete Renewable Energy Integration
- Carbon Sequestration
- Carbon Offset

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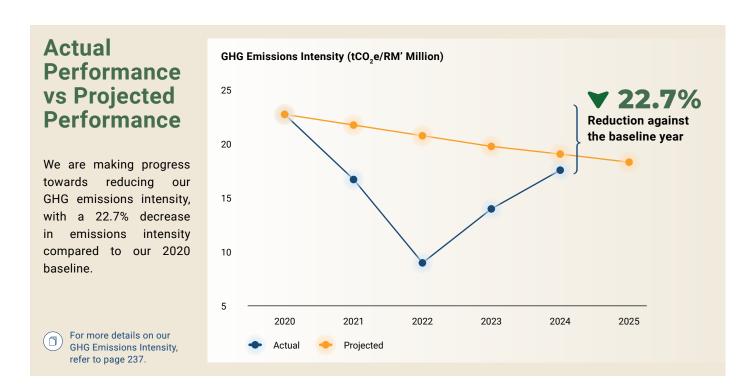
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#### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In response to the climate crisis, we are committed to supporting global efforts and Malaysia's pledge to the Paris Agreement to limit global temperature rise to below 1.5°C. This commitment enhances our resilience to potential climate impacts and ensures the long-term sustainability of our operations.

Our climate journey began in 2019 with the expansion of our GHG emissions accounting, forming the basis for a climate strategy aligned with international best practices. In our fourth year of disclosing climate-related financial risks and opportunities, we adhere to the TCFD's recommendations to provide a clear picture of how we manage and respond to these risks. This is also in line with IFRS S2: Climate-related Disclosures.

## GOVERNANCE

#### Board Oversight

To ensure effective oversight, the Board of Directors is responsible for establishing MRCB's overarching strategy, which includes a climate strategy. The Board ensures that sustainability and climate-related risks, opportunities, and trade-offs are systematically embedded into strategy, major transactions, and risk management processes.

The Board maintains active oversight through updates on sustainability and climate-related risks and opportunities as a permanent agenda item at its guarterly board meetings. These updates provide critical insights that shape the Board's strategic decisions, guiding the integration of sustainability and climate considerations into the Group's operations and long-term planning. Once these decisions are made, Management is responsible for executing them across relevant functions.

 $(\Box)$ For more details on our Sustainability Governance, refer to pages 153-156.

#### STRATEGY

#### Climate Strategy

A Climate Strategy Framework has been established to address environmental and climate challenges while ensuring sustainable business growth. Our goal is to achieve net zero GHG emissions by 2050, supported by strategies to enhance operational eco-efficiency in energy, water, resource use, and waste management. These strategies focus on reducing both direct and indirect emissions, facilitating the transition to a low-carbon economy, and adapting to climate change.

We have set a timeframe for our climate strategy as follows:

- Short-term: 1-5 years
- Medium-term: 6-15 years
- Long-term: >15 years

Our approach to short, medium and long-term planning is deeply rooted in our strategic vision. Short-term priorities focus on driving effective actions to address immediate needs, and medium-term objectives steer us toward alignment with evolving industry dynamics and global standards. Meanwhile, long-term goals serve as the foundation for our pursuit of innovation and sustainability, shaping the future we aspire to create.

Consistent with this vision, we allocate resources from our working capital to address sustainability and climate-related risks and opportunities, fully integrating sustainability and climate considerations into our business operations. This strategic approach supports our overall strategy and drives our mitigation measures, ensuring that we effectively manage risks while capitalising on opportunities arising from climate change.

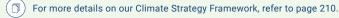
We have completed the following:

- · Qualitative assessment of our physical climate and transition risks
- · Quantification of our physical climate risks
- Quantification of our climate transition risks

For more details on our risk assessments, refer to:  $(\mathbf{0})$ 

- Oualitative assessment of physical climate risks on pages 216-219
- Qualitative assessment of climate transition risks on pages 222-223. · Quantification of our physical climate risks on pages 219-221.
- Quantification of our climate transition risks on pages 224-231.

The assessments incorporated climate scenario analysis to determine impact of climate risks and opportunities to our business, enabling us to strengthen our long-term resilience.



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### STRATEGY (CONT'D)

#### Leveraging Technology for Sustainable Development

Continued technological advancements are expected to reduce the cost and increase the efficiency of low-carbon technologies, making them increasingly feasible and viable compared to traditional alternatives. These assumptions underpin our strategy to further advance and integrate low-carbon solutions.

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Building on our strong history of sustainable development, particularly through green buildings and Transit-Oriented Developments (TODs), we are further advancing and integrating low-emission considerations and solutions:

Sustainable Design	MRCB Building System	Embodied Carbon	District Cooling Systems
Policy	(MBS)	Assessments	(DCS)
Incorporates sustainable design principles and concepts, and expands proprietary low-waste modular construction technology, MBS.	MBS technology accelerates project delivery by up to 50% compared to conventional methods while reducing waste and GHG emissions through its efficient construction process.	Conduct assessments on new projects to reduce emissions from construction materials and production processes.	Implemented DCS across multiple projects since 2011, with four plants launched to date, which provide significant energy savings, lower lifecycle costs, and reduced GHG emissions.



#### **RISK MANAGEMENT**

#### Climate Risk Management

An Enterprise Risk Management framework is used to systematically evaluate sustainability and climate-related risks through guarterly departmental operational and project risk register reviews and Key Enterprise Risk (KER) reports. These risks are monitored at the operational and group levels to ensure a comprehensive risk management approach.

All departments and business units need to consider the impact of physical climate risks on their operations, monitor their risk indicators, and prepare action plans to mitigate such risks.

Climate-related risks are embedded into the Group's KER, which are approved by the Audit and Risk Management Committee and the Board, and are specifically monitored under KER5: Environmental, Social, and Governance Risk.

At the Group level, climate scenario analyses are conducted to assess potential future risks and enhance resilience. Our climate change risk controls are updated to the Board every guarter, allowing for proactive decision-making.

#### METRICS AND TARGETS

Our targets are consistent with Malaysia's Net Zero by 2050 objective. Therefore, no revision was deemed necessary for this year. Our performance is reviewed annually, both against our established targets and in alignment with the National net zero target of 2050. Our GHG emissions are calculated in accordance with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute's (WRI) GHG Protocol. Environmental performance data is measured and reported quarterly in our ESG brief which is published on our website. tion of We also manage eco-efficiency of energy, water, and waste through ISO 14001 Environmental Management System and our Quality, Environmental, Safety, and Health (QESH) Policy. 100% of ongoing construction sites operated by the tion of Engineering, Construction & Environment Division are ISO 14001:2015 certified. cope 3

We have set a target to reduce our GHG emissions intensity by 4.2% annually from our 2020 baseline. These targets align with the 1.5°C scenario and Malaysia's commitment to the Paris Agreement. We aim for net zero GHG emissions by 2050 and have set the following interim emissions reduction targets:

Short-term	21% reduction of our Scope 1 and 2
target by 2025	emissions intensity
Mid-term target	42% reduction of Scope 1 and 2
by 2030	emissions intensity, and 25% reducti
	Scope 3 emissions
Long-term	90% reduction of Scope 1 and 2
target by 2040	emissions intensity, and 50% reducti
	Scope 3 emissions
By 2050	Net zero in Scope 1, Scope 2, and Sc
-	

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The process to identify, assess and monitor sustainability and climate-related risks and opportunities has not changed in the past reporting period, and may be reviewed from time to time and updated accordingly. For more details on our risk management processes, refer to:

 For more details on our risk management
 For more details on our risk management
 Our Risks and Mitigations on pages 78-87. · Statement on Risk Management and Internal Control on pages 318-331. Our material matters include Physical Climate Risk,

Climate Transition Risk and GHG Emissions.

PCR GHGE ( ) For more details on our material matters, refer to pages 60-67. SECTION 5



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WHY IS THIS IMPORTANT

#### PCR **PHYSICAL CLIMATE RISK**

### OUR APPROACH

- Addressing physical climate-related risks is crucial as increasing frequency and severity of extreme weather events from climate change, such as floods, heatwaves, and rising sea levels, can directly impact our operations, assets, and long-term sustainability.
- We proactively identify and address climate-related physical risks that may impact our business, directly or indirectly, both in the short- and long-term.
- To manage these risks systematically, we are focused on assessing and mitigating climate-related physical risks to ensure the long-term resilience of our operations and assets.

#### OUR AIMS

- · Identify physical climate-related risks that may impact our business.
- Strengthen our strategic resilience against impacts of climate change under different scenarios.

#### **OUR INITIATIVES AND PROGRESS**

#### PHYSICAL RISK ASSESSMENT

A physical risk assessment of natural hazards affecting our assets was conducted to better understand the identified physical climate-related risks and strengthen strategic resilience under different climate scenarios, conducted for 2030 and 2050 time horizons:

RCP 4.5	Selected as it is comparable to Malaysia's Nationally Determined Contributions (NDC).
RCP 8.5	Selected to represent the Business as Usual (BAU) scenario, where no efforts are taken to reduce GHG emissions.

Note : RCP - Representative Concentration Pathway

The following methodology was adopted for screening high-level physical risks:

- · Reviewed regional and country-level data and literature to identify key risks the businesses may be exposed to, and areas requiring further validation.
- · Evaluated identified key hazards and risks for MRCB's specific asset locations in further detail, using geospatial data for baseline natural hazards and climate change projections.
- Categorised baseline hazards as High, Medium, or Low, and qualitatively assessed future risks under RCP 4.5 and RCP 8.5.
- · Identified high-level implications and feasible mitigation measures, and for adaptation for each natural hazard.

#### PRELIMINARY PHYSICAL RISK ASSESSMENT RESULTS

Physical risks are complex and require assessing hazards, exposure, and vulnerability. Initially, we conducted a qualitative assessment of selected hazards to identify acute and chronic risks that are likely to affect our asset locations. This assessment provided a broad understanding of potential risks, which will be further explored through a detailed quantitative analysis to determine asset-specific risks and their financial impact on MRCB.

Identification Criteria for Physical Risks			
Acute		Chronic	
Under the baseline scenario, many selected hazards were found to be event-driven, including increased severity of extreme weather events:		Longer-term shifts in climate patterns (e.g. sustained highe temperatures) that may cause rising sea levels or chronic heat waves:	
Urban Floods	0-5 years (high-risk baseline and future scenarios).	Coastal Floods	>10 years (currently low risk of cyclones leading to storm surge).
Riverine Floods	0-5 years (high-risk baseline and future scenarios).	Heat Waves	>10 years (based on daily maximum Wet Bulb Globe Temperature, provided as
Landslides	0-5 years (based on average number of precipitations triggered landslides from 1980-2018).		frequency-severity data in raster format).
Water Stress	5-10 years (currently low, but projected to be high by 2030).		
Cyclones	>10 years (seldom reported in this region, but projections indicate increased intensity and frequency in the Pacific Ocean basin, potentially affecting future asset locations).		

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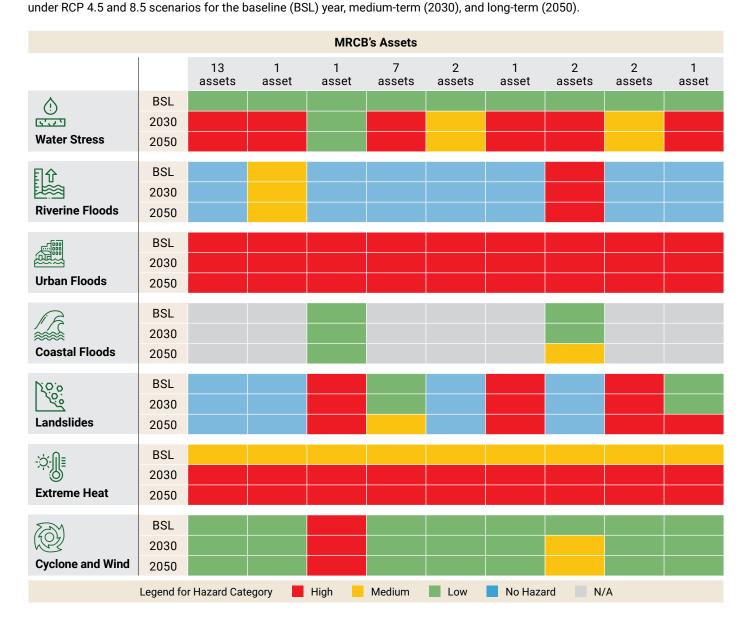
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A qualitative assessment summary of MRCB's 30 assets is disclosed below, showing the possible hazard category for each asset



Extreme heat presents a moderate risk of increased financial costs due to resource availability and asset damage, including accelerated deterioration of construction materials and higher maintenance needs. Water scarcity risk may increase expenditure on water-efficient technologies and water treatment systems, while properties in water-stressed areas could face loss of value.

Our assessment under the baseline and future scenarios indicates that exposure to climate-related disturbances will grow over time. All assets will experience vulnerability especially due to their dependence on infrastructure such as electricity, water, communications, road connectivity, and other essential services. Under the baseline scenario:

rban floods and landslides	Extreme heat	Water stress
High-risk hazard	Medium-risk hazard	Low-risk hazard

#### PHYSICAL RISK FINANCIAL QUANTIFICATION

Urban flood, water stress, and drought were identified as material climate-related physical risks to MRCB's assets. Further analysis was conducted to quantify their financial impact on land values in 2030 (medium-term) and 2050 (long-term) against the Shared Socioeconomic Pathways (SSPs) 1-2.6 and 5-8.5 scenarios.

SSP1	Low-carbon scenario with gradual shif
SSP5	Worst-case scenario with significant r

Water stress and drought analysis were derived from the World Resources Institute and other sources, while the flood depth data and flood damage curves were derived from global flood risk intelligence firm Fathom and the EU Joint Research Centre (JRC), respectively. To quantify the financial impacts, a discount was applied to the forecast compound annual growth rate (CAGR) of our landbank, factoring in the effect of extreme weather events projected for 2030 and 2050.

Water Stress and Drought

Climate change and water security concerns affect property values and business losses in Malaysia, compounded by urbanisation, poor water management, and competition for resources.

The financial impact of water stress and drought on MRCB's selected assets was calculated to determine the anticipated diminution of land values. The higher the water stress, the more significant the impact on the land value. To reflect this, we used an adjusted CAGR that decreases as water stress levels increase. The future value of land in 2030 and 2050 is calculated by taking the difference between the business-as-usual CAGR and the adjusted CAGR.

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fts towards sustainability and minimal mitigation/adaptation challenges.

mitigation and adaptation challenges.



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Modelling results for water scarcity represent the additional financial impact relative to baseline conditions (i.e., present day), and show a lower increase in land value due to the increased risk of water stress under SSP1-2.6 and SSP5-8.5 scenarios. Based on the physical risk assessment conducted, we anticipated the potential financial impact of water stress and drought on MRCB's assets for best and worst-case scenarios as per the following table:

	Impact on Land Value	
Scenario	2030	2050
SSP 1-2.6 (Low emissions)	-0.16%	-0.71%
SSP 5-8.5 (High emissions)	-0.16%	-0.71%

#### Floods

Flooding, including urban floods, is a major annually-recurring disaster in Malaysia, worsened by deforestation, urbanisation, and climate change. This natural hazard can severely affect land value by damaging property, infrastructure, and agricultural land, while also increasing insurance costs and reducing investor confidence.

The financial impact of flooding on MRCB's selected assets was assessed by calculating anticipated losses on land values. A lower increase in the land value was calculated by accounting for the flood damage associated with the flood depth on the original land value. Three probabilities in flood return periods were considered:

1-in-20 years flood return period	High probability
1-in-100 years flood return period	Medium probability
1-in-500 years flood return period	Medium probability

Using probabilistic flood projections, we assessed the potential impact on MRCB's assets if flooding of a particular magnitude or frequency were to occur, with the findings set out in the following table:

Connerio	Probability in	Impact on Land Value		
Scenario	Flood Return Period	Baseline	2030	2050
	1-in-20 Years	-7%	-7%	-16%
SSP 1-2.6 (Low emissions)	1-in-100 Years	-8%	-11%	-17%
	1-in-500 Years	-8%	-11%	-17%
	1-in-20 Years	-7%	-7%	-16%
SSP 5-8.5 (High emissions)	1-in-100 Years	-8%	-11%	-17%
	1-in-500 Years	-8%	-11%	-17%

#### MITIGATION AND ADAPTATION MEASURES TO PHYSICAL CLIMATE-RELATED RISKS

Risks	Impact	Mitigation and Adaptation Measures
Flooding >	<ul> <li>Higher risk of financial losses due to asset damage, resource availability, reduced comfort level, and health and safety concerns, as below:</li> <li>Permanent loss of coastal land from rising sea levels and coastal erosion.</li> <li>Intensified coastal flooding making coastal land unsuitable for development.</li> <li>Impact on existing assets from flooding, erosion, and saltwater intrusion.</li> <li>Reduced demand for assets in flood-prone locations.</li> </ul>	<ul> <li>Conduct site-level flood risk assessments to estimate high flood levels and develop mitigation and adaptation measures.</li> <li>Implement early warning systems for floods in projects.</li> <li>Coordinate with local authorities and municipal agencies to ensure preparedness and response for stormwater management and flood emergencies impacting MRCB assets.</li> <li>Include floods as a key hazard in the general emergency preparedness and response plan.</li> </ul>
Water Scarcity	<ul> <li>Reduced water availability during various project phases, including construction and operation.</li> <li>Increased costs of sourcing water from alternative sources.</li> <li>Higher expenditure on water-efficient technologies, treatment systems, and infrastructure.</li> <li>Properties in water-stressed areas may experience reduced value.</li> </ul>	<ul> <li>Conduct water risk assessments and audits.</li> <li>Explore rainwater harvesting opportunities.</li> <li>Install water-saving fixtures at facilities.</li> <li>Explore the use of recycled water for non-potable purposes (e.g., flushing, cleaning).</li> <li>Explore opportunities for adopting and implementing water stewardship practices.</li> </ul>

#### CHALLENGES

- · Physical climate-related risks, if unaddressed, ma pose significant challenges to MRCB's assets ar operations, potentially leading to increased cost damage to infrastructure, and reduced asset values
- Climate resilience and adaptation strategies a critical to mitigate risks that could disrupt proje timelines, increase costs, and impact mark demand.
- MRCB must continuously assess and integrat climate risks into its operations to ensure lon term sustainability, mitigate financial impacts, ar maintain investor confidence.

#### OUTLOOK

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### **OPPORTUNITIES**

• We will continue to enhance our understanding of physical climate-related risks to refine our strategies and build resilience. Building on the preliminary risk assessment conducted in 2021, we will focus on integrating climate considerations into our operations, adapting our business models, and identifying opportunities for sustainable growth. Our ongoing efforts will ensure that we are well-prepared for the challenges and opportunities that climate change presents.



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WHY IS THIS IMPORTANT

#### CTR **CLIMATE TRANSITION RISK**

#### **OUR APPROACH**

- Mitigating climate-related transition risks is essential as the shift to a lower-carbon economy introduces changes in policy, legal requirements, technology, and market dynamics, all of which impact our ability to adapt and • thrive in a rapidly evolving environment.
- Proactively assess and understand climate-related transition risks that may impact our business, directly or indirectly, across both short- and long-term horizons.
  - Identify and address climate-related risks through a 4-year roadmap developed in 2021.

#### OUR AIMS

- Identify climate-related transition risks that may impact our business.
- Strengthen our strategic resilience against impacts of climate-related transition risks under different scenarios.
- · Align our business strategy to 2030 and 2050 scenarios in line with our mid-term 2030 and long-term decarbonisation targets and strategy.

Mid-term target by 2030	42% reduction of Scope 1 & 2 GHG emissions intensity
Mid-term target by 2030	25% reduction of Scope 3 GHG emissions
Long-term target by 2050	Net zero GHG emissions

#### **OUR INITIATIVES AND PROGRESS**

#### PRELIMINARY TRANSITION RISK ASSESSMENT

We conducted qualitative transition risk assessments based on emerging trends, including scenario analysis for transition risks and opportunities against two World Energy Outlook 2021 scenarios, from the International Energy Agency: Annual Pledge Scenario (APS) and Sustainable Development Scenario (SDS). Each identified climate-related risk and opportunity was assigned to a 'scenario indicator' to track risks under the base case (APS ~2.1°C) and low carbon (SDS ~1.8°C) scenarios over the long-term. The analysis covered our three core business activities, namely Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), and Facilities Management and Parking Services (FMP). These scenarios represent the range of foreseeable events common across the segments. The following are the identified transition risks and opportunities:

Category	Draliminary Sconorio	L	ikelihoo	bd	Time	Financial	
Category	Preliminary Scenario	PDI	ECE	FMP	Horizon	Impact	
	GREEN BUILDING INDEX Growing interest and adoption of Green Building practices in Malaysia could affect MRCB's costs and demand				S	CAPEX A OPEX A	
POLICY & LEGAL	EMISSIONS REDUCTIONS AND ENERGY EFFICIENCY POLICY Possibility of increased capital and operational cost due to new infrastructure and technology adoption due to related regulatory compliance		•	•	M	CAPEX A OPEX A	
	CARBON PRICING Malaysia will likely apply the carbon pricing mechanism which will affect MRCB's operational costs				M	CAPEX A OPEX A	

0-1	Dualizzia any Casulatia	Likelihood		Time Finan		
Category	Preliminary Scenario	PDI	ECE	FMP	Horizon	Impact
MARKET	NICHE MARKET Increasing corporate and consumer demand for sustainable products and services				S	CAPEX OPEX
	<b>STRANDED ASSETS</b> Real estate assets may lose their value prematurely due to the transition to a low-carbon economy				L	OPEX A
	<b>RENEWABLE ENERGY IMPLEMENTATION:</b> The steady decline of renewable energy implementation costs and improvements in efficiency will create external pressure on MRCB to adopt renewable energy infrastructure in its projects	•	•		S	CAPEX
TECHNOLOGY	<b>GREEN CONSTRUCTION MATERIALS:</b> Requirements for the use of low-carbon building materials will continue to grow, which will increase capital costs				M	CAPEX
	<b>ELECTRIC VEHICLE (EV) AND INFRASTRUCTURE:</b> Expected growth for EVs in Malaysia will require the establishment of supporting infrastructure in real assets, which will influence MRCB's strategy to mitigate risks and capitalise on this opportunity	•	•		L	CAPEX

PDI – Property Development & Investment ECE - Engineering, Construction & Environment FMP – Facilities Management & Parking Services

Scale for Likelihood		Scale for Time Horizon
🔵 Low 🛛 😑 Medium	ligh	S Short-term

Our initial assessment indicates that regulations arising from the transition to a low-carbon economy may pose a higher risk to our businesses, potentially increasing operating costs through taxes, raw material costs, research and development expenses, labour costs, or capital expenditure for adopting lower-energy technologies. On the other hand, our proprietary MRCB Building System (MBS), a modular construction system, presents significant opportunities, as the demand for Green Buildings and sustainable infrastructure grows. This positions us to differentiate ourselves from carbon-intensive products and services in the market, enhancing our market share and influence in targeted business sectors.

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Scale for Impact Medium-term Long-term ▲ Increased ▼ Reduced



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#### TRANSITION RISK FINANCIAL QUANTIFICATION

Based on the results from our preliminary transition risk assessment, we have identified three climate-related transition drivers that are material to our business across the three main business segments and our operations in Malaysia, Australia, and New Zealand. They include anticipated carbon pricing regulations, increasing cost of green building materials, and potential energy efficiency premiums arising from the sale of green residential units. Therefore, we conducted a further analysis to quantify the financial impacts arising from these climate-related transition drivers in 2030 (medium-term time horizon) and 2050 (long-term time horizon) based on the Announced Pledges Scenario (APS) and the Stated Policies Scenario (STEPS) as published in the World Energy Outlook Report (WEO) 2024 by the International Energy Agency (IEA) in October 2024.

APS represents a low carbon scenario that assumes all climate commitments made by governments and industries around the world as of the end of August 2024, including Nationally Determined Contributions (NDCs), longer-term net zero targets, and targets for access to electricity and clean cooking, will be met in full and on time. STEPS represents a high carbon scenario that reflects current policy settings based on a sector-by-sector and country-by-country assessment of energy-related policies that are in place as of the end of August 2024, as well as those under development. The scenario also takes into account currently planned manufacturing capacities for clean energy technologies.

For carbon pricing, additional data was retrieved from the World Bank Carbon Pricing Dashboard and the Network of Greening the Financial System (NGFS) to supplement the IEA data, especially in the projection of emission thresholds, carbon pricing levels, and electricity prices.

The key assumptions related to the transition driver financial quantification exercise are presented below:

- · Baseline year for the quantification exercise was set as 2024, unless otherwise stated.
- Business growth is projected to grow:
- 10% annually from 2024 to 2025;
- 8% annually from 2026 to 2027;
- 5% annually from 2028 to 2029; and
- 3% annually from 2030 to 2050.
- · It was assumed that no new geographies would emerge over time and there would be no major mergers, acquisitions or divestment divestment activities.
- · Effects of inflation were excluded from the quantification exercise.

#### **Carbon Pricing**

As countries across the globe race to meet carbon emissions reduction goals, policymakers are increasingly utilising mandatory carbon pricing schemes, such as carbon tax and emissions trading systems (ETS), to encourage corporates and heavy-emitting industries to decarbonise. Such carbon pricing schemes are usually targeted at carbon-intensive products such as cement, steel, and fossil fuel products.

In the countries where we operate, Australia and New Zealand have already implemented mandatory carbon pricing schemes. In Malaysia, the government has recently announced the intention to introduce a carbon tax on steel, iron, and energy products by 2026. Although details of the carbon tax remain unclear, the scope of the carbon tax is expected to expand to include cement, and oil and gas products moving forward. Given this context, it is imperative for us to quantify the potential financial impact on our business arising from the introduction of a carbon tax.

We quantified the financial impact of carbon pricing on our business from two angles, namely the increased operational costs resulting from direct GHG emissions (Scope 1) and the increased operational costs resulting from rising energy procurement costs (indirect carbon costs and energy system costs).

#### **Increased Operational Costs Arising from Direct GHG Emissions (Scope 1)**

The first calculation involves quantifying the potential financial impact arising from the introduction of carbon taxes on Scope 1 emissions emitted by companies. The introduction of carbon taxes, specifically in Malaysia, will have a financial impact on MRCB given that our largest operations and Scope 1 emissions source are in Malaysia. This financial impact will be driven by three key variables:

- Carbon price
- Emissions threshold
- Business growth and Scope 1 emissions

The key assumptions are presented below:

- Carbon prices were assumed to increase over the years based on the data extracted from the IEA WE02024 publication.

- made by the Government in the 2025 National Budget
- above the emissions threshold.

Based on the first calculation on direct carbon cost, under both the APS and STEPS scenarios, MRCB is not expected to incur any direct carbon costs as our emissions are unlikely to breach the projected emissions threshold of 50,000 tCO<sub>2</sub>e per year. In the worst-case scenario, where emissions thresholds are disregarded, we project that MRCB will incur direct carbon costs under both the APS and STEPS scenarios, albeit to varying degrees, due to the difference in carbon pricing projections for both scenarios.

Based on our analysis, the projected direct carbon costs are minimal compared to the total operational cost of MRCB. It is also important to note that direct carbon costs will likely be incurred by MRCB's Malaysian operations only, as our operations in Australia and New Zealand emit an insignificant amount of Scope 1 emissions.

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## **Increased Operational Costs Arising from Rising Energy Procurement Costs** (Indirect Carbon Costs and Energy System Costs)

The second calculation involves quantifying the potential financial impact arising from the introduction of carbon tax on energy and electricity providers, which are assumed to be passed on to end-users. The calculation also takes into account the increase in electricity costs due to increased capital expenditure by energy and electricity providers in upgrading and future-proofing the energy system, in line with the transition to a low carbon economy. This financial impact will be driven by four key variables:

- Carbon price
- Electricity emission factor
- Business growth, electricity consumption, and Scope 2 emissions
- Electricity cost

· Energy consumption and GHG emissions were assumed to grow at the same rate as the projected business growth.

· Electricity emissions factor was assumed to decrease over the years based on the data extracted from the IEA WE02024 publication.

 Electricity costs were assumed to fluctuate over the years based on the data extracted from the Network of Greening the Financial System's (NGFS) projections. • It was assumed that carbon taxes will only be introduced by 2026 in Malaysia with an emissions threshold of 50,000 tCO, e per year, aligning with the announcement

· Emissions thresholds were not taken into account when quantifying the indirect carbon cost on electricity generation as electricity providers are generally emitting

It was assumed that 100% of the indirect carbon cost rising from electricity generation will be passed on to end-user.

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**Direct Carbon Cost Arising from Scope 1 Emissions** 

		Direct Carbon	Cost (RM)
Scenario	Emission Threshold	2030	2050
	Yes	0	0
APS	No	931,394	6,728,808
STEPS	Yes	0	0
STEPS	No	488,982	1,177,541

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In terms of the impact on electricity procurement costs due to indirect carbon and energy system costs passed on to end-users, the projected trends differ significantly between the two scenarios. Based on our analysis of the quantification results, the passedon cost from investment in energy systems has a larger influence on future electricity costs compared to the indirect carbon price on electricity generation. This quantification exercise focuses only on our Malaysian and Australian operations, as our operations in New Zealand consume an insignificant amount of electricity.

Under the APS scenario, MRCB's projected electricity costs are higher than the baseline year, peaking at 47.9% by 2042, before gradually falling to 45.5% by 2050. As for the STEPS scenario, MRCB's projected electricity costs show a minimal increase, peaking at 6.4% by 2030, and then gradually falling to a 4.3% decrease by 2050.

The different outcomes from both scenarios are largely due to the differences in carbon price projections and investment needed to upgrade energy systems in a low carbon scenario (APS) and a high carbon scenario (STEPS). It is expected that there are lower efforts to decarbonise under the STEPS scenario compared to the APS scenario. As a result, carbon prices and the need for new energy system investment are lower in the STEPS scenario compared to the APS scenario.

#### Impact on Electricity Procurement Costs

	Electricity Cost In at Baseline Year E	
Scenario	2030	2050
APS	29.9	45.5
STEPS	6.4	-4.3

#### Green Building Materials

Requirements for the use of low-carbon building materials are expected to grow in Malaysia, especially with the growing interest in the adoption of green building practices, contributing to increasing capital and operational costs. We quantified the financial impact on MRCB from the integration of green building materials based on two aspects: a green premium associated with use of green materials, and indirect carbon costs from the procurement of building materials. In this quantification exercise, steel and cement were the building materials used for the assessment, due to their high carbon intensity and extensive use in the building sector.

#### **Green Premium from Green Building Materials**

The first calculation involved quantifying the potential financial impact arising from the green premium from green building materials. Due to the usage of new technology, the production cost of green building materials will be slightly higher than conventional materials, because of the green building premium. The increase in operational expenditure (OPEX) from the green building premium will change depending on the green building materials uptake rate. Under a low-carbon scenario, the OPEX associated with the green premium will be higher due to a higher proportion of green building materials uptake. This financial impact will be driven by three key variables:

- · Construction material procurement costs
- · Uptake of green building materials
- Business growth and construction material volume

The key assumptions are presented below

- The procurement cost per tonne of all materials has been kept constant, with a premium of 20%, 40%, and 60% being applied.
- the average tonnes/GDV across the future years.
- The IEA emissions data for the building sector have followed the STEPS and APS scenarios. rapid rate under APS
- climate-related transition driver

Based on the first calculation of the green premium of building materials, the quantity of steel and cement is estimated to rise by 163% by 2050 under the STEPS scenario compared to current numbers (from 64,970 tonnes to 170,968 tonnes), resulting in 163% increase in procurement costs of both materials as well. As emissions are not expected to decrease under STEPS, only the cost of conventional materials is accounted for, and no green premium is factored in. The estimated price increase under STEPS is only related to the change in volume, as the price for conventional materials has been kept constant. As a result, it is projected that MRCB will not incur additional OPEX from the green premium of green building materials under the STEPS scenario.

On the other hand, under the APS scenario where GHG emissions are projected to decrease, green materials usage is assumed to increase. Therefore, it is estimated that MRCB will incur OPEX from the green premium of green building materials. Under the worst-case scenario, where green materials are subjected to a 60% green premium, procurement costs are estimated to be RM608 million by 2050, which is 27% higher than the cost under the STEPS scenario (RM479 million). For cement, the cost is estimated to be RM766 million after including the 60% premium, which is 72% higher than in the STEPS scenario (RM446 million) by 2050.

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Indirect Carbon Cost from Building Material Procurement

While green building materials are priced at a premium compared to traditional building materials. However, conventional materials are also expected to contribute to an increase in OPEX costs due to their carbon intensity, making them susceptible to carbon pricing, which could be passed on to MRCB. Under a low-carbon scenario, higher indirect carbon costs may be imposed on conventional materials, due to more stringent carbon pricing, which may be slightly balanced out through higher uptakes of green building materials. This financial impact will be driven by four key variables:

- Business growth and material quantities
- Proportion of green and conventional materials
- Emissions intensity of construction materials
- Carbon pricing

 The uptake rate of green building materials has been assumed to be in proportion with the change in GHG emissions compared to the 2023 base year assuming that a decrease in GHG emissions reflect increased usage of green materials. If emissions stay constant or increase, it has been assumed that no uptake of green building materials has taken place. Materials quantity has been kept the same across scenarios, where the material quantity of steel and cement was determined as tonnes per Gross Development Value (GDV). This was conducted by determining the volume of cement and steel for each year (up to 2024) and the GDV for each year (up to 2024). Then, the average for each year was taken to determine

· For conventional materials, the emissions intensity profile follows the pathway of the STEPS and APS scenarios. Under both scenarios, the emissions intensity reduces, but at a more

· For green materials, it was assumed that the emissions intensity will be equivalent to the emissions intensity of green materials under a net zero scenario. As such, the energy intensity data for green materials has been extracted from the IEA WEO 2024's Net Zero Emissions by 2050 (NZE) scenario. It is assumed that the green material intensity remains constant over

· Assumptions on carbon pricing for quantifying indirect carbon costs on building materials have been aligned with those in the financial quantification on the Carbon Pricing

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#### Estimated Total OPEX Arising from Green Premium of Green Building Materials

	Green Premium	Total Procuremen Building Material	
Scenario	Incurred	2030	2050
STEPS	No	512	925
APS	Yes	512	1,374

For the second calculation, emission intensity of steel and cement has been used, as carbon costs are typically based on the emissions generated.

As energy-intensive materials, steel and cement are expected to be covered under upcoming carbon pricing mechanisms. While MRCB is not expected to be taxed directly for these materials, its suppliers who manufacture them, are expected to be taxed and will likely pass through the cost to their clients to cover the additional increases.

As the technology matures, the energy and emission intensity of these materials is expected to improve, particularly under the low-carbon APS scenario, where emissions intensity for conventional materials will decrease faster than under the STEPS scenario. Steel emissions intensity is projected to decrease at a faster rate than cement, however, its emissions intensity remains higher than cement due to its production process. Conventional steel emissions intensity is expected to decrease by 30% from 1.48 tCO<sub>2</sub>/tonne to 1.04 tCO<sub>2</sub>/tonne under the STEPS scenario by 2050, and 63% decrease to 0.54 tCO<sub>2</sub>/tonne under APS. Conventional cement emissions intensity is expected to decrease by 10% from 0.58 tCO<sub>2</sub>/tonne to 0.52 tCO<sub>2</sub>/tonne under the STEPS scenario by 2050, and decrease by 55% to 0.26 tCO<sub>2</sub>/tonne under APS

Despite the decrease in emissions intensity of conventional materials, the rise in carbon prices outweighs the reduction in emissions intensity. As a result, the cost of conventional materials will continue to increase over the years due to indirect carbon pricing under both the STEPS and APS scenarios. The scenario that will impact MRCB the most is when the use of conventional materials reaches 100% under the APS scenario. This is due to the high emissions profile of the materials with carbon pricing levels reaching USD160/tCO.,e. Under this scenario, by 2050, the annual incurred indirect carbon cost is expected to reach RM13.4 million for steel and RM15.4 million for cement.

The impact of indirect carbon pricing is most limited when green building materials are integrated. Under the STEPS carbon pricing scenario, the use of 100% green materials results in an estimated cost of RM0.5 million. Under the APS carbon pricing scenario, using 100% green materials results in an estimated cost of RM2.9 million. However, the green premium required to acquire these materials may outweigh the benefit of reduced carbon costs, depending on the amount of green premium required.

#### Impact on Total OPEX Arising from Indirect Carbon Cost of Conventional Building Materials

	on Conventional Buildir	Estimated Indirect Carbon Costs on Conventional Building Materials Procurement (RM' Million) 2030 2050 6.4 13.3		
Scenario	2030	2050		
STEPS	6.4	13.3		
APS	11.4	23.6		
100% Conventional material use under STEPS	6.4	13.3		
100% Conventional material use under APS	11.4	38.8		
100% Green material use under STEPS	0.3	0.8		
100% Green material use under APS	0.6	4.9		

#### **Energy Efficiency Premiums**

With the low carbon transition and the increase in energy costs, consumers are showing increasing demand for, and are willing to pay premiums for, higher energy efficiency residential properties, presenting MRCB with a business opportunity. Nonetheless, due to how commercial projects are developed bespoke to clients' specifications, our analysis will be limited to quantifying the financial impacts of energy efficiency premiums for residential projects that MRCB has control over.

We calculate the potential financial impacts on GDV of residential projects from energy efficiency premiums, driven by three key variables:

- Change in Malaysia's overall energy efficiency for residential properties
- Change in energy efficiency premiums
- Business growth and projected average energy efficiency of residential properties

#### The key assumptions are presented below

- Energy efficiency for residential projects has been based on the kWh/m<sup>2</sup> unit.
- publicatior Certificates (EPCs) dataset and the ratings are assumed to remain unchanged.
- The baseline energy efficiency premiums in 2023 have been referenced from a study conducted in the UK ranging from 0.5% to 3.4%.
- development cycle.

We expect to see a slowdown in Malaysia's increase in average energy efficiency, which implies that despite growth in the economy and overall energy consumption, there will be a higher prevalence of energy efficient residential properties in the future. This shift causes the overall universe of residential properties to have higher energy efficiency. It is this higher prevalence of energy efficient residential properties that we expect to impact the premiums, causing them to slightly decline over time, with the STEPS scenario showing a greater decline than the APS scenario.

#### **Projected Energy Efficiency Premiums**

		Energy Efficien (% relative to E	
Scenarios	Malaysia's EPC Ratings	2030	2050
APS	A and B	3.37%	3.15%
AP5	C	0.50%	0.46%
STEPS	A and B	3.12%	2.81%
51675	С	0.46%	0.41%

Further analysis shows that if MRCB can increase average energy efficiency to earn the highest premium by 2035, we can increase our GDV by RM154.1 - RM174.6 million. Nevertheless, with the projected decline in premiums over time, MRCB can expect that the increase in GDV will fall to RM159.1 - RM170.8 million by 2040 and RM144.5 - RM162.2 million by 2050. Therefore, MRCB can expect to earn higher GDV from enhancing energy efficiency throughout all timeframes, but this opportunity also shows diminishing value as time goes by.

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#### Increase in GDV from Energy Efficiency Premiums

 The baseline energy efficiency for residential projects in Malaysia in 2023 has been taken from the data extracted from the Carbon Risk Real Estate Monitor (CRREM) Global Decarbonisation Pathways, while the projected data has been assumed to be increasing but at a decreasing rate based on the data extracted from IEA WEO 2024

· Residential properties in Malaysia are categorised by energy efficiency, into A-G ratings, which have been derived proportionately to the UK's Energy Performance

· Financial implications for the energy efficiency premiums have been demonstrated as impacts on MRCB's GDV of residential projects rather than revenue.

• MRCB's GDVs for residential projects have been assumed to be relatively constant by taking a 3-year average due to the nature of MRCB's landbank management and

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Another important matter to note is that residential properties with relatively low energy efficiency will face discount rates (or negative premiums) of -3.4% to -7.4% at the 2023 baseline, and these discounts are expected to become more significant over time. Although the discounts are not applicable to MRCB as the company continually seeks new technologies to enhance the energy efficiency of its residential projects, the discounts may provide a competitive edge over other developers that do not prioritise energy efficiency.

#### Projected Increase in GDVs from Energy Efficiency Premiums

	Residentia	Estimated Increase in GDVs for Residential Projects (Compared to 2023 baseline)	
Scenario	2030	2050	
APS	RM25.4 million	RM162.2 million	
STEPS	RM23.7 million	RM144.5 million	

#### POTENTIAL RESPONSE MEASURES TO TRANSITION CLIMATE RISKS & OPPORTUNITIES

Risks/Opportunity	Impact	Response Measures
Carbon Pricing	Higher operational costs due to direct carbon costs on Scope 1 emissions, and increased electricity procurement costs from indirect carbon costs and capital expenditures to upgrade energy systems, which are passed on to MRCB as an end-user by electricity providers.	<ul> <li>Analyse and optimise energy and electricity consumption across key operations to reduce GHG emissions.</li> <li>Explore and adopt low-carbon technologies and renewable energy sources.</li> <li>Establish an internal carbon pricing mechanism to inform future investment decisions and support decarbonisation efforts.</li> </ul>
Green Building Materials	Increase in OPEX due to green building materials premium, driven by the use of green materials and pass-through carbon costs imposed on conventional materials by suppliers to their clients to cover additional cost increases.	<ul> <li>Explore green materials with the lowest green premium rates in Malaysia.</li> <li>Analyse and compare the carbon intensity of green materials available in the market compared to existing conventional materials procured to understand the actual difference in procurement costs.</li> <li>Monitor the trend of the building material's carbon intensity reduction rates and the changes in carbon pricing levels to make informed decisions on green building materials procurement.</li> <li>Establish an internal carbon pricing mechanism to inform future investment decisions and support decarbonisation efforts.</li> </ul>

sks/Opportunity	Impac
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**Energy Efficiency** Premiums

# Increase in GDVs for residenti

due to energy efficiency premiu by the projected increase in d energy efficient residential prop

#### CHALLENGES

- · Identifying and assessing transition risks that imp business operations and strategy.
- · Adapting to market and industry shifts, in emerging trends driving demand for sustainable pr and services.
- Navigating rapidly evolving regulations, such as Ma proposed carbon tax on the steel industry by 2026 could impact our business, as up to 30% of our p use steel.
- Managing return on investment (ROI) conside amid higher costs of doing business due to the ad of low-carbon technologies.

#### OUTLOOK

and strategic investments.

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	Response Measures
ial projects ums, driven demand for perties.	<ul> <li>Explore customer segments that have higher willingness to pay premiums for energy efficient residential properties.</li> <li>Develop marketing strategies to raise awareness of the economic and environmental benefits of energy efficient residential properties.</li> <li>Collaborate with financial institutions and industry associations to collectively promote updates of energy efficient residential properties.</li> <li>Assess feasibility of higher energy efficiency installations that are appropriate for Malaysia.</li> </ul>
0	PPORTUNITIES
pact our • ncluding products • alaysia's 6, which • projects erations adoption	Capitalising on the growing demand for sustainable, energy-efficient buildings and technologies, particularly in green building initiatives and expanding the use of the MRCB Building System (MBS). Reducing operational costs and project timelines through energy-efficient technologies and the MBS. Attracting environmentally conscious investors by aligning business strategies with global sustainability trends and climate-related financial disclosures.

• As the transition to a low-carbon economy accelerates, MRCB will continue to align its business strategy with evolving climate policies and market demands. We will focus on capitalising on opportunities in green building and sustainable construction, while proactively managing transition risks through innovation in low-carbon technologies, cost efficiencies,

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#### GHGE **GHG EMISSIONS**

PDI – Property Development & Investment

FM – Facilities Management

#### WHY IS THIS IMPORTANT

- Reducing GHG emissions is essential for MRCB to meet global climate goals and reduce the impact of climate change on our operations, in line with our net zero aspirations by 2050.
- Managing GHG emissions helps MRCB stay competitive by meeting the demand for sustainable, low-carbon projects and it is important to track and monitor our progress as we decarbonise.
- Addressing GHG emissions demonstrates our commitment to the environment, ensures regulatory compliance, and attracts environmentally conscious investors.

#### OUR APPROACH

MRCB follows the GHG Protocol for its GHG Inventory, reporting on direct emissions (Scope 1), indirect emissions from purchased electricity (Scope 2), and other indirect emissions (Scope 3). Our goal is to accurately measure, monitor, and report emissions to set and achieve reduction targets. The calculation methodology aligns with the WBCSD and WRI's GHG Protocol.

We expanded our organisational boundary in 2024 to include not only our operations in Malaysia, but also those in Australia and New Zealand. We calculate our GHG emissions for operations in these three countries, including subsidiaries, using the operational control approach to only account for emissions where we can apply our policies. This approach ensures that we account for emissions from sources where we have full authority to implement our corporate policies and strategies. Our calculation references include the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IPCC 6<sup>th</sup> Assessment Report, utilising the latest local emissions factors and data from the 2020 National Energy Balance Report. We use a location-based approach to compute our Scope 2 emission by utilising Malaysia's Energy Commission's Grid Emission Factor (GEF) for 2017-2022 and the Australian National Greenhouse Accounts Factors 2024. Since the Malaysian Energy Commission has recalculated the previously reported emission factors, we have incorporated the latest update on the emission factors to reflect on the changes and provide a more accurate representation of our emissions.

	Emissions Reported in 2023	Additional Emissions Reported in 2024		
Scope 1	Emissions related to fuel consumption from: - Project sites (stationary combustion of petrol and diesel) - Company vehicles (mobile combustion of petrol and diesel)	Fugitive emissions from our District Cooling System (DCS) Plants and from the buildings that is managed by Facilities Management (FM) Division.		
Scope 2	Emissions from purchased electricity consumed by our project sites, buildings, parking sites, and offices in Malaysia.	Emissions from purchased electricity consumed by our DCS Plants and operations outside of Malaysia.		
Scope 3 Emissions from the following categories: Downstream Leased Assets Employee Commuting Business Travel (air and land) Fuel- and Energy-Related Activities Purchased Goods and Services		<ul> <li>*Emissions from the following categories:</li> <li>Capital Goods</li> <li>Waste Generated in Operations</li> <li>Downstream Transportation and Distribution</li> <li>Processing of Sold Products</li> <li>Use of Sold Products</li> <li>End-of-life Treatment of Sold Products</li> </ul>		
	G inventory includes operations outside of Malaysia. • Corpora	rking Services te – Corporate Offices using spend-based approach via Bursa Malaysia's Centralised		

Sustainability Intelligence (CSI) Platform, includes Purchased Goods and Services. Accounting for 97% of our supply chain by value.

Since we began disclosure of GHG emissions in 2020, we have received independent assurance on our Scope 1 and Scope 2 emissions annually. In 2023 and 2024, our Scope 3 emissions were assured for four categories, namely Downstream Leased Assets, Business Travel, Employee Commuting, and Fuel- and Energy-Related Activities.

#### OUR AIMS

Aim to reduce Scope 1 and Scope 2 GHG emissions intensity by 4.2% annually, against our 2020 baseline, in line with the 1.5°C scenario and Malaysia's commitment to the Paris Agreement.

We aspire to achieve net zero GHG emissions by 2050. We have set interim emissions reduction targets as follows:

Short-term target by 2025	21% reduction of ou
Mid-term target by 2030	42% reduction of Sco
Long-term target by 2040	90% reduction of Sco
2050	Net zero in Scope 1,

#### OUR INITIATIVES AND PROGRESS

#### GHG EMISSIONS PERFORMANCE SUMMARY

In 2024, our GHG profile showed that Scope 1, 2, and 3 accounted for 3.3%, 7.7%, and 88.9% of our overall GHG emissions, respectively. It should be noted that the percentage attributed to our Scope 3 emissions only represents what we are able to measure and disclose during the period under review. Moving forward, this disclosure may differ as we plan to engage closely with our supply chain to enhance the accuracy of disclosures.

Absolute Emissions	Unit	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Scope 1	tCO <sub>2</sub> e	1,983	2,021	4,339	7,870	8,793	<b>A</b> 343%
<u>Breakdown by activity</u>							
Fuel consumption from site activity	tCO <sub>2</sub> e	1,436	1,237	1,478	3,420	6,581	<b>A</b> 358%
Fuel consumption from company vehicles <sup>(a)</sup>	tCO <sub>2</sub> e	547	601	*671	**442	285	▼ 48%
Refrigerant <sup>(b)</sup>	tCO <sub>2</sub> e	-	184	2,189	4,009	1,928	-
<u>Breakdown by Greenhouse Ga</u>	ises						
Carbon Dioxide ( $CO_2$ )	tCO <sub>2</sub>	1,963	1,818	2,131	3,841	6,838	🔺 248%
Methane ( $CH_4$ )	$kgCH_4$	9,284	9,792	6,534	6,738	9,395	<b>A</b> 1.2%
Nitrous Oxide (N <sub>2</sub> 0)	kgN <sub>2</sub> 0	9,877	10,103	12,186	13,489	18,369	▲ 86%
Hydrofluorocarbons (HFCs)	tHFCs	-	0.120	1.431	2.620	1.260	-
Perfluorocarbons (PFCs)	tPFCs	-	-	-	-	-	-
Sulphur Hexafluoride (SF <sub>6</sub> )	tSF <sub>6</sub>	-	-	-	-	-	-
Nitrogen Trifluoride (NF $_3$ )	$tNF_{\mathfrak{z}}$	-	-	-	-	-	-

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ur Scope 1 and 2 emissions intensity

cope 1 and 2 emissions intensity, and 25% reduction of Scope 3 emissions

cope 1 and 2 emissions intensity, and 50% reduction of Scope 3 emissions

, Scope 2, and Scope 3

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Absolute Emissions	Unit	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Scope 2	tCO <sub>2</sub> e	25,521	22,302	24,726	27,339	20,274	▼ 20.6%
Purchased electricity							
Breakdown by country							
Malaysia <sup>(c)</sup>	tCO <sub>2</sub> e	25,521	22,302	24,726	27,339	20,249	<b>V</b> 20.7%
Australia <sup>(d)</sup>	tCO <sub>2</sub> e	-	-	-	-	25	-
Scope 1 + 2	tCO <sub>2</sub> e	27,504	24,323	29,065	35,210	29,067	<b>4</b> 5.7%
Scope 3	tCO <sub>2</sub> e	8,872	6,045	17,848	19,194	233,779	-
Breakdown by category	-						
Downstream Leased Assets <sup>(c)(e)</sup>	tCO <sub>2</sub> e	5,906	4,946	5,206	6,157	3,485	-
Employee Commuting <sup>(a)(f)(g)</sup>	tCO <sub>2</sub> e	-	773	*1,021	**1,062	2,383	-
Business Travels <sup>(g)</sup>	tCO <sub>2</sub> e	-	-	190	127	169	-
Purchased Goods and Services <sup>(c)</sup>	tCO <sub>2</sub> e	244	154	7,153	6,926	<sup>(h)</sup> 6,038	-
Fuel- and Energy-Related Activities <sup>(i)</sup>	tCO <sub>2</sub> e	2,722	4,471	4,278	4,921	4,223	-
Capital Goods <sup>(h)</sup>	tCO <sub>2</sub> e	-	-	-	-	189,847	
Waste Generated in Operations <sup>(h)</sup>	tCO <sub>2</sub> e	-	-	-	-	174	
Downstream Transportation and Distribution <sup>(h)</sup>	tCO <sub>2</sub> e	-	-	-	-	204	
Processing of Sold Products <sup>(h)</sup>	tCO <sub>2</sub> e	-	-	-	-	26,641	
Use of Sold Products <sup>(h)</sup>	tCO <sub>2</sub> e	-	-	-	-	598	
End-of-life Treatment of Sold Products <sup>(h)</sup>	tCO <sub>2</sub> e	-	-	-	-	17	
Cumulative Emissions (Scope 1 + 2 + 3)	tCO <sub>2</sub> e	36,375	34,668	46,914	54,403	262,846	-

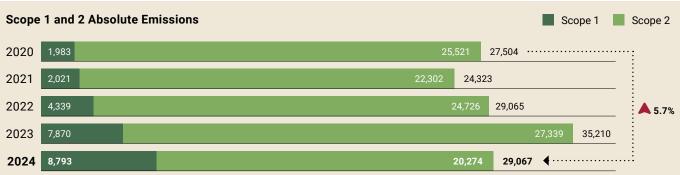
#### Notes:

Sum figures may not match due to decimal points.

- \* Recomputed for better accuracy. Previously assumed all vehicles are petrol-based.
- \*\* Recomputed to include more data sources.
- (a) Assumed all company vehicles were petrol-based in 2020 and 2021.
- (b) Global Warming Potential (GWP) values based on IPCC 6<sup>th</sup> Assessment Report. (c) Utilising Malaysia's Energy Commission's Grid Emission Factor (EF) for
- 2017-2022. Recomputed for 2020-2023 to align with the latest updates on the EF. (d) Utilising Australian National Greenhouse Accounts Factors 2024.
- (e) Leased assets include two buildings managed by MRCB in 2024, namely Stesen Sentral Kuala Lumpur (SSKL) and Penang Sentral, whereas disclosures in previous years include leased assets of four buildings managed by MRCB.
- (f) In 2024, emissions were based on an employee commuting survey, whereas disclosures in previous years were based on employee fuel card consumption.
- (g) Business travel includes both air and land travel, calculated using the passenger distance and emission factors from the latest UK Department for Environment Food and Rural Affairs (DEFRA) version.
- (h) Derived using spend-based approach via Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Platform.
  - (i) Computed using SIRIM Malaysia Life Cycle Inventory Database (MY-LCID).

#### Scope 1 and 2 Absolute Emissions

Our total Scope 1 and 2 emissions for 2024 amounted to 29,067 tCO<sub>2</sub>e, reflecting a decrease of 17% compared to 2023, and an increase of 5.7% compared to the 2020 baseline. The majority (82%) of our Scope 2 emissions are from the Facilities Management (FM) segment, followed by the Parking Services (PS) segment (10%). The operation of the District Cooling Systems (DCS) contributed to 55% of FM's emissions.



Additional emissions revision breakdown for 2020-2023

Absolute Emission	Unit	2020	2021	2022	2023
Scope 1	tCO <sub>2</sub> e	-	183	2,278	4,019
Scope 2	tCO <sub>2</sub> e	6,601	6,158	7,330	8,588
Total Scope 1 & 2	tCO <sub>2</sub> e	6,601	6,341	9,608	12,607

Note: The additional emissions are from DCS Plants, fugitive emissions from buildings managed by FM Division and emission factor update for Scope 2 by the Energy Commission of Malavsia.

#### Factors Contributing to Emissions Changes in 2024

Facilities Management (FM)	Reduction in emissions due to managed by MRCB as at the
Parking Services (PS)	Actively replacing non-funct throughout all our parking loo new lightbulbs equipped with ventilation fan at PJ Sentral C during defect repair works.
Engineering, Construction & Environment (ECE)	The Muara Sungai Pahang significantly higher emission the mouth of Sungai Pahang and land machineries which marine vessels used are tugh This project contributed 4,320 (8,793 tCO <sub>2</sub> e) and the ECE Di

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to the sale of two buildings (CelcomDigi Tower and Plaza Alam Sentral) end of 2023.

tioning and faulty lightbulbs with more energy-efficient lightbulbs cations. As a separate initiative, Q Sentral Carpark has been fitted with sensors which improves energy efficiency. The operation of the exhaust Carpark has been significantly reduced, as it previously ran continuously

Flood Mitigation Project, which began in early 2023, generated ns compared to our other projects. Since the project site is located at g in the South China Sea, the project relies heavily on marine vessels h are all diesel-powered for site activities. Some examples of these boats, barge, hopper, workboat, crawler cranes, and passenger boats. 20 tCO<sub>2</sub>e, accounting for 49% and 64% of the Group's Scope 1 emissions ivision (6,763 tCO<sub>2</sub>e).



The following table and chart shows the absolute GHG emissions (tCO<sub>2</sub>e) by business segments over the last five years.

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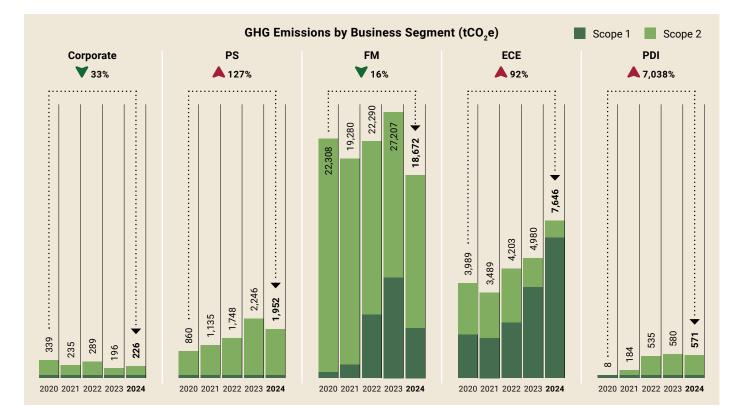
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Business Segment	2020	2021	2022	2023	2024
Corporate					
Scope 1	8	4	7	11	12
Scope 2	332	231	282	185	214
Total	339	235	289	196	226
Parking Services (PS)					
Scope 1	13	11	10	5	9
Scope 2	846	1,123	1,738	2,241	1,942
Total	860	1,135	1,748	2,246	1,952
Facilities Management (FM)					
Scope 1	59	254	2,279	4,077	1,996
Scope 2	22,249	19,026	20,011	23,130	16,677
Total	22,308	19,280	22,290	27,207	18,672
Engineering, Construction & Environment (ECE)					
Scope 1	1,895	1,747	2,033	3,768	6,763
Scope 2	2,095	1,743	2,170	1,211	883
Total	3,989	3,489	4,203	4,980	7,646
Property Development & Investment (PDI)					
Scope 1	8	5	10	8	14
Scope 2	0	178	525	572	557
Total	8	184	535	580	571

#### Note: The changes in the emission (2020-2023) is due to the additional emissions from the DCS Plants, fugitive emission from the buildings managed by FM Division, the changes in local emission factor for Scope 2 as updated by the Energy Commission of Malaysia and the restructuring of the emissions data to our respective business segments.

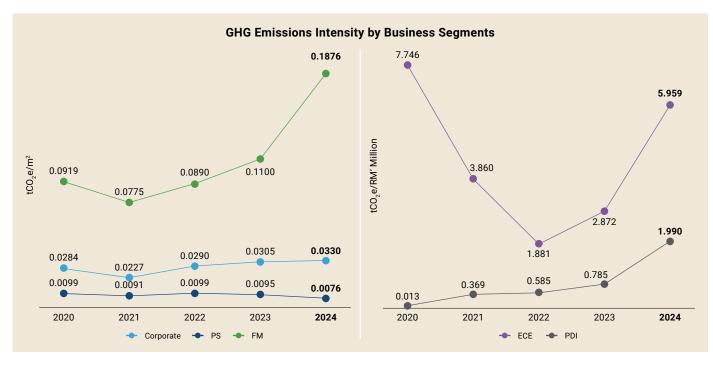
#### Scope 1 and 2 Emissions Intensity

We are making progress towards our net zero GHG emissions by 2050 goal, having reduced our GHG emissions intensity by 22.7% compared to our 2020 baseline. While our total emissions in 2024 were lower than in 2023, our emissions intensity increased. This is because our revenue declined at a higher rate than our emissions, affecting the intensity calculation. The revenue drop in 2024 was mainly due to the completion of several projects in 2023, which led to lower earnings for the Group.

	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Scope 1 and 2 Emissions ( $tCO_2e$ )	27,504	24,323	29,065	35,210	29,067	<b>\$</b> .7%
Revenue (RM' Million)	1,199	1,448	3,205	2,537	1,645	<b>A</b> 37.2%
Emissions Intensity (tCO <sub>2</sub> e/RM' Million)	22.9	16.8	9.1	13.9	17.7	▼ 22.7%

Note: The changes in the emission intensity (2020-2023) is due to the additional emissions from the DCS Plants, fugitive emission from the buildings managed by FM Division and changes in local emission factor for Scope 2 as updated by the Energy Commission of Malaysia.

The following chart and table show the GHG emissions intensity by business segments over the last five years.



Business Segments	2020	2021	2022	2023	2024	Variance Against 20	020 (%)
Corporate (tCO <sub>2</sub> e/m <sup>2</sup> )	0.0284	0.0227	0.0290	0.0305	0.0330		16%
PS (tCO <sub>2</sub> e/m <sup>2</sup> )	0.0099	0.0091	0.0099	0.0095	0.0076	•	23%
FM (tCO <sub>2</sub> e/m <sup>2</sup> )	0.0919	0.0775	0.0890	0.1100	0.1876		104%
ECE (tCO <sub>2</sub> e/RM' Million)	7.746	3.860	1.881	2.872	5.959	▼	23%
PDI (tCO <sub>2</sub> e/RM' Million)	0.013	0.369	0.585	0.785	1.990	▲1	5,208%

Note: The intensity for ECE and PDI is based on the segmental revenue.

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#### Scope 3 Emissions

Scope 3 emissions, which arise from activities outside our operational control in the supply chain, represent our largest GHG impact. MRCB adopts the GHG Protocol's Corporate Value Chain (Scope 3) Standards to identify GHG reduction opportunities, track performance, and engage with suppliers at the corporate level. We face challenges with poor definitions of Scope 3 emissions boundaries, which is a common issue, limiting our confidence in relying on them. However, we acknowledge the importance of Scope 3 emissions reporting and will continue to explore avenues to influence reductions, focusing on areas where we can have the most impact.

**OVERVIEW** 

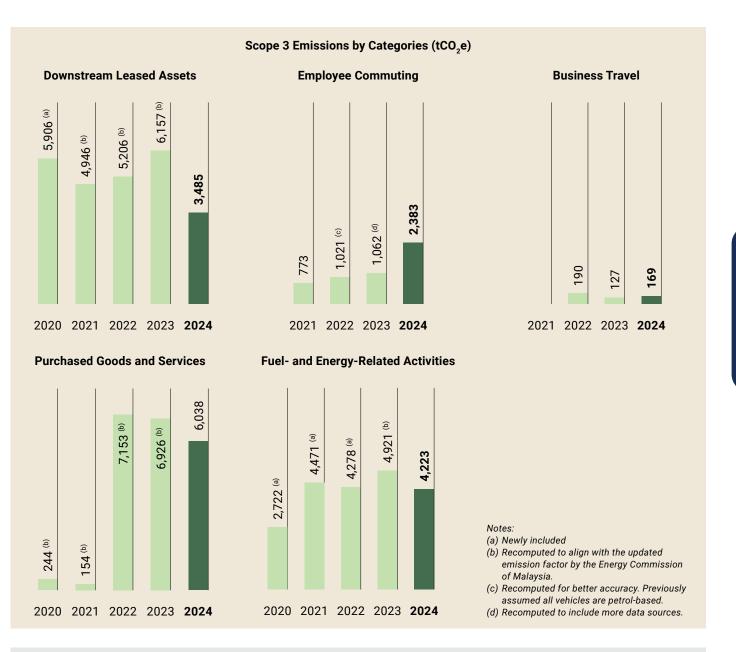
**OF MRCB** 

In 2023, we signed a Memorandum of Collaboration with Bursa Malaysia, positioning MRCB as an early adopter of their Centralised Sustainability Intelligence (CSI) Platform for the Construction Sector to enhance our sustainability disclosures. The CSI Platform, a collaboration with Bursa Malaysia and the London Stock Exchange, was officially launched in 2024. With the additional support from this platform, we initiated reporting on 11 categories of Scope 3 emissions in 2024. The CSI Platform adopts a spend-based method, which has enabled disclosure of seven Scope 3 categories that cover Purchased Goods and Services, Capital Goods, Waste Generated in Operations, Downstream Transportation and Distribution, Processing of Sold Products, Use of Sold Products and End-of-life Treatment of Sold Products. However, we did not use the CSI's spend-based method for the disclosures of four Scope 3 categories such as Downstream Leased Assets, Employee Commuting, Business Travel, and Fuel- and Energy-Related Activities.

#### **Key Scope 3 Categories**

(DEFRA) 2024.

Employee Commuting	Downstream Leased Assets			
<ul> <li>Emissions from employees travelling to and from work.</li> <li>Improved reporting accuracy in 2024 by conducting an Employee Commuting Survey, with 54% employee participation.</li> <li>Adopted the distance-based method, which estimates emissions based on commuting distances and travel mode.</li> <li>Emission factors used to calculate GHG emissions are from the UK Department for Environment Food and Rural Affairs (DEFRA) 2024.</li> <li>The coverage for 2021 to 2023 applies only to middle management and above, based on their fuel card entitlement and usage.</li> </ul>	<ul> <li>Emissions from assets owned and/or managed by MRCB and leased to other entities are not covered in Scope 1 and Scope 2 reporting.</li> <li>In 2024, emissions were calculated on total electricity consumption attributed to leased entities, which include our tenanted buildings in Station Sentral KL and Penang Sentral.</li> <li>Significant drop in emissions in 2024 is due to the sale of two owned assets, CelcomDigi Tower and Plaza Alam Sentral, in end 2023.</li> </ul>			
Business Travel	Fuel- and Energy-Related Activities			
Emissions from employee work travel, including both air and land travel.	Indirect emissions associated with the production, transmission, and delivery of fuels and energy purchased by a company.			
<ul> <li>Adopt the distance-based method, estimating emissions based on travel distances and travel modes.</li> <li>Emission factors used to calculate GHG emissions are from the UK Department for Environment Food and Rural Affairs</li> </ul>	Emissions were calculated using SIRIM Malaysia Life Cycle Inventory Database (MY-LCID).			



#### ENERGY MANAGEMENT

We continued to implement energy reduction initiatives across the organisation, including continuing to install LED lighting in buildings and parking managed by the FM and PS Division respectively. The PS Division is undertaking a separate initiative for two carparks locations to be fitted with proprietary LED lightbulbs in 2025 to improve efficiency and achieve better savings.

MRCB is keen on diversifying its project focus by targeting environmental initiatives, including climate change adaptation projects such as clean energy, renewable energy, and large-scale solar projects. As such, the FM Division is planning on the installation of solar photovoltaic (PV) panels on the rooftop of Penang Sentral. We adhered to the maximum allowable capacity of 75% of the maximum demand or 60% of the current transformer rating and rooftop size.

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#### Energy consumption in gigajoules (GJ) within our operational boundary:

	2020	2021	2022	2023	2024
Diesel	18,579	15,926	23,802	47,761	87,595
Petrol	8,987	9,974	5,038	2,786	1,615
Electricity	111,908	106,058	115,006	127,160	94,296
Total Energy Consumption (GJ)	139,474	131,958	143,846	177,706	183,507

Energy consumption in gigajoules (GJ) outside of our operational boundary:

	2020	2021	2022	2023	2024
Diesel	2,460	1,496	2,069	4,827	4,708
Petrol	50	9	36	24	0
Electricity	223	182	312	776	1,154
Total Energy Consumption (GJ)	2,734	1,688	2,416	5,627	5,862

#### **Fuel Consumption**

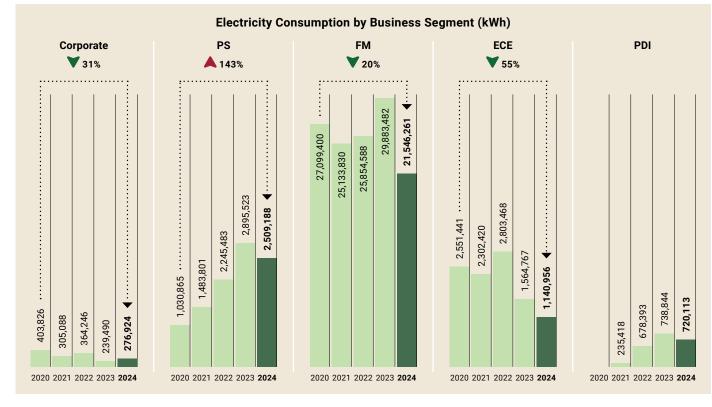
Fuel sources for our operations come from generators and equipment at project sites, company vehicles, and employee fuel cards. Although fuel use within our control comes to just 24% of total emissions, we are actively pursuing reduction strategies, including exploring biofuels and replacing diesel generators with power grid electricity.

The significant increase in diesel consumption in 2024 is mainly due to the nature of the Muara Sungai Pahang Flood Mitigation Project, which relies heavily on diesel-powered land machinery and marine vessels due to its location at the mouth of Sungai Pahang in the South China Sea. Diesel consumption from this project accounts for 57% of total diesel volume consumed. Furthermore, the redevelopment of Stadium Shah Alam Project, which began in July 2024, also contributed to higher diesel consumption for the year. We have enhanced our reporting by breaking down fuel consumption by diesel and petrol for company vehicles starting from 2022.

Source	2020	2021	2022	2023	2024
Diesel Consumption (L)					
Machineries at Project Sites	521,790	447,283	536,198	1,239,504	2,388,242
Company Vehicles	-	-	132,260	101,828	71,802
Total Diesel Consumption (L)	521,790	447,283	668,458	1,341,332	2,460,043
Petrol Consumption (L)					
Machineries at Project Sites	377	3,463	2,019	5,822	6,889
Company Vehicles	277,970	305,436	154,012	80,452	43,139
Total Petrol Consumption (L)	278,347	308,899	156,031	86,274	50,028

#### **Absolute Electricity Consumption**

Electricity consumption decreased by 26% in 2024 compared to 2023, mainly due to the reduction in number of buildings managed by our FM Division. In 2024, we managed only two buildings, SSKL and Penang Sentral, down from four buildings, including CelcomDigi Tower and Plaza Alam Sentral, which we managed until December 2023. This is reflected in the 28% reduction in electricity consumption for FM Division in 2024 compared to 2023. The 31% decrease in Corporate Division's electricity consumption compared to 2020 is due to relocation of staff between offices and the realignment of the office's electricity consumption to the respective division. Even with the expansion of PS, which now manages more sites than before, the division has managed to reduce their electricity consumption with the installation of new lighbulbs with sensors in Q Sentral carpark and reducing the operation of the exhaust fan in PJ Sentral carpark.



Year	Corporate	PS	FM	ECE	PDI	Total
2020	403,826	1,030,865	27,099,400	2,551,441	-	31,085,532
2021	305,088	1,483,801	25,133,830	2,302,420	235,418	29,460,556
2022	364,246	2,245,483	25,854,588	2,803,468	678,393	31,946,177
2023	239,490	2,895,523	29,883,482	1,564,767	738,844	35,322,105
2024	276,924	2,509,188	21,546,261	1,140,956	720,113	26,193,442
Variance Against 2020 (%)	▼ 31%	<b>A</b> 143%	▼20%	▼ 55%	-	▼16%

Note: The changes in the electricity consumption (2020-2023) is due to the additional electricity consumption from the DCS Plants, update on PDI Division data to reflect on the operational control boundary and the restructuring of the electricity consumption data to our respective business segments

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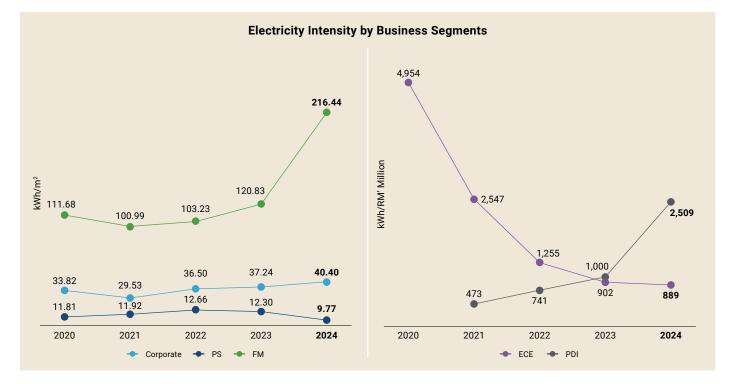
Electricity consumption revision breakdown for 2020-2023

Electricity Consumption	Unit	2020	2021	2022	2023
Previously Reported	kWh	24,318,964	20,748,184	22,389,214	24,952,541
Total Variance	kWh	6,766,568	8,712,372	9,556,963	10,369,564
Total Electricity Consumption (Revised)	kWh	31,085,532	29,460,556	31,946,177	35,322,105

Note: The total variance in electricity consumption is from the District Cooling System (DCS) Plants and the update on PDI Division data to reflect on the operational control boundary

#### **Electricity Intensity**

The significant increase in electricity intensity from the Facilities Management (FM) Division 2024 was mainly due to the reduction of floor area (m<sup>2</sup>) from the discontinuation of management of the two buildings at end of 2023. CelcomDigi Tower and Plaza Alam Sentral had a much higher floor area-to-electricity consumption ratio compared to the two buildings we continued to manage this year, SSKL and Penang Sentral. Recognising that FM is a significant consumer of electricity, primarily to ensure the comfort of customers and the public at our facilities, measures taken to reduce our energy footprint becomes crucial. In contrast, the installation of LED lightbulbs with sensors and the reduction of the exhaust ventilation fan at PJ Sentral Carpark has led to a decrease in electricity intensity for the Parking Services (PS) Division.



Business Segments	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Corporate (kWh/m <sup>2</sup> )	33.82	29.53	36.50	37.24	40.40	<b>A</b> 19.5%
PS (kWh/m²)	11.81	11.92	12.66	12.30	9.77	▼ 17.3%
FM (kWh/m <sup>2</sup> )	111.68	100.99	103.23	120.83	216.44	<b>9</b> 3.8%
ECE (kWh/RM' Million)	4,954	2,547	1,255	902	889	▼ 82.1%
PDI (kWh/RM' Million)	-	473	741	1,000	2,509	-

Note: The intensity for ECE and PDI is based on the segmental revenue.

#### CHALLENGES

- Improve supply chain transparency and data collection for Scope 3 emissions by using the latest tools and software especially Scope 3 emissions, is challenging due to the complexity of supply chain data, inconsistent reporting for more accurate reporting. standards, and difficulties in data collection. Stay ahead of changing climate regulations by adapting to Defining clear boundaries for Scope 3 emissions is new policies and using digital tools to ensure compliance. difficult, making it hard to ensure consistent and reliable emissions data across all operations and stakeholders. Rapidly changing climate policies and regulations require constant monitoring and adjustments to stay compliant while managing emissions effectively as well as tracking
- Accurately measuring and reporting GHG emissions, progress.

#### OUTLOOK

its long-term net zero goals.

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· We will continue our focus on our decarbonisation journey, with a strong commitment to reducing emissions across all scopes. By leveraging the latest tools and platforms, such as the Centralised Sustainability Intelligence (CSI) platform, we aim to improve emissions tracking and reporting. We will also continue to strengthen our sustainability efforts by progressing from early adoption to full signatory of climate initiatives, ensuring alignment with global best practices and



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#### **RESOURCE MANAGEMENT**

We recognise the significant demand our operations place on resources, and manage them in a sustainable way. We prioritise the efficient use of energy and water throughout both construction and operational phases, ensuring minimal environmental impact. Our waste management practices are designed to reduce landfill contributions, and we advocate the principles of reduce, reuse, and recycle, embedding these practices across the organisation to drive resource efficiency and sustainability.

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**OF MRCB** 

Under our ISO 14001:2015 Environmental Management System, our QESH Policy commits to conserving natural resources. This involves efficient and effective material and resource use within our facilities, encompassing non-renewable sources such as water and electricity.

#### **MATERIALS MANAGEMENT** ΜМ

WHY IS THIS IMPORTANT

#### **OUR APPROACH**

- Responsible sourcing and use of materials are crucial to MRCB as they ensure ethical practices, minimise environmental impacts, and enhance the company's reputation for sustainability and corporate responsibility.
- Optimising material usage and implementing recycling initiatives supports MRCB's commitment to resource efficiency, reduces costs, and aligns with its long-term environmental goals, contributing to its overall sustainability strategy.
- materials to minimise environmental and social impacts. Our approach is guided by MRCB's Sustainable Design Policy that outlines clear requirements for sustainable

We prioritise responsible sourcing and use of raw

materials and procurement practices, ensuring alignment with our sustainability goals.

#### OUR AIMS

- Initiate supply chain traceability to ensure ethical sourcing, and reduce environmental and social impacts.
- Increase use of sustainable materials to reduce embodied carbon and transportation emissions.
- Foster innovation by incorporating green materials and eco-friendly designs in all projects.
- Build internal sustainability expertise through continuous training and awareness programmes.

#### **OUR INITIATIVES AND PROGRESS**

#### SUSTAINABLE DESIGN POLICY

MRCB's updated Sustainable Design Policy, introduced in 2024, establishes specific requirements for sustainable materials and procurement practices in the design and planning of all residential and commercial property developments. The policy emphasises local sourcing to minimise embodied carbon and reduce emissions associated with transportation.

Mandatory compliance with the Sustainable Design Policy is required, which integrates climate change considerations, embodied carbon, pollution control, resource management, and quality standards. The policy ensures sustainability is embedded throughout the design and development phases. We prioritise eco-friendly materials that reduce resource use, enhance reusability, and improve cost efficiency. Our teams are tasked with assessing embodied carbon during the design stage and monitoring the quantities of materials used in each project to ensure sustainable sourcing without compromising quality or durability.

#### **BUILDING A SUSTAINABLE SUPPLY CHAIN**

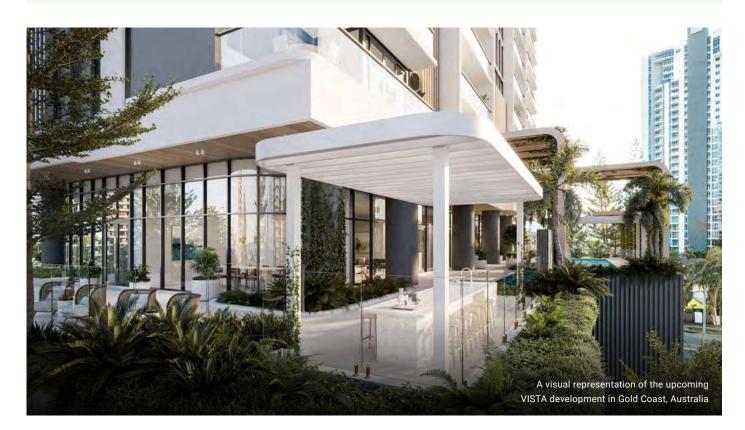
We are committed to promoting sustainable practices in our supply chain. In collaboration with the United Nations Global Compact (UNGC), we have conducted sustainability readiness assessments across our supply chain, including our SME suppliers. This inclusive approach enables us to evaluate their sustainability readiness and create strategies to support their progress. Our aim is to cultivate a sustainable construction ecosystem that benefits all stakeholders.

#### CHALLENGES

- Sourcing green or alternative materials presents a The pursuit of green construction materials fosters challenge due to limited availability, higher costs, and innovation, driving the discovery and adoption of the need for consistent quality that meets project novel, environmentally friendly designs that align with specifications. sustainability goals.
- Managing the supply chain for sustainable materials is complex, requiring coordination across multiple suppliers, ensuring traceability, and overcoming logistical hurdles to minimise environmental impact.

#### OUTLOOK

and drive more sustainable, efficient construction practices.



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### OPPORTUNITIES

Exploring sustainable materials challenges us to develop new, eco-friendly design solutions and implement more efficient procurement strategies, further enhancing the overall environmental impact of our projects.

We are focused on increasing internal awareness and building capacity around sustainable materials, practices, and procurement. By strengthening supply chain management, we aim to align all stakeholders with our environmental goals



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SC SUSTAINABLE CONSTRUCTION	
WHY IS THIS IMPORTANT	OUR APPROACH
• The construction industry is a significant contributor to GHG emissions, resource depletion, and waste generation. Sustainable construction seeks to minimise these impacts by prioritising eco-friendly materials, reducing energy consumption, and implementing effective waste reduction strategies.	<ul> <li>Adopt MRCB's Sustainable Design Policy that integrates sustainable practices, focusing on eco-friendly materials and energy efficiency.</li> <li>Prioritise green building and infrastructure to meet high environmental standards.</li> <li>Foster innovation through the adoption of new technologies and sustainable construction methods through our MRCB Building System (MBS).</li> <li>Ensuring waste minimisation and sustainable procurement to reducing waste and adopting responsible material sourcing.</li> </ul>

## OUR AIMS

• To apply the Sustainable Design Policy and meet requirements of the highest level of accreditation of green building accreditations (GBI, GreenRE, LEED or BCA) in the design and construction of all projects where MRCB exercises full authority and oversight.

#### **OUR INITIATIVES AND PROGRESS**

#### **GREEN BUILDING**

MRCB was among the first in Malaysia to have its buildings comply with Green Building certifications. In 2011, Platinum Sentral became Malaysia's first office building to be awarded the highest Green Building rating from Singapore's Building and Construction Authority (BCA), and Malaysia's Green Building Index (GBI).

We adopt a Green Building approach to reduce the environmental impact of our developments and enhance sustainability. By focusing on efficient energy and water use, selecting sustainable building materials, and incorporating design elements that minimise GHG emissions and waste, we aim to mitigate the built environment's effects on resource consumption and GHG emissions. We ensure compliance with Green Building certifications in our property development projects, aligning with five recognised Green Building rating systems to uphold high sustainability standards.



Environmental

Sustainability Tool

(MyCREST)

**Environmental Design** 

(LEED)

Singapore-based Building and **Construction Authority** (BCA) Green Mark

Below is a list of MRCB developments that have received Green Building accreditation and have installed the Building Management System (BMS), smart metering, and solar photovoltaic systems:

Project	Sustainability Accreditation	Building Management System (BMS)	Smart Metering	Installation of Solar PV*
PLATINUM SENTRAL	GBI NRNC DA Certified and	Yes	Yes	Yes – Solar PV panel
	BCA Green Mark Platinum			(23 x 2.304 kWp)
PJ SENTRAL – CELCOM TOWER	GBI NRNC DA Certified and LEED BD+C CS Gold	Yes	Yes	No
PJ SENTRAL – MBSB CORPORATE HQ	GBI NRNC DA Certified and LEED BD+C CS Gold	Yes	Yes	No
MENARA JLAND	GBI NRNC DA Gold	Yes	Yes	No
HARD ROCK HOTEL, DESARU	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
DESARU CONFERENCE CENTRE	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
WESTIN DESARU RESORT	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
VIVO 9 SEPUTEH (SOHO)	GBI RNC DA Certified	No	No	No
VIVO 9 SEPUTEH (RESIDENCES)	GBI RNC DA Certified	No	No	No
PJ SENTRAL – MYIPO CORPORATE HQ	GBI NRNC DA Certified	Yes	Yes	No
SENTRAL SUITES	MyCREST ONE STAR and GreenRE RNC DA Bronze	No	No	No
MENARA CIMB	GBI NRNC CVA Certified	Yes	No	No
SENTRAL RESIDENCES	GBI RNC CVA Gold	No	No	No
MENARA SHELL	GBI NRNC DA Silver, and LEED ID+C Commercial Interior Gold	Yes	Yes	No
MENARA SHELL & ASCOTT SENTRAL	LEED BD+C CS Platinum	Yes	Yes	No
Q SENTRAL	GBI NRNC DA Gold	Yes	Yes	Yes – Solar PV panel (total 120 kWp)
TRIA 9 SEPUTEH	GBI RNC DA Certified	No	No	No
EPF HQ, KWASA DAMANSARA	GreenRE NRNC Platinum	Yes	Yes	Yes – Solar PV panel (total 417 kWp)

Notes:			
* Solar Photovolt	aic (PV) - Specifications and features are determined by the client		
BD+C	Building Design & Construction	LEED	Leadership in Energy and Environmental Design (United States)
ID+C	Interior Design & Construction		For details on assessment criteria and rating scale:
DA	Design Assessment		https://www.usgbc.org/leed
NRNC	Non-Residential New Construction	MyCREST	Malaysian Carbon Reduction and Environmental Sustainability
RNC	Residential New Construction		Tool (Malaysia)
CVA	Certification and Verification Assessment		For details on assessment criteria and rating scale:
GBI	Green Building Index (Malaysia)		https://www.cidb.gov.my/eng/mycrest/
	For details on assessment criteria and rating scale:	BCA Green Mark	Building and Construction Authority (Singapore)
	https://www.greenbuildingindex.org/		For details on assessment criteria and rating scale:
GreenRE	A green rating tool set up to promote sustainability in the		https://www1.bca.gov.sg/buildsg/sustainability
	property industry (Malaysia)	Smart Metering	Smart metering refers to separate sub-meter for internal energy
	For details on assessment criteria and rating scale:		monitoring
	https://greenre.org/index.html		

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# **OUR PERFORMANCE ENVIRONMENTAL**



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#### MRCB BUILDING SYSTEM (MBS) / MODULAR CONSTRUCTION

The MRCB Building System (MBS) is an innovative approach to sustainable The Prefabricated construction. Prefinished Volumetric Construction (PPVC) building allows most components to be prefabricated off-site. By prefabricating modules off-site, the MBS reduces on-site activities, thereby construction minimising waste, energy consumption, and GHG emissions during construction. This system also improves project efficiency by shortening construction timelines by up to 50% and enhancing overall building quality. This also helps avoid weather delays and reduces onsite disruptions to surrounding areas and safety risks. The MBS offers adaptable modules that can be easily tailored and rearranged to meet varied project needs and future growth. This system has been licensed to companies in Hong Kong and Singapore, and patented in 49 countries. The first residential property in Malaysia to utilise the MBS construction technology is MRCB's Residensi Tujuh development.



# 

**Enhanced Site Safety** 85% of construction work done off-site at ground level

significantly reduces injury risks associated with working at heights.



#### **Skilled Local Labour**

Reduces reliance on unskilled foreign labour and attracts skilled local workers to the industry by eliminating the perception of 'dangerous, dirty, and difficult' (3D) jobs, elevating the status of working in the construction sector.

#### **Efficient Construction Time**

· Concurrent off-site component fabrication and on-site activities halve construction time.

#### **High-Quality Assurance & Control**

Off-site construction in a controlled environment ensures higher quality control.

#### **Reduced Material Wastage**

13 CLIVATE ACTION

- Adopting a manufacturing approach with streamlined processes and effective inventory management cuts down landfill waste.
- Achieve a 10% to 30% reduction in construction expenditures, enhancing financial performance through optimised material utilisation and improved design efficiency and scale.

#### Lower Environmental and Energy Impact

Decreases noise, dust, and truck movements on-site, leading to a more efficient construction that consumes less energy compared to traditional methods.

#### **BUILDING INFORMATION MODELLING (BIM)**

We utilise Building Information Modelling (BIM) to enhance our construction processes, using software for clash detection to address constructability issues and coordinate various disciplines before construction begins. This approach helps us reduce construction costs, waste, and energy usage. In line with our commitment to sustainability, we have transitioned from timber formwork to system formwork, which improves efficiency and shortens construction timelines.

#### INDUSTRIALISED BUILDING SYSTEMS (IBS) ADOPTION

We have adopted the Industrialised Building Systems (IBS) on our project sites to align with the criteria set by CIDB. Through the use of IBS, we aim to meet the CIDB IBS assessment score for our projects, which provides a structured and systematic method to consistently measure IBS usage. CIDB is promoting the adoption of IBS in private sector projects, particularly in new developments in the Klang Valley valued at RM50 million and above, to achieve a minimum IBS Score of 50. Our projects, such as TRIA 9 Seputeh, Sentral Suites, and the National Film Development Corporation Malaysia (FINAS) project have exceeded the minimum threshold, indicating higher productivity, reduced waste and site labour, and superior quality, as outlined in CIDB's guidelines.

Project	CIDB IBS Score
FINAS Headquarters	52.0
TRIA 9 Seputeh	51.1
Sentral Suites	51.4

#### CHALLENGES

- Return on investment (ROI) for sustainable construction Increase adoption of MBS in projects such as Residensi can be challenging to quantify, as initial costs for Tujuh, leading to the development of sustainable eco-friendly materials and technologies may be higher construction methods that improve efficiency, deliver than traditional methods. long-term cost savings, and strengthen MRCB's reputation Sourcing sustainable materials can be difficult due to for innovation.
- limited availability and higher costs, potentially impacting project budgets and timelines.
- Ensuring adherence to sustainability standards across all stages of construction requires additional resources and coordination, adding complexity to project management.

#### OUTLOOK

environmentally responsible developments across our portfolio.

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- Opportunity to capitalise on MBS, an eco-friendly solution that reduces environmental impact and enhances sustainability in our projects.
- Provide MRCB with the opportunity to strengthen its market position by adopting sustainable practices that align with the growing demand for environmentally responsible buildings.

• We are committed to advancing our sustainable construction approach in our current and upcoming projects by incorporating innovative solutions such as green building practices, BIM, IBS, MBS, and other sustainable infrastructure approaches. These initiatives will enhance efficiency, reduce waste, and ensure we continue delivering high-quality,



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# WASTE

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## WHY IS THIS IMPORTANT

- In line with our net zero aspirations, effective waste management is crucial to conserving natural resources, reducing waste sent to landfills, and minimising environmental impact.
- By adhering to regulations and adopting best practices in waste management, we reinforce our commitment to sustainability and ensure responsible resource use across all stages of our projects.

## **OUR APPROACH**

- Implementation of a systematic approach to identify, manage, reduce, and responsibly dispose of, or recycle waste across MRCB's operations.
- Our construction operations generate domestic and construction waste, which is managed through a third-party vendor for disposal in compliance with local regulations. In alignment with SDG 12, we aim to minimise resource use, reduce construction waste generation, and increase recycling efforts wherever possible.

#### **OUR AIMS**

- · Reduction in waste generated year-on-year.
- Increase in waste diverted from landfill year-on-year.

#### OUR INITIATIVES AND PROGRESS

#### WASTE MANAGEMENT AND PERFORMANCE

We focus on recycling materials such as scrap metal, timber, and other recyclables to reduce reliance on virgin resources. Concrete waste is repurposed as crusher runs for access roads and pothole filling on-site. Unsuitable concrete is sent to licensed landfills for disposal. We also return wooden pallets to brick suppliers for reuse.

Scheduled waste management	<ul> <li>We manage scheduled waste according to the Environmental Quality (Scheduled Wastes) Regulations 2005, ensuring safe storage, labelling, and disposal by the Department of Environment's (DOE) licensed contractors.</li> <li>The contractors will safely carry out the waste treatment process before disposal, once it accumulates to a certain amount or over time.</li> </ul>
3Rs strategy	<ul> <li>We implement the 3Rs (Reduce, Reuse, Recycle) at construction sites, by segregating recyclables and reusable waste to minimise landfill disposal.</li> <li>Scrap materials, including aluminium, power cables, and scrap metal, are sold to other companies for recycling.</li> </ul>
Waste tracking and monitoring	• We are enhancing our waste tracking and monitoring systems across all project sites to further minimise waste production.

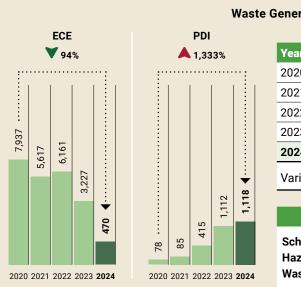
Our commitment to sustainability extends to green design practices in our building and infrastructure projects. By adhering to green building standards, managing energy and water consumption, and integrating sustainable practices, we aim to reduce environmental impact throughout the construction and operational phases of our developments.

#### Waste Generated

The year 2024 saw a reduction in active projects, consequently lowering waste disposal to landfills. The demolition works of the redevelopment of Stadium Shah Alam Project presented a significant waste stream, totaling 369,726 MT. However, only 65 MT (0.02%) of this waste was directed to landfill, while 6,744 MT (1.82%) was recycled, and the substantial remainder, 362,917 MT (98.16%) was reused. The majority of the reused material, concrete waste was crushed and repurposed for working platforms, access roads, backfilling, and stockpiling for future development.

Non-Recyclable Waste Disposal to Landfills

The following table and chart display the non-recyclable waste generated by our business segments and disposed of in dedicated landfills, over the past five years.



Note: Figures for the PDI Division reflect Waste Generated from project sites only. PDI acts solely as a client for these projects, and as such, they are not within our operational control boundary

Waste Recycled and Diverted from Landfills

The following table shows the amount of waste recycled and/or diverted from landfills over the past four years.

Type of Waste	2021	2022	2023	2024
Scrap Materials	97 tonnes	558 tonnes	383 tonnes	7,303 tonnes
Others	1 portable cabin	<ul> <li>16 portable cabins</li> <li>17,208 m<sup>2</sup> of scrap formwork</li> </ul>	7 portable cabins	<ul> <li>362,905 tonnes of concrete</li> <li>11 tonnes of plastic</li> </ul>
				seats

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#### Waste Generated (Non-Recyclable)(MT)

ear	ECE	PDI	Total
020	7,937	78	8,014
)21	5,617	85	5,702
)22	6,161	415	6,575
023	3,227	1,112	4,339
)24	470	1,118	1,588
ariance against 2020 (%)	♥ 94%	<b>A</b> 1,333%	▼80%

riance against 2020 (%)	
-------------------------	--

		2020	2021	2022	2023	2024
cheduled or	ECE	4.30	1.16	2.05	3.53	13.67
azardous	PDI	0.08	0.03	0.15	2.18	1.00
aste (MT)	Total	4.38	1.19	2.20	5.71	14.67



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#### Waste Intensity



The following table and chart show waste intensity by business segments over the last five years.

#### Note: The intensity for ECE and PDI is based on the segmental revenue.

#### CHALLENGES

- Collecting accurate data on waste generation and disposal remains challenging, impacting the ability to track progress and identify areas for improvement.
- Waste diversion and recovery efforts are hindered by limitations in recycling infrastructure and the complexity of managing diverse waste streams.
- Adopting and consistently implementing best practices for waste management across all projects requires ongoing training, coordination, and alignment with evolving regulations and industry standards.

## **OPPORTUNITIES**

- Increase adoption of MBS in projects, leading to the development of sustainable construction methods, thereby minimising waste, and strengthening MRCB's reputation for innovation.
- Optimising design and planning can reduce material waste and minimise construction errors, leading to more efficient use of resources and lower environmental impact.
- Enhancing the recycling of construction and demolition (C&D) waste by separating materials such as concrete, metals, wood, and plastics for recycling and reducing landfill waste.
- Improving material procurement practices to more accurately estimate needs, minimise over-ordering, and prevent excess materials that contribute to waste.

#### OUTLOOK

· Looking ahead, we are focused on developing comprehensive waste management strategies across all our business units to ensure a unified approach to waste reduction. We aim to collaborate with specialised vendors who focus on recycling and waste recovery, enhancing our ability to divert waste from landfills and improve recycling efficiency.

#### WATER MANAGEMENT

Our construction activities rely on a consistent and effective water supply, primarily sourced from Air Selangor Sdn Bhd, which manages water from the Selangor River, Langat River, and Bernam River, before treating it to an acceptable standard for distribution. Therefore, we assume that all our water withdrawal comes from surface water.

Water supply disruptions, particularly in Selangor, are a key risk, with 83% of our assets potentially facing high water stress between 2030 and 2050, according to the WRI Aqueduct Water Risk Tool. While we currently do not operate in water-stressed regions, we continue to monitor and assess water availability in these areas.

Wastewater management	<ul> <li>We implement control me to manage runoff and effl</li> <li>We prohibit the direct disc systems regularly to ensure</li> </ul>
Water quality monitoring	Regular testing at dischar water-related non-complia
Water recycling	• We incorporate water recy to keep the construction e



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- easures such as temporary drainage systems, silt traps, and grease traps luent at project sites.
- scharge of untreated sewage into drains or waterways, and maintain our ure their effectiveness.
- arge points ensures compliance with regulatory standards, with zero iance fines in 2024.
- cycling at project sites, using recycled water primarily for vehicle washing, environment clean and safe.



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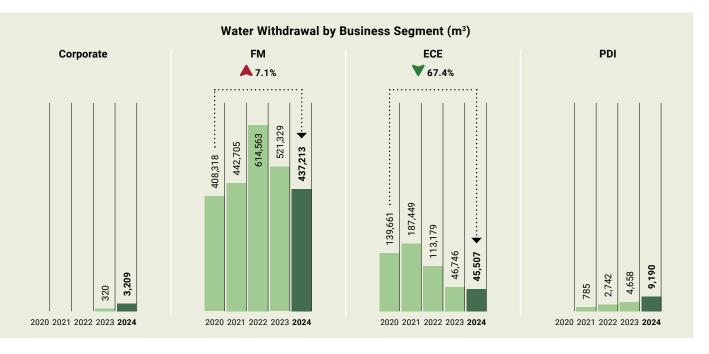
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#### Water Withdrawal

The ECE Division experienced a decrease in water consumption over the year. This reduction can be attributed primarily to the completion of several projects, which naturally led to a lower need for water in construction activities. The decrease in FM Division's water consumption is due to managing only two buildings in 2024, compared to four buildings in previous years. The following table and chart display the water withdrawal (m<sup>3</sup>) by our business segments over the past five years.



Year	Corporate	FM	ECE	PDI	Total
2020	-	408,318	139,661	-	547,979
2021	-	442,705	187,449	785	630,939
2022	-	614,563	113,179	2,742	730,484
2023	320	521,329	46,746	4,658	573,053
2024	3,209	437,213	45,507	9,190	495,119
Variance Against 2020 (%)	-	<b>A</b> 7.1%	▼ 67.4%	-	♥ 9.6%

Note: The changes in the water withdrawal (2020-2023) is due to the water withdrawal from the DCS Plants, update on PDI Division data to reflect on the operational control boundary and the restructuring of the water withdrawal data to our respective business segments.

#### Water withdrawal revision breakdown for 2020-2023

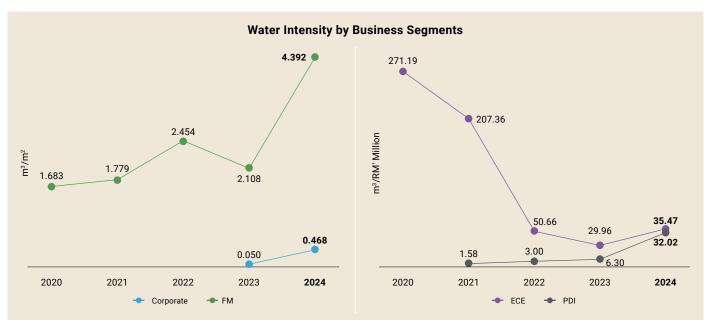
Water Withdrawal	Unit	2020	2021	2022	2023
Previously Reported	m <sup>3</sup>	536,316	590,218	743,622	507,101
Total Variance	m <sup>3</sup>	11,663	40,721	*-13,138	65,952
Total Water Withdrawal (Revised)	m³	547,979	630,939	730,484	573,053

Note: The total variance in water withdrawal is from the District Cooling System (DCS) Plants and the update on PDI Division data to reflect on the operational control boundary.

\* Includes changes for SSKL water withdrawal due to computation error.

#### Water Intensity

The following table and chart show water intensity by business segments over the last five years.



Business Segments	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Corporate (m <sup>3</sup> /m <sup>2</sup> )	-	-	-	0.050	0.468	-
FM (m <sup>3</sup> /m <sup>2</sup> )	1.683	1.779	2.454	2.108	4.392	🔺 161%
ECE (m <sup>3</sup> /RM' Million)	271.19	207.36	50.66	29.96	35.47	▼ 87%
PDI (m <sup>3</sup> /RM' Million)	-	1.58	3.00	6.30	32.02	-

Note: The intensity for ECE and PDI is based on the segmental revenue.

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# **OUR PERFORMANCE ENVIRONMENTAL**



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MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Our Sustainable Value

# OUR PERFORMANCE **ENVIRONMENTAL**

#### **ECOLOGICAL IMPACT**

#### BIODIVERSITY BIO

## WHY IS THIS IMPORTANT

OUR APPROACH

- Protecting biodiversity is crucial for maintaining ecosystem health and resilience. As a construction company, our activities can impact local ecosystems. MRCB is committed to minimising environmental harm through its activities and where possible, seeks to identify, assess, and manage, environmental and biodiversity impacts within our operations.
- We integrate biodiversity considerations into our urban development process, ensuring that environmental impacts are identified, assessed, and mitigated effectively.

#### OUR AIMS

Minimise environmental harm across all activities and where possible, implement measures to protect and enhance biodiversity throughout our operations.

#### **OUR INITIATIVES AND PROGRESS**

#### **BIODIVERSITY MANAGEMENT**

Our commitment to biodiversity is outlined in our Biodiversity Statement, available on our website. We focus on minimising environmental harm and protecting biodiversity throughout our urban development projects. By adhering to the Ramsar Convention and Malaysia's National Policy on Biological Diversity, we ensure our practices align with sustainable management principles. Environmental Impact Assessments (EIA) are conducted for relevant projects, and we continue to refine our strategies and policies to enhance biodiversity conservation.

We are committed to preserving protected areas by avoiding construction and development within them. Our developments are located in established urban or developed areas, ensuring that we do not contribute to habitat destruction or degradation in sensitive ecosystems. While we do not have specific biodiversity protection projects near our properties, we are exploring opportunities to enhance biodiversity in urban settings through sustainable practices.

#### CHALLENGES

## **OPPORTUNITIES**

- Conducting comprehensive biodiversity risk assessments for projects, particularly in areas with high ecological value, can be complex and resourceintensive.
- Meeting increasing disclosure standards, such as the Taskforce on Naturerelated Financial Disclosures (TNFD), requires enhancing data collection, monitoring, and reporting practices to ensure transparency and accountability.

• The TNFD presents an opportunity for us to take proactive steps in integrating nature-related risks into our business strategy, ensuring we are prepared for future reporting requirements.

#### OUTLOOK

MRCB is committed to aligning our operations with the Ramsar Convention and Malaysia's National Policy on Biological Diversity. We recognise the importance of addressing any gaps in our current practices and will strive to close these gaps where feasible. Going forward, we will continue to review and update our relevant policies to ensure that our approach to biodiversity management remains robust, proactive, and aligned with national and international standards.



Joey Wong Voon Loong Commercial, Sales and Marketing (MRCB Land)



#### **DELIVERING ON** STRONG GOVERNANCE

**ADDITIONAL INFORMATION** 

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BUILDING MEANINGFUL CAREERS

Working at **MRCB** has been refreshing, enabling me to grow, adapt, listen and help clients find their dream homes with dedication and care. "



CONSERVING

**INTEGRATED ANNUAL REPORT 2024** 

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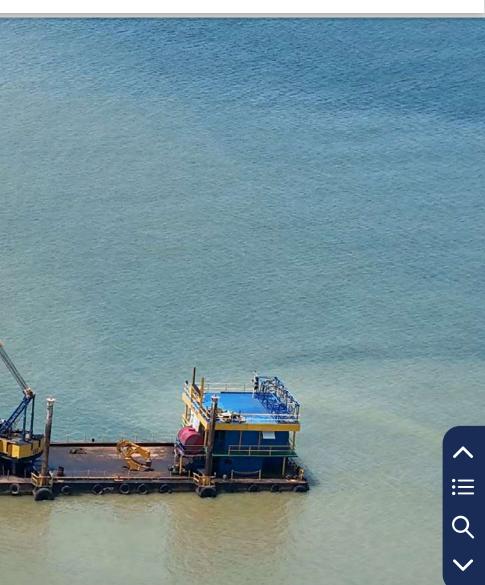
THE HEART OF PAHANG: THE MUARA **SUNGAI PAHANG** PHASE 3 FLOOD MITIGATION PROJECT

> The Muara Sungai Pahang Phase 3 Flood Mitigation **Project is a testament to our expertise in climate** change adaptation infrastructure projects, drawing on our specialised skills in water-related projects such as flood mitigation. Located in the Pekan District of Pahang Darul Makmur, this RM380 million design-andbuild, spearheaded by MRCB in partnership with the **Department of Irrigation and Drainage (DID), represents** an engineering marvel that blends infrastructure development with environmental stewardship.



#### **DELIVERING ON** STRONG GOVERNANCE

#### **ADDITIONAL INFORMATION**



**MRCB** 

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# SAFEGUARDING **A VITAL ECOSYSTEM**

The Muara Sungai Pahang Phase 3 Flood Mitigation Project spans five years, from June 2022 to June 2027. This project is designed to:



Mitigate coastal flooding risks, particularly for Pekan Town and nearby communities



Create sustainable navigation channels and berthing zones



Address siltation challenges at the river mouth to ensure seamless discharge of peak flows and secure navigation for fishing vessels



**Provide robust defences** against extreme wave activity

Since we started this project in June 2022, we have managed to work safely without having any serious injury that caused our man-hours to be reset to zero and in early November 2024, reaching 500,000 working man-hours without Lost Time Injury.

> The project's specific scope includes the construction of 683.5 metres of the Northern Arm 1 breakwater and 682.55 metres of the Northern Arm 2 breakwater, along with four dykes, two beacon lights for maritime safety, and a navigational channel dug out to a depth of 2.5 metres below the low tide level (measured from Chart Datum, a standard reference point for water depths), promising safe passage for vessels and enhancing local economic prospects.

> These interventions safeguard a river system that serves not only as a lifeline for the fishing industry, supporting over 1,000 local fishermen and contributing 20% of Pahang's total fish catch, but also serves as a growing hub for ecotourism.



## **DELIVERING ON** STRONG GOVERNANCE

## **ADDITIONAL** INFORMATION



**MRCB** 

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#### STRENGTHENING FLOOD RESILIENCE AND RIVER FLOW

**REPORT 2024** 

The effectiveness of the breakwater system is evident in its ability to mitigate coastal flooding and improve river flow dynamics. The 2014-2015 floods, one of Malaysia's worst in decades, severely impacted upstream areas like Jerantut and Temerloh, yet Pekan Town experienced relatively milder flooding. This highlights the important role of maintaining an open and unobstructed river mouth.

By preventing sediment build-up and ensuring efficient water discharge, the newly constructed breakwaters and dykes under this project will further enhance flood resilience, safeguard communities, and support long-term environmental stability.

#### **EXCELLENCE IN PROJECT EXECUTION**

MRCB adheres to stringent Quality Assurance and Quality Control (QAQC) protocols in executing this project.

The QAQC measures begin with rigorous material selection and testing processes, including laboratory analyses of rock samples from multiple quarries to ensure durability and compliance with specifications. Continuous visual inspections, monthly compliance audits, and detailed site observations are conducted to maintain the highest quality standards.

From meticulous stone sampling to regular visual inspections, every aspect of the construction is monitored to ensure compliance with environmental and safety standards. The project also utilises advanced materials, such as non-woven geotextiles, and state-of-the-art rock layering techniques, which are meticulously installed to prevent soil erosion and fortify breakwaters and dykes through the strategic placement of core, underlayer, and armour rocks. The construction process involved intricate planning and execution, supported by advanced monitoring tools and techniques to ensure alignment with design specifications while minimising environmental disruptions.

Coordination among stakeholders is seamless, with regular reporting and reviews conducted to assess progress and address any challenges promptly. As of December 2024, the project has achieved 58.5% physical construction progress and was +3.8% ahead of schedule, reflecting MRCB's proactive approach to risk mitigation and operational efficiency.

#### **EMPOWERING COMMUNITIES AND THE ENVIRONMENT**

Beyond the tangible infrastructure, the Muara Sungai Pahang Flood Mitigation Project symbolises hope for the surrounding communities. By mitigating flooding risks and safeguarding fisheries, it secures livelihoods while providing a foundation for sustainable economic activities. Furthermore, MRCB's commitment to environmental management ensures minimal ecological disruption during the construction process.

The improved navigation channel facilitates trade and access for small-scale fishermen, enabling them to expand their operations and improve their incomes. Communities have also benefited from increased safety due to reduced flooding and clearer waterways, which have minimised the displacement of residents and damage to properties.

The Muara Sungai Pahang Flood Mitigation Project exemplifies MRCB's vision of "Building Meaningful Places for a Better Tomorrow". As we push the boundaries of engineering excellence, we simultaneously preserve natural ecosystems and empower local communities. Upon completion, this project will stand as a benchmark for integrated, sustainable development that harmonises progress with ecological care.

# BOARD OF DIRECTORS

Non-Independent

**DATUK IMRAN SALIM** Group Managing Director

MOHAMAD HAFIZ KASSIM Non-Independent Non-Executive Director

#### **AUDIT & RISK MANAGEMENT** COMMITTEE

Dato' Wan Kamaruzaman Wan Ahmad (Chairman) Dato' Dr Junaidah Kamarruddin Lim Fen Nee

#### **EXECUTIVE COMMITTEE**

Mohamad Hafiz Kassim (Chairman) Datuk Imran Salim Dato' Wan Kamaruzaman Wan Ahmad Dato' Dr Junaidah Kamarruddin

#### **NOMINATION & REMUNERATION** COMMITTEE

Dato' Wan Kamaruzaman Wan Ahmad (Chairman) Dato' Dr Junaidah Kamarruddin Mohamad Hafiz Kassim Datuk Rashidah Mohd Sies

#### LONG-TERM INCENTIVE PLAN COMMITTEE

Lim Fen Nee (Chairman) Datuk Imran Salim Dato' Dr Junaidah Kamarruddin PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146) Level 10, Menara TH 1 Sentral Jalan Rakyat Kuala Lumpur Sentral P.O. Box 10192 50706 Kuala Lumpur Tel:+603-2173 1188 Fax:+603-2173 1288

**AUDITORS** 

Level 33A, Menara NU 2 No. 203, Jalan Tun Sambanthan Kuala Lumpur Sentral 50470 Kuala Lumpur Tel : +603-2786 8080 Fax:+603-27807668 Email: cosec@mrcb.com

## FORM OF LEGAL ENTITY

**INTEGRATED ANNUAL REPORT 2024** 

# **CORPORATE INFORMATION**

DATO' MOHAMAD NASIR AB LATIF Non-Executive Chairman

TAN SRI MOHAMAD SALIM FATEH DIN Executive Vice Chairman

## **COMPANY SECRETARY**

Mohd Noor Rahim Yahaya (MAICSA 0866820) (SSM PC No. 202008002339)

## **REGISTERED OFFICE**

Incorporated on 21 August 1968 as a private company limited by shares. Converted into a public company on 28 June 1969.

## DATO' WAN KAMARUZAMAN WAN AHMAD

Senior Independent Director

DATO' DR JUNAIDAH KAMARRUDDIN Independent Director

LIM FEN NEE Independent Director

DATUK RASHIDAH MOHD SIES Independent Director

## SHARE REGISTRAR

**Boardroom Share Registrars** Sdn Bhd [Registration No. 199601006647 (378993-D)] 11<sup>th</sup> Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Tel: +603-7890 4700 Fax: +603-7890 4670 Email: bsr.helpdesk@boardroomlimited.com

## **PRINCIPAL BANKERS**

CIMB Bank Berhad CIMB Islamic Bank Berhad HSBC Bank Malaysia Berhad Maybank Islamic Berhad RHB Islamic Bank Berhad

## STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad since 22 March 1971. Stock Code : 1651 Stock Name : MRCB

SECTION 6



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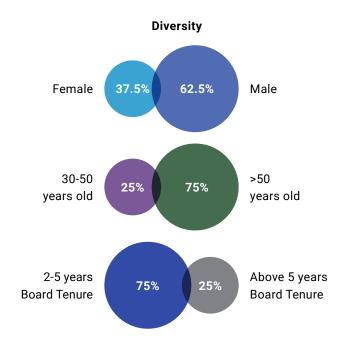
MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Strong Governance

# **BOARD AT A GLANCE**

**REPORT 2024** 

# **BOARD COMPOSITION**





#### **Board Of Directors' Key Capabilities**

Strategy Formulation	63%
	50%
Business Management	50%
Capital Markets	
Financial Expertise	63%
Governance & Risk Management	63%
	38%
Regulatory Expertise	
Property & Construction Industry Experience	50%
People Leadership	75%
	13%
Technology Experience	.0.0



Dato' Mohamad Nasir Ab Latif Non-Independent Non-Executive Chairman



Tan Sri Mohamad Salim Fateh Din Executive Vice Chairman



Datuk Imran Salim Group Managing Director



Mohamad Hafiz Kassim Non-Independent Non-Executive Director



Dato' Wan Kamaruzaman Wan Ahmad Senior Independent Director



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Dato' Dr Junaidah Kamarruddir ent Directo



Lim Fen Nee Independent Directo



Datuk Rashidah Mohd Sies Independent Director

# **BOARD OF DIRECTORS' PROFILE**



Nominee of Employees Provident Fund, a major shareholder of MRCB

**Board Committee(s)** 

None

#### Qualification(s)

- · Diploma in Accounting & Finance, The Chartered Association of **Certified Accountants**
- Bachelor of Social Science (Major-Economic), Universiti Sains Malaysia
- · Master of Science in Investment Analysis, University of Sterling, United Kingdom

#### **Skills and Experience**

Dato' Mohamad Nasir was previously the Deputy Chief Executive He has no family relationship with any director and/or major Officer of the Investment Division, Employees Provident Fund shareholders of MRCB. ("EPF") until his retirement on 31 December 2019. He started his career with EPF in 1982 and held several positions in EPF which Conflict Of Interest and/or Potential Conflict of Interest with includes State Enforcement Officer, Senior Research Officer, Senior MRCB Manager in the Investment and Economic Research Department, and General Manager of the International Equity Department. He has no conflict of interest or potential conflict of interest with MRCB.

#### **INTEGRATED ANNUAL REPORT 2024**

#### **Other Directorship(s)/Membership**

#### Listed Entities

- Chairman, United Plantations Berhad
- Director, RHB Bank Berhad
- · Director, Yinson Holdings Berhad

#### Others

- Chairman, PLUS Malaysia Berhad
- Chairman, RHB Islamic Bank Berhad
- Chairman, EPF Investment Panel
- Member, Investment Panel of LADA

### Family Relationship With Any Director and/or Major Shareholders

#### List of Convictions or Offences Within the Past Five (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

SECTION 6



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Nominee of Gapurna Sdn Bhd, a major shareholder of MRCB

#### **Board Committee(s)**

None

#### **Oualification(s)**

Malaysian Cambridge Examination ("MCE")

#### **Skills and Experience**

Tan Sri Mohamad Salim is currently the Executive Vice Chairman of MRCB. He was the Group Managing Director of MRCB from 2 September 2013 to 2 July 2018. He is the founder and Group Managing Director of Gapurna Sdn Bhd.

He was a pioneer in developing green buildings in Malaysia, delivering major landmark developments such as Shell's international awardwinning regional headquarters, Menara Shell at KL Sentral, and the PJ Sentral Garden City and other award winning, standard setting green developments.

He was the Non-Executive Chairman of Giant Malaysia from 2009 to 2013 and was responsible for re-designing its distribution centres and modernising and improving its food-processing systems, reducing its logistics costs and delivery turnaround times. This was later emulated by others in the country's food supply chain.

He was also responsible for the development of the "Super Store Petrol Station" concept for leading oil companies, Shell, Esso, BP and Caltex.

He was Non-Executive Chairman of British American Tobacco (Malaysia) Berhad from 2012 to 2016, Chairman of the Malaysia-Pakistan Business Council from 2013 to 2014 and Independent Director of Malaysia Airports Holdings Berhad from 25 July 2022 to 22 May 2023. He was also a member of Consultation and Corruption Prevention Panel under Malaysian Anti-Corruption Commission from 1 April 2022 to 31 March 2024.

He served as Commission Member of the Malaysian Communications and Multimedia Commission (MCMC) from 2010 to 2014 and was reappointed to the same position on 1 January 2022.

He was later redesignated as the Interim Chairman of MCMC from June 2022 to December 2022. On 1 March 2023, he was appointed as the Chairman of MCMC for a period of two years and his tenure has been extended for another two years until 28 February 2027.

#### Other Directorship(s)/Membership

- Listed Entities
- Nil

#### Others

- Chairman, Malaysian Communications and Multimedia Commission Chairman, Anti-Corruption Advisory Board
- Agile member of National Council of Digital Economy and Fourth Industrial Revolution

#### Family Relationship With Any Director and/or Major Shareholders

Tan Sri Mohamad Salim is the Group Managing Director and substantial shareholder of Gapurna Sdn Bhd, which in turn holds 15.48% equity interest in MRCB. Tan Sri Mohamad Salim is also the father of Datuk Imran Salim, the Group Managing Director of MRCB. Other than as disclosed, he does not have any family relationship with any director and/or major shareholders of MRCB.

#### Conflict of Interest and/or Potential Conflict of Interest with MRCB

Save as disclosed, and in Note No. 39 on page 154 of the accompanying Financial Report, he has no conflict of interest or potential conflict of interest with MRCB.

#### List Of Convictions or Offences Within the Past Five (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.



Male 43 years old Malaysian Appointed on 1 March 2015

Nominee of Gapurna Sdn Bhd, a major shareholder of MRCB

#### **Board Committee(s)**

- Member of the Long-Term Incentive Plan (LTIP) Committee
- Member of the Executive Committee

#### Qualification(s)

- · Degree in Electrical and Electronics from the University of Manchester Institute of Science and Technology, United Kingdom
- Masters in Commerce from Deakin University, Australia
- Member of the Institution of Engineers, Malaysia
- · Member of the Institute of Electrical and Electronic Engineers, United Kinadom
- · Member of the Institute of Corporate Directors Malaysia

#### **Skills and Experience**

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

Datuk Imran was the Group Chief Operating Officer of MRCB from 1 March 2013 to 28 February 2015 before being promoted as Executive Director of the Company on 1 March 2015. He assumed his current position with effect from 2 July 2018.

**INTEGRATED ANNUAL REPORT 2024** 

# **BOARD OF DIRECTORS' PROFILE**

Di	r	ec

Other I ectorship(s)/Membership

**Listed Entities** 

• Nil

## Others

- Nil

## Family Relationship With Any Director and/or Major Shareholders

Datuk Imran is the son of Tan Sri Mohamad Salim, MRCB's Executive Vice Chairman and substantial shareholder of Gapurna Sdn Bhd, which in turn holds 15.48% equity interest in MRCB. Other than as disclosed, he does not have any family relationship with any director and/or major shareholders of MRCB.

Conflict of Interest and/or Potential Conflict of Interest with MRCB

Save as disclosed, and in Note No. 39 of page 154 of the accompanying Financial Report, he has no conflict of interest or potential conflict of interest with MRCB.

#### List of Convictions or Offences Within the Past Five (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.



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Male 50 years old Malaysian Appointed on 1 September 2021

Nominee of Employees Provident Fund, a major shareholder of MRCB

#### **Board Committee(s)**

- · Chairman of the Executive Committee
- Member of the Nomination & Remuneration Committee

#### Qualification(s)

- · B.Sc (Econs) Accounting and Finance, London School of Economics and Political Science
- · Fellow, Association of Chartered Certified Accountants
- · CFA Charterholder, CFA Institute

#### **Skills and Experience**

Mohamad Hafiz is the Chief Financial Officer of the EPF. He joined the EPF in 2008, where he was entrusted with several leadership roles within the Investment Division. Prior to his current role, he led various departments including Private Equity, Capital Markets and Real Estate. He was also the Managing Director of Kwasa Land Sdn. Bhd., a wholly owned subsidiary of EPF, from April 2020 to May 2021.

Prior to joining the EPF, he had worked with Daiwa Capital, PricewaterhouseCoopers and Telekom Malaysia, where he started his career as an investment analyst. He has over 20 years of corporate experience, with a focus on real estate, private equity, capital markets, auditing and accounting.

#### Other Directorship(s)/Membership

- Listed Entities
- Director, Axiata Group Berhad

#### Others

• Nil

#### Family Relationship with Any Director and/or Major Shareholders

He has no family relationship with any director and/or major shareholders of MRCB.

#### Conflict of Interest and/or Potential Conflict of Interest with MRCB

He has no conflict of interest or potential conflict of interest with MRCB.

#### List of Convictions or Offences within the Past Five (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.



Male 65 years old Malaysian Appointed on 15 April 2021

#### **Board Committee(s)**

- Chairman of the Audit & Risk Management Committee
- Chairman of the Nomination & Remuneration Committee
- Member of the Executive Committee

#### Qualification(s)

- Bachelor of Economics (Analytical Economics) with Hons from University of Malaya
- Chartered Banker, Asian Institute of Chartered Banker

#### **Skills And Experience**

Dato' Wan Kamaruzaman previously served as the Chief Executive Officer ("CEO") of Kumpulan Wang Persaraan (Diperbadankan) ("KWAP") from May 2013 to October 2018. Prior to joining KWAP, he served as the General Manager, Treasury Department of the EPF since October 2007.

He started his working career with Malayan Banking Berhad ("Maybank") in 1981, mainly with the Treasury Department with two overseas postings at Hamburg, Germany as Chief Dealer and London, United Kingdom as Treasury Manager. After leaving Maybank in 1994, he served as CEO and Director with several companies within the Affin Group until 2005.

**INTEGRATED ANNUAL REPORT 2024** 

# **BOARD OF DIRECTORS' PROFILE**

#### Other Directorship(s)/ Membership

#### **Listed Entities**

- · Chairman, MBSB Berhad (Formerly known as Malaysia Building Society Berhad)
- · Director, Bermaz Auto Berhad

#### Others

- Chairman, MBSB Bank Berhad
- Director, Global LNG Sdn Bhd
- Chairman, Iris Capital Partners Sdn Bhd
- Member, EPF Investment Panel
- Chairman, Investment Advisory Panel, Securities Commission
- · Director, Lembaga Penduduk dan Pembangunan Keluarga Negara
- Commissioner, Malaysian Aviation Commission
- Director, Mudarabah Innovation Fund Investments Ltd

#### Family Relationship with Any Director and/or Major Shareholders

He has no family relationship with any director and/or major shareholders of MRCB.

#### Conflict of Interest and/or Potential Conflict of Interest With MRCB

He has no conflict of interest or potential conflict of interest with MRCB.

#### List of Convictions or Offences within the Past Five (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.



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# **BOARD OF DIRECTORS' PROFILE**



### Female 64 years old Malaysian Appointed on 1 July 2021

#### **Board Committee(s)**

- Member of the Audit & Risk Management Committee
- Member of the Nomination and Remuneration Committee
- Member of the Executive Committee
- Member of the Long-Term Incentive Plan (LTIP) Committee

#### Qualification(s)

- · Doctorate in Resource Management, Universiti Pertahanan Nasional Malaysia
- · Master's in International Relations, International University of Japan
- · Bachelor of Arts (Honours) specialising in Geography, Universiti Sains Malaysia
- · Diploma in Public Administration, National Institute of Public Administration, Malaysia

#### **Skills and Experience**

Dato' Dr Junaidah joined the Administrative and Diplomatic Service in June 1994 and began her career as the Assistant Director at Remuneration Division of the Public Services Department of Malaysia (PSD).

In April 1996, she was transferred to the Training Division of PSD before being promoted as the Principal Assistant Secretary at the Organisational Development Division of the Ministry of Human Resources in June 2003. In May 2005, she was attached to the International Unit of the Ministry of Human Resources (MHR).

In 2007, she was transferred to the Investment and Minister of Finance Incorporated Division in the Ministry of Finance Malaysia before her appointment as the Undersecretary at the International Division of the MHR. In 2010, she became the Senior Undersecretary (Management Services) at the Ministry of Natural Resources and Environment Malaysia (NRE) and subsequently, she was attached

to the Malaysian Maritime Enforcement Affairs Division under Prime Ministers (PM) Department as a Director General.

In December 2015, she was promoted as the Deputy Secretary General (Policy) at the Ministry of Defence Malaysia and subsequently, appointed as the Deputy Secretary of General (Administration) at the PMs Department in October 2018. She was then appointed as the Director General, Legal Affairs Division in March 2019. She was the Secretary-General, Ministry of Women, Family and Community Development from July 2019 to February 2021.

Dato' Dr Junaidah is a Distinguished Fellow at Faculty of Defence Studies and Management, Universiti Pertahanan Nasional Malaysia.

#### Other Directorship(s)/Membership

Listed Entities

## • Nil Others

• Nil

#### Family Relationship with Any Director and/or Major Shareholders

She has no family relationship with any director and/or major shareholders of MRCB.

#### Conflict of Interest and/or Potential Conflict of Interest With MRCB

She has no conflict of interest or potential conflict of interest with MRCB.

#### List of Convictions or Offences Within the Past Five (5) Years

She has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.



#### **Board Committee(s)**

- Chairman of the Long-Term Incentive Plan (LTIP) Committee
- Member of the Audit & Risk Management Committee

#### Qualification(s)

- Fellow of the Association of Chartered Certified Accountants
- Chartered Accountant, Malavsian Institute of Accountants
- ASEAN Chartered Professional Accountant, Malaysian Institute of Accountants
- · Master of Business Administration in E-Commerce, Charles Sturt University, Australia

#### **Skills and Experience**

Lim Fen Nee is a qualified accountant with over 24 years of experience in the fields of accounting, assurance, and regulatory oversight.

She was the Regional Partner of Deloitte Southeast Asia (SEA), SEA Regulatory and Public Policy Leader from 2017 to 2019. Her main role involves dealing with assurance and advisory, professional practice, quality initiatives, regulatory and public policy.

Prior to Deloitte SEA, she was with the Securities Commission Malaysia from 2010 to 2016. She was the Head of Audit Oversight Board (AOB) and was one of the founding management team. In addition, she also served as a Project Advisor to the Securities Commission covering various capital market projects and was actively involved in international and ASEAN audit oversight activities. She also represented the Securities Commission Malaysia on the Audit Licensing Committee within the Accountants General's Office of the Ministry of Finance.

**INTEGRATED ANNUAL REPORT 2024** 

# **BOARD OF DIRECTORS' PROFILE**

Between 1997 and 2009, she gained extensive experience in assurance and advisory in public companies and multinational companies during her roles in Ernst & Young, Kuala Lumpur and PwC, United States. She had also held consulting roles in The World Bank, Washington D.C covering governance and financial reporting.

#### Other Directorship(s)/ Membership

#### **Listed Entities**

• Director, Shangri-La Hotels (Malaysia) Berhad

#### Others

- · Director, Allianz Life Insurance Malaysia Berhad
- Director, PLUS Malaysia Berhad

#### Family Relationship with Any Director and/or Major Shareholders

She has no family relationship with any director and/or major shareholders of MRCB.

#### Conflict of Interest and/or Potential Conflict of Interest With MRCB

She has no conflict of interest or potential conflict of interest with MRCB

#### List of Convictions or Offences Within the Past Five (5) Years

She has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

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Female 61 years old Malaysian Appointed on 13 June 2024

#### **Board Committee(s)**

• Member of the Nomination & Remuneration Committee

#### Qualification(s)

- · Masters in Business Administration, US International University California, USA
- Bachelor in Business Administration (Finance), Idaho State University, USA
- Diploma in Public Administration, INTAN
- Advanced Management and Leadership Programme, University of Oxford

#### **Skills and Experience**

Datuk Rashidah has served the Government of Malaysia for more than 30 years. She started her career in the Ministry of Finance ("MOF") in 1989 and served the Ministry ever since. Her first appointment was as an Assistant Secretary in the Finance Division (Investment), MOF. Rising through the rank, she was promoted to the post of Principal Assistant Secretary and later became the Head of Section (Commercial), Government Investment Companies Division, Ministry of Finance. She then assumed the post of Deputy Undersecretary of the same division before being appointed as the Undersecretary of Government Investment Companies Division.

She was later appointed as the Deputy Secretary General to the Treasury (Management), a post she held until her retirement on 12 January 2024. Datuk Rashidah also has broad experiences as a member of Board of Directors of Government companies and agencies. She was previously a Board Member of Tenaga Nasional Berhad, Agrobank, Johor Port, Securities Commission Malaysia and DBKL, to name a few.

#### **Other Directorship(s)/ Membership**

Listed Entities

• Director, KUB Malaysia Berhad

#### Others

- Director, Bank Pembangunan Malaysia Berhad
- Director, UDA Holdings Berhad

#### Family Relationship with Any Director and/or Major Shareholders

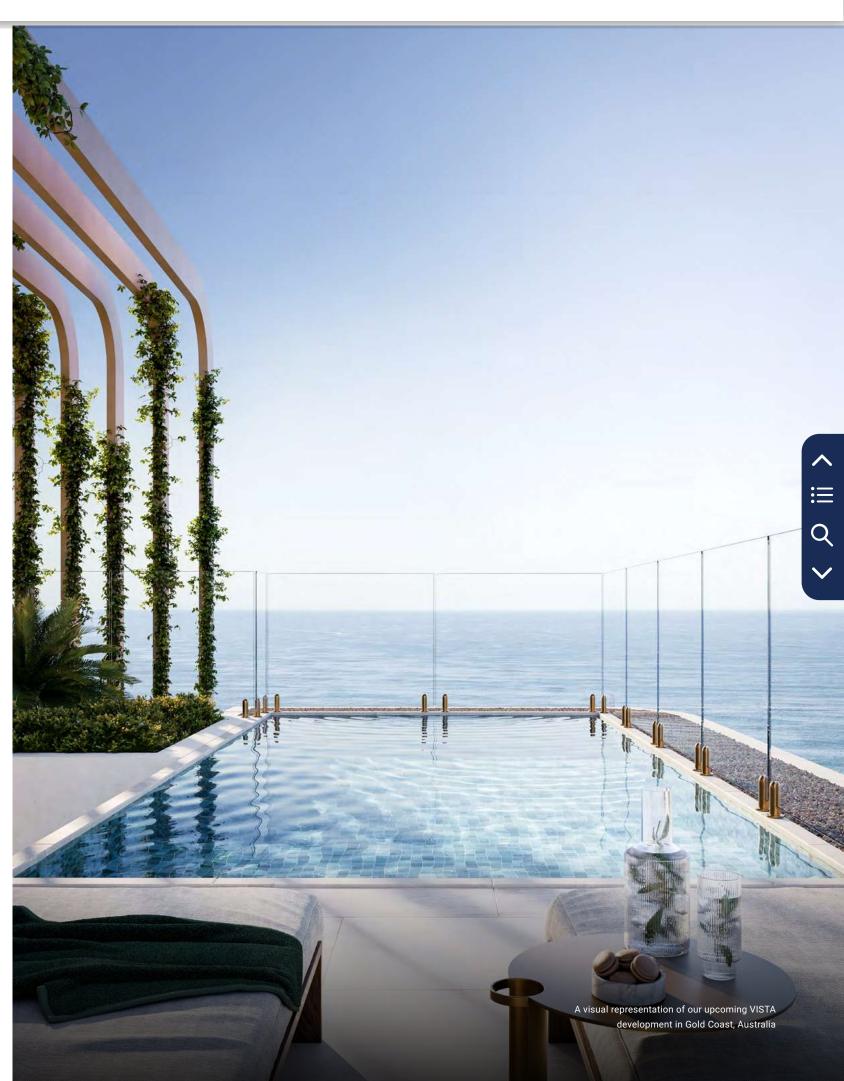
She has no family relationship with any director and/or major shareholders of MRCB.

#### Conflict of Interest and/or Potential Conflict of Interest With MRCB

She has no conflict of interest or potential conflict of interest with MRCB.

#### List of Convictions Or Offences Within the Past Five (5) Years

She has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.





### **DELIVERING ON** STRONG GOVERNANCE

## **ADDITIONAL** INFORMATION



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# **KEY SENIOR MANAGEMENT PROFILE**

# **Key Senior** Management in **MRCB**



Ann Wan Tee Group Chief Financial Office



Kwan Joon Hoe Group Chief Operating Officer



Amariit Singh Chhina Chief Corporate Officer



#### Academic/Professional Qualification(s)/ Membership(s)

- Bachelor of Commerce (Accounting) (Hons), University of Birmingham
- · Fellow of the Association of Chartered Certified Accountants (FCCA)
- Member of the Malaysian Institute of Accountants (MIA)

#### Other Directorship(s)/ Membership(s)

Listed Entity

Sentral RFI

#### Others

MRCB Southern Link Berhad

#### Working Experience and Occupations

Ann Wan Tee was appointed as the Chief Financial Officer of MRCB on 25 November 2013 and promoted to Group Chief Financial Officer on 1 June 2017. He joined MRCB in May 2013 as the Chief Strategy Officer.

Prior to MRCB, Wan Tee was the Chief Financial Officer/Finance Director of Gapurna Strategic Alliance Sdn Bhd from June 2012 to May 2013. Wan Tee was in PricewaterhouseCoopers (Advisory Services) from January 2006 to May 2012, where he left as Executive Director.

He has more than 25 years' experience spanning from project advisory, privatisation, private finance initiatives. financial feasibility studies, business valuations, mergers and acquisitions as well as corporate recovery.

## Any Director And/Or Major Shareholders

He has no family relationship

## Conflict Of Interest And/Or With MRCB

#### List Of Convictions Or **Offences Within The Past Five** (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

# **Family Relationship With**

with any director and/or major shareholders of MRCB.

Potential Conflict of Interest

He has no conflict of interest or potential conflict of interest with MRCB.



Male 43 years old Malaysian

#### Academic/Professional Qualification(s)/ Membership(s)

- Bachelor of Commerce (Accounting and Finance) from Universitv of Melbourne, Australia
- · Member of the Certified Public Accountant (CPA). Australia

#### Other Directorship(s)/ Membership(s)

Listed Entity Sentral REIT

#### Others

Occupations

Controller,

of the Company.

MRCB Southern Link Berhad

He joined MRCB as Senior

Vice President of the Property

Division in January 2014. Joon

the RM1 billion Lot 348

spearheading

#### Conflict Of Interest And/Or Working Experience and Potential Conflict of Interest With MRCB

Kwan Joon Hoe is currently the He has no conflict of interest Group Chief Operating Officer or potential conflict of interest with MRCB

functions.

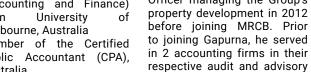
Shareholders

shareholders of MRCB.

#### **List Of Convictions Or Offences Within The Past Five** (5) Years

Hoe was appointed as the Chief Operating Officer of the He has not been convicted for Company on 1 March 2015 and any offence (other than traffic was promoted to his current offences) within the past five position on 1 June 2017. (5) years, nor been imposed with any public sanction He joined Gapurna in 2008 or penalty by the relevant regulatory bodies during the as the Group's Financial

financial year.



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Amarjit Singh

Chief Corporate Officer

Chhina

# **KEY SENIOR MANAGEMENT PROFILE**



Male 57 years old British

development (Menara Shell) in Kuala Lumpur Sentral CBD. He was then promoted to the position of Chief Executive Officer managing the Group's property development in 2012 before joining MRCB. Prior to joining Gapurna, he served in 2 accounting firms in their

#### Family Relationship With Any Director And/Or Major

He has no family relationship with any director and/or major

Academic/Professional Qualification(s)/ Membership(s)

- · Fellow of the Institute of Corporate Directors Malaysia SIDC, Markets
- Capital Director Programme Monetary Authority
- of Singapore, Dealers Representative
- London Stock Exchange, Registered Representative

#### Other Directorship(s)/ Membership(s)

Listed Entity

## • Nil

- Others Independent Director, abrdn Islamic Malaysia Sdn Bhd
- Member of Board of Trustees, Yayasan MRCB
- National Advisory Panel. Global United Nations Compact Network Malaysia & Brunei

#### Working Experience and Occupations

Amarjit was appointed Chief Corporate Officer of MRCB on 13 January 2016.

Prior to joining MRCB, he was Executive Director of YTL e-Solutions Bhd while it was listed on Bursa Malaysia, and Chairman & Chief Executive Officer of its London listed subsidiary, Infoscreen Networks PI C.

Amarjit also has over 12 years of investment management and equity capital market

experience, having held positions in what were the UK's leading investment banks. He was a UK Equity Fund Manager at Kleinwort Benson Investment Management (now known as Kleinwort Hambros) and UK Equity Building & Construction Sector Analyst at Barclays de Zoete Wedd Securities Limited (now known as Credit Suisse) in London, and over a five (5) year period from 1993 to 1998 was seconded to its offices in Kuala Lumpur, Hong Kong and Singapore as an Associate Director, working on a number of large equity capital raisings, and initial public offerings. He ended this phase of his career as Associate Director of HSBC Securities in Singapore.

#### Family Relationship With Any Director And/Or Major Shareholders

He has no family relationship with any director and/or major shareholders of MRCB.

#### Conflict Of Interest And/Or Potential Conflict of Interest With MRCB

He has no conflict of interest or potential conflict of interest with MRCB.

#### List Of Convictions Or **Offences Within The Past Five** (5) Years

He has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

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# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**





#### DEAR SHAREHOLDERS.

As the Chairman of MRCB, it is my pleasure to present to you this year's Corporate Governance Overview Statement.

Dato' Mohamad Nasir AB Latif Non-Independent Non-Executive Chairman

# IG PEACE, JUSTICI AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Our unwavering commitment to the highest standards of corporate governance serves as the cornerstone of MRCB's vision of sustainable business performance, rooted in our core values of being accountable, customer-centric, courageous, creative, and driven. By adopting the United Nations Sustainable Development Goals (UN SDGs), particularly Goal 16: Peace, Justice & Strong Institutions, and aligning our business strategies with the broader UN SDG agenda, we pledge to foster good governance, ethical practices, and transparent decision-making across our diverse workforce. This commitment is further reinforced by the embedment of sustainability practices throughout our culture and operations, aiming to enhance operational efficiencies and build more resilience in our business, to ensure long-term value creation for all stakeholders. We remain dedicated to delivering sustained long-term growth while minimising our impact on the environment, reinforcing our role as a responsible corporate citizen.

Further details on our sustainability initiatives and efforts are set out in Our Approach to Sustainability section on pages  $(\Box)$ 142 to 161 of this report.

We acknowledge that maintaining a strong Quality, Environmental, Safety, and Health (QESH) management framework, developed based on best practices and international ISO Standards, is essential to our value creation efforts and is a key factor in driving long-term business growth. In 2024, our subsidiaries made notable strides in maintaining and attaining ISO certifications. These achievements exemplify our dedication to quality, environmental responsibility, and occupational health and safety standards across our business operations:

Subsidiary	ISO Management System Certification	2024 Activity
MDOD Duildens Ods Did	ISO 9001:2015 (Quality)	
MRCB Builders Sdn Bhd (MBSB)	ISO 14001:2015 (Environmental)	Re-certified
	ISO 45001:2018 (Occupational Health & Safety)	
Semasa Parking Sdn Bhd (SPSB)	ISO 9001:2015 (Quality)	Continued Certification
MRCB Environmental Services Sdn Bhd (MESSB)	ISO 9001:2015 (Quality)	Continued Certification
	ISO 9001:2015 (Quality)	Continued Certification
Transmission Technology Sdn Bhd (TTSB)	ISO 14001:2015 (Environmental)	Certified
(1130)	ISO 45001:2018 (Occupational Health & Safety)	Certified

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Our Anti-Bribery Management System (ABMS), now in its 6th year of ISO 37001:2016 certification by an international certification body, continues to reassure our stakeholders of our adherence to relevant laws, regulations, and internal policies and procedures in effectively combating bribery and corruption. In 2024, we undertook several ABMS-related initiatives to continue to reinforce the Group's firm stance against all forms of bribery and corruption. These efforts include upskilling employees to provide them with the tools and knowledge necessary to identify, prevent, and respond to bribery risks effectively and communicating our policies and expectations in this regard to our external stakeholders.

#### $(\square)$ A comprehensive list of our ABMS initiatives undertaken in 2024 is detailed on page 327 of this report.

Our dedication to continuously enhancing our governance practices has been recognised through the accolades and high rankings we achieved in assessments conducted by the media and index providers in 2024, serving as a testament to our commitment to integrity, governance, and transparency in corporate reporting.

#### EXTERNAL RECOGNITION OF MRCB'S CORPORATE GOVERNANCE ECOSYSTEM

#### GOLD Award

for its Integrated Annual Report 2022 at the Australasian Reporting Awards 2024

#### Gold - Excellence Award

for Companies with Less Than RM2 Billion in Market Capitalisation at the National Annual Corporate **Report Awards (NACRA) 2024** 

#### **Excellence Award 2024**

and ranked 44<sup>th</sup> out of the 854 listed companies assessed at the **National Corporate Governance &** Sustainability Awards (NACGSA) 2024

Constituent of the since 2014. increasing its overall (from 3.6 in 2023)

#### Gold Award

for the Most Consistent Performer Over Five Years at The Edge ESG Awards 2024

# **MSCI ESG Rating of**

'AA' in 2024

Further details on our corporate governance achievements, future plans, and aspirations are set out in the ensuing sections of this Corporate Governance Overview Statement.

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FTSE4Good Bursa Malaysia Index

Index score to 3.9 in 2024 and ranking in the Top 14% of all listed companies

#### **CORPORATE GOVERNANCE** PHILOSOPHY

Guided by our vision of "Setting the Standard", we strive to ensure our operations are financially sound, environmentally responsible, and socially conscious by adopting best governance practices and global sustainability standards, anchored on high standards of integrity and ethics, which we believe is the cornerstone of good corporate governance. The Board takes a strategic approach to align governance practices with its core values, aiming to drive longterm value creation for its stakeholders. By continuously adapting to regulatory changes and evolving best governance practices and focusing on a sustainable, agile business model, we aim to provide innovative solutions that deliver value to all our stakeholders.



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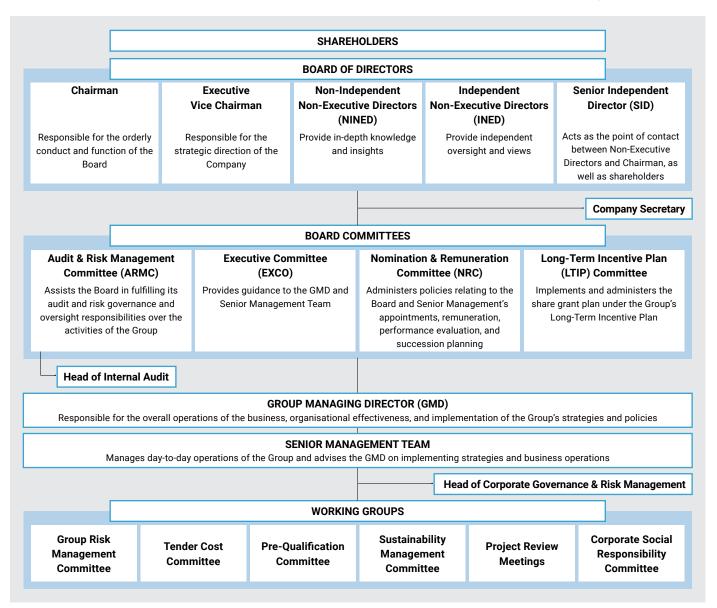
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#### **CORPORATE GOVERNANCE FRAMEWORK**

The Board is resolute in ensuring the establishment of a robust and effective corporate governance system that underpins the successful execution of the Group's strategy. This is accomplished through a delegated authority framework, which strengthens accountability and responsibility in decision-making, extending up to the Board level.

The diagram below depicts MRCB's governance framework, which provides an overview of the key Board Committees and various Management Working Groups that provide support to our Board in key areas such as financial review, human capital development, internal control and risk management, as well as governance, procurement, and sustainability matters:



#### **CORPORATE GOVERNANCE PRACTICES**

MRCB's Corporate Governance Practices are shaped by adhering to the statutory requirements, principles, and best practices mandated in the Main Market Listing Requirements (MMLR) of Bursa Malaysia, the Companies Act 2016 (CA 2016), and the Malaysian Code on Corporate Governance (MCCG) 2021, in addition to being benchmarked against the ASEAN Corporate Governance Scorecard and other applicable laws, regulations, and guidelines.

#### MRCB's Compliance with MCCG Over the Years



We comply with 42 out of the 43 Practices stipulated in the Malaysian Code on Corporate Governance 2021 (MCCG 2021), along with 4 out of the 5 optional Step-Up Practices that aim to raise the bar well beyond current regulatory requirements. Explanations for the departures are provided below:

#### Practice 5.2

For Large Companies, the Board comprises a major of independent Directors.

The Board presently consists of eight (8) member which four (4) or 50% are Independent Directors.

The Company complies with Paragraph 15.02(1) MMLR, which states that at least two (2) directors of third (1/3) of the Board members of a listed issu independent directors.

Although there is no majority of Independent Director the Board, the Board ensures that all decisions are objectively and in the best interests of the Con benefiting from the diverse perspectives and insig its members. Generally, the Board's decisions are re unanimously.

The Board is looking for appropriate candidates wh enhance the independence, diversity, skillsets, and of the Board to maximise the effectiveness of the Bo

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ority	<b>Step-Up Practice 8.3</b> Companies fully disclose the detailed remuneration of each member of senior management on a named basis.
oers, of of the or one-	The top five (5) Senior Management members' individual total remuneration has been disclosed in bands of RM50,000. Their remuneration has been benchmarked against the industry and aligned with the market, ensuring that they are internally equitable and externally competitive.
uer are tors on	This disclosure approach strikes a balance between respecting personal privacy rights and providing sufficiently precise data points that facilitate stakeholder scrutiny.
e made mpany, ghts of eached	
ho can quality oard.	



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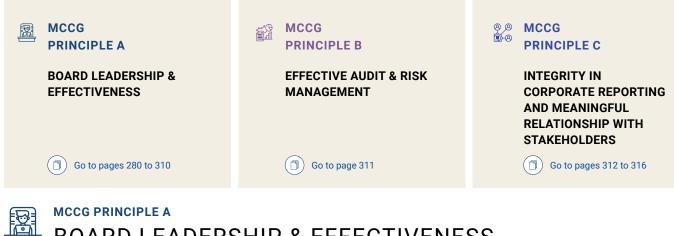
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# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

This Corporate Governance Overview Statement should be read alongside the Corporate Governance Report (CG Report), which is prepared based on a prescribed format outlined in Paragraph 15.25(2) of the MMLR. The CG Report provides detailed substantiation of the Group's implementation and departures from the MCCG 2021 Practices.

#### (2) Please peruse our Corporate Governance Report on our corporate website at www.mrcb.com.my/corporate-governance.html.

The remainder of this Corporate Governance Overview Statement is presented based on the following core principles as set out within MCCG 2021:



# **BOARD LEADERSHIP & EFFECTIVENESS**

#### **BOARD LEADERSHIP**

MRCB's Board is collectively responsible for the overall stewardship of the business and its affairs. It plays a crucial role in ensuring the establishment of effective governance control systems and frameworks in order to fulfil its strategic objectives. This is accomplished through the implementation of internal controls such as, but not limited to, the Board Charter, Code of Business Ethics, Limits of Authority, and other policies, including our Whistleblowing and Conflict of Interest policies.

Please peruse these and other governance-related policies on our corporate website at www.mrcb.com.my/corporate-governance.html.

# **BOARD OPERATIONS**

#### **Board Charter**

The Board operates under the scope and responsibilities prescribed in the Board Charter which sets out the principal roles, functions, responsibilities, and powers of the Board and its various committees, together with a schedule of matters reserved for the Board. The Board Charter serves as the primary reference for Directors regarding their fiduciary duties

and responsibilities. It emphasises their obligation to act in the best interests of the Company and its shareholders, while consistently exercising sound judgement and adhering to the highest ethical standards.

The Board Charter is reviewed and updated, when necessary, with the last revision being made on 27 November 2023.

Please peruse our Board Charter on our corporate website at www.mrcb.com.mv/corporate-governance.html

#### Code of Business Ethics (Code)

Our Directors are expected to uphold the highest standards of ethics and professional conduct, consistent with the Group's core values. They are expected to always behave and act morally and professionally to safeguard and enhance the reputation of the Group.

Upon appointment, all Directors of the Group are given a copy of the Directors' Manual, Executive Handbook, and the Code and are required to confirm their understanding of the Code. Compliance with the provisions in these documents is considered a fundamental part of their terms of service.



The Code promotes ethical business practices and cultivates a corporate governance culture rooted in integrity, transparency, and fairness. It also outlines the expected standards of conduct and behaviour when dealing with external parties, managing conflicts of interest, preventing abuse of power, corruption, insider trading, and money laundering, and preserving the confidentiality of company information.

The Code is reviewed and updated periodically, and the last revision was made on 10 January 2022. It applies to all Directors and employees of the Group.

Please peruse our Code of Business Ethics on our corporate website at  $(\partial)$ www.mrcb.com.my/corporate-governance.html.

#### Whistleblowing

MRCB's Whistleblowing Policy enables individuals to report potential malpractice or misconduct involving anyone interest, potential conflict of interest, or the perception of a conflict of interest. associated with the Company, including Board members. It provides a confidential reporting process through a proprietary Whistleblowing E-Form, accessible from our corporate website Such disclosures must be recorded in the minutes of the www.mrcb.com.my/other/whistle-blowing-policy.html, meeting at which the disclosure is made or the next meeting at held following the disclosure, as well as in the disclosure form which is designed to streamline reporting and improve data handling. The E-Form automatically and electronically sends all for Directors, Senior Management, and Legal Representatives, submissions to key executives, including the Group Managing available from the Company Secretary. Directors must also Director, Head of Integrity & Discipline (IDD), Chairman of the recuse themselves from participating in any Board deliberations Board, and the Chairman of the Audit & Risk Management and votes that relate to matters in which they have an interest. Committee, who is also the Senior Independent Director. The The Audit and Risk Management Committee reviews and policy promotes a culture of openness, accountability, and reports to the Board any conflict of interest situations that transparency, encouraging individuals to report in good faith arise, persist, or may arise (potential conflict of interest), along and ensuring protection against reprisals, discrimination, or with the measures taken to resolve, eliminate, or mitigate such harassment for whistleblowers, regardless of their employment conflicts. status with the Group.

The Whistleblowing Policy has been an effective tool for The Group established a Conflict of Interest Policy in identifying and addressing instances of misconduct within the Group. During 2024, we received three (3) reports through our 2019 to ensure that the nature and extent of any actual, whistleblowing channels that have been reviewed, investigated, potential, and perceived conflicts of interest, including and actioned accordingly. All whistleblowing cases and interests in any competing businesses, are identified and investigation results are presented to the Board during managed effectively. It offers guidance on dealing with Anti-Bribery & Corruption Updates, which is a permanent such situations as they arise, persist, or may arise within agenda item at the Quarterly Board Meetings. The policy is the Group, as well as the measures to be taken to resolve, reviewed and updated periodically, with the last revision taking eliminate, or mitigate such conflicts to minimise risks of effect on 11 June 2024. bribery and corruption. This Policy applies to all employees of the Group, including those on internship or secondment Please peruse our Whistleblowing Policy on our corporate website at  $(\partial)$ www.mrcb.com.my/corporate-governance.html. and consultants engaged by the Group on a full-time basis.

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# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

#### Conflicts of Interest

Directors have a fiduciary duty to always act in the best interest of the Group, including an obligation to disclose any actual or potential conflict of interest and to maintain the confidentiality of the Group's information in performing their duties.

When a conflict of interest arises, potentially undermining the impartiality of the Director, they must promptly disclose the following to the Audit and Risk Management Committee through the Company Secretary, so that the necessary measures can be taken to manage the conflict:

- any material personal interest they have in a matter which relates to the affairs of the Group; and,
- any other interest (direct or indirect) that they believe is appropriate to disclose in order to avoid any conflict of

Further details on the Audit and Risk Management Committee's activities are set out on pages 332 to 335 of this report.

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#### **MCCG PRINCIPLE A** R **BOARD LEADERSHIP & EFFECTIVENESS**

The policy is reviewed and updated periodically, with the last revision taking effect on 11 June 2024.

Please peruse our Conflict of Interest Policy on our corporate website at Ø www.mrcb.com.mv/corporate-governance.html

The Board Charter governs Directors in terms of conflict of interest declarations and management. Apart from the Board Charter, Directors must ensure compliance with any requirements under the law or regulations pertaining to conflict of interest, including but not limited to the Companies Act 2016 and Bursa Malaysia's Main Market Listing Requirements.

#### **ROLES & RESPONSIBILITIES OF THE BOARD**

The Board is entrusted with the overall governance of MRCB, setting a clear tone from the top by focusing on strategy, governance, and compliance in all aspects of our operations.

In dutifully discharging its functions, the main roles and responsibilities of the Board are as follows:

- To set the overall strategy for the Group;
- To oversee and evaluate the conduct and performance of the Group's businesses;
- To deliberate Management's proposals for the Company, which includes the overall corporate strategy, business plan, and budget, and to monitor its implementation by Management;
- · To promote good corporate governance culture within the Group to reinforce ethical, prudent, and professional behaviour;
- To promote and integrate sustainability through appropriate environmental, social, and governance considerations in the Group's business strategies and establishing clear strategies, priorities, and targets, and incorporating sustainability considerations when exercising its duties, including in the development and implementation of business plans, major plans of action, and risk management, among others;
- To take climate change and transition risks and opportunities into account in the delivery of the Group's business strategy, and ensuring compliance with all laws, regulations, and disclosure and reporting standards and best practices relating to environmental matters, as well as having regard for the needs of all its stakeholders in its pursuit of generating long-term returns for its shareholders;

- To assess and identify principal risks and ensure implementation of a proper risk management system in recognition that business decisions involve the taking of appropriate risks;
- To ensure the establishment of an appropriate succession plan for members of the Board and Senior Management, emphasising diversity and incorporating a broad range of sourcing strategies;
- To review the adequacy and the integrity of the management information and internal controls system of the Group and Company;
- To establish, review, and implement policies and procedures on whistleblowing, together with the Management;
- To establish and review policies and procedures to determine the remuneration of Directors and Senior Management, taking into account the demands, complexities and performance of the Company, as well as the skills and experience required;
- To commit itself and its Directors to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members and in the discharging of their fiduciary duties; and,
- To provide and ensure accountability to shareholders and, to the extent possible, towards a wider range of stakeholders impacted by MRCB's decisions, such as employees, customers, and the local community in areas where the Group operates.

The following matters are reserved for the Board to determine and/or approve (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to the Committees of the Board or Senior Management):

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

Please peruse our Board Charter for further details on the Board's roles, responsibilities, and reserved matters, accessible via our corporate website at www.mrcb.com.my/corporate-governance.html

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

**MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS** 

#### SEPARATION OF POWER BETWEEN THE BOARD AND MANAGEMENT

The Board ensures that its Chairman is a non-executive member of the Board, who does not serve on any of the Board Committees. This arrangement conserves the Chairman's impartiality and strengthens the Board's checks and balances when deliberating on observations and recommendations put forward by its Committees.

Furthermore, the Board exercises a clear demarcation of duties and responsibilities between the Chairman, the Executive Vice Chairman, and the Group Managing Director to maintain a balanced distribution of power and authority within the Board. The positions are also held by three (3) different individuals. Non-Executive Directors, who are wholly independent of Management and strictly do not engage in any day-to-day management activities of the Company, are relied upon to provide oversight of the Management.

The Board also appoints a Senior Independent Director to act as a trusted intermediary between the Non-Executive Directors and the Chairman, as well as the designated point of contact for shareholders and stakeholders to raise any concerns or inquiries regarding the affairs of the Company.



of the Board.

**Roles & Responsibilities of the Chairman** 

- Management;
- Leading the Board in establishing and monitoring good corporate governance practices in the Group;
- Leading and presiding over Board meetings and Company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
- Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner:
- Encouraging active participation and ensuring that decisions fairly reflect the Board's consensus, following the provision of sufficient time for detailed discussions at which dissenting views are allowed to be freely expressed;
- members and Management;
- communicated to the Board as a whole; and,
- Leading efforts to address the Board's developmental needs.

 $(\, ar{O}\,)\,$  For more information on the Chairman's profile, please refer to page 265 of this Integrated Annual Report.



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## DATO' MOHAMAD NASIR AB LATIF

The Chairman of MRCB is a Non-Independent, Non-Executive Director. The Chairman is responsible for the overall leadership and efficient functioning

· Providing leadership to the Board to ensure that the Board functions effectively, cohesively, and independently of

Promoting constructive and respectful relations between Board members and managing the interface between Board

Ensuring that appropriate steps are taken to provide effective communication with stakeholders and that views are



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# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**



## **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**



TAN SRI MOHAMAD SALIM FATEH DIN Executive Vice Chairman

The Executive Vice Chairman is a Non-Independent Director who is responsible to the Board for the strategic direction of the Company.

**Roles & Responsibilities of the Executive Vice Chairman** 

- Formulating and executing development strategies to maximise the value of the Group's land bank and other assets;
- Developing Green Buildings and sustainable development projects;
- Formulating climate action strategies in support of the Group's sustainability and net-zero targets;
- Leading business development activities and promoting the Group's services and solutions; and,
- Developing and managing key client relationships and other important stakeholders to aid the Group in the management of its important projects.

() For more information on the Executive Vice Chairman's profile, please refer to page 266 of this Integrated Annual Report.



**MCCG PRINCIPLE A** 

**Roles & Responsibilities of the Group Managing Director** 

- achieving its mission;
- Ensuring that the Company and/or the Group's business is properly and efficiently managed, and the executive team implements the policies and strategies set by the Board and its Committees;
- Recommending suitable management structures and operating authority levels, which include delegations of responsibilities to the Management;
- appropriate succession plan;
- systems are in place;
- Business development and managing important clients and other external stakeholders;
- Ensuring the development and continued adherence to sound financial practices;
- Developing strategic marketing and sales plans to boost profits and efficiency;
- Driving performance and monitoring financial results against budgets and plans on an ongoing basis;
- safety, and fulfils MRCB's social responsibilities;
- workforce;
- Overseeing the recruitment, employment, and dismissal of personnel;
- Ensuring continuous improvements in the guality, value, and sustainability of MRCB's products and services;
- Coordinating cross-functional efforts in pursuit of the Company's goals;
- Developing, implementing, and managing the Company's risk management and internal control systems within the risk appetite and framework approved by the Board; and,
- Keeping the Board fully informed of the condition of the organisation and all relevant factors influencing it.

() For more information on the Group Managing Director's profile, please refer to page 267 of this Integrated Annual Report.

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## **BOARD LEADERSHIP & EFFECTIVENESS**

**DATUK IMRAN SALIM** Group Managing Director

The Group Managing Director is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies. He is assisted by the Senior Management Team, with whom he consults regularly.

Overseeing the implementation of the Group's long-term strategy and ensuring consistent and timely progress towards

Ensuring there is an effective Management team below the level of the Group Managing Director and developing an

Ensuring that the objectives and standards of performance expected are understood by the Management and employees; Ensuring that the necessary operational planning, sustainability, health & safety, risk management, and other control

Fostering a corporate culture that promotes sustainable and ethical practices, encourages individual integrity, health &

Maintaining a positive and ethical working environment that is conducive to attracting, retaining, and motivating a diverse



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### MCCG PRINCIPLE A **BOARD LEADERSHIP & EFFECTIVENESS**



DATO' WAN KAMARUZAMAN WAN AHMAD Senior Independent Director

The Senior Independent Director is an important intermediary between the various Board members and external stakeholders.

**Roles & Responsibilities of the Senior Independent Director** 

- Acting as a sounding board for the Chairman and Group Managing Director on Board matters;
- Being a conduit, as required, for views by other Non-Executive Directors on the performance of the Chairman and chairing a formal annual session of the Nomination & Remuneration Committee to agree on the Chairman's objectives and review his performance;
- Serving as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- Being the focal point for Board members for any concerns regarding the Chairman or the relationship between the Chairman and the Group Managing Director; and,
- Acting as a trusted intermediary for Non-Executive Directors and, where required, helping them challenge and contribute effectively.

The Senior Independent Director also provides an alternative, independent communication channel for shareholders and stakeholders to convey their concerns and raise issues that cannot otherwise be resolved through regular channels.

All queries relating to the Group can be channelled to the Senior Independent Director's email address, wkwa@mrcb.com or directed to the following address:

Dato' Wan Kamaruzaman Wan Ahmad Senior Independent Director

Malaysian Resources Corporation Berhad Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

(5) For more information on the Senior Independent Director's profile, please refer to page 269 of this Integrated Annual Report.

### **CORPORATE GOVERNANCE OVERVIEW STATEMENT**



#### **BOARD DIVERSITY & COMPOSITION**

The composition of a Board is pivotal in shaping its effectiveness and dynamics. A diverse Board brings a broad range of experiences, knowledge, and perspectives, enhancing oversight and maintaining a competitive edge. Members should collectively possess a balanced mix of skills and insights that align with the Company's purpose, objectives, and strategic goals, fostering an environment conducive to constructive dialogue, ensuring the Board remains attuned to the diverse interests of all its stakeholders.

MRCB's Board is comprised of a strong eight-member team, each bringing a diverse set of skills, experiences, and expertise to better guide and navigate the Group. Notably, three (3) of the members have extensive working experience in our core operating activities of Property Development & Engineering and Construction, namely our Executive Vice Chairman, Tan Sri Mohamad Salim Fateh Din; our Group Managing Director, Datuk Imran Salim; and our Non-Executive Director, Mohamad Hafiz Kassim. The Board believes that its current composition and size enable it to discharge its duties and responsibilities effectively and competently, with adequate diversity and inclusion reflected in board balance, board tenure, gender, age, and other experiences.

Board Balance	Executive	Gro
Non-Independent Non-Executive Chairman	Vice Chairman	Dire
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V	V	V
Board Tenure		
ဂိုဂိုဂိုဂိုဂိုဂို Less than 5 years	6 2	ဂိုဂို More tha
Gender Diversity		
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Male 5		3
Background/Experienc	e	
Banking, Finance /		& Regulatory
Investment & Economics	Oversight	
ÔÔ	Ç	
Property & Construction	Public Adr	ninistration
<b>ĉĉĉ</b>	<u>ڳ</u>	

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oup Managing Non-Independent Independent Non-Executive Director Non-Executive Directors rector ĴĈĈĈ **Key Capabilities** Strategy Formulation 5/8 an 5 years **Business Management** 4/8 **Capital Markets** 4/8 **Financial Expertise** 5/8 Governance & Risk Management Female 5/8 Regulatory Expertise 3/8 **Property & Construction Industry Experience** 4/8 People Leadership 6/8 **Technology Experience** 1/8



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#### **MCCG PRINCIPLE A** R **BOARD LEADERSHIP & EFFECTIVENESS**

#### **BOARD INDEPENDENCE**

All Directors, regardless of their independent status, are expected to always act in the best interests of MRCB and exercise independent and unbiased discretion and judgement. The Board recognises the vital role Independent Directors play in promoting good corporate governance, particularly in the area of related party transactions where they safeguard the interests of minority shareholders.

The Board evaluates the independence of its Independent Directors upon their appointment, and conducts annual assessments thereafter, or whenever new interests are disclosed. The Nomination & Remuneration Committee, chaired by the Senior Independent Director, takes responsibility for such assessments, as well as for identifying and recommending suitable new Board candidates to the Board.

To date, all our Independent Directors meet the following criteria:

- a) Independent from Management and free from any business or other relationship which could compromise their independent judgement, objectivity, or the ability to act in the Company's best interest.
- b) Not involved in the Company's day-to-day operations except when collective Board approval is required. This mitigates the risk of undue influence from third parties and allows Independent Non-Executive Directors to exercise fair judgement.
- c) Declared their interests or any potential conflict of interest in any matter tabled prior to the commencement of Board meetings. Directors are able to ascertain their involvement in any proposal as the papers are disseminated to them at least five (5) business days before each meeting. In a situation where there is a conflict of interest, Directors are required to recuse themselves and abstain from deliberations and voting to allow unbiased and free discussion and decision-making. This also holds true for and applies to Non-Independent Non-Executive Directors.

As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a term of nine (9) years, as prolonged tenures may foster a sense of familiarity with Management and sympathy for their interests, potentially undermining an Independent Director's objectivity. In 2024, none of our Independent Directors reached the nine (9) year tenure limit.

With the appointment of Datuk Rashidah Mohd Sies, Independent Directors now constitute half of the eight-member Board. The Board is keen to restore its previous majority independent Board members position to provide the necessary checks and balances to the Board's deliberations and informed decision-making process.

#### **BOARD MEETINGS & ATTENDANCE**

The Board convenes regular meetings, not less than four (4) times a year. All Board meetings are pre-scheduled before the start of the financial year to give Directors ample time to plan and incorporate the meeting dates into their respective schedules, ensuring full attendance at meetings. Board meetings are held after the finalisation of the Company's quarterly and annual results, allowing the Board to review and approve them prior to announcing them to Bursa Malaysia. Other business propositions and corporate proposals are also evaluated and deliberated, with relevant members of the Senior Management attending by invitation to report to the Board on matters pertinent to their areas of responsibility. In arriving at Board decisions, the will of the majority prevails.

In addition to scheduled quarterly meetings, the Board convenes as and when necessary to consider and deliberate urgent proposals. Approvals by way of circular resolutions are another option available to the Directors for urgent proposals that arise in between scheduled Board meetings; however, these are generally used sparingly.

# **MCCG PRINCIPLE A**

### **BOARD LEADERSHIP & EFFECTIVENESS**

The Board also participates in an annual offsite Strategy Meeting, which provides an opportunity to engage with Management in an informal setting, review the Group's business direction, strategic plans, and priorities, and assess the competitive landscape. Additionally, the offsite Strategy Meeting offers valuable time and space for Board members to foster accountability, enhance group participation, and develop much greater insights into the Group.

Directors are expected to dedicate sufficient time to allow the proper and effective discharge of their various duties and obligations. If physical attendance at a meeting is not feasible for any reason, Directors have the option to participate remotely via video conferencing solutions. Moreover, Directors may also express their views and opinions to other Directors and the Company Secretary via secured collaborative software. In all cases, Directors are expected to attend to Board matters personally and are not permitted to appoint proxies to participate on their behalf.

Before accepting any new directorships on the Board of other listed or non-listed entities, Directors must notify the Chairman and disclose the time commitment involved in such new appointments. In line with Bursa Malaysia's Main Market Listing Requirements (MMLR), Directors may hold no more than five (5) directorships in listed issuers at any given time.

() The list of directorships held by each Director is detailed in their respective Board of Directors' Profile on pages 265 to 272 of this report.

Throughout the financial year, all Directors participated fully in Board meetings, engaging in active discussions and freely expressing their opinions, views, and concerns on various matters. The Directors' total commitment towards their duties and responsibilities was evident from their consistent attendance at Board meetings held during the financial year. All Directors surpassed the minimum attendance requirement of at least 50% of the Board meetings pursuant to Paragraph 15.05(3)(c) of Bursa Malaysia's MMLR.

#### Schedule of Meetings in 2024

Meeting	Q1	Q2	Q3	Q4
Annual General Meeting (AGM)	-	24 May	-	-
Executive Committee (EXCO)	-	22 April	12 August	14 October
Audit & Risk Management Committee (ARMC)	28 February 28 March	27 May	28 August	27 November
Nomination & Remuneration Committee (NRC)	28 February 28 March	14 May	16 August	-
Long-Term Incentive Plan Committee (LTIP)	-	-	-	-
Board of Directors	11 January 29 February 29 March	30 May	30 August	27 November 13 December
Strategy Meeting	-	-	EXCO - 3 August	-

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#### **MCCG PRINCIPLE A** R **BOARD LEADERSHIP & EFFECTIVENESS**

#### **Directors' Attendance at Meetings in 2024**

			Attendance				
No.	Board Member	Board	Board Committees		AGM		
			EXCO	ARMC	NRC	LTIP	
Non-	Independent Non-Executive Chairman						
1.	Dato' Mohamad Nasir Ab Latif	7/7	-	-	-	-	1/1
Exec	utive Vice Chairman						
2.	Tan Sri Mohamad Salim Fateh Din	7/7	-	-	-	-	1/1
Grou	p Managing Director						
3.	Datuk Imran Salim	7/7	3/3	-	-	-	1/1
Non-	Independent Non-Executive Director						
4.	Mohamad Hafiz Kassim	7/7	3/3	-	4/4	-	1/1
Inde	pendent Directors						
5.	Dato' Wan Kamaruzaman Wan Ahmad	7/7	3/3	5/5	4/4	-	1/1
6.	Dato' Dr Junaidah Kamarruddin	6/7	3/3	5/5	4/4	-	1/1
7.	Lim Fen Nee	7/7	-	5/5	-	-	1/1
8.	Datuk Rashidah Mohd Sies	3/3	-	-	-	-	-
Over	all attendance	98.1%	100%	100%	100%	-	100%

#### Notes:

- 1. On 1 March 2024, Dato' Mohamad Nasir Ab Latif was redesignated as Chairman
- 2. On 29 March 2024, the following changes to the designations within the Board Committees were implemented:
  - Dato' Mohamad Nasir Ab Latif resigned as the Chairman of EXCO.
  - Mohamad Hafiz Kassim was redesignated as the Chairman of EXCO.
  - Dato' Dr Junaidah Kamarruddin was appointed as a member of the EXCO.
  - Lim Fen Nee was appointed as the Chairman of LTIP.
- 3. On 13 June 2024, Datuk Rashidah Mohd Sies was appointed as an Independent Director.
- 4. On 27 November 2024, Datuk Rashidah Mohd Sies was appointed as a member of the NRC.

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**MCCG PRINCIPLE A** 2 **BOARD LEADERSHIP & EFFECTIVENESS** 

#### **HIGHLIGHTS OF BOARD ACTIVITIES IN 2024**

#### **Performance & Strategy**

- Strategy Deliberation and Formulation
- **Operational Progress Updates** •
- Digitalisation & Automation Implementation Updates

#### **Governance, Risk & Compliance**

- **Board Committee Updates**
- Key Enterprise Risks, Risk Registers, and Risk Mitigation Plans •
- **Quarterly Audit Status Reports** •

- IT, Digitalisation, and Cybersecurity Updates •
- Quarterly Health & Safety Data Updates

#### Sustainability

- Progress on Scope 1 and Scope 2 emissions reduction targets, and expanding disclosures on Scope 3 emissions
- Evaluated climate physical risks and opportunities and expanding Task Force on Climate-Related Financial Disclosures (TCFD) and International Financial Reporting Standards (IFRS)-aligned disclosures through an IFRS S2 Gap Analysis & Adoption Road Map, and approved work on a quantitative assessment on the Group's transition risks
- Improving MRCB's FTSE4Good Bursa Malaysia Index scores and positions and MSCI ESG rating
- Supply chain ESG readiness assessments
- Sustainability training and upskilling
- Diversity, Equity, and Inclusion (DEI) capacity building
- Participating in Bursa Malaysia's Centralised Sustainability Intelligence (CSI) platform

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HR Strategies, such as Compensation & Benefits, Succession Planning, and Learning & Development Updates

· Anti-Bribery Management System (ABMS) Updates, including Whistleblowing and Gift Register Reviews Employee and Supply Chain Anti-Bribery and Corruption (ABC) Training and Communication Updates

#### Financial

- Annual Business Plan and Budget
- Annual Audited Financial Statements
- **Quarterly Financial Results**
- Annual Dividend
- Deliberation on Acquisitions, Disposals, and Tender Proposals
- Cost Reduction Initiatives
- Sustainable Finance
- Related Party Transactions (RPT)

#### **People & Culture**

- Succession Planning
- Talent Management Initiatives
- Learning & Development Initiatives
- Employee Engagement Initiatives
- Corporate Social Responsibility (CSR) Initiatives
- Workforce Planning
- Annual Performance Bonus & Increment
- Conversion of contract employees to permanent employment contracts and retention initiatives
- Executive Vice Chairman's and Executive Director's contract renewals



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**BOARD LEADERSHIP & EFFECTIVENESS** 

#### **BOARD ACCESS TO INFORMATION**

The quality of information provided to the Board is crucial for sound decision-making. In the course of discharging their duties, all Directors are provided with the following:

- a) Full and unfettered access to timely and accurate information. The notice, agenda, and a complete set of Board papers are typically distributed to the Directors via a secured collaborative digital platform at least five (5) business days prior to each Board or Committee meeting. In addition to easing the dissemination of papers and minimising potential leakage of sensitive information, this approach enables Directors to access, review, and collaborate with their peers on the papers anytime and anywhere. If necessary, Directors may also request and obtain further information on the matters to be discussed in order to be adequately prepared for the meetings.
- b) Unrestricted access to the advice and services of the Company Secretary and Senior Management.
- c) Unrestricted access to the advice and services of independent professionals made available to Board members individually and collectively. Such advice and services are made available at the Company's expense and are wholly independent of Management's intervention.

In addition, the Board may collectively initiate or direct any investigation and may retain, at the Company's expense, any legal, accounting, or other services that it deems necessary to perform its duties.

#### **Company Secretary**

### MOHD NOOR RAHIM YAHAYA

Company Secretary

The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is bound by MAICSA's Code of Professional Ethics and Conduct to Act as Company Secretaries. He possesses the requisite experience to provide unhindered advice to the Board to ensure its effective functioning and compliance with all regulatory requirements.

Attending all Board meetings and ensuring that all deliberations are properly documented and recorded;

Roles & Responsibilities of the Company Secretary in relation to the Board

- Ensuring that all Board procedures are followed and the applicable rules and regulations for the conduct of the Board's affairs are complied with:
- Advising the Board on issues relating to the Company's Constitution, corporate governance best practices, and compliance-related matters;
- Circulating draft minutes to all Directors for their perusal and comments before the confirmation of the same at the next meeting; and,

Serving adequate notice to Directors and the Company's principal officers to notify them of the 'closed periods' for trading of the Company's shares, in accordance with Bursa Malaysia's Main Market Listing Requirements.

**MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS** 

The Company Secretary keeps abreast of the evolving regulatory changes and developments through continuous training. During the year under review, the Company Secretary attended the following training programmes:

No.	Training / Seminar	Date	Organiser
1.	Risk Management Workshop	16 March	Tricor/Axcelasia
2.	MAICSA Annual Conference 2024 – Sustainability Today for Tomorrow	22 & 23 October	Malaysian Institution of Chartered Secretaries and Administrators (MAICSA)
3.	HRD Corp e-Latih – Due Diligence	29 October	Human Resource Development Corporation (HRD Corp)

The Board is satisfied with the performance and support rendered to the Board by the Company Secretary in discharging its functions for the year under review.

#### DIRECTORS' INDEMNITY

We continued to provide and maintain indemnification for our Directors throughout the financial year as allowed under the Companies Act 2016 (CA 2016) to the extent it is insurable under the Directors' and Officers' (D&O) Liability Insurance. Directors and Officers are indemnified against any liability incurred by them in discharging their duties while holding office as Directors and Officers of the Company.

All Directors may opt to obtain additional D&O insurance to provide protection (to the extent it is insurable) against unindemnified liabilities by the Company or other uninsured circumstances. Any premiums for such additional coverage are to be borne by the Directors themselves.

#### **BOARD DELEGATION**

**Board Committees** 

The Board periodically establishes committees as deemed necessary to assist in fulfilling its duties and responsibilities. During the year under review, the following four (4) Board Committees were in operation:

Board Committee	Core Function
Executive Committee	Provides organisational dir
Audit & Risk Management Committee	Fulfils the Board's audit at the Group, including review arose, persists, or may arise conflicts
Nomination & Remuneration Committee	Develops and administers a and succession planning o of Senior Management, al organisation, in addition to
Long-Term Incentive Plan Committee	Implements and administe

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rection to the Group Managing Director and the Senior Management team

and risk governance and oversight responsibilities over the activities of wing and reporting to the Board any conflicts of interest situation that se together with the measures taken to resolve, eliminate, or mitigate such

a fair and transparent policy for the nomination, selection, compensation, of Directors and Senior Management, setting Key Performance Indicators ligning the Group's human capital with the strategic objectives of the o overseeing learning and development and culture related initiatives

ers the share grant plan under the Group's LTIP



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### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

Each Committee operates under the authority delegated by the Board to address and deliberate on specific matters outlined in its Terms of Reference. The Chairman of each Committee reports the outcomes of the Committee meetings to the Board during the quarterly Board meetings. The approved minutes of the Committee meetings are included in the Board Papers for the Board's notification.

( ) Further details on each Committee are set out in their respective Committee Reports on pages 332 to 340 of this report.

(2) Please peruse the Terms of Reference for the various Board Committees on our corporate website at www.mrcb.com.my/corporate-governance.html.

#### Powers delegated to Management

The Board grants specific levels and limits of authority to the Group Managing Director, empowering him to manage the Company and its operations. While the Group Managing Director may further delegate certain aspects of his authority and power to the Management team as required, he remains ultimately accountable to the Board for the Group's overall performance. Both the Group Managing Director and his Management team are obligated to report regularly to the Board on the progress made by the Group's business units.

#### Limits of Authority

To uphold the accountability of the Group Managing Director and Senior Management, the Group has established a Limits of Authority framework, which delineates the transaction thresholds that each Management level is authorised to approve or commit on behalf of the Group. It also identifies transactions requiring escalation for approval by the Board or Board Committees. The Limits of Authority document covers both financial and operational commitments, including areas such as the approval of project and departmental budgets, contract or agreement signings, and staff recruitment.

All changes to the Limits of Authority need to be approved by the Board and may be revised as and when required, with the last revision being approved by the Board on 27 March 2023.

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**MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS** 

#### DIRECTORS' TRAINING AND CONTINUING DEVELOPMENT

Pursuant to Paragraph 15.08 of Bursa Malaysia's Main Market Listing Requirements (MMLR), the Directors recognise the importance and value of keeping themselves abreast of the latest developments in the corporate landscape and within the industries in which MRCB operates, with a particular focus on areas like sustainability, digitalisation and automation, and other technological advancements. The Board also recognises the need to remain updated on evolving governance standards, and statutory and regulatory requirements and is committed to keeping pace with these changes.

In addition to the Mandatory Accreditation Programmes (MAP) required by Bursa Malaysia, the Directors continually enhance their knowledge and skills through appropriate continuing development programmes, conferences, and seminars. These opportunities enable the Directors to effectively discharge their duties and actively contribute to Board deliberations.

The Board regularly assesses the training needs of the Directors and ensures that they have access to continuing education programmes. The training programmes and seminars attended by the Directors throughout 2024 were as follows:

#### DATO' MOHAMAD NASIR AB LATIF

No.	Training/Seminar Attended	Date	Organiser
1.	What Amounts to a Conflict of Interest by Directors?	11 January	Skrine & Co.
2.	Insights into Securities Commission Malaysia's Maqasid Al-Shariah Guidance	27 February	Securities Commission Malaysia
3.	Risk Management Workshop	16 March	Tricor/Axcelasia
4.	Cybersecurity	27 March	Firmus Sdn Bhd
5.	"Hajah and Darurah" – Shariah Operational Issues for Islamic Finance	30 April	Cert Events Sdn Bhd
6.	Director's Liabilities within Their Respective Institution's AML Framework	3 July	Asian Institute of Bankers (AICB)
7.	Ikhlas Capital Annual Conference	19 July	Ikhlas Capital (Private Equity)
8.	KWAP INSPIRE Conference 2024 – Advancing Circular Transformation for a Climate Smart Malaysia	6 August	Retirement Fund Incorporated (KWAP)
9.	Building Sustainable Credibility: Assurance, Greenwashing, and the Rise of Green-hushing	24 September	Institute of Corporate Directors Malaysia (ICDM)
10.	Conflict Of Interest – Navigating the Grey Areas: Ethics and COI in Modern Governance	26 November	Institute of Corporate Directors Malaysia (ICDM)
11.	PLUS Safety Day Program 2024	26 November	PLUS Malaysia Berhad



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### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

### TAN SRI MOHAMAD SALIM FATEH DIN

No.	Training/Seminar Attended	Date	Organiser
1.	Pacific Telecommunications Council 2024	21 – 24 January	Malaysian Communications and Multimedia Commission (MCMC)
2.	Mobile World Congress 2024	26 – 29 February	Malaysian Communications and Multimedia Commission (MCMC)
3.	Risk Management Workshop	16 March	Tricor / Axcelasia
4.	Mobile World Congress (MWC) Shanghai 2024	24 – 28 June	Malaysian Communications and Multimedia Commission (MCMC)
5.	Submarine Network World 2024	25 September	Malaysian Communications and Multimedia Commission (MCMC)
6.	Conflict of Interest ("COI") and Governance of COI	2 October	Bursa Malaysia Berhad

### DATUK IMRAN SALIM

No.	Training/Seminar Attended	Date	Organiser
1.	Risk Management Workshop	16 March	Tricor / Axcelasia
2.	Mandatory Accreditation Programme Part II – Leading for Impact (LIP)	20 & 21 May	Institute of Corporate Directors Malaysia (ICDM)
3.	Transform Your Organisation: Unleashing the Al Revolution	10 June	Institute of Corporate Directors Malaysia (ICDM)
4.	Navigating ESG Risk in the Supply Chain	29 July	Institute of Corporate Directors Malaysia (ICDM)
5.	Board Ethics: Growing Concerns for New Technology, Stakeholder Interests and Conflict of Interest	16 October	Institute of Corporate Directors Malaysia (ICDM)
6.	Advancing Best Practices & Policies for Sustainable Waste Management – Sustainable Waste Management Conference 2024	13 & 14 November	SW Corp / Ministry of Housing and Local Government (KPKT)
7.	Introduction to Corporate Directorship: Foundations of Effective Board Leadership	21 November	Institute of Corporate Directors Malaysia (ICDM)

# DATO' WAN KAMARUZAMAN WAN AHMAD No. Training/Seminar Attended

	, · · · · · · · · · · · · · · · ·		
1.	Risk Management Workshop	16 March	Tricor/Axcelasia
2.	Strategic Asset Allocation Workshop	18 May	Employees Provident Fund (EPF)

Date Organiser

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DAT	DATO' WAN KAMARUZAMAN WAN AHMAD				
No.	Training/Seminar Attended	Date	Organiser		
3.	Mandatory Accreditation Programme Part II – Leading for Impact (LIP)	20 & 21 May	Institute of Corporate Directors Malaysia (ICDM)		
4.	The International Social Wellbeing Conference 2024 – Ageing and Longevity: Towards a Meaningful Retirement	4 & 5 June	Employees Provident Fund (EPF)		
5.	Sasana Symposium 2024 – Structural Reforms: Making it a Reality for Malaysia	12 & 13 June	Bank Negara Malaysia		
6.	Asia Asset Management Conference	20 June	Asia Asset Management		
7.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance	17 July	MBSB Bank Berhad		
8.	Ikhlas Capital Annual Conference	19 July	Ikhlas Capital (Private Equity)		
9.	Reputation and Crisis Management	5 August	MBSB Bank Berhad		
10.	Strategic Oversight and Stewardship in Sustainability and Climate Risk	5 August	MBSB Bank Berhad		
11.	KWAP INSPIRE Conference 2024 – Advancing Circular Transformation for a Climate Smart Malaysia	6 August	Retirement Fund Incorporated (KWAP)		
12.	National Women's Day 2024 – Leading with Wellness: Women's Leadership and Health: Body, Mind & Soul	23 August	Women Leadership Foundation		
13.	EPF Investment Seminar (EIS) 2024 Malaysia – Where are the Opportunities	26 August	Employees Provident Fund (EPF) Investment Division		
14.	Key Insights of Hajah and Darurah Principles and Applications	11 September	MBSB Bank Berhad		
15.	Cybersecurity	11 September	MBSB Bank Berhad		
16.	Ethical Finance Global 2024	24 & 25 September	Global Ethical Finance Initiative		
17.	Khazanah Megatrends Forum 2024	7 & 8 October	Khazanah Nasional Berhad		
18.	DTX 2024 – Reimagining Retirement: Unlocking Digital Potential to Achieve a Better Retirement Future	29 October	Employees Provident Fund (EPF)		
19.	The 19 <sup>th</sup> Kuala Lumpur Islamic Finance Forum (KLIFF 2024)	5 – 7 November	KLIFF & MBSB Bank Berhad		
20.	Bespoke Programme – Achieving Boardroom Excellence Redefining Directorship for the Modern Era Learning Outcomes	20 November	Employees Provident Fund (EPF)		



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### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

### MOHAMAD HAFIZ KASSIM

No.	Training/Seminar Attended	Date	Organiser
1.	Risk Management Workshop	16 March	Tricor/Axcelasia
2.	Mandatory Accreditation Programme Part II – Leading for Impact (LIP)	20 & 21 May	Institute of Corporate Directors Malaysia (ICDM)
3.	EPF Investment Seminar (EIS) 2024	26 August	Employees Provident Fund (EPF) Investment Division
4.	BNY Asset Owner Innovation Summit 2024	25 & 26 September	BNY Mellon / Stanford Long-Term Investing (SLTI)
5.	Government Linked Investment Companies (GLIC) Integrity Event (GIE 2024)	12 November	SPRM / KWSP, PNB, Khazanah, LTAT, TH, PERKESO and KWAP
6.	Regional Social Security Forum (RSSF) Asia and the Pacific 2024	3 – 5 December	International Social Security Association (ISSA)

#### DATO' DR JUNAIDAH KAMARRUDDIN

No.	Training/Seminar Attended	Date	Organiser
1.	Risk Management Workshop	16 March	Tricor / Axcelasia

### LIM FEN NEE

No.	Training/Seminar Attended	Date	Organiser
1.	Offsite Strategic Board Discussion	17 – 19 January	Allianz Malaysia Berhad
2.	ICDM BNRC Dialogue & Networking + Aspiring Directors Immersion Programme (ADIP) Graduation Ceremony: Cultivating Future Board Leaders	23 January	Institute of Corporate Directors Malaysia (ICDM)
3.	ACCA Capital Gains Tax and Domestic and Foreign Transactions	21 February	Association of Chartered Certified Accountants (ACCA)
4.	Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape	11 March	Institute of Corporate Directors Malaysia (ICDM)
5.	Risk Management Workshop	16 March	Tricor / Axcelasia
6.	ESG Matters@ACCA: Applying IFRS Sustainability Disclosures Standards (ISSB S1 & S2)	8 April	Association of Chartered Certified Accountants (ACCA)
7.	Compliance Update on New/Revised Policy Documents issued by Bank Negara Malaysia to Directors by Compliance Team	22 April	Allianz Malaysia Berhad

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#### LIM FEN NEE

No.	Training/Seminar Attended	Date	Organiser
3.	MIA Digital Month Webinar 2024 – Sustainable Technology Unveiled	25 April	Malaysian Institute of Accountants (MIA)
).	Leadership in a Changed World: Upskill Your Leadership Capabilities to Drive Resilient Teams	9 May	Association of Chartered Certified Accountants (ACCA)
0.	MIA Digital Month Webinar 2024 – Navigating Tomorrow: GenAl in The Accountancy Profession	9 May	Malaysian Institute of Accountants (MIA)
1.	ICDM PowerTalk – Being Sued as an INED – A Personal Journey	10 May	Institute of Corporate Directors Malaysia (ICDM)
2.	MIA Accounting & Financial Technology Showcase 2024 on Digital Empowerment: Innovation for Sustainable Growth and Future Leadership	15 May	Malaysian Institute of Accountants (MIA)
3.	Briefing on E-Invoicing by Deloitte Tax Services Sdn Bhd	23 May	Allianz Malaysia Berhad
4.	Sharing Session on Conflict of Interest by Wong & Partners	31 May	Allianz Malaysia Berhad
5.	MIA Webinar – The Rise of GenAl in Accounting	5 June	Malaysian Institute of Accountants (MIA)
б.	MIA International Conference 2024	11 & 12 June	Malaysian Institute of Accountants (MIA)
7.	KPMG Transfer Pricing Rules 2023 and Documentation	25 June	KPMG
8.	Briefing on Integrated Reporting Framework by KPMG Management & Risk Consulting Sdn Bhd	22 July	Allianz Malaysia Berhad
9.	Presentation to Directors on ERM Climate Strategy Findings	22 July	MRCB
).	Data and Artificial Intelligence Briefing by Data Office and IT	4 September	Allianz Malaysia Berhad
1.	How Can Boards Make the Most of Blockchain & Digital Assets	20 September	Institute of Corporate Directors Malaysia (ICDM)
2.	Khazanah Megatrends Forum 2024	7 & 8 October	Khazanah Nasional Berhad

### DATUK RASHIDAH MOHD SIES

•			
No.	Training/Seminar Attended	Date	Organiser
1.	Cyber Security Awareness for Board of Directors and Senior Management	3 October	Cyber Intelligence Sdn Bhd
2.	Khazanah Megatrends Forum 2024	7 & 8 October	Khazanah Nasional Berhad
3.	Understanding the Challenging Role of an Independent Director	19 November	Minority Shareholders Watch Group (MSWG)



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**MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS** 

#### **BOARD EFFECTIVENESS EVALUATION**

The effectiveness of the Board is vital to the success of the Group. Therefore, it is our practice to conduct a Board Effectiveness Evaluation (BEE) annually in order to assess the effectiveness of the Board as a whole, the respective Board Committees, and the contribution of individual Directors. We also engage independent consultants at least once every three (3) years to support this process to facilitate more rigorous and objective evaluations. An independent consultant was last appointed for the 2022 evaluation. conducted in 2023.

The results of the BEE and the recommendations to improve the Board's effectiveness are discussed and deliberated at the Nomination & Remuneration Committee and at Board meetings.

Scope of Evaluation



Board as a whole



All Board Committees



Contribution of Individual Directors MRCB is cognisant that periodic evaluations present an opportunity to gain valuable shared insights into the operations of the Board and ways to improve its processes, relationships, and composition. A well-executed evaluation exercise identifies opportunities to enhance performance and adopt best practices.

The Company Secretarial Department facilitated an internal evaluation exercise, distributing questionnaires to the Board members to assess the effectiveness of the Board, its Committees, and the performance and contribution of each Director. This exercise aimed to identify both strengths and areas of improvement, providing the Board with insights to improve its performance in pursuit of MRCB's objectives.

The questionnaires were formulated by taking into consideration the requirements under the Malaysian Code on Corporate Governance (MCCG) 2021 as well as other relevant regulatory governance guidelines, including the Companies Act 2016, Bursa Malaysia's Main Market Listing Requirements (MMLR), Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries, and Bursa Malaysia's Corporate Governance Guide, 4th Edition. Insights from the ASEAN Corporate Governance Scorecard, the Organisation for Economic Co-Operation and Development (OECD) Corporate Governance Principles 2023, and the Environment, Social, and Governance (ESG) indicators from FTSE4Good were also taken into consideration in formulating the questionnaires.

**MCCG PRINCIPLE A** R **BOARD LEADERSHIP & EFFECTIVENESS** 

The questionnaires encompassed nine (9) assessment segments or topics for completion by relevant parties, as set out below:

Assessment Topic	Participant(s)
Board Governance and Oversight	
Board Processes and Infrastructure	
Board Capabilities Assessment	All Board Members
Self and Peer Assessment	
Fit and Proper Assessment	
Independence Assessment	Independent Directors Only
Audit and Risk Management Committee (ARMC) Assessment	
Nomination and Remuneration Committee (NRC) Assessment	Respective Board Committee Members
Executive Committee (EXCO) Assessment	

The criteria assessed within each assessment topic were as follows:

#### Assessment Topic

**Board Governance and Oversight** 

 Evaluates the efficacy, alignment, and collaborative Directors in relation to governance and oversight.

#### **Board Processes and Infrastructure**

Delves into the mechanics of the Board's operation infrastructure that governs the Board's activities.

#### **Board Capabilities Assessment**

· Evaluates the technical proficiencies of Directors and work experience as well as their respective be

#### Self and Peer Assessment

 Facilitates an introspective reflection on each D performance, enabling respective Board membe contribution in relation to their peers.

#### Fit and Proper Assessment

 Serves to corroborate the Director's gualifications their fiduciary duties to MRCB. It ensures that the during the review period and upholds the org professionalism, ethics, and expertise

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	Criteria
ve dynamics of the Board of	<ul> <li>Corporate Purpose and Alignment;</li> <li>Board-Management Dynamics; and,</li> <li>Boardroom Activities and Performance Oversight.</li> </ul>
rations and the underlying	<ul> <li>Board Structure;</li> <li>Board Meetings and Stewardship;</li> <li>Board Papers and Information Flow;</li> <li>Board Policies and Procedures;</li> <li>Succession Planning; and,</li> <li>Secretarial Support.</li> </ul>
s based on their education ehavioural attributes.	<ul><li>Behavioural Competencies; and,</li><li>Technical Competencies.</li></ul>
Director's contribution and ers to evaluate their own	<ul> <li>Board of Directors; and,</li> <li>Group Managing Director.</li> </ul>
s and suitability in fulfilling here are no adverse issues ganisation's standards of	



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Ļ	<b>BOARD LEADERSHIP &amp; EFFECTIVENESS</b>

Assessment Topic	Criteria
Independence Assessment	- Background;
<ul> <li>Evaluates Independent Directors in their role of bringing objectivity to the Board's oversight</li> </ul>	• •
function. Their unbiased perspective allows for meaningful debates and effective challenges	<ul> <li>Family Relationship;</li> </ul>
to Management.	- Tenure; and,
	- Time Commitment.
Audit and Risk Management Committee (ARMC) Assessment	
Ascertains the contributions and areas for potential enhancement of the ARMC.	- Skills and Composition;
Nomination and Remuneration Committee (NRC) Assessment	and,
Ascertains the contributions and areas for potential enhancement of the NRC.	<ul> <li>Functionalities</li> <li>and Oversight</li> </ul>
Executive Committee (EXCO) Assessment	Responsibilities.
Ascertains the contributions and areas for potential enhancement of the EXCO.	neeponoisinneo.

Most assessment forms required participants to input ratings on a scale of 1 (Strongly Disagree/Needs Improvement) to 5 (Strongly Agree/Outstanding), while the Fit and Proper Assessment was completed by using binary indicators of "Yes" and "No". Apart from the aforementioned standard rating indicators, selected assessment criteria, questions, or statements were completed based on the description that best reflects the Directors' thoughts and actions. Assessment questions or statements which necessitate qualitative or open-ended responses were designed to elicit feedback in a candid and forthcoming manner. These were used to corroborate the findings and form the basis of the identified strengths of and improvement opportunities for the Board, its Committees, and individual Directors.

Upon completion of the questionnaires by Board members in February 2025, the Company Secretary proceeded with analysing the findings and evaluation results. Overall, the results of the evaluation were positive in which all nine (9) segments received "Exceeds Expectations" scores, with Board Governance and Oversight, Board Processes and Infrastructure, and Board Capabilities scoring particularly well. The Board has taken note of the findings and results and the areas requiring minor improvements, and has undertaken to address these in the appropriate manner.

The findings and evaluation results were reviewed by the Nomination & Remuneration Committee on 21 March 2025 and subsequently presented to the Board on 27 March 2025.

Based on the findings of the BEE, the Board is satisfied with its performance, effectiveness, and composition, and that of the Board Committees.

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# APPOINTMENT AND RE-ELECTION OF DIRECTORS

In addition, the Nomination & Remuneration Committee also assesses each nominee's capacity to dedicate sufficient time **Appointment of Directors** to effectively meet the demands and expectations of the role. This includes considering all existing Board positions Pursuant to Paragraphs 15.01A and 15.08A(3) of Bursa currently held by the nominee, including on Boards of Malaysia's Main Market Listing Requirements (MMLR), MRCB non-listed companies and other organisations. Any nominees has established a comprehensive Directors' Fit and Proper holding positions that have the potential to cast doubt Policy that outlines the approach and procedures to ensure on the integrity and governance of the Company, such as a formal, rigorous, and transparent screening process is active politicians or individuals with direct ties to those with followed for the appointment and re-election of the Directors. executive powers, shall be avoided.

Please peruse our Directors' Fit and Proper Policy on our corporate website at www.mrcb.com.my/corporate-governance.html.

Once shortlisted, all potential candidates undergo comprehensive reference checks coordinated by the The nomination of Non-Independent Non-Executive Directors Company Secretary, focusing on their financial and character to the Board is the prerogative of the major shareholders integrity. These background checks include verification with of the Company, as defined within Bursa Malaysia's MMLR. credit agencies, local authorities, industry regulators, and In contrast, Independent Non-Executive Directors are enforcement agencies to ensure that the candidate is indeed sourced through the engagement of professional recruiters qualified to serve as a Director. Candidates are also required and advisory bodies, as well as recommendations from to complete the Fit and Proper Declaration. The Nomination shareholders, existing Board Members, or Management, & Remuneration Committee assesses all the findings and if any. Candidates are shortlisted and interviewed by the makes its recommendations to the Board for final approval. Nomination and Remuneration Committee as they are pivotal in identifying and selecting qualified candidates who will be The Company Secretary further coordinates with the well-suited for the Board. The responsibility to develop and Nomination & Remuneration Committee to organise evaluate the selection criteria based on competencies and orientation sessions for newly appointed Directors to attributes necessary for the position lies with the Nomination facilitate their onboarding. Such sessions typically cover & Remuneration Committee. All nominees are initially vetted an overview of the Company's key activities, governance by the Nomination & Remuneration Committee, considering structures, key governance documentation (such as the Code factors such as: of Business Ethics (Code)), ESG performance, recent financial performance, and strategy. Additional in-depth sessions on · Their qualifications, skills, experience, relevant past specific topics of interest may be arranged based on the performance, track record, and competencies necessary Director's needs.

- for the position;
- · Their personal attributes, such as character, level of probity and integrity, reputation, time commitment, and independence:
- · Their diversity in terms of gender, race, age, culture, experience, and socioeconomic background; and,
- · The overall alignment with the Company's strategic direction.



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# R

### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

Following the appointment or re-election of Directors, the Company Secretary must conduct an assessment if a triggering event occurs (such as MRCB becoming aware of information that may materially compromise a Director's fitness to serve). The findings and results of this assessment must address the following points:

- i. Whether the Director has at any time failed to comply with the requirements under MRCB's Directors' Fit and Proper Policy;
- ii. Whether the Director has had any convictions; and,
- iii. Whether the Director has any conflict of interest or potential conflict of interest, including an interest in a competing business.

Similarly, the Nomination & Remuneration Committee is also responsible for identifying and recommending candidates for the appointment of the Group Managing Director, Group Chief Financial Officer, Group Chief Operating Officer, and Chief Corporate Officer to the Board for approval. Independent advisors and/or professional recruitment firms may also be engaged to identify suitably qualified candidates who meet the identified skills, experiences, competencies, and diversity requirements for the vacant position.

### Appointment of New Directors or Senior Management

Step Circumstances giving rise to vacancies

> Develop selection criteria aligned with the Directors' Fit and Proper Policy, combining key competencies and attributes that best address the current and future needs of the Group while complementing incumbent skill sets and promoting diversity

Commence search for candidates

Step Assess and shortlist potential candidates

Deliberate and provide the Board with a recommendation

Step Seek Board approval

Step Conduct orientation/induction programme 7

Step Continuous Training/Development and Performance Assessment

During the year under review, the Board was pleased to welcome Datuk Rashidah Mohd Sies as an Independent Director of MRCB, effective 13 June 2024. The Nomination & Remuneration Committee conducted a comprehensive evaluation in line with the Company's Fit and Proper Policy to identify and recommend her appointment to the Board. This process considered Datuk Rashidah's experience, proven competencies, character, and commitment to the role.

### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

Datuk Rashidah possesses extensive experience in investment and finance, having dedicated over three decades to senior positions within the Ministry of Finance. The Government of Malaysia, as the Group's largest client, key regulator, and a driving force behind future infrastructure development programmes and initiatives, represents a pivotal stakeholder for the Company. Her deep experience in government service equips her to provide strategic guidance, insightful perspectives, and informed advice, strengthening the Company's decision-making and engagement with this key stakeholder. Datuk Rashidah also has broad experience serving on the boards of companies, including property companies. She was previously a board member of Tenaga Nasional Berhad, Agrobank, Johor Port, the Securities Commission Malaysia, and Kuala Lumpur City Hall (DBKL), among others. She currently sits on the Board of Bank Pembangunan Malaysia Berhad, UDA Holdings Berhad, and KUB Malaysia Berhad. With her proven leadership and expertise, Datuk Rashidah is well-positioned to contribute meaningfully to MRCB's strategic direction, making her an invaluable addition to the Board.

Pursuant to Article 106 of MRCB's Constitution, Datuk Rashidah, as a newly appointed Director, shall retire at MRCB's forthcoming 54<sup>th</sup> Annual General Meeting and shall be eligible for re-election.

#### **Re-election of Directors**

Articles 101, 102, 103, and 106 of MRCB's Constitution govern the process and sequence of re-election of Directors. The Articles can be summarised as follows:

### Article 101 Article 102 One-third (1/3) of the Directors of the Company for

the time being shall retire by rotation at an AGM at least once every three (3) years.

The retiring Directors shall be those individuals who have served longest in office since their last appointment or election.

The Directors' rotation list is presented to the Board for review and subsequently recommended to the shareholders for approval. The Board ensures that the notes accompanying the Notice of the General Meeting provide shareholders with all necessary information to support informed decision-making. These details include:

- performance track record, in line with MRCB's Directors' Fit and Proper Policy;
- c) A clear statement outlining the Board's justification for recommending the re-election of the candidate.

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#### Article 103

If still eligible and willing, the retiring Directors may be re-elected at an AGM by way of Ordinary Resolution.

#### Article 106

Directors appointed as additions to the existing Board shall hold office only until the next AGM and shall then be eligible for re-election.

(Please peruse MRCB's Constitution for further details on the relevant Articles, accessible via our corporate website at www.mrcb.com.my/corporate-governance.html.

a) An assessment of the candidates' continued eligibility for re-election based on their competencies, commitment, and

b) Details of any interest, position, or relationship that might influence the candidates' capacity to function effectively; and,



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### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

Directors retiring by rotation in 2024 pursuant to Articles 101 and 102

#### 1. Dato' Mohamad Nasir Ab Latif 2. Tan Sri Mohamad Salim Fateh Din

During the Board meeting held on 29 March 2024, the Board gave its endorsement for both directors to be considered for re-election at MRCB's 53rd AGM.

Both were subsequently re-elected by way of Ordinary Resolution.

The application of MRCB's Directors' Fit and Proper Policy in the re-election of each of the aforementioned Directors as per Paragraph 15.08A(3) of Bursa Malaysia's MMLR was disclosed in detail as follows:

- 1) Articles 101 and 102 of the Company's Constitution, inter alia, provide that at least one-third (1/3) of the Directors of the Company are subject to retirement by rotation at each AGM of the Company. The retiring Directors shall be those individuals who have served the longest in office since their last appointment or election.
- 2) The Directors who were subject to re-election at the 53rd AGM of the Company were Dato' Mohamad Nasir Ab Latif and Tan Sri Mohamad Salim Fateh Din. Both directors, being eligible, offered themselves for re-election at the 53<sup>rd</sup> AGM.
- 3) For the purpose of determining the eligibility of the Directors to stand for re-election at the 53<sup>rd</sup> AGM, the Board, through its Nomination & Remuneration Committee, assessed each of the retiring Directors and considered the following:
  - i. satisfactory performance and had met the Board's expectations in discharging their duties and responsibilities;

- ii. level of contribution to Board discussion through their skills, experience, and expertise;
- iii. evaluation of the Director's character, integrity, competence, and experience, as well as whether they were fit and proper to effectively discharge the role; and.
- iv. commitment and time allocation to ensure effective fulfilment of their responsibilities.
- 4) Based on the aforesaid assessment, the Board and the Nomination & Remuneration Committee were satisfied that the performance of each of the retiring Directors had met the performance criteria required of an effective and high-performing Board, as well as the expectations of the Board by continuously discharging their duties diligently as Directors of the Company.

#### Succession Planning

The Board has established a framework for succession planning to govern human capital development across the Group. As stated in the Board Charter, the Nomination & Remuneration Committee is responsible for ensuring proper and effective succession planning is in place. This process ensures the orderly identification and selection of new Independent Directors to fill any vacancies on the Board, whether due to an anticipated retirement, an increase in Board size, or other circumstances.

The Group's Policy and Guidelines Statement on Succession Planning for the Board and Senior Management demonstrates our commitment to an effective succession planning programme. This programme provides a structured approach for the identification and long-term development of a diverse pool of high-potential candidates that can contribute to the Company in the future. This policy sets out clear selection criteria, including key skills and diversity in terms of background, gender, age, ethnicity, education, and field of experience.

Please peruse our Succession Planning for the Board and Senior Management Policy on our corporate website at www.mrcb.com.my/corporate-governance.html

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### **MCCG PRINCIPLE A BOARD LEADERSHIP & EFFECTIVENESS**

#### REMUNERATION

#### **Directors' Remuneration**

Directors' remuneration is guided by the Group's Remuneration Policy for the Board of Directors and Senior Management. Pursuant to Practice 7.1 of the MCCG 2021, the Policy distinguishes between the roles and responsibilities of Non-Executive Directors, Executive Directors, and Senior Management. It also outlines the Company's approach to creating competitive remuneration packages for Non-Executive Directors, Executive Directors, and Senior Management that are best suited to attract and retain experienced, qualified, and high-calibre key talent capable of driving the business, strategies, objectives, values, and long-term interests of MRCB. The document is reviewed and updated periodically.

Please peruse our Remuneration for the Board of Directors and Senior Management Policy on our corporate website at www.mrcb.com.my/corporate-governance.html.

MRCB's remuneration packages are structured to reflect the level of responsibility, accountability, technical expertise, and experience required for each role, while also incentivising value creation for the Company and its stakeholders.

The Nomination & Remuneration Committee conducts a review of the remuneration packages of the Non-Executive Directors at least once every three years, comparing them against industry and market standards. Following this review, the Nomination & Remuneration Committee makes recommendations to the Board for endorsement prior to tabling to the Company's shareholders for their approval at the Annual General Meeting. All Non-Executive Directors receive a fixed base fee, plus meeting allowances and other benefits-in-kind as consideration for their Board duties. The total fees payable to Non-Executive Directors are subject to the approval of the shareholders at the General Meeting. Remuneration of Non-Executive Directors is not linked to individual performance.

The Company ensures a fair and reasonable remuneration package to its Group Managing Director to ensure that the Company attracts and retains a high-calibre leader with the skills, experience, and knowledge necessary to create value for the benefit of all shareholders. The Group Managing Director's remuneration is tied to his achievements and contributions, measured against his Key Performance Indicators and industry benchmarks. The Board determines the remuneration of the Group Managing Director, taking into consideration the recommendations of the Nomination & Remuneration Committee.



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As the Directors do not receive any remuneration from any other companies within the Group, all the Directors' remunerations disclosed below were for services rendered to MRCB for the financial year ended 31 December 2024.

Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits- in-Kind (RM)	Other Emoluments (RM)	Total (RM)
Non-Independent Non-Executive Cha	irman						
Dato' Mohamad Nasir Ab Latif	200,000	148,000	-	-	1,590	-	349,590
Executive Vice Chairman							
Tan Sri Mohamad Salim Fateh Din	-	-	1,808,000	609,875	39,765	252,293	2,709,934
Group Managing Director							
Datuk Imran Salim	-	-	1,515,621	479,188	56,003	544,180	2,594,992
Non-Independent Non-Executive Dire	ctor						
Mohamad Hafiz Kassim*	150,000	139,500	-	-	1,590	-	291,090
Independent Directors							
Dato' Wan Kamaruzaman Wan							
Ahmad	150,000	90,000	-	-	1,590	-	241,590
Dato' Dr Junaidah Kamarruddin	150,000	72,000	-	-	13,248	-	235,248
Lim Fen Nee	150,000	57,500	-	-	1,590	-	209,090
Datuk Rashidah Mohd Sies	82,787	18,900	-	-	928	-	102,615
Total	882,787	525,900	3,323,621	1,089,063	116,305	796,473	6,734,149

\* 50% of the Directors' fees for EPF nominees on the Board of the Company are paid directly to EPF

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#### Senior Management's Remuneration and Shareholdings

The remuneration for Senior Management is composed of several components linked to their individual performance against annual Key Performance Indicators, such as meeting operational targets and addressing material sustainability risks and opportunities impacting the Company. The pre-determined Key Performance Indicators are approved by the Nomination & Remuneration Committee.

Remuneration packages for key Senior Management are reviewed by the Nomination & Remuneration Committee upon contract renewals, with any necessary adjustments recommended to the Board. The Board then collectively evaluates these recommendations and, if deemed fair, approves the remuneration packages.

In compliance with Practice 8.2 of the MCCG 2021, a summary of the top five (5) Senior Management members' remuneration for the financial year ended 31 December 2024 is shown below, which includes basic salary, bonuses, benefits-in-kind, statutory contributions, and other emoluments.

Senior Management	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments (RM)	Total (RM)
Group Chief Financial Officer						
Ann Wan Tee	1,350,001 -	50,001 -	450,001 -	50,001 -	350,001 -	2,300,001 -
	1,400,000	100,000	500,000	100,000	400,000	2,350,000
Group Chief Operating Officer						
Kwan Joon Hoe	1,300,001 -	50,001 -	400,001 -	50,001 -	350,001 -	2,250,001 -
	1,350,000	100,000	450,000	100,000	400,000	2,300,000
Chief Corporate Officer						
Amarjit Singh Chhina	900,001 -	50,001 -	300,001 -	50,001 -	250,001 -	1,650,001 -
	950,000	100,000	350,000	100,000	300,000	1,700,000
Executive Vice Presidents						
Dato' Haji Ishak Bin Haji Mohamed	1,100,001 -	50,001 -	300,001 -	0 -	50,001 -	1,600,001 -
	1,150,000	100,000	350,000	50,000	100,000	1,650,000
Datuk Dell Akbar Khan Bin Hyder Khan	900,001 -	50,001 -	250,001 -	50,001 -	0 -	1,300,001 -
	950,000	100,000	300,000	100,000	50,000	1,350,000



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### MCCG PRINCIPLE A **BOARD LEADERSHIP & EFFECTIVENESS**

Details of Senior Management's shareholdings in the Company, along with any changes occurring during the financial year, are set out below:

	Number of Ordinary Shares					
		Acquisition	Disposal			
	Balance as of	during	during	Balance as of		
Senior Management	01.01.2024	the year	the year	31.12.2024		
Ann Wan Tee	806,700	Nil	Nil	806,700		
Kwan Joon Hoe	549,100	Nil	Nil	549,100		
Amarjit Singh Chhina	223,000	Nil	Nil	223,000		
Dato' Haji Ishak Bin Haji Mohamed	650,800	Nil	Nil	650,800		
Datuk Dell Akbar Khan Bin Hyder Khan	484,056	Nil	Nil	484,056		

## **MCCG PRINCIPLE B EFFECTIVE AUDIT & RISK MANAGEMENT**

#### **ACCOUNTABILITY & AUDIT**

#### Audit & Risk Management Committee (ARMC)

The Audit & Risk Management Committee assists the Board Further details on our relationship with external auditors are set out in Turther details on our relationship man care the the Committee Report on page 335 of this report. in fulfilling its audit and risk governance and oversight responsibilities over the activities of the Group. Dato' Wan **Risk Management and Internal Control** Kamaruzaman Wan Ahmad chairs the Audit & Risk Management Committee (further details of his profile can be found on page The Board has delegated primary responsibility for the operation 269), where he is supported by two (2) other suitably qualified of the Group's risk management and internal control framework, independent members, enabling MRCB to successfully comply which includes corporate, financial, and operational risk, to the with the requirements of Step-Up Practice 9.4 of the Malaysian Audit & Risk Management Committee and Senior Management. Code on Corporate Governance (MCCG) 2021 and Paragraph A structured process is in place to identify, assess, respond 15.09 of the Bursa Malaysia's Main Market Listing Requirements to, monitor, and report on significant risks that may affect the (MMLR). Group's ability to meet its business objectives.

For the financial year ended 31 December 2024, the Board agreed that the Audit & Risk Management Committee has continued to support the Board in reviewing both financial and audit matters and contributed to the overall effectiveness of the Board's decision-making process. The Board is satisfied that the Audit & Risk Management Committee has discharged its functions, duties, and responsibilities in accordance with the Audit & Risk Management Committee's Terms of Reference.

Further details on the activities and structure of the Audit and Risk Management Committee are set out in the Committee Report on pages 332 to 335 of this report.

#### **Financial Reporting**

The Board is fully committed to providing a fair, objective, and meaningful assessment of the financial position and future outlook of the Group in all its reports. The Statement by Directors on the preparation of the annual audited financial statements is set out on page 9 of the 2024 Financial Report.

All financial results and statements undergo review by the Audit & Risk Management Committee prior to being recommended to the Board for approval.

The Audit & Risk Management Committee holds regular meetings with the external auditors to discuss and review any audit findings brought to their attention. Additionally, the Audit & Risk Management Committee receives written assurances from the external auditors affirming their continued objectivity, **INTEGRATED ANNUAL REPORT 2024** 

### **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

impartiality, and independence throughout the audit engagement, in accordance with the terms of all pertinent professional and regulatory requirements.

Further details on our risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 318 to 331 of this report.

The Group's internal audit function is carried out by Group Internal Audit, which reports functionally to the Audit & Risk Management Committee and administratively to the Group Managing Director to maintain impartiality and independence in performing their duties. The Audit & Risk Management Committee has exclusive authority over the appointment, renewal, or removal of the Head of Internal Audit, further safeguarding the Group Internal Audit's ability to carry out its function without fear or favour. The principal role of the Group Internal Audit is to conduct audits and reviews to evaluate the effectiveness of the Group's internal controls, governance, and risk management processes, providing independent and objective assurance to the Board and Management on the adequacy and integrity of these systems.

As the Board holds ultimate responsibility for overseeing the Company, it is consistently kept informed by the Audit & Risk Management Committee of its activities. In this regard, Audit & Risk Management Committee meetings are always scheduled before Board meetings to ensure that all critical issues, significant findings, or irregularities are promptly communicated to the Board.

Further details on our internal audit and risk management functions are Further details on our internal augur and has managed and the set out in the Committee Report on pages 334 to 335 of this report.



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# (a) (b) MCCG PRINCIPLE C

# MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Continuous engagement and communication with stakeholders are essential in sustaining a healthy relationship between the Company and its stakeholders.

In recognising this, the Board ensures that there is effective, transparent, and regular communication with its stakeholders to maintain accountability. Our communication efforts take various forms, including press conferences, press releases, publication of information on the Company's website and social media platforms, as well as engagement forums and meetings.

Further details on our approach to stakeholder engagement and concern resolution are set out in Our Stakeholders section on pages 48 to 59 of this report

#### **CORPORATE INTEGRITY & ETHICS**

#### **Corporate Liability**

The Corporate Liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 criminalises an organisation for corruption-related actions undertaken by associated persons for the benefit of the organisation. We are committed to conducting our business dealings with integrity and have adopted a zero-tolerance stance towards all forms of bribery and corruption. The Group's Anti-Bribery and Corruption Policy (ABC Policy) is in place to meet the stringent standards and requirements specified within MRCB's Anti-Bribery Management System (ABMS), which has now maintained ISO 37001 certification for six (6) consecutive years. The ABC policy is reviewed and updated periodically, with the last revision taking effect on 11 June 2024.

The Board remains confident that our ABMS, supported by clear internal communications, training programmes, and external stakeholder communications initiatives, provides adequate protection for the Company and its stakeholders. However, given the ever-changing risk landscape facing our operations, we remain committed to continuously reviewing and strengthening our internal procedures and controls to ensure continued compliance.

A comprehensive list of our ABMS initiatives undertaken in 2024 is  $(\mathbf{O})$ detailed on page 327 of this report.

- Please peruse our Anti-Bribery and Corruption Policy on our corporate
- website at www.mrcb.com.my/corporate-governance.html

#### **Trading on Insider Information**

The Capital Markets and Services Act 2007 (CMSA) and the Main Market Listing Requirements (MMLR) of Bursa Malaysia prohibit individuals from trading securities, whether directly or indirectly, based on material non-public information about a company, as well as from disclosing such information to others who may then trade in the company's securities.

To ensure compliance, the Company Secretary issues a Notice of Closed Period to Directors and Senior Management on a quarterly basis, outlining the restrictions related to trading Company's shares during the "Closed Period"/"Outside Closed Period", as they may have access to price-sensitive information about MRCB.

During the year under review, neither the Board nor the Principal Officers of the Company conducted any trading activity within the closed period.

#### Integrity of Information

The Board is committed to providing a fair, objective, and meaningful assessment of the financial position and prospects of the Group in the quarterly financial results, annual financial statements, integrated annual reports, and all other reports or statements to shareholders, investors, regulatory authorities, and other stakeholders.

### (A) (A) MCCG PRINCIPLE C 10 A INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH **STAKEHOLDERS**

#### **INVESTOR RELATIONS (IR)**

In supporting our strategy for long-term growth and sustainability, MRCB strives to continuously cultivate a strong relationship with its shareholders and investors. Accessibility in an ever-changing investment climate is also important, particularly during periods of uncertainty. In recognising this, we ensure that we respond to daily queries from investors and analysts through our dedicated IR team, corporate website at www.mrcb.com.my, and our IR App. Our corporate website and IR App contain the Group's Integrated Annual Reports, financial results, press releases, quarterly results presentations, ESG Brief, and disclosures to Bursa Malaysia. These are updated in a comprehensive and timely manner when required.

#### **Channels of Communication**

In 2024, our one-on-one and group meetings were conducted through a combination of physical sessions and virtual platforms, serving as the primary means for MRCB to engage directly with institutional investors, investment analysts, and brokers. In line with the timely release of MRCB's quarterly results announcements, we also continued to conduct our Quarterly Results Analysts' Briefings virtually to facilitate participation and ensure that all covering analysts could proactively participate during the presentation and question and answer sessions. The IR team also ensures that the Quarterly Results Analysts' Briefing presentations are uploaded on the Company's website on the same day to ensure that all shareholders have access to the same information immediately. Press conferences were also conducted in 2024 and were managed by the Corporate Communications Department.

(①) A list of media-related events is detailed in Our Stakeholders section on page 57 of this report.

As a corporate member of the Minority Shareholders Watch Group (MSWG), MRCB ensures that its Senior Management maintains regular communications with MSWG to remain abreast of the latest developments on minority shareholders' rights protection and to be accessible to address any questions.

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### **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

**Investment Professionals Met** 59 **Meeting Sessions** 20

**KEY IR ACTIVITIES** 

IN 2024

**Quarterly Analysts' Briefings** 4

**Research Analysts Covering** MRCB 6



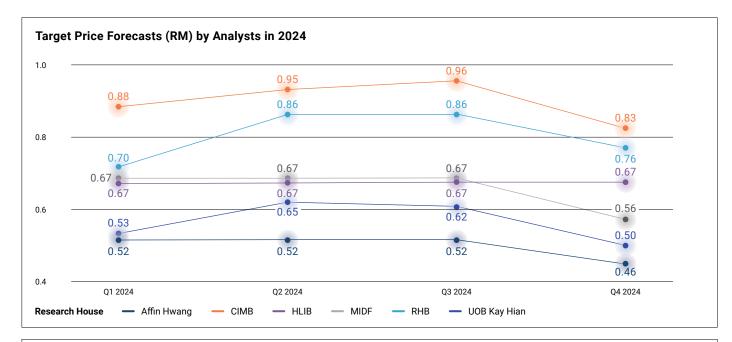
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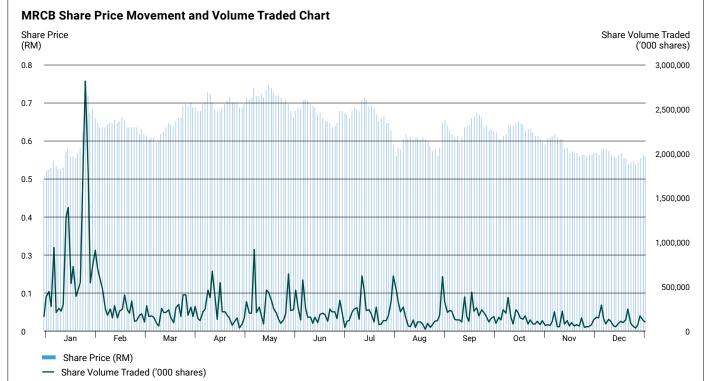
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### (A) (A) MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH **STAKEHOLDERS** 





### (8) (8) MCCG PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH **STAKEHOLDERS**

#### **Dividend Policy**

The Company has established a Dividend Policy whereby shareholders can expect a dividend payout amounting to at least 20% of core net profits. For the financial year ending 31 December 2024, the Company is proposing a first and final single-tier dividend of one (1) sen per ordinary share.

#### Feedback

As part of our efforts to increase transparency, we encourage shareholders and investors to forward their questions and comments to the Company through the various modes of communication listed on the "Contact Us" page on the Company's website. Shareholders and members of the public may also contact the Senior Independent Director of the Company, Dato' Wan Kamaruzaman Wan Ahmad, to convey their concerns or questions. He may be contacted via email at wkwa@mrcb.com.

**Conduct of General Meetings** 

# **MRCB** 53<sup>RD</sup> AGM

Conducted 24 May 2024

Format

Virtual Platform

**Ouestions Answered** 83

6 detailed questions from MSWG

Attended by 903 shareholders and proxies

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### **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

The Annual General Meeting is a principal forum through which the Board communicates with shareholders on the Group's progress and performance and where the Board clarifies issues pertaining to the Group's business strategy, activities, performance, and other related matters.

Shareholders are encouraged to participate in the meeting and are given the opportunity to ask questions and express their views. Where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting.

Where there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions is presented in the notice of the Annual General Meeting. Notice for a General Meeting is given to the shareholders at least 28 days prior to the meeting.

As mandated under Bursa Malaysia's Main Market Listing Requirements (MMLR), all resolutions are put to vote by poll. The Company aims to leverage technology solutions that enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at General Meetings.

MRCB conducted its 53rd Annual General Meeting (AGM) in a virtual manner on 24 May 2024 from our offices in Kuala Lumpur Sentral. The decision to organise a virtual AGM allowed the Company to continue to meet our obligations to our shareholders, in line with the SC Guidance Note on the Conduct of General Meetings for Listed Issuers as issued on 7 April 2022. The session utilised a virtual meeting solution that facilitated remote shareholders' participation, along with a secure and encrypted e-polling solution that permitted voting in absentia.



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### (A) (A) MCCG PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH **STAKEHOLDERS**

All stakeholders were afforded the opportunity to submit their questions in advance of the AGM via a range of channels, including email, telephone, or the virtual meeting system. Advance submissions included six (6) detailed queries from the Minority Shareholders Watch Group (MSWG). Further questions were also accepted during the AGM via the virtual meeting system, with a panel of moderators working to direct queries to the appropriate respondent, group similar queries together for ease of response, and provide additional context where necessary. A total of 83 questions were received in this manner across a range of financial, non-financial, strategic, and administrative topics.

All questions were categorised and projected on-screen during the AGM for the immediate benefit of all meeting participants. The Chairman facilitated the discussion to ensure meaningful and interactive engagement between the Board, Senior Management team, shareholders, and other stakeholders. All questions posed were afforded due attention, and meaningful responses were received from the appropriate respondents directly within the session. The Chairman further ensured that the Q&A session was only closed after all queries had been satisfactorily addressed. A Q&A document that lists each individual question received on an "as-is basis" with no filters or modifications save for minor contextual or grammatical edits where appropriate, along with the respective answers, was published on our corporate website within nine (9) business days after the AGM on 7 June 2024. The minutes of the AGM were similarly published 19 business days later on 24 June 2024.

Please peruse our Annual General Meeting-related documents on our corporate website at https://www.mrcb.com.my/investor-relations/shareholder.html.

The Board recognises that virtual Annual General Meetings have provided shareholders with greater flexibility and accessibility. It acknowledges the improved technical solutions and administrative procedures that have enhanced the conduct of such meetings. However, in compliance with the updated requirements issued by the Securities Commission Malaysia on 30 August 2024, the Board will ensure that all future Annual General Meetings are conducted in a hybrid or physical manner. The Board remains committed to facilitating shareholder participation while adhering to regulatory guidelines.

#### **KEY FOCUS AREAS AND FUTURE PRIORITIES**

The Board is fully committed to complying with the requirements of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) and will continue to pursue measures to address the remaining departures.

Though we continue to make strides in our journey towards stronger corporate governance, the Board recognises that our governance practices will only be as strong as the people entrusted with appreciating and implementing them. As such, the continued development of our people is critical to extract the best value from our governance policies, processes, and structures.

Our key focus for the future will, therefore, continue to remain on fostering a culture of integrity and responsibility within our diverse workforce. The Board views this as the core element in our ongoing journey to become a leading organisation that is Setting the Standard in terms of value creation for all our stakeholders.

This Corporate Governance Overview Statement was approved by the Board of Directors at its meeting held on 27 February 2025.

#### SUBCONTRACT AGREEMENT FOR THE SUNGAI LANGAT PHASE 2 FLOOD MITIGATION PROJECT BETWEEN MRCB AND 1. **BLUEPRINT PROJECTS SDN. BHD.**

Transmission Technology Sdn. Bhd., a wholly owned subsidiary of MRCB Builders Sdn. Bhd., which in turn is a wholly owned subsidiary of MRCB, had on 30 January 2024 entered into a subcontract agreement with Blueprint Projects Sdn. Bhd. for the project known as Rancangan Tebatan Banjir Sungai Langat Fasa 2, Selangor, Pakej 2: Daerah Sepang under design and built contract for a consideration of RM250,289,020.

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# MATERIAL CONTRACTS



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# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control is prepared in line with Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) issued by Bursa Malaysia Securities Berhad (Bursa Malaysia), with guidance from Bursa Malaysia's Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC Guidelines).

The Board recognises the importance of managing uncertainties that may affect the achievement of MRCB's objectives and is committed to managing the Group's risk pragmatically by embedding risk management into its system of internal control, management system, and decision-making process.

The Board is pleased to present the Statement on Risk Management and Internal Control, which outlines the nature and scope of risk management and internal controls within the Group during 2024.

#### **ROLES AND RESPONSIBILITIES**

### At Board Level

#### The Board:

- · Affirms its overall responsibility to set the "tone-at-thetop" to drive a "risk-aware" culture throughout the Group, establish and oversee sound risk management practices, and ensure the adequacy and effectiveness of its Risk Management Policy and Framework and system of internal control
- Balances the risk-return trade-off within the established risk appetite and risk tolerance level of the Group in its decision-making to achieve the Group's goals and objectives.

#### The Audit & Risk Management Committee:

 Assists the Board in the oversight of adequate, efficient, and effective risk management and internal control functions for the Group

#### At Management Level

#### The Group Risk Management Committee:

- Reviews the Risk Management Policy and Framework and oversees the overall implementation of the risk management process.
- Reviews and responds to significant risks escalated from the operational level and assesses the adequacy and effectiveness of its mitigation plans.
- Reviews and approves the Key Enterprise Risks together with the Key Risk Indicators status and escalates to the Audit & Risk Management Committee and the Board on a quarterly basis.
- Provides feedback for the improvement progress of the risk management activities and initiatives
- Reviews the Group's Statement on Risk Management and Internal Control (SORMIC) and proposes it for adoption to the Audit & Risk Management Committee and the Board.
- Assists the Audit & Risk Management Committee and the Board to ensure the adequacy, efficiency, and effectiveness of the overall risk management functions of the Group.

### At Operational Level

#### **Risk Owners:**

- · Identify and assess risks, including the implementation of mitigation action plans and the monitoring of those risks to ensure they are at an acceptable level
- Maintain the highest alert on both internal and external activities or circumstances that may have adverse risk impacts and consequences. Update, review, and approve the completed risk registers.

#### **Risk Coordinators:**

- Act as a focal point coordinating the implementation of all aspects of the risk function.
- · Monitor, report, and maintain the risk database.
- · Liaise with Risk Owners and team members on risk management matters.
- Assist risk owners in updating and ensuring timely submission of the risk registers to the Corporate Governance and Risk Management Department.

#### All Employees:

- General duty to assess risks and responsibility to comply with policies and procedures
- Provide input and assistance to Risk Owners and Risk Coordinators on internal and external activities, risk identification, implementation of action plans and control effectiveness.

#### The Corporate Governance and Risk Management Department:

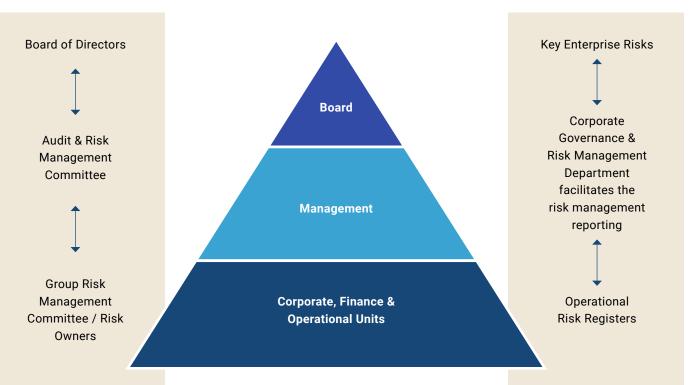
- · Provides support to the Board and Management, facilitates the implementation of the risk oversight function, promotes a "risk-aware" culture, and integrates risk management into the decision-making process. Promotes risk-based thinking and conducts periodic risk assessments and risk reviews
- Facilitates the Operational Risk updates and ensures the Management has implemented satisfactory controls and has effective action plans and strategies to mitigate risks that could impact the Group's objectives.
- Periodically communicates and reports on significant risks from the operational level and the Key Enterprise Risks to the Group Risk Management Committee and the Audit & Risk Management Committee for effective and efficient risk management governance.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### **RISK MANAGEMENT GOVERNANCE**

Risk Management Governance consists of a Risk Oversight Structure, Risk Management Policy and Framework, and an Enterprise Risk Management process to ensure the efficiency and effectiveness of the Group's risk management function.

#### **Risk Oversight Structure**



- The risk management oversight structure maps the escalation and cascading process of the identified risks.
- Controls and mitigation strategies are articulated at various levels of the organisation for effective oversight.
- The Board provides strategic direction in terms of risk management and mandates the Audit & Risk Management Committee to oversee the establishment and implementation of the risk management process.
- · At the Management level, the Group Risk Management Committee assists the Audit & Risk Management Committee and the Board in discharging their responsibilities relating to risk management.

- · All departments and business units are required to conduct Quarterly Risk Reviews to assess and update the Operational Risks, which are consolidated, and the significant risks are escalated to the Group Risk Management Committee.
- The Corporate Governance and Risk Management Department prepares status reports on the Key Enterprise Risks and the Key Risk Indicators status updates.
- · On a quarterly basis, the Audit & Risk Management Committee is updated on the overall risk management status and initiatives by the Corporate Governance and Risk Management Department.



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#### **Risk Management Policy and Framework**

The Risk Management Framework provides the foundations, components, and arrangements that embed an effective risk management process within the Group:

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#### **LEADERSHIP & COMMITMENT**

- · The Board of Directors and Senior Management demonstrate leadership and ongoing commitment to risk management, implementing all components of the risk management framework, policy, and procedures
- Ensure that necessary resources are provided, and that authority, responsibility, and accountability are assigned at the appropriate level

#### 2 INTEGRATION

- Embed risk management with adequate controls in every process
- Establish governance structure to determine risk management strategy, direction, accountability, escalation, and oversight roles

#### DESIGN 3

- · Understand the Group's internal and external context
- Assign and communicate the responsibilities of relevant risk management roles
- Allocate resources for risk management processes
- Establish effective communication and consultation support

**EVALUATION** 5

thinking

 Periodic review and evaluation of the Risk Management Policy and Framework

Develop an appropriate plan and ensure the managing

Conduct periodic risk reviews and inculcate risk-based

Identify and remediate gaps

IMPLEMENTATION

of risks is understood and practiced

#### IMPROVEMENT 6

- · Continuously enhance the Risk Management Framework to improve the suitability, adequacy, and effectiveness of the risk management process and its alignment with the Group's activities
- The Group is exposed to a range of strategic, corporate, financial, and business operational-related risks associated with its core property development and investment, and construction businesses.
- The Group's Risk Management Policy and Framework adopts the globally accepted risk management standard of ISO 31000:2018 Risk Management - Guidelines, which provides a robust platform to ensure effective risk management practices within the Group.

#### **ENTERPRISE RISK MANAGEMENT PROCESS**

The Group has developed an Enterprise Risk Management process designed to identify potential unfavourable events that may adversely affect the Group's objectives and strategies and prioritise managing material risks to be within the Group's risk appetite and tolerance level. This is in line with the ISO 31000:2018 guidelines, which have been tailored to fit the Group's business operations. The risk management process is structured and aligned with the Group's strategies, processes, people, technology, and knowledge.

	<ul> <li>Scope,</li> <li>To cover strategic, finan assessment</li> <li>To understand the extern Group operates</li> <li>To determine the amoun taken</li> </ul>
	Ri
Communication and Consultation • Periodic consultation	<b>Ri</b> Determine risks that cor achieving its objective root
<ul> <li>Risk review engagement</li> <li>Feedback</li> <li>Risk awareness or training</li> </ul>	Analyse the likelihoo an input to assess the (upon taking into
	F Evaluate risk identified and tolerance level of appropr
	<ul> <li>Select appropriate risk t reduce, or transfer each</li> <li>Prepare and implement</li> </ul>
<ul> <li>The use of risk regist risk</li> </ul>	Recor ers as a tool to create risk pr
	tinuous and embedded into e

- Key Enterprise Risks are consolidated and updated to the Audit & Risk Management Committee

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### STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### **Context, and Criteria**

ncial, corporate, and business/project risk

rnal and internal environment in which the

nt and type of risk that may or may not be

#### isk Assessment

#### isk Identification

ould potentially prevent the Group from es, documenting the risk description, cause, and impact

#### **Risk Analysis**

od and consequences of the risk as level of gross (inherent) and residual account existing controls) risks

#### **Risk Evaluation**

ed in accordance with the risk appetite the Group to determine the need for priate mitigation action

#### **Risk Treatment**

treatment to be applied to avoid, accept, n risk depending on the risk rating mitigation actions

### rding and Reporting rofiling for documenting and recording detailed descriptions of the

existing management reporting processes and structures

#### Monitoring and Review

- Conducting risk workshops
- Review of status and the effectiveness of the action plans
- Risk management committees and management-level meetings

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### **RISK MANAGEMENT IN 2024**

The Group engaged a consultant and executed the following risk management improvements during the year:

- · Reviewed the Group's Key Enterprise Risks.
- Further details on our Key Enterprise Risks and mitigation strategies are set out in Our Risks and Mitigations section on pages 78 to 87 of this report
- Developed Key Risk Indicators for the eight (8) identified Key Enterprise Risks.
- Conducted a risk management workshop with the Board and the Audit & Risk Management Committee to deliberate the eight (8) Key Enterprise Risks, along with the Key Risk Indicators.
- Reviewed and enhanced the Risk Management Policy & Framework and Risk Management Procedures. Improvements were made to the risk structure, ownership, responsibilities, reporting process, and other relevant aspects.
- Updated the key risk classifications in the operational risk registers for monitoring purposes.

In addition, the Group conducted Risk Management Facilitation sessions for risk coordinators and risk owners across all business units and project teams to foster a better understanding or interpretation on how to perform risk assessments and update the risk registers adequately.

The Group's Internal Audit team carried out an audit on the effectiveness of risk management processes within the Group in September 2024 as part of the internal controls.

#### Sustainability-Related Risks and Opportunities

The Group is committed to climate action and continues to identify and address the key sustainability-related risks and opportunities, including climate change and transition risks, in the organisation. We employ the Enterprise Risk Management framework to systematically evaluate these risks through quarterly risk register reviews and Key Enterprise Risk reports. While our Enterprise Risk Management process of identifying and managing risks in the organisation remains unchanged in 2024, sustainability-related risks are now explicitly incorporated into our risk assessment framework.

Sustainability-related risks are identified, assessed, and monitored using inputs and data from all business units and functions across both Malaysian and foreign operations where such risks may arise. The primary data sources include risk registers from key business units, particularly within our Construction and Property Development divisions, as well as supporting departments such as Safety & Health.

Currently, MRCB evaluates sustainability-related risks to its assets and landbanks by applying both qualitative and guantitative criteria to assess the likelihood and magnitude of potential risks. As part of our continuous improvement efforts, we aim to enhance our approach by developing specific likelihood and magnitude criteria for sustainability-related risks to ensure a more comprehensive risk assessment, strengthening our ability to manage these risks effectively.

Further details on our sustainability-related risks and opportunities are set out in Our Approach to Sustainability, Our Performance: Social, and Our Performance: Environmental sections on pages 142 to 161, pages 162 to 203, and pages 208 to 256 of this report, respectively.

#### **Climate-Related Risks and Opportunities**

Our Climate Strategy Framework is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The framework enhances our capability to identify physical climate risks to the Group's assets through climate scenario modelling, formulating strategies to manage and mitigate those risks, and disclosing metrics and setting performance targets to measure progress.

(🗊) Further details on our TCFD-related disclosures are set out in Our Performance: Environmental section on pages 212 to 215 of this report.

Climate-related risks are monitored at multiple levels within MRCB to ensure a comprehensive risk management approach:

Sustainability Management Committee	Plays a critical role in mitigation and decarbo sustainability and clima
Group Level	<ol> <li>Climate-related risks</li> <li>Climate scenario and resilience, allowing</li> </ol>
Operational Level	Physical climate-related project risk registers, al

Climate-related risks have been identified as a key strategic risk and are prioritised alongside other Key Enterprise Risks within our risk management framework. Of the eight (8) identified Key Enterprise Risks, two (2) are directly related to sustainability and are monitored under the following Key Enterprise Risks and Key Risk Indicators:

- 1. Environmental, Social, and Governance (KER5):
- Percentage of GHG Emissions for Scope 1 and Scope 2; and,
- · Number of reports received through our Whistleblowing channels.
- 2. Safety, Health, and Environment (KER7):
- Environmental, Safety, and Health performance.

These sustainability- and climate-related risks are assessed and managed with the same rigour as other Key Enterprise Risks, ensuring they receive proper oversight and mitigation efforts.

report, respectively

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### STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

n monitoring climate-related risks at a broader level, facilitating risk onisation strategies, and ensuring alignment with the organisation's ate objectives.

are overseen under the Key Enterprise Risks framework. nalyses are conducted to assess potential future risks and enhance for proactive decision-making.

ed risks are integrated into departmental operational risk registers and ligning with each project's strategy and service delivery importance.

Number of Lost-Time Accidents that occurred within the past 12 months, which serves as a measure of the Company's

Further details on our mitigation strategies and results of KER5 and KER7 are set out in Our Risks and Mitigations section on pages 83 to 84 and page 86 of this

SECTION 6

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**Risks and Opportunities** 

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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# Strategic Approach to Sustainability- and Climate-Related

Our organisation continuously assesses and monitors both macro and industry-specific trends and developments to identify sustainability-related risks and opportunities. The Senior Management and business units play a key role in this process, tracking competitive landscapes and proposing potential opportunities to the Board during Strategy Meetings held throughout the year. Based on these discussions, the Board sets the strategic direction, which the Senior Management is responsible for executing.

Once strategic priorities are established, Key Performance Indicators are defined to ensure alignment with sustainability objectives. To support execution, a skill gap analysis is conducted, supplemented by an internal SWOT analysis, to identify capability needs. This enables us to implement targeted talent development initiatives, ensuring the organisation is well-equipped to capitalise on opportunities.

Key sustainability- and climate-related risks initiatives and outcomes of this approach in 2024 include:

- 1. Setting a 4.2% annual Scope 1 and Scope 2 emissions reduction target.
- 2. Development of a Sustainable Design Policy that incorporates sustainability into our property development designs.
- 3. Identification of new markets, such as the renewable energy segment and waste-to-energy, to benefit from market opportunities in transitioning to a low-carbon economy.
- 4. Tendering for climate change adaptation infrastructure projects, drawing on our specialised skills in water-related initiatives such as flood mitigation.
  - a. Our Sungai Pahang River Estuary Conservation project is the latest phase of a long-term flood mitigation effort that aims to enhance the river's natural flow, reduce sediment buildup, and improve water quality - contributing positively to the natural ecosystem and the safety of local communities.

Further details on this project are set out in the Featured Highlight: Muara Sungai Pahang section on pages 258 to 262 of this report.

- b. The Group was also awarded the Sungai Langat flood mitigation project in Selangor in 2024.
- Further details on our sustainability performance in 2024 are set out in  $(\Box)$ Our Performance: Social and Our Performance: Environmental sections on pages 162 to 203 and pages 208 to 256 of this report, respectively.

#### Climate-Scenario Analyses

In 2024, the Group conducted qualitative and quantitative analyses of its physical climate and transition risks using climate-scenario analysis to evaluate climate-related physical and transition risks and opportunities, enhancing its understanding of potential impacts and strengthening strategic resilience against climate change. All of MRCB's geographic asset locations have been mapped and undergone an analysis using the latest available climate scenario data to assess exposure to physical climate risks. This approach involves using low carbon climate and worst-case climate scenarios in different time horizons to allow the Group to identify and financially quantify potential physical climate risks to ensure risk mitigation strategies and preparedness for a range of possible future climate scenarios in the time horizons analysed.

Further details on the results of our qualitative and quantitative analyses of our physical climate and transition risks are set out in Our Performance: Environmental section on pages 216 to 221 and pages 222 to 231 of this report, respectively.

In addition to climate-scenario analyses, our Safety and Health Department conducts its own scenario analysis as part of its Emergency Response Plan (ERP) and Hazard Identification, Risk Assessment, and Determining Control (HIRADC) processes. These analyses cover a broad range of risks, including natural disasters, disasters caused by human activities, and everyday workplace hazards. By integrating these assessments, MRCB enhances its ability to manage sustainability across multiple dimensions, ensuring workforce safety and environmental resilience. Moving forward, we intend to broaden our scenario analysis to cover other material sustainability-related areas for risk identification beyond the climate and safety & health topics.

#### **INTERNAL CONTROL**

#### Lines of Defence

The Group adopts a "three lines of defence" mechanism that integrates risk, control, and assurance to achieve operational excellence. Each of the three (3) lines of defence plays a distinct role within the Group's governance, as depicted in the following table.

#### 1<sup>st</sup> Line of Defence

#### **Business Operations**

- Business processes are documented in the form of policies and procedures and equipped with proper controls to mitigate inherent risks associated with the processes.
- The owner of each process is identified to ensure responsibility, accountability, as well as a well-managed resource allocation.
- Heads of divisions, departments, business units, and all employees of the Group are responsible and accountable for protecting the Group from uncertainties through riskbased and controlled business processes.

#### 2<sup>nd</sup> Line of Defence

#### **Risk Oversight Function**

- The risk oversight function forms the second line of defence through the assessment and mitigation of emerging risks.
- The Group Risk Management Committee oversees and ensures the effectiveness of the risk management function.
- The Corporate Governance and Risk Management Department is entrusted to facilitate, coordinate, and monitor the implementation and escalation of the risk management process.

#### 3<sup>rd</sup> Line of Defence

#### Audit Oversight Function

- · The audit oversight is the third line of defence, performed by the Group Internal Audit (GIA).
- GIA provides independent assurance to the Board and Management on the effectiveness of risk management and internal control governance and proposes improvements based on its findings and observations.

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## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### Main Features of Internal Control

Internal Control is an integral part of risk management, and a risk-based process is adopted as the main management control. The Group's internal control framework consists of the five (5) following integrated components:

#### **Control Environment**

- Business processes are governed by a well-defined Board-approved Limits of Authority, as well as a set of policies and procedures which have been embedded with inherent risks and controls.
- The Board and Senior Management set the tone at the top regarding the importance of internal control.
- The Senior Management reinforces control at various levels of the organisation.

· Process for identifying, analysing, and evaluating risks pursuant to achieving the targeted objectives.

#### **Control Activities**

- Actions taken to minimise risk through various mediums such as policies, procedures, techniques, and mechanisms.
- Ensure the execution of Senior Management's directives to mitigate risks pursuant to achieving the targeted objectives.

#### Information & Communication

- Precise information and effective dissemination of information are crucial components of internal control.
- Effective communication is essential to ensure that necessary information is received at all levels.

#### **Monitoring Activities**

Ongoing evaluations to ascertain whether each of the five (5) components of internal control is present and functioning.

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SECTION 6

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### **Risk Assessment**



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# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### Internal Control Initiatives

The Group's internal controls, which have been in place throughout the year, are divided into three (3) key elements: People Management, Process Management, and Technology Management. The details are as follows:

#### People Management

#### **Organisational Structure and Reporting Lines**

- Clearly defined lines of authority within a divisional organisational structure to facilitate the supervision and monitoring of the conduct and operations of individual business units and group support service departments.
- All directors and employees of the Group are governed by a Code of Business Ethics (Code) and are required to acknowledge having read and understood the Code upon commencement of employment or appointment.
- The performances of all employees are tracked through a formal performance appraisal process, where defined goals are set. Employees' performances are monitored, appraised, and rewarded according to the achievements against the targets set.

#### **Anti-Bribery & Corruption Policy**

- The Group has zero tolerance for all forms of bribery and corruption and is committed to conducting business ethically and in compliance with all applicable laws and regulations in the countries where it operates.
- Bribery and corruption may take the form of giving and receiving anything of value, such as money, goods, services, property, privileges, and employment positions, as well as preferential treatment or "gratification" as defined in Malaysia Anti-Corruption Commission Act 2009.
- MRCB's personnel and business associates are prohibited, whether directly or indirectly, from offering, giving, receiving, or soliciting any item of value in an attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of MRCB or the persons involved in the transaction.
- All MRCB personnel shall certify in writing that they have read, understood, and will abide by the Anti-Bribery and Corruption Policy.
- The Anti-Bribery and Corruption Policy applies equally to its business dealings with commercial (private sector) and government (public sector) entities, including their directors, personnel, agents, and other appointed representatives.
- The Anti-Bribery and Corruption Policy applies in all countries where the Group operates, without exception and without regard to regional customs, local practices, or competitive conditions.
- The Group's commitment to anti-bribery and corruption includes, amongst others:
- Ensuring that employees and/or external parties will not suffer demotion, penalty, or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.
- Continuously conducting mandatory anti-bribery and corruption training programmes, which include e-learning for all personnel and awareness sessions and workshops for external parties such as vendors and business associates.
- Conducting due diligence checks on prospective personnel, particularly for appointments to high-risk positions.
- Establishing and maintaining suitable reporting channels for all stakeholders to raise their concerns with regard to bribery and corruption risks.

#### Anti-Bribery Management System (ABMS) ISO 37001:2016

- respond to bribery risks and demonstrate a culture of integrity, transparency, openness, and compliance.
- 37001:2016 certification by an international certification body.
- individuals or organisations.
- risk.
- bribery risks. Key initiatives and efforts undertaken during the year include:
- monitoring.

- companies attended the programme.
- and above in the assessment.
- stakeholders.
- employees possess a comprehensive understanding of the audit process.
- Environment Divisions.
- Commission (MACC) Act 2009 to all employees.
- There were no confirmed incidents of bribery and corruption in 2024.
- Institutions.

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The Group has implemented an ISO 37001:2016-aligned Anti-Bribery Management System (ABMS) to prevent, detect, and

Following another successful Surveillance Audit in 2024, MRCB's Anti-Bribery Management System is now in its 6<sup>th</sup> year of ISO

All contracts entered by Companies within the Group contain an anti-bribery and corruption clause, which requires contracting parties to comply with all anti-bribery and corruption laws of Malaysia and the policies of the Company. If it is proven that the contracting party, its personnel, and/or its agent(s) is/are involved in any corruption or illegal activities, the contract may be terminated. The Group may pursue legal action if its interests or reputation are impacted as a result of non-compliance by any

All employees have signed a Corruption-Free Pledge to reinforce the Group's commitment to preventing bribery and corruption

Continuous ABMS initiatives to increase anti-corruption awareness were conducted throughout 2024. These initiatives provided employees and external stakeholders with the necessary tools and knowledge to prevent, detect, and respond to

- Assessed 100% of MRCB's operations for bribery and corruption-related risks through Bribery Risk Assessments and Bribery Risk Facilitations of all departments to build a comprehensive picture of the risks that the Group faces, evaluate the controls, likelihood, and impact of these risks, along with the measures to address them reasonably with periodic

Conducted "Integrity Breeds Integrity (IBI)" Training for 574 employees, which was completed in stages.

Delivered policy, regulatory, and relevant anti-bribery guidelines via electronic digital mail to 3,000 suppliers in our database. Held six (6) Anti-Bribery and Management System ISO 37001:2016 standard training sessions for 133 employees.

An Integrity and Anti-Bribery Awareness Programme was conducted for vendors, in which 111 individuals from 85 different

98.7% of our employees successfully completed the Anti-Bribery and Anti-Corruption trainings and achieved a score of 80%

Conducted a Whistleblowing Awareness Programme for Auxiliary Police and Security Guards, as well as a custom-made Fraud Reporting Awareness Programme for the Human Resources Department and the Semasa Parking Division.

Continuous digital communication of anti-bribery policies and education to all staff via computer sign-on screens, electronic direct mail marketing, and LED video display panels, as well as dissemination of digital communication material to external

Anti-Bribery awareness sessions for all new staff, including our Graduate Employability Programme (GEP) trainees.

Implemented internal guidelines for Auditees titled 'Be Prepared', incorporating ISO 37001:2016, to ensure that our

Implemented audit practices training to our Engineering, Construction & Environment Division.

Conducted due diligence training for Heads of Departments, introduced the ABMS scope via E-Latih, and expanded the Regulatory Compliance Assessment (RCA) to the Property Development and Investment, and Engineering, Construction &

Distributed an internal newsletter to all employees regarding integrity and anti-bribery control activities.

Promoted continuous awareness on Corporate Liability provisions within Section 17A of the Malaysian Anti-Corruption

- Conducted an Integrity Survey for all employees to gather feedback on the ethics and compliance culture in the organisation.

The implementation of the ABMS is aligned with the UN Sustainable Development Goal 16: Peace, Justice, and Strong



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### Gift, Hospitality, Donations & Similar Benefits Policy

The Policy prohibits giving and accepting any kind of gifts from external parties to safeguard the Group from:

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- any conflict of interest;
- anything that could influence impartial decision-making; or
- anything that could be viewed as a bribe that may tarnish the Company's reputation or be in violation of anti-bribery and corruption laws.
- Any gifts received by employees, despite reminders to givers, are registered through a gift registration process, which sets procedures and processes on how the gifts will be returned to senders. The gift register is presented to the Board every quarter.

#### **Conflict of Interest Policy**

- This policy was developed to ensure actual, potential, and perceived conflicts of interest are identified and managed effectively through a declaration process.
- Managing conflicts of interest ensures that business decisions are made in the Group's best interests.
- When a conflict of interest arises, the conflict is managed and its impact on the decision-making process is mitigated by taking appropriate measures, such as ensuring that interested parties abstain or recuse themselves from any involvement in the conflict matter or relinquish the interest that contributes to the conflict.

#### Whistleblowing Policy

- A whistleblowing process has been established since 2013 to provide an avenue for whistleblowers, either internal or external stakeholders, to communicate their concerns on matters of integrity or any other unlawful or improper misconduct by any MRCB director or employee in a confidential manner.
- A Whistleblower who is an employee disclosing information in good faith will be protected from any reprisal as a direct consequence of the disclosure.
- All genuine whistleblowing reports are thoroughly investigated by the Integrity and Discipline Department (IDD) and firm action is taken accordingly, including reporting of all confirmed illegal acts to the appropriate authority. All whistleblowing reports submitted through the Group's whistleblowing email address or Whistleblowing E-Form located on the Company's website are automatically and electronically sent to the Chairman of the Board, Group Managing Director, Head of the Integrity & Discipline Department as well as the Chairman of the Audit & Risk Management Committee who is also the Senior Independent Director - for their further action.
- This process has been proven to be a very effective tool for Senior Management to detect and combat fraud and improper conduct within the Group.
- All whistleblowing reports submitted, and the outcomes of investigations are presented to the Board every guarter.
- The Whistleblowing Policy is aligned with the UN Sustainable Development Goal 16: Peace, Justice, and Strong Institutions.

#### **Code of Business Ethics**

- The Code of Business Ethics (Code) requires all employees to observe the highest ethical business standards of honesty and integrity and to apply all these values in their day-to-day activities.
- The Code also serves as a guide and reference to assist personnel on ways to conduct business and carry out their duties in a manner that is efficient, effective, and fair.
- This Code highlights key issues and identifies the relevant policies and procedures and resources that governs their business conduct and duties in line with MRCB standards.
- MRCB will hold all employees accountable for ensuring observation of the highest ethical business standards and applying these values in their day-to-day work.

#### **Process Management**

#### **Financial Management**

- to the Board for approval.

#### Environmental, Safety, and Health (ESH) Management

- monitors compliance with all relevant regulations and best practices.
- carried out.

  - surpassing the targeted goal of 80%;
  - 100% closure rate of all Internal Audit's guarterly Non-Conformance Reports;
  - Zero incidents or lost time injury and fatalities on construction sites;
  - LRT3 project: 9,538,690 man-hours; -
  - Residensi Tujuh: 491,000 man-hours;
  - Sungai Pahang project: 350,480 man-hours;
  - Kwasa Utama project: 329,240 man-hours;
  - identifying potential hazards that could lead to accidents or injuries at all construction sites;
  - contractors, sub-contractors, and consultants;
  - Transmission Technology Sdn Bhd (TTSB); and

#### Limits of Authority (LOA)

- and aspects of the Group's operations.

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Annual budgets are prepared by all corporate departments and divisions using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the Senior Management and the Executive Committee before being recommended

Performance against the budget is tracked by conducting budget variance analysis on a quarterly basis.

· The Environmental, Safety, and Health Department continues to enhance the awareness of safety, health, and environmental practices throughout the Group as aligned with the UN Sustainable Development Goal 3: Good Health and Well-Being, and

An ESH Report, which is prepared and presented to the Board on a quarterly basis, provides information on environmental, safety, and health-related incidents, notices, and penalties issued by authorities, as well as the audits and inspections

The key achievements and initiatives undertaken during the year by the ESH department include: - Achieved a 97.08% Safety and Health Assessment System in Construction (SHASSIC)/ESH Audit Rating by CIDB,

- Conducted the "You See You Act" campaign, which emphasises the importance of observing the workplace and

Conducted a total of 77 internal and external training sessions on ESH modules for all relevant MRCB personnel,

- Successfully obtained certification of ISO 14001:2015 (Environmental) and ISO 45001:2018 (Health & Safety) for

- Successfully achieved recertification and completed surveillance audits for ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (Health & Safety) for various subsidiaries under the Group.

• A Limits of Authority document has been in place for the Group to specify the clear division and delegation of responsibilities from the Board to its Committees and members of the Management, as well as the authorisation levels for various transactions

The effectiveness of the LOA is reviewed periodically and, when necessary, enhancements are proposed by the Management team to be approved by the Board with the recommendation of the Audit & Risk Management Committee.



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#### **Business Operations & Project Management**

- The performance of business divisions and the status of key projects are monitored through weekly meetings at various levels in the organisation.
- The Group's assets and insurable operational risks are insured against financial losses in the event of untoward incidents, such as fire or theft, through insurance policies.
- The Group has integrated technology adoption and innovation as part of its business operations. The initiatives include:
- Fully deployed an Enterprise Resource Planning system to digitise and automate processes and data analysis, streamline workflows, and enhance productivity.
- Implemented digital transformation across business units to improve operational efficiency, streamline processes, and reduce paperwork.
- Implemented a cloud-based new construction management platform that improved collaboration in managing projects from design to completion.
- Enhanced the sales experience with a Customer Relationship Management (CRM) system.
- Systematic identification, documentation, tracking, and resolution of property issues and defects through Defect Management System.

#### **Communications Management**

- Comprehensive information is provided by the Senior Management to the Board and its Committees, covering financial performance, achievement of key performance indicators, the progress of key projects, utilisation of funds, and the Group's cash flow position on a quarterly basis.
- Briefings are conducted for investment analysts on a quarterly basis where the Group's Board-approved financial performance and ESG matters are presented, and investment analysts are given the opportunity to pose questions to the Senior Management Team of the Group. The presentation slides used during these briefings are uploaded immediately on the same day onto the Group's website and MRCB IR App for easy access by the public.
- ESG matters are discussed during all briefings with the investment community to align and manage expectations that can help mitigate miscommunication leading to reputational and financial risks.
- Communication and engagement activities with all our various stakeholders are more fully disclosed on pages 48 to 59.

#### Technology Management

#### IT and Data Management

- The MRCB ICT Manual was developed to include security policies which ensure the Group protects its business, customers, data, viability, and integrity. The ICT Manual is continuously reviewed to ensure relevant risks and potential threats are addressed, managed, and reflected.
- The Group acknowledges the importance of leveraging on information technology to digitalise and automate processes and promote efficient business operations. However, reliance on IT may expose the Group to emerging cybersecurity threats. Thus, the Group has established rigorous cybersecurity controls, which include, amongst others:
- Continuous review of Information Security Controls;
- An annual IT audit performed by an external consultant covering the areas of security, access control, backup, disaster recovery, and internal IT general controls;
- Continuous monitoring and managing of Microsoft Threat Protection solutions to identify and mitigate cybersecurity incidents efficiently and effectively;
- Continuous monitoring and managing of Microsoft 365 Defender and other enhanced security features rolled out by Microsoft that provide the capabilities to detect and protect potential threats, as well as enable the Group to respond to threats faster with new unified alerts; and
- Ongoing validation of the relevancy and effectiveness of the disaster recovery strategies through bi-annual testing.

#### IT and Data Management

- dissemination to all employees on new cybersecurity risks through multimedia notifications.
- increased risks as a result of remote working and to ensure optimal business continuity by using:
- and,
- suspicious data activity, monitor data access and usage, and improve visibility and control.
- The following activities were carried out by the Group IT department in 2024:

- enabling our workforce to focus on higher value-adding tasks.
- to detect, protect, and prevent all cybersecurity attack attempts.

#### MATERIAL JOINT VENTURES AND ASSOCIATES

The disclosures in this statement do not include the risk management and internal control practices of the Company's material Joint Ventures and Associates. The Company's interests in these entities are safeguarded through the appointment of members of the Group's Senior Management team to the Board of Directors and, in certain cases, the Management Committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed by the Board.

The Board has received assurance from the Group Managing Director (GMD) and the Group Chief Financial Officer (GCFO) that the Group's risk management and internal control system is operating adequately and effectively. Thus, the Board is of the view that the risk management and internal control system in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests, and the Group's assets.

#### **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3) issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

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The Group has rolled out an extensive staff communication plan, which includes continuous communication and information

The Group continued its efforts towards combating cyber threats via the use of advanced tools to mitigate against the

- An enterprise-level Endpoint Protection software tool that provides external malware protection and remediation with precise threat detection, proactive threat blocking, prevention of zero-day exploits thorough remediation from the cloud;

- A well-known third-party server auditing tool that reviews and monitors Active Directory and Windows Server event logs that help to detect and respond to insider threats, privilege misuse, and other indicators of compromise.

The Group also uses the Microsoft Data Leakage Prevention (DLP) platform, a security solution that identifies and helps prevent unsafe or inappropriate sharing, transfer, or use of sensitive data. It enables MRCB to monitor and protect sensitive information across on-premises systems, cloud-based locations, and endpoint devices, allowing it to detect and block

- Implemented Microsoft 365 E5 Security for all employees and deployed Microsoft Defender for Cloud.

Adopted e-invoicing to comply with Lembaga Hasil Dalam Negeri's e-invoicing requirements.

- Held phishing simulations and cybersecurity awareness campaigns for employees to recognise and mitigate cyberthreats. - Adopted artificial intelligence power tools such as Microsoft CoPilot to streamline operations and boost productivity,

- Fully deployed all Enterprise Resource Planning software modules and operations across the organisation.

In 2024, there were no security breaches or customer data leakages as MRCB's cyber defence and system monitoring managed



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# **AUDIT & RISK MANAGEMENT COMMITTEE REPORT**

The Audit & Risk Management Committee (ARMC) was established by the Board of Directors as a Committee of the Board, in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), to assist the Board in discharging its duties and responsibilities effectively. The ARMC is governed by a Terms of Reference, which sets out its key roles and responsibilities.

#### **MEMBERSHIP OF THE ARMC**

The ARMC comprises the following members:



Dato' Dr Junaidah Kamarruddin Independent Director

Dato' Wan Kamaruzaman Wan Ahmad Senior Independent Director (Chairman)

Lim Fen Nee Independent Director

Lim Fen Nee is a Fellow of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants.

The profile of each of the ARMC members is set out in the Directors' Profiles section of this Integrated Annual Report, beginning on pages 265 to 272.

The membership and composition of the ARMC complies with the requirements of paragraph 15.09 of the MMLR with regards to size, independence, and skills.

#### **MEETINGS AND ATTENDANCE**

The ARMC, through regularly scheduled meetings, maintains a direct line of communication with the Board, external auditors, internal auditors, and Management.

A total of five (5) ARMC meetings were held during the financial year ended 31 December 2024, of which four (4) were quarterly meetings and one (1) special meeting. All meetings had 100% attendance.

The dates of the meetings held were as follows:



The Company Secretary, who acts as Secretary to the ARMC attended all the meetings. Also, in attendance by invitation, were the Group Managing Director, Group Chief Financial Officer, Group Chief Operating Officer, Chief Corporate Officer, Head of Internal Audit, Head of Corporate Governance and Risk Management, and Head of Integrity and Discipline.

Certain members of the Management Team were also invited to provide further explanations and clarifications on matters raised at the meetings. A wide range of issues concerning the operations of the Group and internal audit reports were thoroughly reviewed and deliberated at these meetings.

The ARMC met with the Group's external auditors to discuss the external audit plan prior to commencement of the audit, as well as to discuss audit findings and other observations raised during their audit.

The ARMC also met with the external auditors without the presence of the Management Team two (2) times during the year. The ARMC enquired and satisfied itself of Management's cooperation with the external auditors, their sharing of information and the adequacy of resources in financial reporting functions.

The Company Secretary is responsible for coordinating the meetings of the ARMC. Minutes of each ARMC meeting are recorded and tabled for confirmation at the next ARMC meeting and presented to the Board for notification. The ARMC Chairman reports to the Board on the key matters deliberated at the guarterly Board meetings and if necessary, makes recommendations for the Board's consideration and decision.

#### **TERMS OF REFERENCE OF THE ARMC**

The ARMC is empowered by the Board to assist the Board in fulfilling its oversight and fiduciary responsibilities over the activities of the Group. The Terms of Reference (TOR) of the ARMC sets out the authority, duties, and responsibilities of the ARMC, which are consistent with the requirements of the MMLR.

The Chairman of the ARMC is responsible for the management, development, and effective performance of the ARMC, and provides leadership to the ARMC. He acts as the Chairman at all ARMC meetings, and maintains active, ongoing dialogue with Management and both internal and external auditors, while encouraging open discussion. He also ensures that the ARMC maintains effective communication and a constructive working relationship with the Board, Management and internal, as well as external auditors.

The TOR of the ARMC may be viewed on the Company's website at https://www.mrcb.com.my/corporate-governance.html.

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### **AUDIT & RISK MANAGEMENT COMMITTEE REPORT**

#### PERFORMANCE OF THE ARMC

The performance of the ARMC and its members is assessed through an annual Board Effectiveness Evaluation ("BEE") exercise, with the intention of providing insights into the effectiveness of the ARMC. The objectives of the assessment are to evaluate the effectiveness of the Board and the individual Board Committees as well as the performance and contribution of each individual member of the Board and Board Committees, including Independent Directors. The Board is assessed on its scope, composition and renewal, processes, and tasks. Based on the findings of the BEE, the Board is satisfied with its performance, effectiveness, and composition, and that of the Board Committees.

#### **REPORTING TO THE EXCHANGE**

In 2024, the ARMC was of the view that the Company was in compliance with the MMLR and as such, reporting to Bursa Malaysia under Paragraph 15.16 of the MMLR was not required.

#### **ACTIVITIES OF THE ARMC**

The ARMC carried out its duties and responsibilities in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2024 were as follows:

#### Financial Reporting

Reviewed the quarterly financial results and the annual audited financial statements of the Group, and the accompanying announcements to Bursa Malaysia prior to the approval by the Board. Among matters discussed were those related to accounting policies, significant matters highlighted by Management or the external auditors, compliance with accounting standards and other legal or regulatory requirements.

#### **Internal Audit**

Reviewed and approved the annual internal audit plan to ascertain the extent of its scope and coverage of the Group's activities, including the adequacy of the Group Internal Audit's resources in supporting completion of the plan.



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- ii. Reviewed the effectiveness of the Group Internal Audit (GIA) function to ensure that its activities are performed independently, impartially, and with due professional care, as well as assessed the performance of the GIA and the competency and performance of the Head of Internal Audit.
- iii. Reviewed and deliberated the internal audit reports in respect of the Group's operations every quarter. The internal audit reports comprise key audit findings, auditors' recommendations, Management's responses to the findings and agreed action plans.
- iv. Reviewed the status of implementation, effectiveness, and adequacy of Management's corrective actions on previous audit findings through follow-up audit reports to ensure all key risks and control issues were addressed.
- v. Suggested additional improvement opportunities in the areas of internal control and operational efficiency.

#### **External Audit**

- i. Reviewed and approved the external auditors' audit plan, approach, scope, and their proposed fees prior to the commencement of their audit.
- ii. Deliberated on the external auditors' reports on significant audit and accounting issues that arose from its audits, including the Management's responses to these findings.
- iii. Discussed with the external auditors the significant impact of any proposed or new developments in accounting standards and regulatory requirements applicable to the Group.
- iv. Assessed the performance of the external auditors and provided a recommendation for their reappointment and remuneration to the Board.

#### **Risk Management**

- i. Reviewed and provided feedback for improvement on the Group's risk management activities throughout the year, which include the Key Enterprise Risk Report, Key Risk Indicators status update, monitoring of the Operational Risk Registers and other Risk Management initiatives.
- ii. Reviewed and deliberated the development of Key Risk Indicators (KRIs) for the Key Enterprise Risks (KERs).
- iii. Attended a risk management workshop with the Board to deliberate the top 8 Key Enterprise Risks (KERs) and to agree on the appropriate Key Risk Indicators (KRIs).

iv. Reviewed and deliberated the Group's Statement on Risk Management and Internal Control (SORMIC) and recommended it for approval by the Board for inclusion in the Integrated Annual Report.

#### Other activities

- Reviewed dividend payments proposed by Management and the results of the solvency tests performed on the Group pursuant to Section 132(3) of the Companies Act 2016.
- Reviewed and recommended to the Board for approval, the ARMC Report for inclusion in the Integrated Annual Report.
- iii. Reviewed Related Party Transactions of the Group to ensure compliance with the Companies Act 2016, the MMLR and the Malaysian Financial Reporting Standards, and made recommendations to the Board for approval.

#### **INTERNAL AUDIT FUNCTION**

The ARMC is supported by the internal audit function in discharging its duties and responsibilities. The GIA operates independently of Management and reports directly to the ARMC, and administratively to the Group Managing Director. The ARMC has authority to approve the appointment and termination of the Head of Internal Audit.

The internal audit function is governed by the Internal Audit Charter that has been approved by the ARMC. The Internal Audit Charter defines the objectives, mission, scope, organisation, authority, and responsibilities of the GIA. The GIA comprises six staff and is headed by Kailash Herkishan, who has extensive experience in internal and external audit and holds a bachelor's degree in Accountancy from University Malaya and is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). The internal auditors have the relevant qualifications, and all staff are encouraged to continuously enhance their knowledge, skills, and competencies by attending relevant professional education, seminars, formal training, and on-thejob training.

The principal roles of the GIA are to undertake audits and reviews to evaluate the effectiveness of internal controls, governance, and risk management processes to provide independent and objective assurance to the Board and Management on the adequacy and integrity of the Group's internal control systems, governance, and risk management processes.

This includes the process of identifying, analysing and The GIA has direct access to the ARMC Chairman on all internal control and audit issues. The GIA also communicates with the evaluating the level of risk exposure, risk treatment, risk external auditors to assist in clarifying matters raised by the escalation, reporting and communication of significant risks. external auditors where necessary.

Group.

The GIA adopts a risk-based audit approach in its annual audit planning which takes into consideration the risk assessment, business plan, previous audit results, as well as the ARMC's and Management's inputs. The audits are guided by the established internal audit framework of the Group, as well as the International Professional Practices Framework of the Institute of Internal Auditors.

The GIA carried out its activities based on the annual audit plan approved by the ARMC. During the financial year ended 31 December 2024, the GIA completed a total of twelve (12) audit assignments, comprising audits of key property development and construction projects, and other operating units and corporate functions of the Group. Continuous followup reviews were also carried out to ascertain the status of the implementation of corrective and preventive measures taken by Management in relation to audit findings raised previously. The status of these Management action plans was also reported to the ARMC for its review at each guarterly meeting. Moreover, the GIA also performed observations on tender

As part of the requirements of ISA 300 "Planning an Audit openings to ensure that appropriate internal controls and of Financial Statements" and the Malaysian Institute of processes, as set out in the Group's Policies and Procedures, Accountants (MIA) By-Laws on Professional Conduct and were complied with. Ethics, the external auditors make representations on their independence as auditors. The external auditors confirmed The total cost incurred by the GIA in discharging its functions that for the audit of the financial statements of the Group and and responsibilities during the financial year was RM1,401,882. Company for the financial year ended 31 December 2024, they have maintained their independence in accordance with their **RISK MANAGEMENT FUNCTION** firm's requirements and with the provisions of the By-Laws The ARMC is responsible for assisting the Board in the on Professional Independence of the Malaysian Institute of oversight of adequate, efficient, and effective risk management Accountants and with the International Ethics Standards Board and internal control functions for the Group. The ARMC is for Accountants' International Code of Ethics for Professional supported by the Corporate Governance and Risk Management Accountants, including International Independence Standards Department to spearhead the development and implementation (IESBA Code). They have also reviewed the non-audit services of the risk oversight function. provided to the Group during the year in accordance with the independence requirements and are not aware of any nonaudit services that have compromised their independence The ARMC discharged its roles and responsibilities concerning the Group's risk management and internal control functions, and as external auditors of the Group. They also reaffirmed their their implementation by ensuring adequate and systematic risk independence at the completion of their audit.

assessment processes were integrated into the management system, business operations and decision-making process.

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### **AUDIT & RISK MANAGEMENT COMMITTEE REPORT**

The Statement of Risk Management and Internal Control, as set out on pages 318 to 331 of this Integrated Annual Report, provides an overview of the governance, framework and

process of risk management and internal controls within the

### **RELATIONSHIP WITH EXTERNAL AUDITORS**

The Company maintains a transparent and professional relationship with its external auditors through the ARMC. During the year, the Company engaged its external auditors for statutory audits and other non-audit services, i.e., tax-related matters and advisory services.

The ARMC meets regularly with the external auditors to discuss and review the audit plan, annual financial results and reports of examination and any audit findings that are highlighted by the external auditors for the ARMC's attention. In recommending the external auditors for reappointment, the ARMC reviews their performance, suitability, and independence.



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# **EXECUTIVE COMMITTEE REPORT**



#### **COMPOSITION OF THE COMMITTEE**

The Executive Committee (EXCO) comprises the following members:

- 1. Mohamad Hafiz Kassim (Non-Independent Non-Executive Director) – Chairman
- 2. Datuk Imran Salim (Group Managing Director)
- 3. Dato' Wan Kamaruzaman Wan Ahmad (Senior Independent Director)
- 4. Dato' Dr Junaidah Kamarruddin (Independent Director)

#### **MEETINGS AND ATTENDANCE**

A total of three (3) EXCO meetings were held during the financial year ended 31 December 2024 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2024	22 Apr	12 Aug	14 Oct
Mohamad Hafiz Kassim	$\checkmark$	$\checkmark$	√
Datuk Imran Salim	$\checkmark$	$\checkmark$	$\checkmark$
Dato' Wan Kamaruzaman Wan Ahmad	$\checkmark$	$\checkmark$	$\checkmark$
Dato' Dr Junaidah Kamarruddin	$\checkmark$	$\checkmark$	$\checkmark$

Senior Management are also invited to meetings of the EXCO when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

### Mohamad Hafiz Kassim

Chairman

#### Total Meetings Held in 2024

3 All members attended all meetings in 2024

#### **ROLES OF THE COMMITTEE**

The EXCO was established to enhance the Board's leadership and management of the Group. The main functions of the EXCO are:

- i) To review and recommend the annual business plan and budget of the Group to the Board for approval;
- ii) To consider and review significant and/or major issues relating to the business direction of the Group; and
- iii) To deliberate on all major business transactions and issues relating to the Group that require EXCO or Board approval, in line with the approved Limits of Authority.

Detailed Terms of Reference for the Committee are available on MRCB's website under the Corporate Governance section at https://www.mrcb.com.mv.

#### OUR FOCUS DURING THE FINANCIAL YEAR ENDED **31 DECEMBER 2024**

During the Financial Year Ended 31 December 2024, the EXCO undertook the following key activities:

- Reviewed the progress of key projects;
- Deliberated on major business proposals and transactions; and
- Reviewed the projects budget.





#### **COMPOSITION OF THE COMMITTEE**

The Nomination & Remuneration Committee (NRC) comprises The NRC assists the Board in reviewing the size and balance the following members: of the Board for appropriate mix of skills, experience and knowledge of directors, succession planning, human capital 1. Dato' Wan Kamaruzaman Wan Ahmad (Senior Independent development and the remuneration framework for the Directors, Director) - Chairman Senior Management and employees.

- 2. Dato' Dr Junaidah Kamarruddin (Independent Director)
- 3. Mohamad Hafiz Kassim (Non-Independent Non- Executive Director)
- 4. Datuk Rashidah Mohd Sies (Independent Director) (appointed as NRC member on 27 November 2024)

The NRC comprises Non-Executive Directors with the majority being Independent Directors, and includes the Senior Independent Director. The composition of the NRC complies with the requirements of both the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance (MCCG) 2021.

#### MEETINGS AND ATTENDANCE

A total of four (4) NRC meetings were held during the financial year ended 31 December 2024 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2024	28 Feb	26 Mar	14 Mav
Dato' Wan Kamaruzaman Wan Ahmad	V		√
Dato' Dr Junaidah Kamarruddin	$\checkmark$	$\checkmark$	$\checkmark$
Mohammad Hafiz Kassim	$\checkmark$	$\checkmark$	$\checkmark$

Meetings of the NRC are also attended by the Group Managing Director. Other members of Senior Management are invited to the meetings of the NRC when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

#### **INTEGRATED ANNUAL REPORT 2024**

Dato' Wan Kamaruzaman Wan Ahmad Chairman

Total Meetings Held in 2024 All members attended all meetings in 2024

#### **ROLES OF THE COMMITTEE**

Detailed Terms of Reference for the Committee are available on MRCB's website under the Corporate Governance section at https://www.mrcb.com.my.

#### OUR FOCUS DURING THE FINANCIAL YEAR ENDED **31 DECEMBER 2024**

During the Financial Year Ended 31 December 2024, the NRC undertook the following key activities:

#### 1. Nomination Function

- · Recommended the re-election of Directors retiring at the 2024 Annual General Meeting (AGM)
- Recommended the contract renewal for the Executive Vice Chairman
- Recommended the contract renewal for the Group Managing Director
- Monitored the conduct of the Board Effectiveness Evaluation (BEE) for 2023
- Recommended the appointment of Datuk Rashidah Mohd Sies as an additional Independent Director
- Recommended the conversion of employees' employment contract from fixed term contract to permanent contract
- Recommended the reconstitution of the Board Committees
- Deliberated on the succession planning for MRCB Group

16

Aug

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 $\checkmark$ 

 $\checkmark$ 

SECTION 6



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MALAYSIAN RESOURCES CORPORATION BERHAD Delivering On Strong Governance

## **NOMINATION & REMUNERATION COMMITTEE REPORT**

#### 2. Remuneration Function

- Deliberated on 2024 key performance indicator targets for the Group Managing Director and C-suites
- Deliberated on 2024 Annual Salary Increment
- · Deliberated on 2024 Annual Salary Increment for C-Suite
- Deliberated on the Policy and Guidelines on Remuneration for the Board of Directors and Senior Management
- · Deliberated on 2023 bonus for the Executive Vice Chairman and the Group Managing Director
- Deliberated on 2023 bonus for C-suites
- · Deliberated on 2023 bonus allocation for eligible employees

#### **APPOINTMENT OF DIRECTORS**

MRCB employs a rigorous and transparent screening process for the appointment of Directors, ensuring that the Board's composition and needs are carefully considered. The NRC has access to a broad pool of candidates, which may include recommendations from existing Board members, Management, major shareholders and external sources. All proposed appointments are assessed by the NRC, which is responsible for identifying any gaps in the Board's expertise before initiating the search for potential candidates.

The NRC plays a crucial role in the screening and selection of candidates, evaluating their qualifications and attributes before making recommendations to the Board. The assessment of potential candidates for appointment to the Board by the NRC is governed by the parameters set out in the Board Fit and Proper Policy. In considering candidates as potential Directors, the NRC takes into account the following criteria:

- · Skills, knowledge, expertise and experience
- · Time commitment, character, professionalism and integrity
- Perceived ability to work cohesively with other members of the Board
- Specialist knowledge or technical skills in line with the Group's strategy
- Diversity in age, gender and experience / background

The Board then makes a decision on the appointment based on NRC's recommendation.

Once a potential candidate is shortlisted, the Group Secretary conducts thorough background checks, including assessments of any civil or criminal charges from publicly available sources, to evaluate the candidate's character and integrity. In addition, the NRC considers the Group's strategic direction when evaluating candidates for new appointments.

In accordance with the provisions of the Listing Requirements, none of the Directors held more than five directorships in listed issuers during the financial year ended 31 December 2024.

During the year, Datuk Rashidah Mohd Sies was appointed as an Independent Director of the Company.

Datuk Rashidah has served the Government of Malaysia for more than 30 years. She started her career in the Ministry of Finance ("MOF") in 1989 and served the Ministry ever since. Her first appointment was as an Assistant Secretary in the Finance Division (Investment), MOF. Rising through the rank, she was promoted to the post of Principal Assistant Secretary and later became the Head of Section (Commercial), Government Investment Companies Division, Ministry of Finance. She then assumed the post of Deputy Undersecretary of the same division before being appointed as the Undersecretary of Government Investment Companies Division.

She was later appointed as the Deputy Secretary General to the Treasury (Management), a post she held until her retirement on 12 January 2024.

This appointment underscores MRCB's ongoing commitment to increasing female representation on the Board.

#### **RE-ELECTION OF DIRECTORS**

The NRC ensures that the Directors retire and are re-elected in accordance with the relevant laws and regulations in Malaysia and the Company's Constitution. The NRC considers the performance of Directors who are due to retire at the next AGM before making recommendations on their re-election to the Board.

Pursuant to Articles 101 and 102 of the Company's Constitution, at least one-third (1/3) of the Directors will have to retire by rotation at the 54th AGM of the Company to be held on 4 June 2025. The retiring Directors shall be those individuals who have served longest in office since their last appointment or election. Based on the schedule of retirement by rotation, the Directors who are due for retirement at the 54th AGM are:

- Mohamad Hafiz Kassim
- Lim Fen Nee

For the purpose of determining the eligibility of the Directors for re-election at the 54<sup>th</sup> AGM, the Board through the NRC, has assessed each of the retiring Directors, and considered the following:

- as well as fulfilment of the fit and proper criteria;
- Company in decision-making.

Based on the assessment, both the Board and the NRC are satisfied that the Directors seeking re-election at MRCB's 54<sup>th</sup> AGM meet the performance criteria essential for an effective and high-performing Board. These Directors have consistently demonstrated their commitment to diligently fulfilling their duties and aligning with the Board's expectations.

Pursuant to Article 106 of the Company's Constitution, Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and are eligible for re-election. Datuk Rashidah Mohd Sies, who was appointed as a Director to the Board during the year, is retiring under Article 106.

Directors who seek for re-election have provided their consent and offered themselves for re-election at the 54<sup>th</sup> AGM.

**INTEGRATED ANNUAL REPORT 2024** 

### **NOMINATION & REMUNERATION COMMITTEE REPORT**

• the findings of Board Effectiveness Assessment 2024 on the Director's performance and contribution for the financial year

the Director's level of contribution to Board deliberations by way of his or her skills, experience and strengths; and • the level of independence demonstrated by the Independent Director, and his or her ability to act in the best interest of the



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# LONG-TERM INCENTIVE PLAN **COMMITTEE REPORT**



LIM FEN NEE Chairman

Total Meetings Held in 2024

0

#### **COMPOSITION OF THE COMMITTEE**

The Long-Term Incentive Plan (LTIP) Committee comprises the following members:

- 1. Lim Fen Nee (Independent Director) Chairman
- 2. Datuk Imran Salim (Group Managing Director)
- 3. Dato' Dr Junaidah Kamarruddin (Independent Director)

#### **MEETINGS AND ATTENDANCE**

There was no LTIP Committee meeting held during the financial year ended 31 December 2024.

#### **ROLES OF THE COMMITTEE**

The duties and responsibilities of the LTIP Committee are as set out in the LTIP By-Laws as approved by the shareholders and include, amongst others, the following:-

- i) To exercise all the powers and undertake the duties and responsibilities stated in the LTIP By-Laws;
- ii) To report its activities, including how it has discharged its responsibilities, to the Board on a regular basis and promptly provide to the Board copies of the minutes of meetings of the LTIP Committee;

- iii) To arrange for periodic review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval;
- iv) To act in line with directions of the Board; and
- v) To consider and examine such other matters as the LTIP Committee considers appropriate.

Detailed Terms of Reference for the LTIP Committee are available on MRCB's website under the Corporate Governance section at https://www.mrcb.com.

#### OUR FOCUS DURING THE FINANCIAL YEAR ENDED **31 DECEMBER 2024**

During the Financial Year Ended 31 December 2024, there was no activities carried out by the LTIP Committee.

# ADDITIONAL COMPLIANCE **INFORMATION**

#### I) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

#### **Disposal of Menara CelcomDigi**

The Proposed Disposal of Menara CelcomDigi by Puncak Wangi Sdn Bhd, a wholly-owned subsidiary of the Company to Maybank Trustee Berhad, acting solely in the capacity as Trustee for Sentral REIT, for a total consideration of RM450 million, had been completed on 11 December 2023.

The status of utilisation of proceeds of the disposal is as follows:

No.	Purpose	Original Proposed utilisation of proceeds (RM'000)	Revised Proposed utilisation of proceeds (RM'000)	Actual Amount utilised (RM'000)	Balance Unutilised (RM'000)	Explanation
1	Prepayment of term loans	209,611	150,000	150,000	-	Differential between original proposed utilisation with revised proposed utilisation was due to the restructuring of financing, resulting in the capped prepayment being reduced to RM150 million. Excess has been utilised as Working Capital.
2	Working Capital	210,229	273,297	273,297	-	
3	Proposed Subscription	29,000	25,927	25,927	-	Differential between original proposed utilisation with revised amount was due to the terms of subscription being revised. The excess has been utilised as Working Capital.
4	Estimated expenses in relation to the Proposals	1,160	776	776	-	Excess from original proposed utilisation has been utilised as Working Capital.
Total		450,000	450,000	450,000	-	

Total		450,000	450,000	450,000	-	
4	Estimated expenses in relation to the Proposals	1,160	776	776	-	Excess from original proposed utilisation has been utilised as Working Capital.
3	Proposed Subscription	29,000	25,927	25,927	-	Differential between original proposed utilisation with revised amount was due to the terms of subscription being revised. The excess has been utilised as Working Capital.
2	Working Capital	210,229	273,297	273,297	-	
1	Prepayment of term loans	209,611	150,000	150,000	-	Differential between original proposed utilisation with revised proposed utilisation was due to the restructuring of financing, resulting in the capped prepayment being reduced to RM150 million. Excess has been utilised as Working Capital.
No.	Purpose	Original Proposed utilisation of proceeds (RM'000)	Revised Proposed utilisation of proceeds (RM'000)	Actual Amount utilised (RM'000)	Balance Unutilised (RM'000)	Explanation



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ADDITIONAL COMPLIANCE INFORMATION

### **II) AUDIT AND NON-AUDIT FEES**

- (i) The amount of audit fees paid or payable to the external auditors, PricewaterhouseCoopers PLT (PwC), for services rendered to the Group and the Company for the financial year ended 31 December 2024 were RM1,315,000 and RM202,000 respectively.
- (ii) The amount of non-audit fees paid or payable to PwC and corporation affiliated to PwC for services rendered to the Group and the Company for the financial year 2024 were RM1,054,000 and RM199,000 respectively, detail as follows:

Description	Group (RM'000)	Company (RM'000)
(i) Provision of Taxation Services by PricewaterhouseCoopers Taxation Sdn Bhd (PwC Tax)	291	20
<ul> <li>(ii) Provision of consultation and advisory services by PwC Tax,</li> <li>PricewaterhouseCoopers Risk Services Sdn Bhd and PricewaterhouseCoopers</li> <li>Advisory Services Sdn Bhd in relation to the corporate tax matters and agree- upon procedures</li> </ul>	763 s	179
Total	1,054	199

#### III) MATERIAL CONTRACTS INVOLVING INTEREST OF DIRECTORS OR MAJOR SHAREHOLDERS

There was no material contracts entered into by the Group involving the interest of Directors or Major Shareholders.

#### **IV) LONG-TERM INCENTIVE PLAN**

The Company established a Long-Term Incentive Plan (LTIP), which consists of two types of share awards, Restricted Share Plan (RSP) and Performance Share Plan on 28 November 2017 for a duration of five (5) years. The LTIP was extended for a further period of five (5) years to 27 November 2027.

Since the launch of the LTIP in 2017, a total of three (3) RSP Grants were awarded to the Eligible Persons in 2017, 2018 and 2019 respectively. The total numbers of LTIP units granted, vested, cancelled and outstanding since the commencement of LTIP up to 31 December 2024 are as follows:

	Numbe	r of LTIP units
Description	Grand Tota	Directors and Chief Executives
Granted	41,093,70	0 2,795,300
Vested	(27,012,30	0) (2,316,300)
Cancelled	(14,081,40	0) (479,000)
Outstanding		

The Board had agreed that no RSP Grants be awarded for the Year 2020, 2021, 2022, 2023 and 2024.

As at 31 December 2024, the actual percentage of LTIP units granted in aggregate to Senior Management of the Company is 14% since the commencement of the LTIP.



Khairunnisa binti Zulhazmi Credit & Admin Assistant (Semasa Parking)

#### **DELIVERING ON** STRONG GOVERNANCE

#### **ADDITIONAL** INFORMATION

BUILDING MEANINGFUL CAREEF

**MRCB's supportive** environment and focus on continuous learning has allowed me to grow professionally, helping me excel in administrative and credit control roles.

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Statement of use	MRCB has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)			

GRI	Disclosures	Location	Notes & Omission
GRI 2: 0	General Disclosures 2021		
2-1	Organisational details	4-5, 15, 263	
2-2	Entities included in the organisation's sustainability reporting	2, 15	
2-3	Reporting period, frequency and contact point	2-3	
2-4	Restatements of information	169, 232-237, 239, 241- 243, 252, 254-255	
2-5	External assurance	363-365	
2-6	Activities, value chain and other business relationships	6-12, 15 3, 157-166 of Financial Report	
2-7	Employees	173-174	
2-8	Workers who are not employees	176, 190, 196	
2-9	Governance structure and composition	264-272, 278	
2-10	Nomination and selection of the highest governance body	303-310 https://www.mrcb.com.my/ corporate-governance.html	
2-11	Chair of the highest governance body	265	
2-12	Role of the highest governance body in overseeing the management of impacts	153-154, 281-286, 291, 311-316	
2-13	Delegation of responsibility for managing impacts	153-156, 274-275, 293-294	
2-14	Role of the highest governance body in sustainability reporting	153-154, 281	
2-15	Conflicts of interest	265-272, 281, 288, 328	
		https://www.mrcb.com.my/	
		corporate-governance.html	
2-16	Communication of critical concerns	164, 192, 194, 281, 328	
2-17	Collective knowledge of the highest governance body	295-299	
2-18	Evaluation of the performance of the highest	300-302	
	governance body	https://www.mrcb.com.my/	
		corporate-governance.html	
2-19	Remuneration policies	307-309, 390	
2-20	Process to determine remuneration	307-308, 337-338, 390	
2-21	Annual total compensation ratio	308	
2-22	Statement on sustainable development strategy	20-37, 149-153	

GRI	Disclosures	Location	Notes & Omission
2-23	Policy commitments	164, 191-192, 244-245, 280-281, 325-331	More policies and commitments can be found at https://www.mrcb.com.my/ corporate-governance.html and https://www.mrcb.com.my/ sustainability/sustainability- statements.html
2-24	Embedding policy commitments	164, 191-192, 244-245, 280-281, 325-331	
2-25	Processes to remediate negative impacts	192, 281	
2-26	Mechanisms for seeking advice and raising concerns	164, 194, 192, 281, 328	
2-27	Compliance with laws and regulations	189, 191, 208, 256	
2-28	Membership associations	58-59	
2-29	Approach to stakeholder engagement	48-57	
2-30	Collective bargaining agreements	189, 191	
GRI 3: Ma	aterial Topics 2021		
3-1	Process to determine material topics	60, 64	
3-2	List of material topics	61-63, 65-67	
3-3	Management of material topics	142-256, 276-343	
GRI 201:	Economic Performance 2016		
201-1	Direct economic value generated and distributed	70-71, 103, 163	
201-2	Financial implications and other risks and opportunities due to climate change	216-231	
201-3	Defined benefit plan obligations and other retirement plans	137-138 of Financial Report	
201-4	Financial assistance received from government	151-152 of Financial Report	
GR1 202:	Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable	We will work towards this
202-2	Proportion of senior management hired from the local community	Not applicable	disclosure in our future reporting
GR1 203:	Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	196-207	
203-2	Significant indirect economic impacts	214	
GRI 204:	Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	55, 58, 70-71	
GRI 205:	Anti-corruption 2016		
205-1	Operations assessed for risks related corruption	85, 161, 327	
205-2	Communication and training about anti-corruption policies and procedures	72, 85, 94, 161, 327	

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GRI	Disclosures	Location	Notes & Omission
205-3	Confirmed incident of corruption and actions taken	161, 327	
GRI 206	: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	14 of the Code of Business Ethics	The Code of Business Ethics can be found at https://www. mrcb.com.my/assets/images/ pages/pdf/cg/IDD-MRCB-CoBE_ Final_16022022_v2.pdf
GRI 207	: Tax 2019		
207-1	Approach to tax	Not applicable	
207-2	Tax governance, control, and risk management	Not applicable	— We will work towards this
207-3	Stakeholder engagement and management of concerns related to tax	Not applicable	disclosure in our future reporting
207-4	Country-by-country reporting	Not applicable	
GRI 301	: Materials 2016		
301-1	Materials used by weight or volume	Not applicable	We will work towards this
301-2	Recycled input materials used	Not applicable	disclosure in our future reporting
301-3	Reclaimed products and their packaging materials	Not applicable	Not relevant to our business operation
GRI 302	: Energy 2016		
302-1	Energy consumption within the organisation	239-241	
302-2	Energy consumption outside of the organisation	240-241	
302-3	Energy intensity	242-243	
302-4	Reduction of energy consumption	240-242	
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GRI 303	: Water and Effluents 2018		
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303-2	Management of water discharge-related impacts	253-255	
303-3	Water withdrawal	254	
303-4	Water discharge	Not applicable	We will work towards this disclosure in our future reporting
303-5	Water consumption	254	
GRI 304	: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	256	
304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable	No project located in high
304-3	Habitats protected or restored	Not applicable	No project located in high
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by	Not applicable	<ul> <li>biodiversity value outside protected areas</li> </ul>

GRI	Disclosures	Location	Notes & Omission
GRI 305	: Emission 2016		
305-1	Direct (Scope 1) GHG emissions	233-237	
305-2	Energy indirect (Scope 2) GHG emissions	233-237	
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305-4	GHG emissions intensity	237	
305-5	Reduction of GHG emissions	233-237	
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	We will work towards this disclosure in our future reporting
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	Not applicable	We will work towards this disclosure in our future reporting
GRI 306	: Waste 2020		· · ·
306-1	Waste generation and significant waste-related impacts	250-252	
306-2	Management of significant waste-related impacts	250-252	
306-3	Waste generated	250-252	
306-4	Waste diverted from disposal	251	
306-5	Waste directed to disposal	251	
GRI 308	: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Not applicable	Developing environmental criteria
308-2	Negative environmental impacts in the supply chain and actions taken	Not applicable	in our pre-qualification process
GRI 401	: Employment 2016		
401-1	New employee hires and employee turnover	175-176	
402-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	177-178	
401-3	Parental leave	177	
GRI 402	: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not applicable	We will work towards this disclosure in our future reporting
GRI 403	: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	163-164	
403-2	Hazard identification, risk assessment, and incident investigation	165-166, 171	
403-3	Occupational health services	168	
403-4	Worker participation, consultation, and communication on occupational health and safety	167-168	
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403-9	Work-related injuries	167-173	
403-10	Work-related ill health	167-174	
GRI 404:	Training & Education 2016		
404-1	Average hours of training per year per employee	180-181	
404-2	Programs for upgrading employee skills and transition assistance programs	181-183	
404-3	Percentage of employees receiving regular performance and career development reviews	183	
GRI 405:	Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	264	
405-2	Ratio of basic salary and remuneration of women to men	188	
GRI 406:	Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	189-192	
GRI 407:	Freedom of Association and Collective Bargaining	2016	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	189	More information on our right to freedom of association and collective bargaining can be found at https://www.mrcb.com.my/ assets/images/pages/pdf/ MRCB_PG_Human%20Rights%20 Policy_v1.pdf
GRI 408:	Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	189	We adhere to the minimum working age in all of our locations
GRI 409:	Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	189	We adhere to national wage and working hour requirements in all of our locations
GRI 410:	Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	167	

GRI	Disclosures	Location	Notes & Omission
GRI 411:	Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of	Not applicable	We will work towards this
	indigenous peoples		disclosure in our future reporting
GRI 413:	Local Communities 2016		
413-1	Operations with local community engagement,	195-207	
	impact assessments, and development programs		
413-2	Operations with significant actual and potential	Not applicable	We will work towards this
	negative impacts on local communities		disclosure in our future reporting
GRI 414:	Supplier Social Assessment 201		
414-1	New suppliers that were screened using social	Not applicable	
	criteria		Developing social criteria in our
414-2	Negative social impacts in the supply chain and	Not applicable	pre-qualification process
	actions taken		
GRI 415	Public Policy 2016		
415-1	Political contributions	15 of the Gifts, Hospitality,	The Gifts, Hospitality, Donations
		Donations & Similar Benefits	& Similar Benefits Policy can be
		Policy	•
		Policy	found at https://www.mrcb.com my/assets/images/pages/pdf/
		Policy	•
		Policy	
GRI 416:	Customer Health and Safety 2016	Policy	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations&
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	Assessment of the health and safety impacts of		my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations&
416-1	Assessment of the health and safety impacts of product and service categories	193	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations&
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416-1 416-2 <b>GRI 417</b> :	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services Marketing and Labeling 2016	193 169	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations&
416-1 416-2 <b>GRI 417</b> :	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services Marketing and Labeling 2016 Requirements for product and service information	193 169	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations&
416-1 416-2 <b>GRI 417</b> : 417-1	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services Marketing and Labeling 2016 Requirements for product and service information and labeling	193 169 Not applicable	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations& SimilarBenefitsPolicy.pdf
416-1 416-2 <b>GRI 417</b> : 417-1	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services Marketing and Labeling 2016 Requirements for product and service information and labeling Incidents of non-compliance concerning product	193 169 Not applicable	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations& SimilarBenefitsPolicy.pdf
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416-1 416-2 <b>GRI 417:</b> 417-1 417-2 417-3	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services Marketing and Labeling 2016 Requirements for product and service information and labeling Incidents of non-compliance concerning product and service information and labeling Incidents of non-compliance concerning	193 169 Not applicable Not applicable	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations& SimilarBenefitsPolicy.pdf
416-1 416-2 <b>GRI 417:</b> 417-1 417-2 417-3	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services <b>Marketing and Labeling 2016</b> Requirements for product and service information and labeling Incidents of non-compliance concerning product and service information and labeling Incidents of non-compliance concerning marketing communications	193 169 Not applicable Not applicable	my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations& SimilarBenefitsPolicy.pdf

GRI	Disclosures	Location	Notes & Omission
GRI 411:	Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of	Not applicable	We will work towards this
	indigenous peoples		disclosure in our future reporting
	: Local Communities 2016		
413-1	Operations with local community engagement,	195-207	
	impact assessments, and development programs		
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable	We will work towards this disclosure in our future reporting
GRI 414:	Supplier Social Assessment 201		
414-1	New suppliers that were screened using social	Not applicable	
	criteria		Developing social criteria in our
414-2	Negative social impacts in the supply chain and	Not applicable	pre-qualification process
CDI 415	actions taken <b>Public Policy 2016</b>		
415-1	Political contributions	15 of the Gifts, Hospitality,	The Gifts, Hospitality, Donations
415-1		Donations & Similar Benefits Policy	& Similar Benefits Policy can be found at https://www.mrcb.com. my/assets/images/pages/pdf/ cg/Gifts,Hospitality,Donations& SimilarBenefitsPolicy.pdf
GRI 416	Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	193	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	169	
GRI 417:	Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Not applicable	
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable	Not relevant to our business operation
417-3	Incidents of non-compliance concerning marketing communications	Not applicable	
GRI 418:	Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	163, 194	

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IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

	Disclosures	Page number
Governance		
(27)(a)(i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	153
(27)(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities;	154
(27)(a)(iii)	How and how often the body(s) or individual(s) is informed about sustainability- related risks and opportunities;	153-154
(27)(a)(iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	153-154
(27)(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability- related risks and opportunities, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies.	155-156
(27)(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	155-156
(27)(b)(ii)	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	324
Strategy		
(30)(a)	Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	322
(30)(b)	The time horizons-short, medium or long term-over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur;	213
(30)(c)	The definitions of 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	213
(32)(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain;	We will work towards this disclosure in our future reporting
(32)(b)	A description of where in the entity's business model and value chain sustainability- related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	We will work towards this disclosure in our future reporting

Strategy	Disclosures	Page number
(33)(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	153-154
(33)(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information;	We will work toward this disclosure in ou future reporting
(33)(c)	Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	153-154
(34)(a)	The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	213
(34)(b)	The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	213
(35)(a)	Quantitative and qualitative information about how sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	213
(35)(b)	Quantitative and qualitative information about the sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	this disclosure in ou
(35)(c)(i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	213
(35)(c)(ii)	Its planned sources of funding to implement its strategy; and	213
(35)(d)	Quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	We will work toward this disclosure in ou future reporting
(41)	A qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon.	

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	Disclosures	Page number
Risk Manageı	ment	
(44)(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	215, 324
(44)(a)(ii)	Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks;	324
(44)(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	322
(44)(a)(iv)	Whether and how the entity prioritises sustainability-related risks relative to other types of risk	323
(44)(a)(v)	How the entity monitors sustainability-related risks; and	156, 322
(44)(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	322
(44)(b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability- related opportunities	322
(44)(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	322
Metrics and T	Targets	
(46)(a)	Metrics required by an applicable IFRS Disclosure Standards for each sustainability- related risk and opportunity that could reasonably be expected to affect an entity's prospects	323
(46)(b)	Metrics the entity uses to measure and monitor sustainability-related risk or opportunity and its performance in relation to that, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation	165
(50)(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than the IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source	165
(50)(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitatitve measure (such as a red, amber, green - or RAG - status)	165
(50)(c)	Whether the metric is validated by a third party, and, if so, which party	165, 363-365
(50)(d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	171

	Disclosures	Page number
Metrics and Ta	rgets	
(51)(a)	The metric used to set the target and to monitor progress towards reaching the target	165
(51)(b)	The specific quantitative or qualitative target the entity has set or is required to meet	165
(51)(c)	The period over which the target applies	165
(51)(d)	The base period from which progress is measured	We will work towards this disclosure in our future reporting
(51)(e)	Any milestones and interim targets	165
(51)(f)	Performance against each target and an analysis of trends or changes in the entity's performance	165
(51)(g)	Any revisions to the target and an explanation for those revisions	We will work towards this disclosure in our future reporting
Industry-based	Guidance	
Engineering &	Construction Services	
(IF-EN-160a.1)	Number of incidents of non-compliance with environmental permits, standards, and regulations	169, 208
(IF-EN-160a.2)	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	244
(IF-EN-250a.1)	Amount of defect- and safety-related rework costs	We will work towards this disclosure in our future reporting
(IF-EN-250a.2)	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	169
Home Builders		
(IF-HB-160a.1)	Number of (1) lots and (2) homes delivered on redevelopment sites	We will work towards this disclosure in our future reporting
(IF-HB-160a.2)	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	We will work towards this disclosure in our future reporting
(IF-HB-160a.3)	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	208
(IF-HB-160a.4)	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	244

	Disclosures	Page number
Metrics and Tai	gets	
(51)(a)	The metric used to set the target and to monitor progress towards reaching the target	165
(51)(b)	The specific quantitative or qualitative target the entity has set or is required to meet	165
(51)(c)	The period over which the target applies	165
(51)(d)	The base period from which progress is measured	We will work towards this disclosure in our future reporting
(51)(e)	Any milestones and interim targets	165
(51)(f)	Performance against each target and an analysis of trends or changes in the entity's performance	165
(51)(g)	Any revisions to the target and an explanation for those revisions	We will work towards this disclosure in our future reporting
Industry-based	Guidance	
Engineering & (	Construction Services	
(IF-EN-160a.1)	Number of incidents of non-compliance with environmental permits, standards, and regulations	169, 208
(IF-EN-160a.2)	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	244
(IF-EN-250a.1)	Amount of defect- and safety-related rework costs	We will work towards this disclosure in our future reporting
(IF-EN-250a.2)	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	169
Home Builders		
(IF-HB-160a.1)	Number of (1) lots and (2) homes delivered on redevelopment sites	We will work towards this disclosure in our future reporting
(IF-HB-160a.2)	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	We will work towards this disclosure in our future reporting
(IF-HB-160a.3)	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	208
(IF-HB-160a.4)	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	244

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Governance	Disclosures	Page number
(6)(a)(i)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	153-156, 212
(6)(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	154
(6)(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	153-154
(6)(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	153-154
(6)(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	155
(6)(b)(i)	Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee;	156
(6)(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	155, 324
Strategy		
(9)(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	216-231, 324
(9)(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	216-231
(9)(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	216-231
(9)(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	216-231
(9)(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	210, 213

Ctrotomy	Disclosures	Page number
Strategy (10)(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	216-231
(10)(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	216-231
(10)(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur;	216-231
(10)(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	213
(13)(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain;	216-231
(13)(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	222, 324
(14)(a)(i)	Disclose information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	210, 213
(14)(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	210, 221, 230-231
(14)(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	We will work towards this disclosure in our future reporting
(14)(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies;	We will work towards this disclosure in our future reporting
(14)(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	210-211

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	Disclosures	Page number
Strategy		
(14)(b)	How the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	213
(14)(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	233-243
(15)(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	219-230
(15)(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	219-230
(16)(a)	Quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	219-230
(16)(b)	Quantitative and qualitative information about the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	216-231
(16)(c)(i)	Specially, an entity shall disclose quantitative and qualitative information about how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	211, 213
(16)(c)(ii)	Its planned sources of funding to implement its strategy; and	213
(16)(d)	An entity shall disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	216-231
(21)(a)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: explain why it has not provided quantitative information;	
(21)(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and	We will work towards this disclosure in our future reporting
(21)(c)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	We will work towards this disclosure in our future reporting

Strategy	Disclosures	Page number
(22)(a)(i)	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	216-231
(22)(a)(ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience.	216-231
(22)(a)(iii)(1)	The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate- related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	213, 216-231
(22)(a)(iii)(2)	The entity's ability to redeploy, repurpose, upgrade or decommission existing assets;	We will work toward this disclosure in ou future reporting
(22)(a)(iii)(3)	The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.	210-211
(22)(b)(i)(1)	How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including: which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	216-231
(22)(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios;	216-231
(22)(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	216-231
(22)(b)(i)(4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	216-231
(22)(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	216-231
(22)(b)(i)(6)	The time horizons the entity used in the analysis; and	213, 218-219
(22)(b)(i)(7)	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	218-219, 224
(22)(b)(ii)(1)	The key assumptions the entity made in the analysis, including assumptions about: Climate-related policies in the jurisdictions in which the entity operates;	222-231
(22)(b)(ii)(2)	Macroeconomic trends;	222-231
(22)(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).	222-231
(22)(b)(ii)(4)	Energy usage and mix; and	We will work toward this disclosure in ou future reporting

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	Disclosures	Page number
Strategy		
(22)(b)(ii)(5)	Developments in technology; and	214
(22)(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	216-231, 324
Risk Managem	nent	
(25)(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	216-231
(25)(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	323-324
(25)(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	216-230, 322
25)(a)(iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk	322-324
25)(a)(v)	How the entity monitors climate-related risks; and	322-324
(25)(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	322-324
(25)(b)	The processes the entity uses to identify, assess, prioritise and monitor climate- related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	323-324
(25)(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	323-324
Metrics and ta	rgets	
(29)(a)(i)(1)	An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gases—the entity shall: disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as Scope 1 greenhouse gas emissions;	233-237
29)(a)(i)(2)	Scope 2 greenhouse gas emissions; and	233-237
29)(a)(i)(3)	Scope 3 greenhouse gas emissions;	238-239
(29)(a)(ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	232-243
(29)(a)(iii)(1)	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	232-243
(29)(a)(iii)(2)	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	232-243
(29)(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	232-243
(29)(a)(iv)(1)	Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph $29(a)(i)(1)-(2)$ , disaggregate emissions between: The consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parameters and its composition of the parameters of th	232-237

the parent and its consolidated subsidiaries); and

Matrice and to	Disclosures	Page number
Metrics and tai (29)(a)(iv)(2)	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).	232
(29)(a)(v)	Location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	232
(29)(a)(vi)(1)	Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i) (3), and with reference to paragraphs B32–B57: The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and	232
(29)(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63).	
(29)(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	222-231
(29)(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	216-221
(29)(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	229-231
(29)(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	213
(29)(f)(i)	Internal carbon prices—the entity shall disclose an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	230
(29)(f)(ii)	Internal carbon prices—the entity shall disclose the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	We will work toward this disclosure in ou future reporting
(29)(g)(i)	Remuneration—the entity shall disclose a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph $6(a)(v)$ ); and	155
(29)(g)(ii)	Remuneration—the entity shall disclose the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	155
(33)(a)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: the metric used to set the target (see paragraphs B66– B67);	232-233
(33)(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	232-233
(33)(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	232-233

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	Disclosures	Page number
Metrics and targ		
(33)(d)	The period over which the target applies;	232-233
(33)(e)	The base period from which progress is measured;	232-233
(33)(f)	Any milestones and interim targets;	232-233
(33)(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and	232-233
(33)(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	We will work towards this disclosure in our future reporting
(34)(a)	Whether the target and the methodology for setting the target has been validated by a third party;	We will work towards this disclosure in our future reporting
(34)(b)	The entity's processes for reviewing the target;	155-156
(34)(c)	The metrics used to monitor progress towards reaching the target; and	155-156
(34)(d)	Any revisions to the target and an explanation for those revisions.	215
(35)	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	233-243
(36)(a)	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: which greenhouse gases are covered by the target.	233-243
(36)(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	232-239
(36)(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69).	232-239
(36)(d)	Whether the target was derived using a sectoral decarbonisation approach.	We will work towards this disclosure in our future reporting
(36)(e)(i)	"The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70– B71: The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	We will work towards this disclosure in our future reporting
(36)(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits;	We will work towards this disclosure in our future reporting
(36)(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	We will work towards this disclosure in our future reporting
(36)(e)(iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	We will work towards this disclosure in our future reporting

	Disclosures	Page number
Industry-based	Guidance	
Engineering & C	Construction Services	
(IF-EN-410a.1)	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	246-247
(IF-EN-410a.2)	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	215
(IF-EN-410b.1)	Amount of backlog for (1) hydrocarbonrelated projects and (2) renewable energy projects	We will work towards this disclosure in our future reporting
(IF-EN-410b.2)	Amount of backlog cancellations associated with hydrocarbon-related projects	We will work towards this disclosure in our future reporting
(IF-EN-410b.3)	Amount of backlog for non-energy projects associated with climate change mitigation	We will work towards this disclosure in our future reporting
Home Builders		
(IF-HB-410a.1)	(1) Number of homes that obtained a certified HERS® Index Score and (2) average score	We will work towards this disclosure in our future reporting
(IF-HB-410a.2)	Percentage of installed water fixtures certified to a water efficiency standard	We will work towards this disclosure in our future reporting
(IF-HB-410a.3)	Number of homes delivered certified to a third-party multi-attribute green building standard	246-247
(IF-HB-410a.4)	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	244-246
(IF-HB-420a.1)	Number of lots located in 100-year flood zones	We will work towards this disclosure in our future reporting
(IF-HB-420a.2)	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	215

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## THE TEN PRINCIPLES OF THE **UN GLOBAL COMPACT INDEX**

	Global Compact Principle	Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	24, 64, 147-148, 191
Principle 2	Make sure that they are not complicit in human rights abuses.	147, 191-192
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	189-192
Principle 4	The elimination of all forms of forced and compulsory labour;	150, 189-192
Principle 5	The effective abolition of child labour; and	150, 189-192
Principle 6	The elimination of discrimination in respect of employment and occupation.	189-192
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	208-256
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	208-256
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	214, 246-249
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	160-161, 277, 281, 327

## **INDEPENDENT ASSURANCE OPINION STATEMENT**

For Malaysian Resources Corporation Berhad



### Malaysian Resources Corporation Berhad (MRCB) Integrated Annual Report 2024

To the Directors of Malaysian Resources Corporation Berhad,

Holds Statement No.: SRA 823915

The British Standards Institution (BSI) has conducted a reasonable assurance engagement on the sustainability information (described in the "Scope") in the Integrated Annual Report 2024 of Malaysian Resources Corporation Berhad (MRCB).

#### Scope

The scope of engagement agreed upon with MRCB covers the information of the following subject matters in the MRCB's Integrated Annual Report for the year 2024 are:

- 1. Scope 1 Emissions:
  - Fuel consumption from stationary combustion
  - Fuel consumption from mobile combustion, i.e., company-owned vehicles •
  - Refrigerant, i.e., district cooling system
- Scope 2 Emissions: Electricity consumption (owned and managed assets) 2.
- Scope 3 Emissions: 3.
  - Category 3 Fuel- and Energy-Related Activities .
  - Category 6 Business Travel .
  - Category 7 Employee Commuting
  - Category 13 Downstream Leased Assets
- Energy Consumption 4.
- 5. Water Withdrawal
- Health and Safety Data: 6.
  - Rate
  - Number of employees trained on health and safety standards
- 7. Employment (GRI 401)
- Diversity and Equal Opportunity (GRI 405) 8.
- Training and Education (GRI 404) 9.
- 10. Anti-corruption (GRI 205)
- 11. Customer Privacy (GRI 418)

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Safety Matrix/Performance - Incident Rate, Rate of Recordable Work-Related Injuries, Lost Time Incident Rate & Fatality

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### INDEPENDENT ASSURANCE OPINION STATEMENT

For Malaysian Resources Corporation Berhad

#### **Opinion Statement**

We have conducted a reasonable assurance engagement on the sustainability information described in the "Scope" above (Sustainability Information).

In our opinion, the accompanying Sustainability Information is fairly presented, in all material respects, in accordance with the Global Reporting Initiatives (GRI) and Bursa Malaysia Sustainability Reporting Guide (3rd edition).

#### Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG statement. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to MRCB's policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on MRCB's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- Interviews with staff involved in sustainability management, report preparation and provision of report information were carried out
- Document review of relevant systems, policies, and procedures where available.
- Review of the findings of internal assurances.
- Review of supporting evidence for claims made in the reports.
- Visit of the Headquarters of MRCB to confirm the data collection processes, record management and practices. .

#### Responsibility

MRCB is responsible for the preparation and fair presentation of the sustainability information and reports in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Independence, Quality Control and Competence

BSI is independent of MRCB and has no financial interest in the operation of MRCB other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of MRCB only for the purposes of verifying its statements relating to its environmental, social and governance (ESG), more particularly described in the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by MRCB. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by MRCB is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and GHG inventory and management systems and processes.

Issue Date: 4th April 2025

For and on behalf of BSI:

Wan Mugtadir Wan Abdul Fatah Lead Assurer

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# **PERFORMANCE DATA TABLE**

From Bursa Malaysia's ESG Reporting Platform

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Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Total employee	Percentage	98.40	98.70
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.17
Bursa C5(c) Number of employees trained on health and safety standards	Number	873	1,653
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category		_	
Senior Management Under 30	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	48.00	46.00
Senior Management Above 50	Percentage	52.00	54.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	76.00	75.00
Middle Management Above 50	Percentage	24.00	25.00
Executive Under 30	Percentage	15.00	13.00
Executive Between 30-50	Percentage	78.00	78.00
Executive Above 50	Percentage	7.00	9.00
Non-Executive Under 30	Percentage	32.00	28.00
Non-Executive Between 30-50	Percentage	58.00	62.00
Non-Executive Above 50	Percentage	10.00	10.00
Gender Group by Employee Category			
Senior Management Male	Percentage	80.00	79.00
Senior Management Female	Percentage	20.00	21.00
Middle Management Male	Percentage	66.00	65.00
Middle Management Female	Percentage	34.00	35.00
Executive Male	Percentage	48.00	46.00
Executive Female	Percentage	52.00	54.00
Non-Executive Male	Percentage	79.00	79.00
Non-Executive Female	Percentage	21.00	21.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	71.00	62.50
Female	Percentage	29.00	37.50
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	29.00	25.00
Above 50	Percentage	71.00	75.00

ndicator	Measurement Unit	2023	202
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	882	1,65
Middle Management	Hours	2,498	7,96
Executive	Hours	4,876	20,98
Non-Executive	Hours	628	10,05
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	76.00	43.0
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	9	1
Middle Management	Number	71	7
Executive	Number	206	22
Non-Executive	Number	96	10
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.60	98.1
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	
Bursa (Community/Society)			-
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,321,522.00	2,203,500.0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	102,044	158,22
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	7,870.00 *	8,793.0
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	27,339.00 *	20,274.0
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	19,194.00 *	233,779.0
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	49,362.78 *	50,974.1
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	3,610.00 *	7,773.0
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	383.00 *	7,303.0
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	3,227.00 *	470.0
Bursa (Water)			
	Megalitres	573.053000 *	495,11900

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From Bursa Malaysia's ESG Reporting Platform



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# **ANALYSIS OF SHAREHOLDINGS**

As At 24 March 2025

Tota	al Number of Issued Shares	:	4,467,509,508
Clas	ss of Shares	:	Ordinary shares
No.	of Shareholders	:	42,243
Voti	ng Rights	:	One vote for every share

#### LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

		Direct Interest		Deemed Interest	
Nam	le	No. of Shares Held	%	No. of Shares Held	%
1.	EMPLOYEES PROVIDENT FUND BOARD	1,617,485,447	36.21	-	-
2.	GAPURNA SDN BHD	691,624,394	15.48	-	-
3.	LEMBAGA TABUNG HAJI	238,960,246	5.35	-	-

#### **INFORMATION ON DIRECTORS' SHAREHOLDINGS**

		Direct Interest		Direct Interest		Deemed Interest	
No.	Names Of Directors	No. of Shares Held	%	No. of Shares Held	%		
1.	DATO' MOHAMAD NASIR AB LATIF	-	-	-	-		
2.	TAN SRI MOHAMAD SALIM FATEH DIN	1,388,800	0.03	691,624,394*	15.48		
3.	DATUK IMRAN SALIM	468,200	0.01	-	-		
4.	MOHAMAD HAFIZ KASSIM	-	-	-	-		
5.	DATO' WAN KAMARUZAMAN WAN AHMAD	286,875	0.01	-	-		
6.	DATO' DR JUNAIDAH KAMARRUDDIN	-	-	-	-		
7.	LIM FEN NEE	-	-	-	-		
8.	DATUK RASHIDAH MOHD SIES	-	-	-	-		

\* Held through Gapurna Sdn Bhd

#### DISTRIBUTION OF SHAREHOLDING

Size of Shareholdings	No. of Holders Shareholders	Percentage of Shareholders (%)	No. of Share	Percentage of Share Capital (%)
less than 100	4,406	10.43	158,684	0.00
100 to 1,000	7,637	18.08	4,198,031	0.09
1,001 to 10,000	17,062	40.39	86,061,645	1.93
10,001 to 100,000	11,014	26.07	378,655,991	8.48
100,001 to less than 5% of issued shares	2,121	5.02	1,450,365,070	32.46
5% and above of issued shares	3	0.01	2,548,070,087	57.04
TOTAL	42,243	100.00	4,467,509,508	100.00

# **TOP 30 LARGEST SHAREHOLDERS**

(Without Aggregating the Securities from Different Securities Accounts Belonging to the Same Register Holder) As At 24 March 2025

No.	Name	Holdings	%
1.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,098,982,689	24.599
2.	GAPURNA SDN BHD	691,624,394	15.481
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	518,502,758	11.606
4.	LEMBAGA TABUNG HAJI	231,574,446	5.184
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	102,253,838	2.289
6.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	44,269,000	0.991
7.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	43,636,900	0.977
8.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	37,690,500	0.844
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	32,399,400	0.725
10.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	30,545,901	0.684
11.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	28,642,700	0.641
12.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	20,518,559	0.459
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	19,051,227	0.426
14.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY FUND	17,693,300	0.396
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	16,668,213	0.373
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	15,667,297	0.351
17.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	15,353,500	0.344
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	14,271,900	0.319
19.	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	13,676,796	0.306
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	13,117,700	0.294

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## **TOP 30 LARGEST SHAREHOLDERS**

(Without Aggregating the Securities from Different Securities Accounts Belonging to the Same Register Holder) As At 24 March 2025

No.	Name	Holdings	%
21.	CITIGROUP NOMINEES (ASING) SDN BHD	11,840,457	0.265
	CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA		
	INVESTMENT DIMENSIONS GROUP INC		
22.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	10,443,000	0.234
	GREAT EASTERN TAKAFUL BERHAD (MEKAR)		
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	8,534,900	0.191
	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL ISLMC)		
24.	CITIGROUP NOMINEES (ASING) SDN BHD	8,433,247	0.189
	CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND		
25.	LIM GAIK BWAY @ LIM CHIEW AH	8,291,295	0.186
26.	LIM SOO KIOW	8,000,000	0.179
27.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	7,453,100	0.167
	GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)		
28.	CARTABAN NOMINEES (ASING) SDN BHD	7,061,538	0.158
	THE BANK OF NEW YORK MELLON FOR VANGUARD FTSE ALL-WORLD EX-		
	US SMALL-CAP INDEX FUND		
29.	CARTABAN NOMINEES (ASING) SDN BHD	6,991,546	0.156
	BNYM SA/NV FOR ISHARES PUBLIC LIMITED COMPANY		
30.	UOB KAY HIAN NOMINEES (ASING) SDN BHD	6,831,207	0.153
	EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )		
	Total	3,090,021,308	69.167

# **ANALYSIS OF WARRANT B HOLDINGS**

As At 24 March 2025

Number of Outstanding Warrants	: 438,518,
Exercise Price of Warrants	: RM1.25
Exercise Period of Warrants	: 30 Octob
Voting Rights at Meeting of Warrant Holders	: One vote

#### LIST OF SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE)

		Direct Interest		Deemed Interest	i -
Nam	ne	No. of Warrants	%	No. of Warrants	%
1.	GAPURNA SDN BHD	71,309,149	16.26	-	-

### INFORMATION ON DIRECTORS' WARRANT HOLDINGS

		Direct Interest		Deemed Interest			
No.	Names Of Directors	No. of Warrants	%	No. of Warrants	%		
1.	DATO' MOHAMAD NASIR AB LATIF	-	-	-	-		
2.	TAN SRI MOHAMAD SALIM FATEH DIN	-	-	71,309,149*	16.26		
3.	DATUK IMRAN SALIM	-	-	-	-		
4.	MOHAMAD HAFIZ KASSIM	-	-	-	-		
5.	DATO' WAN KAMARUZAMAN WAN AHMAD	-	-	-	-		
6.	DATO' DR JUNAIDAH KAMARRUDDIN	-	-	-	-		
7.	LIM FEN NEE	-	-	-	-		
8.	DATUK RASHIDAH MOHD SIES	-	-	-	-		

\* Held through Gapurna Sdn Bhd

#### **DISTRIBUTION OF WARRANT HOLDING**

Size of Warrant Holdings	No. of Holders Warrant Holders	Percentage of Warrant Holders (%)	No. of Warrant	Percentage of Warrant Capital (%)
less than 100	850	11.00	33,267	0.01
100 to 1,000	3,097	40.07	1,480,157	0.34
1,001 to 10,000	2,124	27.48	7,912,982	1.80
10,001 to 100,000	1,156	14.96	48,563,122	11.07
100,001 to less than 5% of issued warrant	501	6.48	309,219,480	70.52
5% and above of issued warrant	1	0.01	71,309,149	16.26
TOTAL	7,729	100.00	438,518,157	100.00

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MALAYSIAN RESOURCES CORPORATION BERHAD Additional Information

No.	Name	Holdings	%
1.	GAPURNA SDN BHD	71,309,149	16.261
2.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED NIZAM BIN MOHAMED JAKEL (MI0070)	10,000,000	2.280
3.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LUQMAN BIN MOHAMED JAKEL (MI0072)	9,504,200	2.167
4.	ER SOON PUAY	9,234,900	2.106
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SZE HSIEN @ CHEE AH KOW (029)	8,800,000	2.007
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHAI CHUIN FOOK	7,133,700	1.627
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG SIENG CHO	5,342,300	1.218
8.	CHEE CHUNG YEN	5,280,400	1.204
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK KAH HOONG (E-SJA)	4,384,000	1.000
10.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YEW BENG (E-SJA)	4,300,000	0.981
11.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG HON SING (KKINABALU-CL)	4,108,400	0.937
12.	WONG CHOW YANG	4,000,000	0.912
13.	LIM POH HOCK	3,665,000	0.836
14.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,624,441	0.827
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGED SECURITIES ACCOUNT FOR CHIN SIN MEW	3,500,000	0.798
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE YEN CHUAN	3,456,600	0.788
17.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOO KUAN KIONG (MF00409)	3,139,700	0.716
18.	DOMINIC ONG SHENG YEW	3,000,000	0.684
19.	FUNG HUI QI	3,000,000	0.684
20.	YUEN AH LEN	3,000,000	0.684

(Without Aggregating the Securities from Different Securities Accounts Belonging to the Same Register Holder) As At 24 March 2025

No.	Name	Holdings	%
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MADHARAN A/L KIPI NAMBIA (7002490)	2,851,600	0.650
22.	ENG CHONG HENG	2,750,000	0.627
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	2,674,660	0.610
24.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,634,201	0.601
25.	MUHAMMAD HABIL BIN ABD HALIL	2,600,000	0.593
26.	NG KIM HOCK	2,500,000	0.570
27.	CHONG YEW MUN	2,300,000	0.524
28.	ALLIANCEGROUP NOMINEES (ASING) SDN BHD TAN KONG HENG (8102918)	2,238,581	0.510
29.	FONG YEW KONG	2,054,301	0.468
30.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	2,029,274	0.463
	Total	194,415,407	44.335

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MALAYSIAN RESOURCES CORPORATION BERHAD Additional Information

Description / Existing Use	Location	Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
Kompleks Sentral - 6 storey industrial buildings/flatted factories and warehouse	33, Jalan Segambut Atas, Segambut, 51200 Kuala Lumpur, Wilayah Persekutuan.	72,098	20,187	1982	Leasehold 47 years expiring on 2.10.2044	42	Nil
Land for proposed mixed housing development	PT No. 18520, 30010, 30095, 33467, 33468, 33630-33632, 35759, 33653-33654, 37809, Lot 37855 and 37906, Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	31,482	3,820	1987	Freehold	-	Nil
Land for proposed commercial development	Lot 74 Sek. 70 Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	23,080	514,390	1998	Freehold	-	Yes
Land for proposed commercial development	Lot 20006, Seksyen 72, Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	1,533	3,345	2016	Freehold	-	Nil
Plaza Sentral Tower – Office Units	Unit 1B-G-1, Unit 1B-03-1, Unit 1B- 03-2, Block A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Wilayah Persekutuan.	759	2,236	2008	Freehold	16	Nil

Description / Existing Use	Location	Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
2 storey shop office	No. 55 & 55A, Persiaran Dataran 4, Iskandar Perdana, 32610 Seri Iskandar, Perak Darul Ridzuan.	156	136	2005	Leasehold 99 years expiring on 18.3.2102	22	Nil
Land for proposed condominium development	Country lease No. 015146120, Municipality and District of Kota Kinabalu, Sabah.	11,000	0	1989	Leasehold 999 years expiring on 4.7.2918	-	Nil
Several parcels of land for proposed mixed development	Lot 1210-1241, Lot 1271-1393, Lot 1399-1494, Lot 180, Lot 213-232, PT 721-763, PT 1008, 1009, PT 1011, PT5081-5736, PT5739, 5745, PT5747 KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	201,590	48,282	2001, 2002, 2009, 2010, 2019	Leasehold 33-99 years expiring between 13.3.2031 to 22.12.2118	-	Nil
Ascott Sentral - 21-storey block of service residence apartments	No. 211, Jalan Tun Sambanthan, 50470 Kuala Lumpur, Wilayah Persekutuan.	23,121	69,182	2007	Freehold	11	Yes

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Description / Existing Use	Location	Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed mixed development	Lot 20031 & Lot 481117, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	18,993	50,427	2013	Leasehold 99 years expiring on 11.5.2113	-	Yes
Land for proposed mixed development	PT 36 & 37, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	1,880	7,166	2016	Freehold	-	Nil
Land for proposed mixed development	Lot 10066 Section 26, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	46,957	587,714	2010, 2023	Leasehold 99 years expiring on 9.2.2108	-	Nil
Land for proposed mixed development	HS(M) 463, PTD 18877, HS(M) 464, PTD 18878, HS(M) 466, PTD 18879, HS(M) 467, PTD 18880, GM793, Lot 799, Mukim Pulai, District of Johor Bahru, Johor.	269,431	77,390	2015	Freehold		Nil
2 units of single storey warehouse	Plot No. 143, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,490	736	2014	Freehold	11	Nil

Description / Existing Use	Location	Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
Industrial land	Lot 21192 & 21194, Jalan Industry 2/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	18,210	6,269	1997	Freehold	-	Nil
Land for proposed future development	PT 712 (HSD 32876), PT 770 (173111), PT 771 (173112), PT 772 (173113), PT 773 (173114), Lot 62 (HSD 13404), PT 333 (HSD13256), PT 766 (173115), PT 767 (173117), PT 769 (173116), Seksyen 4, Bandar Betterworth, Daerah Seberang Perai Utara, Pulau Pinang.	72,495	305,208	2013/2014/ 2016/2017	Freehold	-	Nil
Penang Sentral Transportation terminal	PT 770 (173111), Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang	19,559	187,277	2013/2014	Freehold	7	Nil
Land for proposed commercial office and serviced apartment with car park	HS(D) 93833, PT 27759, Bukit Rahman Putra, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	18,421	52,350	2014	Freehold	-	Yes

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Description / Existing Use	Location	Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance	Description / Existing Use	Location
Land for proposed future development	H.S.(D) 322521 PT 51708, H.S.(D) 322522 PT 51709, H.S.(D) 322523 PT 51710, H.S.(D) 322524 PT 51711,	214,451	1,247,112	2017	Leasehold 96 years expiring on 12.5.2115	-	Nil	Several parcels of land for proposed mixed development	Lot 311987 - 31199 Lot 311999 - 31200 Lot 312008 - 31201 Lot 312014, Simpang Pulai, Mukim Sungai Raya Daerah Kinta, Perak Darul Ridzuan
	H.S.(D) 322525 PT 51712, H.S.(D) 322526 PT 51713, H.S.(D) 322527							Several parcels of land for proposed mixed development	Lot 312363 - 31236 Simpang Pulai, Mukim Sungai Raya Daerah Kinta, Perak Darul Ridzuan
	PT 51714, H.S.(D) 322528 PT 51715, H.S.(D) 322529 PT 51716, H.S.(D) 222529							Several parcels of land for proposed mixed development	Lot 312366, Simpang Pulai, Mukim Sungai Raya Daerah Kinta, Peral Darul Ridzuan.
	H.S.(D) 322530 PT 51717 Mukim Sungai Buloh, Daerah Petaling, Selangor							Several parcels of land for proposed mixed development	PT 26998 & PT269 Simpang Pulai, Mukim Sungai Raya Daerah Kinta, Peral Darul Ridzuan.
Land for proposed mixed development	H.S.(D) 39260, PT 184, Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	20,492		2018	Leasehold 99 years expiring on 26.5.2080	-	Nil		
Land for proposed mixed development	PN 49755, Lot 20000 Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	2,240	> 339,589	2018	Leasehold 99 years expiring on 29.11.2109	-	Nil		
Land for proposed mixed development	Geran 80517, Lot 20019 Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	17,990		2018	Freehold	-	Nil		

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Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
89,135	32,904	2021	Leasehold 99 years expiring on 10.10.2106	-	Nil
2,676,212	123,767	2021	Leasehold 99 years expiring on 23.09.2107	-	Nil
394,240	18,478	2022	Leasehold 99 years expiring on 26.05.2121	-	Nil
120,691	13,731	2022	Leasehold 99 years expiring on 31.05.2121	-	Nil



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Description / Existing Use	Location	Area (Sqm)	Net Book Value as at 31/12/2024 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed residential tower development	Lot 3 on RP59972, Lot 169 on RP21845, Lot 8, Lot 10, Lot12, Lot 14 and Lot 16 on SP243229, 26 Vista Street, 27 Thornton Street and 2949-2957 Surfers Paradise Boulevard, Gold Coast, Australia	3,100	61,791	2022	Freehold	-	Nil
Land for proposed residential tower development	20-20A Queen St, Southport, Gold Coast, Queensland	1,743	24,360	2024	Freehold	-	Nil
Land for proposed future development	Lot 17182 Block 26 Mukim Muara Tuang Daerah Samarahan, Sarawak	89,314	31,645	2022	Leasehold 60 years expiring on 14.06.2082	-	Nil
2 parcels of industrial land erected with single storey purpose built detached factory and ancillary buildings	PT 10756, PT 10757, Mukim Titi Tinggi, Lembah Chuping, Perlis.	39,914	78,264	2023	Leasehold 60 years expiring on 13.06.2083	1	Yes
2 parcels of industrial land	PT 10758, PT 10759, Mukim Titi Tinggi, Lembah Chuping, Perlis.	19,895	419	2023	Leasehold 60 years expiring on 13.06.2083	-	Nil

## **CORPORATE DIRECTORY**

### MALAYSIAN RESOURCES **CORPORATION BERHAD**

Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur,

Tel: +603 2786 8080 (General Line) Fax: +603 2780 7988

## **SUBSIDIARIES**

#### **PROPERTY DEVELOPMENT** & INVESTMENT

#### MRCB LAND SDN BHD

Lot B-L1-12, Level 1, Block B Blok Komersial VIVO 9 Seputeh No. 29, Jalan Teluk Datok Off Jalan Klang Lama 58000 Kuala Lumpur Tel: +603 2786 8080 (General Line) Fax: +603 2780 7988

### **ENGINEERING, CONSTRUCTION & ENVIRONMENT**

#### MRCB BUILDERS SDN BHD

Lot B-L1-12, Level 1, Block B Blok Komersial VIVO 9 Seputeh No. 29, Jalan Teluk Datok Off Jalan Klang Lama 58000 Kuala Lumpur

Tel: +603 2786 8080 (General Line) Fax: +603 2780 7988

# PARKING

50470 Kuala Lumpur. Tel: +603 2786 8080

Suite 2A-3-1, Level 3 Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur. Tel: +603 2786 8080 Fax: +603 2260 3306

### ASSOCIATES

SDN BHD G27A, Level 3A, Block B, Platinum Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur. Tel: +603 2786 8080 (General Line)

Fax: +603 2780 0098

Note - "0" denotes as amount less than RM1,000.

### ADDITIONAL INFORMATION

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#### **FACILITIES MANAGEMENT &**

#### SEMASA SENTRAL SDN BHD

Level 2, Stesen Sentral Kuala Lumpur, (General Line) +603 2859 7070

#### SEMASA PARKING SDN BHD

#### SENTRAL REIT MANAGEMENT

#### **OVERSEAS**

MRCB AUSTRALIA HOLDING COMPANY PTY LTD MRCB PROJECT CARNEGIE PTY LTD MRCB PROJECT QUEEN STREET PTY LTD (formerly known as MRCB **PROJECT INCORPORATED PTY LTD)** MRCB PROJECT VISTA PTY LTD

21-23 Aristoc Road, Glen Waverley Vic, 3150 Australia

#### MRCB NEW ZEALAND HOLDINGS LIMITED

### **MRCB AOTEA CENTRAL LIMITED** MRCB BLEDISLOE HOUSE LIMITED

Level 8, 57 Symonds Street, Grafton, Auckland, 1010 New Zealand

#### **MRCS (SINGAPORE) PTE LTD**

30 Cecil Street #19-08 Prudential Tower Singapore, 049712



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#### **9 SEPUTEH**

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#### **PJ SENTRAL**

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#### **ALSTONIA HILLTOP HOMES**

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#### **SENTRAL SUITES**

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#### **KALISTA PARK HOMES**

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#### **KWASA DAMANSARA CITY CENTRE**

KDCC Property Gallery PT 51710, Persiaran Kwasa Utama, Seksyen U4, 40150 Shah Alam, Selangor. Tel: +603 2718 1733

#### **PENANG SENTRAL**

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## **NOTICE OF THE 54<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the 54th Annual General Meeting ("AGM") of Malaysian Resources Corporation Berhad ("MRCB" or "the Company") will be held on Wednesday, 4 June 2025 at 10.00 a.m. at President Ballroom, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur for the following purposes:

#### AGENDA

**Ordinary Business** 

1. To receive the Statutory Financial Statements 31 December 2024 and the Reports of the Directo

Refer to Explanatory Note 1

2. To re-elect Datuk Rashidah Mohd Sies who retires Company and being eligible, has offered herself f

Refer to Explanatory Note 2

- To re-elect the following Directors who retire by 3. Constitution of the Company and being eligible ha
  - (i) Mohamad Hafiz Kassim (ii) Lim Fen Nee

Refer to Explanatory Note 2

4. To approve the payment of RM82,787 for Datuk Ras year ended 31 December 2024.

Refer Explanatory Note 3

- To approve the payment of Directors' Fees to the 5. 31 December 2025:
  - (i) RM200,000 for Dato' Mohamad Nasir Ab Lat
  - (ii) RM150,000 for Mohamad Hafiz Kassim
  - (iii) RM150,000 for Dato' Wan Kamaruzaman Wa
  - (iv) RM150,000 for Dato' Dr Junaidah Kamarrude
  - (v) RM150,000 for Lim Fen Nee
  - (vi) RM150,000 for Datuk Rashidah Mohd Sies

Refer Explanatory Note 4

6. Note 5 of the explanatory notes, from 5 June 2025 until the next AGM of the Company.

Refer to Explanatory Note 5

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s of the Company for the financial year ended ors and Auditors thereon.	
es pursuant to Article 106 of the Constitution of the for re-election.	Resolution 1
rotation pursuant to Articles 101 and 102 of the ave offered themselves for re-election:	Resolution 2 Resolution 3
ashidah Mohd Sies as Director's Fee for the financial	Resolution 4
e following Directors for the financial year ending	
atif an Ahmad Idin	Resolution 5 Resolution 6 Resolution 7 Resolution 8 Resolution 9 Resolution 10

To approve the benefits extended to the Non-Executive Directors of the Company as detailed out in **Resolution 11** 



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## NOTICE OF THE 54<sup>TH</sup> ANNUAL GENERAL MEETING

7. To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial **Resolution 12** year ending 31 December 2025 and to authorise the Directors to fix their remuneration.

Refer to Explanatory Note 6

8. To transact any other business for which due notice has been received.

BY ORDER OF THE BOARD

MOHD NOOR RAHIM YAHAYA MAICSA 0866820 / SSM PC No. 202008002339 **Company Secretary** Kuala Lumpur 30 April 2025

Notes:

- Only members whose names appear in the Record of Depositors as at 26 May 2025 ("General Meeting Record of 1. Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
- 2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to 3. be represented by each proxy is specified.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for 4. multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed 6. under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
- The Form of Proxy or other instruments of appointment **must be deposited** at the office of the Share Registrar of the 7. Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Java, Selangor, Malaysia or lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or by email to bsr.helpdesk@boardroomlimited.com by 10.00 a.m. on Monday, 2 June 2025 being not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

#### **EXPLANATORY NOTES:**

1. Statutory Financial Statements for the financial year ended 31 December 2024

The Statutory Financial Statements laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("the Act") are for discussion only under Agenda 1. There is no requirement to seek shareholders' approval and hence, will not be put for voting.

#### 2. Ordinary Resolutions 1, 2 and 3 - Re-election of Directors

determining the Directors who are to retire by rotation at that meeting.

Datuk Rashidah Mohd Sies who was appointed on 13 June 2024, is standing for re-election as a Director in accordance with Article 106 and has consented to be re-elected as a Director of the Company.

Company are subject to retirement by rotation at each AGM of the Company.

The Directors who are subject to re-election at the 54th AGM of the Company are Mohamad Hafiz Kassim and Lim Fen Nee. Both of them, being eligible, have offered themselves for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 54<sup>th</sup> AGM, the Board through its Nomination & Remuneration Committee ("NRC"), had assessed each of the retiring Directors and considered the followina:

- (i)
- discharge their role effectively;
- (v) the Company in decision-making.

Based on the aforesaid assessment, the Board and the NRC are satisfied that the performance of each of the retiring Directors have met the performance criteria required of an effective and high-performance Board and the Board's expectations by continuously discharging their duties diligently as Directors of the Company.

The profiles of Directors standing for re-election are set out on pages 265 to 272 of the Integrated Annual Report 2024.

#### Ordinary Resolution 4 - Payment of RM82,787 for Datuk Rashidah Mohd Sies as Director's Fee for the financial year ended 3. 31 December 2024

The Company had tabled separate resolutions for the Director's fee of each Non-Excutive Director ("NED") of the Company at the 53rd AGM held on 24 May 2024. Since Datuk Rashidah Mohd Sies was appointed as an Independent Director of the Company after the 53rd AGM, her Director's fees for the financial year ended 31 December 2024 could only be paid to her after obtaining the shareholders' approval at the forthcoming AGM.

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(i) Article 106 of the Company's Constitution, inter alia, provides that the directors shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in

(ii) Articles 101 and 102 of the Company's Constitution, inter alia, provides that at least one-third of the Directors of the

satisfactory performance and have met the Board's expectation in discharging their duties and responsibilities; (ii) level of contribution to Board discussion through his/her skill, experience and expertise; (iii) evaluation of each Director's character, integrity, competence and experience as well as fit and properness to

(iv) the Director's commitment and time allocation to ensure effective fulfillment of their responsibilities; and Level of independence demonstrated by the Independent Directors and their ability to act in the best interests of



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Based on the rate of RM150,000 per year for NED, her Director's fee for the financial year ended 31 December 2024 would be apportioned proportionately. The Director's fee for Datuk Rashidah for the financial year ended 31 December 2024 would be RM82,787.

Ordinary Resolutions 5, 6, 7, 8, 9 and 10 - Payment of Directors' Fees to Non-Executive Directors' ("NED") For The Financial 4. Year Ending 31 December 2025

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of the Company will have to be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of the fees to NEDs for the financial year ending 31 December 2025 based on the rate of RM200,000 per year for the Chairman and RM150,000 per year for other NEDs.

#### Ordinary Resolution 11 - Benefits Payable to NEDs 5.

The benefits comprise allowances, benefits in kind and other emoluments payable to the NEDs, details of which are as follows:

Benefit	Description	Amount		
Monthly Fixed	Chairman of the Board	RM10,000 per month		
Allowance*	nce* Chairman of the Executive Committee ("EXCO")			
	Chairman of the Audit & Risk Management Committee	RM2,000 per month		
	Chairman of the Nomination & Remuneration Committee	RM2,000 per month		
	Chairman of the LTIP Committee	RM2,000 per month		
	Members of the Board/Committees of the Board			
	* Each Director will be entitled to the highest monthly fixed allowance only			
Meeting Allowance	Chairman of the Board / Committee	RM4,000 per meeting		
	Member of the Board / Committee	RM3,000 per meeting		
Other Benefits	Monthly subscription of club membership			
	Staff discount of 7% for purchase of properties developed by MRCB Group			
	Other claimable benefits			

#### Ordinary Resolution 12 - Re-appointment of Auditors 6.

The Board has at the meeting held on 27 March 2025 approved the recommendation of the Audit & Risk Management Committee on the re-appointment of Messrs PricewaterhouseCoopers PLT ("PwC") as Auditors of the Company. The Board is satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources that PwC had provided to MRCB Group as prescribed under Paragraph 15.21 of the Listing Requirements.

## STATEMENT ACCOMPANYING NOTICE **OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for re-election are as follows:

#### Resolution 1

**Datuk Rashidah Mohd Sies** Independent Director

Nationality | Malaysian Age | 61 Gender | Female Date of Appointment | 13 June 2024 Length of Tenure | 10 Months

#### Academic/Professional Qualification(s)/Membership(s)

- · Masters in Business Administration, US International University California, USA
- Bachelor in Business Administration (Finance), Idaho State University, USA
- Diploma in Public Administration, INTAN
- Advanced Management and Leadership Programme, University of Oxford

#### **Directorship/Relevant Appointment**

Listed Entities

• Director, KUB Malaysia Berhad

#### Others

- Director, Bank Pembangunan Malaysia Berhad
- Director, UDA Holdings Berhad

#### **Relevant Experience**

Datuk Rashidah has served the Government of Malavsia for more than 30 years. She started her career in the Ministry of Finance ("MOF") in 1989 and served the Ministry ever since. Her first appointment was as an Assistant Secretary in the Finance Division (Investment), MOF. Rising through the rank, she was promoted to the post of Principal Assistant Secretary and later became the Head of Section (Commercial), Government Investment Companies Division, Ministry of Finance. She then assumed the post of Deputy Undersecretary of the same division before being appointed as the Undersecretary of Government Investment Companies Division.

She was later appointed as the Deputy Secretary General to the Treasury (Management), a post she held until her retirement on 12 January 2024. Datuk Rashidah also has broad experiences as a member of Board of Directors of Government companies and agencies. She was previously a Board Member of Tenaga Nasional Berhad, Agrobank, Johor Port, Securities Commission Malaysia and DBKL, to name a few.

Datuk Rashidah does not hold any shares in MRCB, has no family relationship with any Director and/or major shareholders of MRCB, and has no conflict or potential conflict of interest with MRCB. She has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FY2024.

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MALAYSIAN RESOURCES CORPORATION BERHAD Additional Information

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

#### **Resolution 2**

#### Mohamad Hafiz Kassim

Non-Executive Non-Independent Director Nominee of Employees Provident Fund ("EPF"), a major shareholder of MRCB

Nationality | Malaysian Age | 50 Gender | Male Date of Appointment | 1 September 2021 Length of Tenure | 3 years and 8 Months

#### Academic/Professional Qualification(s)/Membership(s)

- B.Sc (Econs) Accounting and Finance, London School of Economics and Political Science
- Fellow, Association of Chartered Certified Accountants
- CFA Charterholder. CFA Institute

#### **Directorship/Relevant Appointment**

Listed Entities

• Director, Axiata Group Berhad

Others

• Nil

#### **Relevant Experience**

Mohamad Hafiz is the Chief Financial Officer of the EPF. He joined the EPF in 2008, where he was entrusted with several leadership roles within the Investment Division. Prior to his current role, he led various departments including Private Equity, Capital Markets and Real Estate. He was also the Managing Director of Kwasa Land Sdn. Bhd., a wholly owned subsidiary of EPF, from April 2020 to May 2021.

Prior to joining the EPF, he had worked with Daiwa Capital, PricewaterhouseCoopers and Telekom Malaysia, where he started his career as an investment analyst. He has over 20 years of corporate experience, with a focus on real estate, private equity, capital markets, auditing and accounting.

Mohamad Hafiz does not hold any shares in MRCB, has no family relationship with any Director and/or major shareholders of MRCB, and has no conflict or potential conflict of interest with MRCB. He has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FY2024.

#### **Resolution 3**

Lim Fen Nee Independent Director

Nationality | Malaysian Age | 52 Gender | Female Date of Appointment | 1 November 2021 Length of Tenure | 3 years and 6 Months

#### Academic/Professional Qualification(s)/Membership(s)

- Fellow of the Association of Chartered Certified Accountants
- Chartered Accountant, Malaysian Institute of Accountants
- Asean Chartered Professional Accountant, Malaysian Institute of Accountants
- Master of Business Administration in E-Commerce, Charles Sturt University, Australia

#### **Directorship/Relevant Appointment**

Listed Entities

• Director, Shangri-La Hotels (Malaysia) Berhad

Others

- Director, Allianz Life Insurance Malaysia Berhad •
- Director, PLUS Malaysia Berhad

#### **Relevant Experience**

Lim Fen Nee is a qualified accountant with over 24 years of experience in the fields of accounting, assurance, and regulatory oversight.

She was the Regional Partner of Deloitte Southeast Asia (SEA), SEA Regulatory and Public Policy Leader from 2017 to 2019. Her main role involves dealing with assurance and advisory, professional practice, quality initiatives, regulatory and public policy.

Prior to Deloitte SEA, she was with the Securities Commission Malaysia from 2010 to 2016. She was the Head of Audit Oversight Board (AOB) and was one of the founding management team. In addition, she also served as a Project Advisor to the Securities Commission covering various capital market projects and was actively involved in international and ASEAN audit oversight activities. She also represented the Securities Commission Malaysia on the Audit Licensing Committee within the Accountants General's Office of the Ministry of Finance.

Between 1997 and 2009, she gained extensive experience in assurance and advisory in public companies and multinational companies during her roles in Ernst & Young, Kuala Lumpur and PwC, United States. She had also held consulting roles in The World Bank, Washington D.C covering governance and financial reporting.

Lim Fen Nee does not hold any shares in MRCB, has no family relationship with any Director and/or major shareholders of MRCB, and has no conflict or potential conflict of interest with MRCB. She not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FY2024.

**INTEGRATED ANNUAL REPORT 2024** 

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING



#### Number of Ordinary Share(s) held

I/We (FULL NAME IN CAPITAL LETTERS)
NRIC No./Passport No./Company No
of (FULL ADDRESS)

Malaysian Resources Corporation Berhad hereby appoint:

	Name of Proxy in capital letters
	Name:
Proxy 1	NRIC No./Passport No.:
i loxy i	Tel. No.: Email address:
And/or fail	ing him/her
	Name:
Proxy 2	NRIC No./Passport No.:
	Tel. No.: Email address:

or failing him/her the Chairman of the Meeting as my/our proxies to attend and vote for me/us on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 4 June 2025 at 10.00 a.m at President Ballroom, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

No	Resolution	For	Against
1	To re-elect Datuk Rashidah Mohd Sies, who retires pursuant to Article 106		
	To re-elect the following Directors, who retire pursuant to Articles 101 and 102:		
2	Mohamad Hafiz Kassim		
3	Lim Fen Nee		
4	To approve the payment of RM82,787 for Datuk Rashidah Mohd Sies as Director's Fee for the financial year ended 31 December 2024.		
	To approve the payment of the Directors' Fees to the following Directors for the financial year end	ing 2025:	
5	RM200,000 for Dato' Mohamad Nasir Ab Latif		
6	RM150,000 for Mohamad Hafiz Kassim		
7	RM150,000 for Dato' Wan Kamaruzaman Wan Ahmad		
8	RM150,000 for Dato' Dr Junaidah Kamarruddin		
9	RM150,000 for Lim Fen Nee		
10	RM150,000 for Datuk Rashidah Mohd Sies		
11	To approve the benefits extended to the Non-Executive Directors of the Company, as detailed out in Note 5 of the explanatory notes, from 5 June 2025 until the next AGM of the Company.		
12	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Dated	day of 2025		

#### MALAYSIAN RESOURCES CORPORATION BERHADPROXY FORMRegistration No. 196801000388 (7994-D) (Incorporated in Malaysia)(Please see the notes below before completing the form) **PROXY FORM**

				CD	S A	ccol	unt l	No.						
		-			-									
													,	
						he	ina	2	me	mh	or/m	oml	hore	of

member/members

Proportion of Shareholding to be represented by the proxies:						
Number of shares	Percentage (%)					

Total

- Notes:
- Only members whose names appear in the Record of Depositors as at 26 May 2025 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
- 2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
- 3. Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
- 4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.
- 6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
- 7. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or by email to bsr.helpdesk@boardroomlimited.com by 10 a.m. on Monday, 2 June 2025 being not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

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Affix
Stamp

#### Boardroom Share Registrars Sdn. Bhd.

(Registration No. 199601006647 (378993-D))

11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia

1<sup>st</sup> fold here

#### PERSONAL DATA PRIVACY NOTICE

By submitting an instrument appointing a proxy(ies), attorney(s) and/or representative(s) to attend and vote at the 54<sup>th</sup> AGM, a Shareholder:

- (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies), attorney(s) and/or representative(s) appointed for the 54<sup>th</sup> AGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the 54<sup>th</sup> AGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"),
- (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies), attorney(s) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies), attorney(s) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies), attorney(s) and/or representative(s) for the Purposes, and
- (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.



MALAYSIAN RESOURCES CORPORATION BERHAD 196801000388 (7994-D)

Level 30, Menara Allianz Sentral No. 203, Jalan Tun Sambanthan Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia

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