



Strengthening Growth Through Diversification

Integrated Annual Report 2023



VISTA, Gold Coast, Australia



LRT3 Project, Malaysia



The Symphony Centre, Auckland, New Zealand

COVER RATIONALE

The cover of MRCB's Integrated Annual Report 2023 tells a story of dynamic progress and diversification. The featured images showcase part of a portfolio that reflects MRCB's agility in seizing opportunities across markets and sectors.

From its strong Malaysian foundation, MRCB boldly expands its reach into Australia and New Zealand with prominent projects such as VISTA in Gold Coast and The Symphony Centre in Auckland. Closer to home, transformative infrastructure projects such as the SUKE and DASH highways, and the Light Rail Transit 3 (LRT3) are enhancing Kuala Lumpur's transportation network and connectivity. MRCB also demonstrates expertise in revitalising existing assets with future-focused solutions, which is evident in the refurbishment of the Bukit Jalil National Sports Complex and the highly anticipated redevelopment of Shah Alam Stadium. Strategic ventures such as the Chuping Valley Industrial Area signify MRCB's entry into new sectors to capitalise on evolving market needs.

This strategic diversification will fuel MRCB's growth, promising a future where its expanded operations are set to deliver value for shareholders and all its stakeholders.

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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 2023 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 in Malaysia, Australia and New Zealand. However, reporting on our sustainability performance covers only the domestic operations of the Group's three core business segments, which consist of subsidiaries that MRCB has direct control of 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, and is guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and Bursa Malaysia Securities Berhad's

FEEDBACK

We continually aspire to improve our reporting quality and welcome constructive comments or questions about this report via the following contact:

Johan Aly Abdul Rais
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Sustainability Reporting Guide. The financial statements were 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 2023 and ending 31 December 2023.

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. Certain key sustainability data contained within this Integrated Annual Report were verified by an independent third party, and their assurance statement can be viewed on pages 283 to 286. MRCB's accompanying Financial Report is audited by an independent third party, PricewaterhouseCoopers PLT, which has audited our financial statements. Their audit opinion can be viewed on pages 10 to 16 of the 2023 Financial Report.

FORWARD-LOOKING STATEMENTS

This report contains statements that reference 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 these statements with absolute certainty.

Material Matters

Governance

-  EP Ethics & Principles
-  GC Governance & Compliance

Economic

-  PQR Product Quality & Responsibility
-  EBP Economic & Business Performance
-  IEI Indirect Economic Impacts
-  RPSA Responsible Procurement & Supplier Assessment

Social

-  HS Health & Safety
-  EEW Employee Engagement & Well-Being
-  CE Customer Engagement
-  DEO Diversity & Equal Opportunity
-  LP Labour Practice
-  LCE Local Community Engagement
-  HR Human Rights

Environment

-  MM Materials Management
-  SC Sustainable Construction
-  W Waste
-  CTR Climate Transition Risk
-  PCR Physical Climate Risk
-  GHGE GHG Emissions
-  BIO Biodiversity

Growth Principles & Key Action Plans

-  Strengthen Core for Sustainable Returns
 - ▶ Ensure Steady Pipeline of Projects
-  Diversification & Operational Expansion
 - ▶ Geographical Expansion
 - ▶ Enter into New Markets
-  Technology Adoption & Innovation
 - ▶ Achieve Lean & Efficient Operations
 - ▶ Leverage MRCB Building System (MBS)
-  Quality Products & People
 - ▶ Uphold Good Governance
 - ▶ Develop a Skilled Workforce

Stakeholders

-  Clients/Customers
-  Shareholders/Investors/Analysts
-  Employees
-  Government/Regulatory Bodies
-  Local Communities/Civil Society/NGOs
-  Suppliers/Sub-contractors
-  Media

UNSDGs Adopted

-  1 NO POVERTY
-  2 ZERO HUNGER
-  3 GOOD HEALTH AND WELL-BEING
-  4 QUALITY EDUCATION
-  5 GENDER EQUALITY
-  8 DECENT WORK AND ECONOMIC GROWTH
-  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
-  10 REDUCED INEQUALITIES
-  11 SUSTAINABLE CITIES AND COMMUNITIES
-  12 RESPONSIBLE CONSUMPTION AND PRODUCTION
-  13 CLIMATE ACTION
-  15 LIFE ON LAND
-  16 PEACE, JUSTICE AND STRONG INSTITUTIONS
-  17 PARTNERSHIPS FOR THE GOALS

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 resource-intensive 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 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 using sustainable materials and new technologies, which enables the Group to deliver high-quality products in an efficient, timely, and ethical manner.

Who We Are

As one of Malaysia’s leading property and construction companies, Malaysian Resources Corporation Berhad (MRCB) has been a key player in the development of 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 a pioneer in Transit Oriented Developments (TOD) and Green Buildings to drive long-term growth. Our aim is to provide vibrant and sustainable city-within-a-city developments through our TOD that focus on pedestrian-friendly living and working around high-quality mass transport systems.

In competing to construct large infrastructure projects, we use our skills, expertise, and track record to build high-quality infrastructure in tandem with the population’s needs and expectations.

Purpose

To Build Meaningful Places for a Better Tomorrow

Our nation-building role is to transform communities into innovative and sustainable urban developments that connect and empower people.

Vision

Setting the Standard

Mission

Leading the Field Sustainably Through Innovation in Property Development, Engineering, and Construction

Values

Courageous

We are courageous in our actions. We take responsibility, challenge, and question.

Creative

We are forward thinkers. We encourage new ideas to help us enhance value and stay ahead.

Driven

We are a high-performance organisation determined to deliver the best to our customers.

Customer Centric

Every decision must ultimately contribute to improving our customers’ experience and creating value for them.

Accountable

We are committed to what we do, standing accountable for every decision we make.

Our Presence

Malaysia

Our property projects are predominantly in Kuala Lumpur and Selangor, and we have been building a presence in Penang, Perak, and Johor.

Australia

We have successfully completed two property development projects in Melbourne and launched our third project in Gold Coast in 2023.

New Zealand

We were awarded a TOD project in Auckland named “The Symphony Centre”, scheduled to begin construction in 2025 and have acquired the development rights to a second project nearby, Bledisloe House.



Our Competitive Strengths

1. Pioneer and a track record of developing TOD and Green Buildings in Malaysia.
2. Largest listed Bumiputera construction company in Malaysia.
3. Strong corporate governance practices, a constituent of the FTSE4Good Index since 2014, MSCI ESG rating of “A”, and a signatory to the Ten Principles of the United Nations Global Compact.
4. Innovated and developed a proprietary modular construction technology - MRCB Building System (MBS).
5. Led by a Board and Management team that provide strong leadership, expertise, and insights.
6. Long pipeline of projects through an urban land bank of 1,148 acres, with a GDV of RM31 billion, an external client construction order book of over RM26.1 billion and a strong balance sheet with a net gearing of 0.16 times.

What We Do
Our Expertise

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 is the pioneer of Transit Oriented Developments (TOD) 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. MRCB's other TOD projects - 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/logistics market, and 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 at 31 December 2023.

- Pioneer and leading developer of TOD
- Pre-selling and pre-letting with long term leases for bespoke commercial buildings
- Building integrated developments anchored around transportation hubs
- Building green, environmentally efficient buildings
- Developing high-rise residential buildings

ENGINEERING, CONSTRUCTION & ENVIRONMENT

Designing, building, and contracting give MRCB complete control over its property development projects, helping the Group ensure that the project's vision is fully realised in terms of quality, budget, and timeliness. We are also one of Malaysia's leading infrastructure construction companies.

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 rail and highway infrastructure, stadiums, and high-voltage power transmission projects comprising substations, overhead transmission lines, and underground cabling. Its environment business undertakes the flood and erosion mitigation of rivers and coastal areas.

- Largest Bumiputera construction company in Malaysia
- 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

FACILITIES MANAGEMENT & PARKING

MRCB's Facilities Management & Parking operation has successfully established its own brand as a major player in providing security services, and operating car parks at integrated transportation hubs and high-profile commercial and residential complexes.

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

- Operates 19 car park sites with access to opportunities within key TOD
- Value-added services include security and an Emergency Response Team



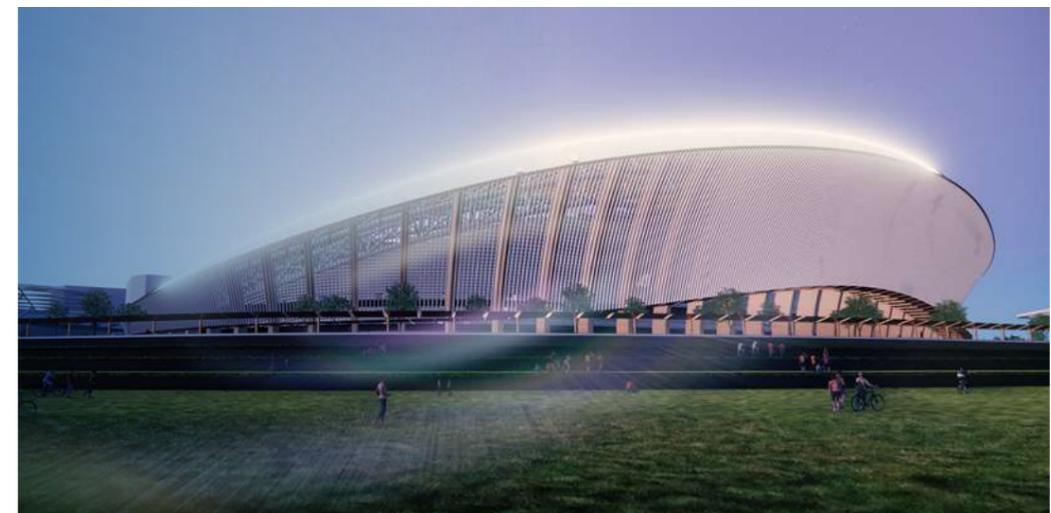
PROPERTY DEVELOPMENT & INVESTMENT

REVENUE
RM737.8 million

PROPERTY SALES
RM831.3 million

URBAN LAND BANK
1,148 acres
RM31 billion GDV

PROPERTY UNBILLED SALES
RM234.9 million



ENGINEERING, CONSTRUCTION & ENVIRONMENT

REVENUE
RM1.7 billion

EXTERNAL CLIENT CONSTRUCTION ORDER BOOK
RM26.1 billion

UNBILLED ORDER BOOK
RM15.7 billion



FACILITIES MANAGEMENT & PARKING

REVENUE
RM51.3 million

MANAGES OVER
18,000
CARPARK BAYS

Our Transit Oriented Developments (TOD)

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

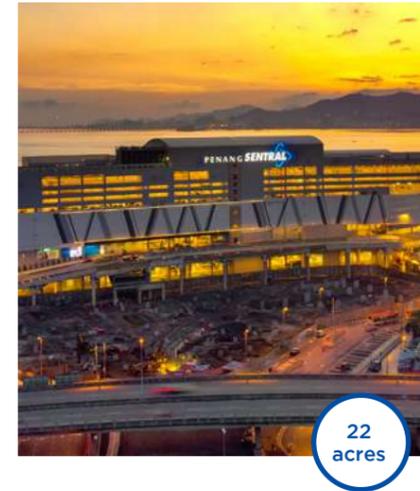
Our interests in 1,148 acres of urban development land with an estimated RM31 billion Gross Development Value (GDV), coupled with a strong balance sheet, have strengthened our position as a sustainable and dominant player. Our commitment towards sustainable development remains an inseparable part of our business, and we will continue to provide seamless integration between public transport and working and living areas.



KL SENTRAL CBD



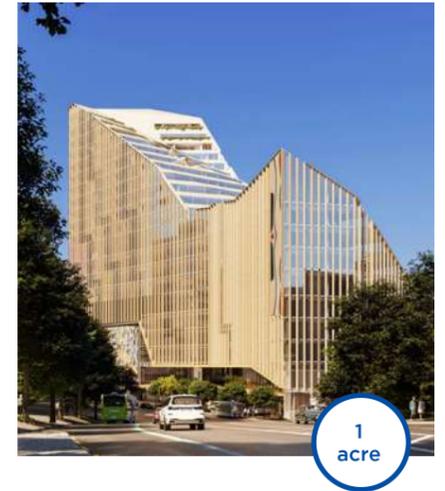
PJ SENTRAL GARDEN CITY



PENANG SENTRAL



KWASA SENTRAL



THE SYMPHONY CENTRE, NEW ZEALAND



KL Sentral CBD
RM18 billion

PJ Sentral Garden City
RM2.7 billion

Penang Sentral
RM2.7 billion

KWASA Sentral
RM10.9 billion

The Symphony Centre, New Zealand
NZD0.5 billion

KL Sentral CBD represents the pinnacle of integrated transportation centres across the region and is positioned at the forefront of TOD.

Designed by Dr. Kisho Kurokawa, who also designed Kuala Lumpur International Airport, KL Sentral CBD was conceptualised as a “city-within-a-city”, championing 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 centre built around Malaysia’s largest transit hub. KL Sentral, with its nine (9) different rail lines, offers global connectivity, excellent investment opportunities, business convenience, and an international lifestyle. It has 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 various destinations around the world. More than 220,000 commuters pass through KL Sentral every day.

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 and social and economic well-being, as well as 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.

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. 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.

Its 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 the largest and most exciting developments in Selangor. 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 this, ensuring it will be a liveable commercial development.

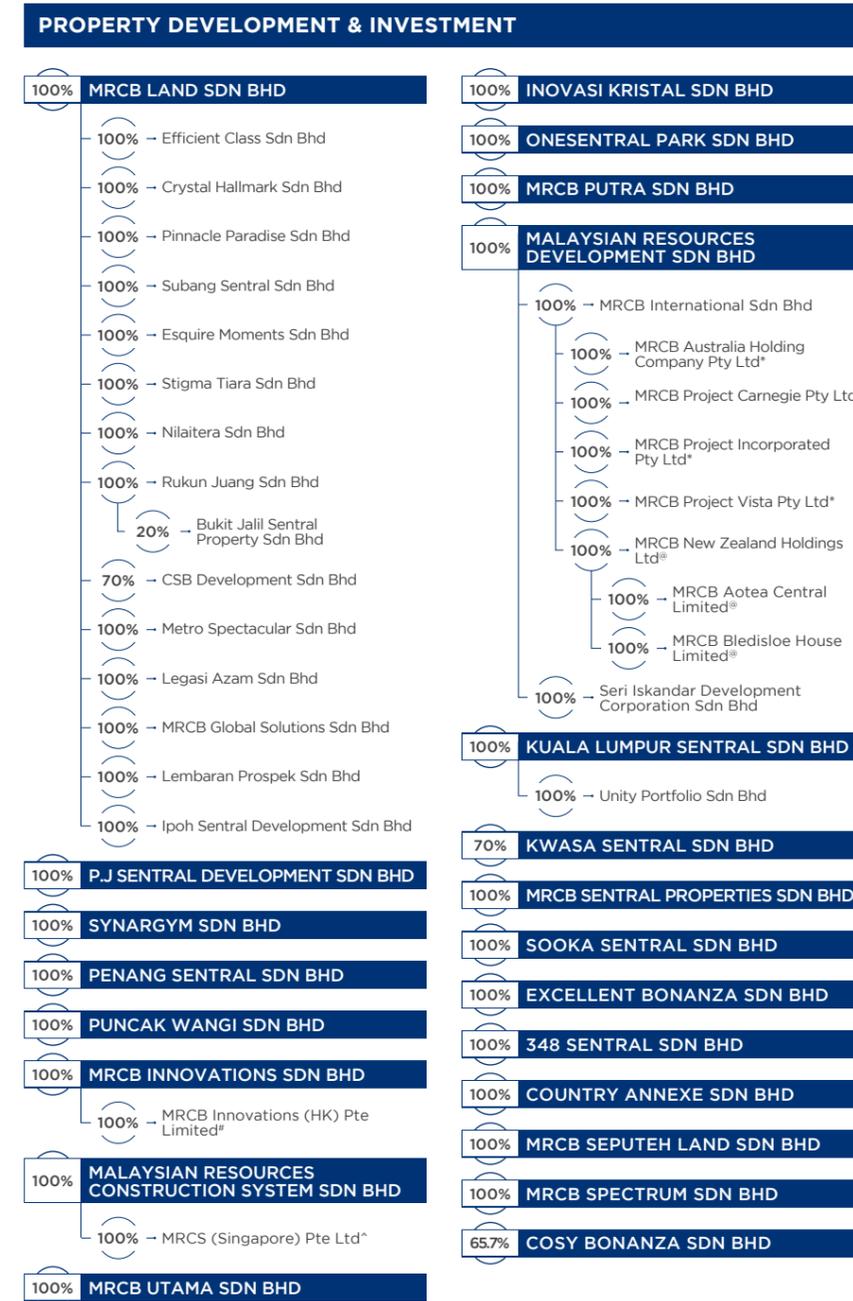
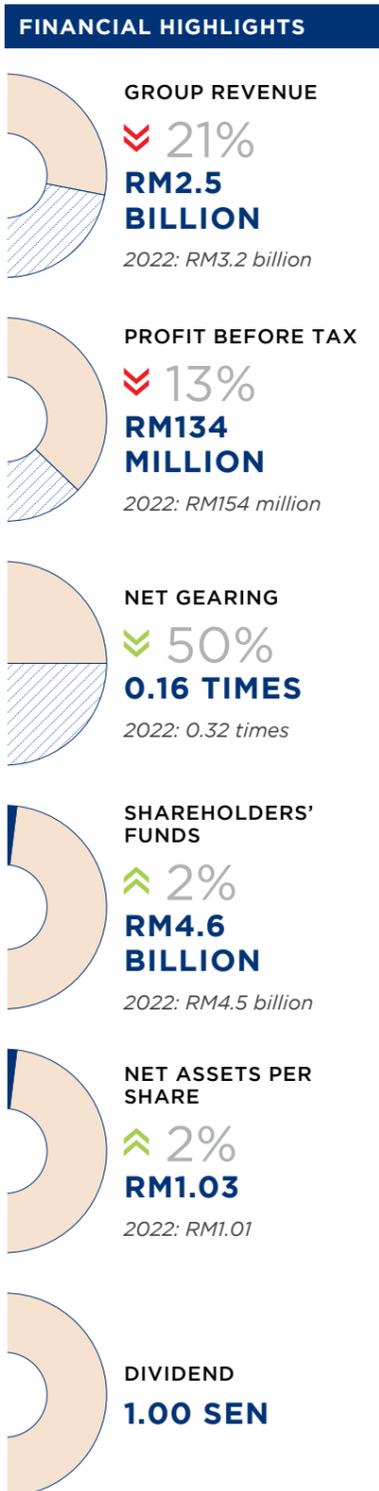
In 2021, MRCB was awarded its first TOD project overseas, in New Zealand, to develop The Symphony Centre.

Located at the intersection of Mayoral Drive and Wellesley Street in the heart of the Central Business District in Auckland, New Zealand, this development comprises a mixture of retail, commercial, and residential space that will be built above the City Rail Link Aotea Station in Auckland - 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 130,000 people who live and work in the area.

2023 Key Highlights

How We Are Structured



For a complete list of companies in the Group, please turn to pages 148 to 155 (Note 42) of the accompanying Financial Report.

(*) denotes that the company operates in Australia
 (H) denotes that the company operates in Hong Kong
 (N) denotes that the company operates in New Zealand
 (S) denotes that the company operates in Singapore
 All other companies operate in Malaysia.

Awards and Recognition

PROPERTY DEVELOPMENT

1. **The Star Malaysia Developer Awards (MDA) 2023**
4th rank, Top-of-the-Chart Award
2. **PropertyGuru Asia Property Awards (Australia) 2023:**
 - a. Best Boutique Developer - MRCB International
 - b. Best Lifestyle Development (Queensland) - 26 VISTA
 - c. Best Eco Friendly Apartment Development - 26 VISTA
3. **The Edge Malaysia Property Excellence Awards 2023**
1060 Carnegie - Outstanding Overseas Project Award

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

4. **Australasian Reporting Awards 2023**
Gold Award for MRCB's Integrated Annual Report 2021
5. **ESG Positive Impact Awards 2022**
Gold Award for Governance, Reporting & Transparency in the Large Corporation Category
6. **The Edge ESG Awards 2023 (In Partnership with Bursa Malaysia and FTSE Russell)**
Silver for Most Consistent Performer Over Five Years
7. **UN Global Compact Network Malaysia & Brunei's (UNGCMYB) Sustainability Celebration Night 2023**
Partnership for the Goals Recognition for PEKA@MRCB Programme



Key Milestones

OVER THE YEARS, MRCB HAS ONLY GROWN FROM STRENGTH TO STRENGTH – PROOF OF THE GROUP'S RESILIENCE THROUGH EVER-CHANGING LANDSCAPES.

● 2001 - 2006

- Stesen Sentral KL opened for operations
- Completion of key developments within KL Sentral CBD, such as Suasana Sentral, Hilton Kuala Lumpur, Le Méridien Kuala Lumpur, and Plaza Sentral

● 2006 - 2011

- KL Sentral CBD awarded MSC Malaysia Cybercentre status
- Completed key developments within KL Sentral CBD, such as 1 Sentral, Sooka Sentral, and Axiata Towers

● 2012

- Completed first Green Office Campus, Platinum Sentral

● 2013

- Completed key developments within KL Sentral CBD, such as CIMB Tower, Aloft Kuala Lumpur Sentral, and Menara Allianz

● 2014

- Launched first project in Australia, the Easton Burwood in Melbourne

● 2015

- Kwasa C8 Management Contract for provisional total project sum of RM3.1 billion

● 2016

- Kwasa Damansara infrastructure Project Delivery Partner (PDP) for RM112.3 million
- Private Placement raising RM408.0 million
- No-Gift Policy introduced

● 2017

- Raised RM1.7 billion through Rights Issue
- Completion of Group re-branding exercise
- Embarked on Digitalisation
- Signing of the Corruption Free Pledge

● 2018

- Award of LRT3 fixed price contract to MRCB's 50%-owned MRCB George Kent Sdn Bhd for RM11.4 billion
- Bukit Jalil Management Contract for a provisional total project sum of RM1.1 billion
- Launched Penang Sentral
- Commenced Anti-Bribery Management System
- Disposal of the Eastern Dispersal Link Expressway for RM1.3 billion
- Complied with 27 of MCCG 2017's 32 Practices and 2 of the 4 Step-Up Practices
- EPF's 80% subscription in Bukit Jalil Sentral Property for RM1.1 billion

● 2019

- Achieved ISO 37001:2016 Certification for our Anti-Bribery Management System
- Launched MRCB Building System (MBS)
- Launched PEKA@MRCB programme
- Complied with 29 of MCCG 2017's 32 Practices and all 4 Step-Up Practices
- Licensed our MBS technology to two companies in Hong Kong and Singapore
- Ranked 33rd in the Minority Shareholder Watch Group's (MSWG) Top 100 MSWG-ASEAN Corporate Governance Awards
- Ranked 1st in the Malaysian Institute of Corporate Governance's 'Transparency in Corporate Reporting' ranking

● 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 Murabahah
- Contributed RM1.5 million to COVID-19 relief efforts
- Complied with 31 of MCCG 2017's 32 Practices and 3 of 4 Step-Up Practices
- 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 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



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.

● 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 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 (≈ RM1,314 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
- Achieved an average 8% reduction in Scope 1 and Scope 2 carbon emissions
- 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

● 2022

- Launched 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
- Completed the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH), which benefits 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 existing stake to 80% upon completion in January 2023
- Acquired Bledisloe House in Auckland, New Zealand, which will be refurbished and has an expected GDV of NZD137 million (≈ RM398 million)
- Purchased 0.766 acres of prime land in the Gold Coast, Australia with a GDV of AUD391 million, for AUD17 million
- Achieved a 65% reduction in Scope 1 and Scope 2 carbon emissions intensity
- Complied with 41 of MCCG 2021's 43 Practices and 3 of 5 Step-Up Practices
- Received the Excellence Award and Industry Excellence Award (Property Sector) for the 2021 MSWG-ASEAN Corporate Governance Scorecard Assessment
- 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
- Climate Action Fellow Award awarded to MRCB's Chief Corporate Officer, Mr. Amarjit Chhina, by the United Nations Global Compact Malaysia & Brunei

● 2023

- Completed the sale of Menara CelcomDigi to Sentral REIT for RM450 million on 11 December 2023
- Disposed of Plaza Alam Sentral and its adjoining land to PKNS for a consideration of RM178 million
- Disposed VIVO, TRIA 9 Seputeh, and St Regis residential units to PKNS for a total 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 property in Kwasa Sentral. This is Malaysia's 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 infrastructure project
- Completed the Sentral Suites and TRIA 9 Seputeh residential property projects in Kuala Lumpur
- Achieved 92% completion of the physical construction of the Light Rail Transit 3 (LRT3) project
- Launched the development of a RM121.5 million electronics facility in the Chuping Valley Industrial Area, Perlis
- Achieved 49% Reduction in Scope 1 & Scope 2 Carbon Emissions Intensity from baseline of 2020
- Complied with 41 of MCCG 2021's 43 Practices and 4 of 5 Step-Up Practices
- 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 Partnership for the Goals Recognition for PEKA@MRCB Programme at the UN Global Compact Network Malaysia & Brunei 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 MSCI ESG Rating upgrade to "A" from "BBB"

Chairman's Reflections

DEAR STAKEHOLDERS,

Having successfully navigated an extended period of societal and economic upheaval due to the pandemic, we embraced the path to economic recovery while continuing to address complex challenges. Despite concerns such as a climate crisis, geopolitical tensions, inflationary pressures, and interest rate rises impacting various industries, including ours, we viewed these times as opportunities for strategic growth and adaptation. By reassessing our position in this dynamic environment, we reaffirmed our commitment to our diversification strategy and aligned it even more closely with industry changes and global shifts. In doing so, we continued our efforts to strengthen our foundation for a more resilient future.

Strengthening for a Resilient Future

A YEAR OF ECONOMIC RESILIENCE

The global economy demonstrated unexpected resilience in 2023, charting an estimated 3.0% growth rate. Despite this, long-term prospects remain uncertain due to ongoing geopolitical conflicts affecting critical sectors such as energy and food. Although headline inflation has lowered in many countries, core inflation remains high, prompting central banks to take extraordinary measures through monetary tightening policies. There are concerns that high inflation could persist longer than anticipated, potentially requiring interest rates to remain high for longer than expected.



Dato' Mohamad Nasir AB Latif
Chairman

Kuala Lumpur Sentral CBD

Malaysia's economy expanded moderately, with 3.7% growth in 2023. This positive outlook was fuelled by domestic demand, improved employment, and income growth. Although market uncertainties were amplified by China's economic slowdown, easing inflation has somewhat offset this, stimulating property demand locally. However, the weakening Ringgit continues to be a financial risk factor.

In the construction sector, challenges such as cost inflation and supply chain disruptions remain prevalent. Yet the industry has shown resilience, spurred by mid-size public sector projects such as road construction and private sector growth.



Further explanation on the economy and construction sector in Malaysia is provided in Our Operating Context section on page 29



An artist's impression of the interior of our upcoming VISTA development in Gold Coast, Australia



+3.0%

GLOBAL ECONOMIC GROWTH IN 2023



3.7%

MALAYSIA'S ECONOMY EXPANDED MODERATELY

MAINTAINING MOMENTUM

MRCB adopted a thoughtful and deliberate course of action for the year under review, maintaining steady progress in its ongoing projects. In late 2022, we completed the MRT Line 2 Package V210 and the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) construction projects. Carrying this momentum into 2023, we completed the Sentral Suites and TRIA 9 Seputeh property development projects, and the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) construction project.

We strategically launched RM1.9 billion worth of new property projects to align with market conditions and match supply with demand. We timed the launch of the VISTA residential development in Gold Coast, Australia and Residensi Tujuh in Kwasa Sentral based on market conditions. Additionally, the disposal of Menara CelcomDigi was a calculated decision aligned with our broader financial strategy to optimise asset management, enabling us to channel our resources and manage our balance sheet more effectively.

Diversification and operational expansion are becoming increasingly central to our long-term success. We intensified our focus on diversification to adapt to evolving market dynamics and ensure a more robust financial outlook. This involved broadening our portfolio to stabilise revenue streams and seize opportunities in new markets while enhancing our core business areas. Geographically, we have cast our eyes on expansion into Australia and New Zealand, which are markets that align well with our expertise and strategic objectives.

We have also entered the industrial sector to complement our existing core markets. As we strive for a future that balances profitability with responsibility, we are turning our focus towards waste-to-energy and clean energy initiatives. This approach aligns with global trends and resonates with our broader vision for a sustainable future.

CONTRIBUTING TO SOCIO-ECONOMIC VALUE CREATION

Today, aligning sustainability with growth has become a non-negotiable imperative. Consistent with MRCB's guiding purpose, 'To Build Meaningful Places for a Better Tomorrow', our efforts extend well beyond the balance sheet. We understand that meaningful places are those that are sustainably built and can positively impact our environment and communities.

Our commitment to sustainable urban growth is showcased in our large-scale Transit Oriented Developments (TODs), which incorporate our pioneering efforts in Green Building practices. These TOD projects, such as the Kuala Lumpur Sentral, PJ

Sentral Garden City, Penang Sentral, and Kwasa Sentral, blend sustainable building practices with efficient mass transport systems. They serve as dynamic engines of growth, creating considerable social and economic value across various layers of society.

The use of innovation and technology in our approach to sustainable construction is exemplified by the patented MRCB Building System (MBS) modular construction technology. This plays an important role in our sustainable construction efforts and holds potential benefits for the broader construction industry. With the aim of encouraging wider adoption of sustainable practices in the industry, we are keen on licensing MBS to other players.

We formed strategic public-private partnerships to strengthen industry capabilities and bridge the skills gap in the construction sector. This effort is realised through our collaboration with CIDB Holdings Sdn Bhd and its Akademi Binaan Malaysia in the Technical and Vocational Education and Training (TVET) programmes. A key component of the TVET initiatives is the PEKA@MRCB programme, established in 2019, and is now an integral part of our broader TVET efforts. The PEKA@MRCB programme provides upskilling and employment opportunities for low-risk and soon-to-be-released offenders. This skills-building and social reintegration programme has garnered us awards, but the real achievement lies in the positive and transformative impact that we have seen on the lives of these low-risk ex-offenders.

For more details on our PEKA@MRCB programme, refer to page 168

We also constructed Pustaka Digital, which we handed over to Dewan Bandaraya Kuala Lumpur (DBKL) for their onward management. This state-of-the-art facility, equipped with digital recreational amenities, aims to encourage lifelong learning and social engagement among a diverse population segment. Additionally, in collaboration with the Malaysian Association for the Blind, training in disability awareness was provided to our security personnel.

For more details on our Digital Library, refer to page 164

MRCB's commitment to the community is deeply enhanced by the hands-on volunteer work of our employees who actively bring our social responsibility goals to life. This year, through Yayasan MRCB, employees volunteered on a community initiative to offer health services and educational support to the Orang Asli communities in Royal Belum, Gerik, Perak.

For more details on our Orang Asli CSR initiative, refer to page 165

We strive to foster an inclusive and equitable workplace, and progress our commitment to Diversity, Equity, and Inclusion (DEI). To further this, we implemented key internal programmes such as Disability Equality Training and Gender Parity Workshops. We also assumed a leadership role in the CEO Action Network's (CAN) DEI workstream. Our election as Co-Lead of the CAN DEI workstream highlights our role in shaping DEI strategies for diverse organisations across Malaysia.

For more details on our DEI initiatives, refer to page 152



An artist's impression of the proposed redevelopment of Stadium Shah Alam

ENHANCING GOVERNANCE AND STRENGTHENING ESG PRACTICES

Our governance framework actively supports and drives our strategic goals. The Board consistently upholds high governance standards, setting the tone for the entire Group. During the year, the Group's Conflict of Interest (COI) Policy, Board Charter, and Terms of Reference for the Audit and Risk Management Committee were updated to align with Bursa Malaysia's new guidelines. The revised policy not only fuels our commitment to transparency but also assures that we remain in step with the evolving regulatory landscape.

We align our business strategy with the United Nations Sustainable Development Goals, reflecting our broader duty to society and the planet. Our Sustainability Framework serves as a linchpin in this equation, integrating our sustainability efforts into every facet of our operations and culture.

During the year, we took steps to further strengthen Environmental, Social, and Governance (ESG) tenets across our operations. A comprehensive Climate Strategy Framework that addresses environmental and climate-related risks and opportunities was implemented to support our ambitious goal of attaining Net Zero Carbon by 2050.

We recognise the financial implications of climate risks in today's business environment. We are actively working on enhancing our climate risk disclosures by incorporating more of the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our current focus involves undertaking quantitative analysis to quantify the financial impact of climate

risks and opportunities for more robust climate risk disclosures. This will equip us further with a clearer understanding of how climate variables could impact our financial stability and, conversely, the financial opportunities that arise from responsible climate transition actions.

A Sustainable Financing Framework, rated gold and independently assessed by Malaysian Rating Corporation Berhad (MARC), was established and serves as a roadmap for our future capital-raising activities in sustainable debt markets. Importantly, funds raised through these financial instruments will be strategically directed to projects that further our transition to a resource-efficient and circular economy.

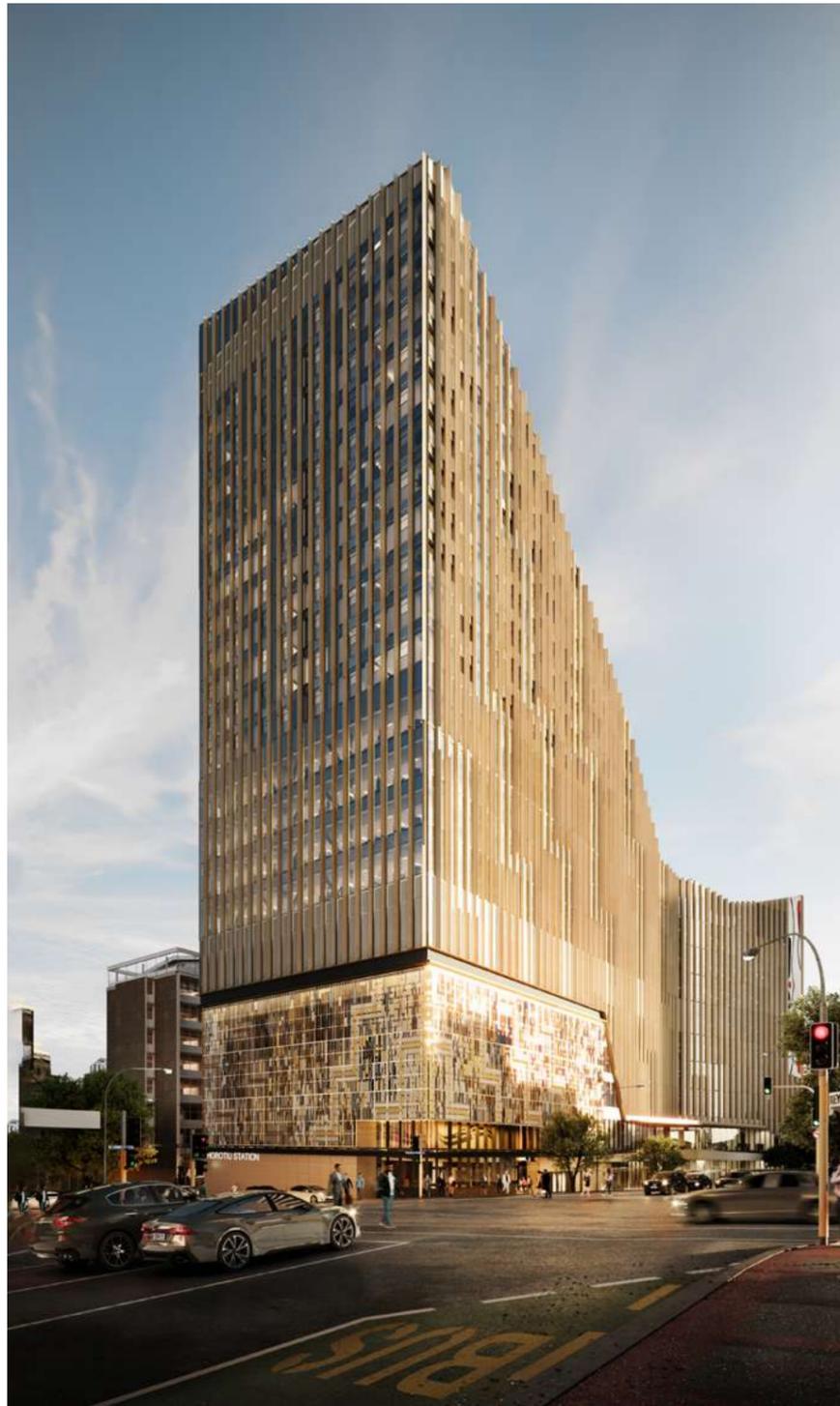
In recognition of our efforts to strengthen our ESG practices, MRCB was selected to participate in the Early Adopter Programme within the construction sector category for Bursa Malaysia's Centralised Sustainability Intelligence Platform. Developed in collaboration with the London Stock Exchange Group (LSEG), this innovative platform will enable us to enhance sustainability disclosures, streamline carbon emissions management, and promote ESG transparency across our operations and supply chain. Our active participation in this initiative will set the benchmarks in disclosing standardised ESG data and calculating carbon emissions impact for our peers in the construction sector.

We also partnered with the United Nations Global Compact (UNGC) to undertake a comprehensive sustainability assessment across our supply chain. This collaboration provided valuable insights and will be instrumental in developing our sustainability strategies. Our focus is on ensuring a just transition, where we actively include our supply chain, particularly our SME suppliers, in our sustainability journey.

All these efforts to set higher benchmarks in ESG practices have enabled MRCB to improve its score from 3.2 to 3.6 in the FTSE4Good Bursa Malaysia Index, and achieve an MSCI ESG rating upgrade from 'BBB' to 'A'.



For more details on our ESG performance, refer to page 287, Corporate Governance Overview Statement on page 214, and Our Performance: Social on page 132



An artist's impression of The Symphony Centre in Auckland, New Zealand

AWARDS AND ACCOLADES

We believe that high-quality corporate reporting is critical for building a trustworthy and transparent relationship with our stakeholders. It is therefore encouraging to note that our efforts to enhance our corporate reporting standards have been honoured with the Gold Award at the 2023 Australasian Reporting Awards.

MRCB's leadership in responsible business practices was recognised at the ESG Positive Impact Awards 2022 when we received the Gold Award for Governance, Reporting & Transparency in the large corporation category. This award, arranged by The Star and OCBC Bank, and backed by organisations like EY and the Malaysian Institute of Corporate Governance, is a recognition given to businesses that exemplify best ESG practices.

We were also honoured with the 'Most Consistent Performer Over Five Years' Silver Award at The Edge ESG Awards 2023. This accolade, in collaboration with Bursa Malaysia and FTSE Russell, also underscores our commitment to ESG excellence and the steady improvement over the years in our FTSE4Good Bursa Malaysia Index scores, which we have been a constituent of since 2014.

Our initiatives in sustainable property development also earned us acclaim through awards for our Australian projects. We were recognised with several distinctions in 2023 such as Best Lifestyle Development, Best Eco-friendly Apartment Development, and Best Boutique Developer at the Property Guru Asia Property Awards 2023. Additionally, The Edge Malaysia Property Excellence Award 2023 acknowledged MRCB with the Outstanding Overseas Project Award.

These awards remind us of the importance of our commitment to responsible corporate citizenship and excellence in property development. We see these honours as encouragement to further refine our approach to good business conduct and sustainable business practices.

WELL-POSITIONED FOR THE NEXT CYCLE OF GROWTH

After briefly moderating our pace in the wake of the pandemic era, we have entered our next cycle of growth. We enter 2024 from a position of strength, bolstered by a substantial RM3.6 billion worth of upcoming launches, a RM30 billion tender book, and an unbilled construction order book of RM15.7 billion.

The diversification of our project portfolio, which extends geographies and market sectors, underlines our strategic intent to create a more resilient and agile business. In the coming years, MRCB will continue to adopt an asset and land bank strategy to diversify its portfolio, enhance long-term value, and capitalise on monetisation opportunities. We are also identifying and evaluating underutilised assets for sale. The proceeds will be strategically reinvested in projects that hold the promise of better or more consistent long-term revenues and value creation for the Group.

In a business environment marked by volatility and change, foresight and adaptability are not just virtues but necessities. Our business is no exception. We anticipate a series of opportunities along with challenges in the market conditions ahead. The resilience demonstrated by the Group in the past, reinforces our belief in the strategies set for the future.

ACKNOWLEDGEMENT

As we advance ahead, I want to acknowledge that the progress we have charted is the result of the collective endeavour of many, past and present. On behalf of the Company, I would like to extend our sincere appreciation to our former Chairman, Dato' Seri Amir Hamzah Azizan, for his exemplary leadership, wise counsel, and outstanding contribution to the Group. We wish him continued success in his new role of Minister of Finance II, where we are in no doubt that he will be a great asset to the nation.

I would like to extend my appreciation to my fellow Board members for their constructive insights and robust deliberations, which have been important in shaping our strategic direction and decision-making, and to the Management team and all our employees for their tireless efforts during the year.

On behalf of the Board of Directors, I would also like to extend our appreciation to the authorities, relevant Ministries, and regulators for their continued support of MRCB. To our shareholders, clients, and business partners, your loyalty and trust in our vision encourage us to aim higher and achieve more.

Dato' Mohamad Nasir AB Latif
Non-Independent Non-Executive
Chairman

Group Managing Director's Review

DEAR STAKEHOLDERS,

In 2023, MRCB completed major projects and commenced new ones, signalling the onset of a new growth cycle. Our efforts were also centred on integrating sustainability into all aspects of our activities, expanding our diversification strategy, seizing opportunities, and effectively managing risks to ensure sustainable value creation over the long term.

Integrating Sustainability for Enduring Value

CHARTING STEADY PROGRESS IN THE NEW GROWTH CYCLE

As we advanced into a new growth phase in 2023, pacing ourselves became a distinctive approach in executing MRCB's strategy. We focused on timing rather than speed, not just as a response to market changes, but also as a strategic choice to align with evolving stakeholder needs and expectations. We continued to execute our ongoing strategic focus, which includes monetising unsold property inventory and converting non-core assets into cash to enhance our balance sheet, and deploy into new projects to fuel our future growth.



An artist's impression of our upcoming VISTA development in Gold Coast, Australia



Datuk Imran Salim
Group Managing Director

PJ Sentral Garden City

Further explanation on the economy and construction sector in Malaysia is provided in Our Operating Context section on page 29

Our efforts to diversify have resulted in us expanding into new market segments, while our expansion overseas has broadened our international footprint and strengthened our core.

For the year in review, the Group recorded revenue of RM2,537.5 million and profit before tax of RM134.2 million, a reduction of 21% and 13%, respectively, compared to 2022. However, the Group recorded a profit after tax of RM101.1 million, an increase of 89% compared to the corresponding year in 2022.

The decline in revenue was due to lower contributions from both the Property Development & Investment Division and Engineering, Construction & Environment Division, after the completion of three major infrastructure construction projects in 2022, and the completion of Sentral Suites and TRIA 9 Seputeh, two of the Group's major property development projects in the first half of 2023.

We strengthened our balance sheet by completing the sales of Menara CelcomDigi for RM450 million and Plaza Alam Sentral and its adjoining land for a consideration of RM178 million at the end of 2023, aligning with our asset optimisation strategy, reducing MRCB's net gearing and freeing up capital that can be re-invested into new projects. As the disposal of Menara CelcomDigi was to Sentral REIT, it was tax-exempted, resulting in the 89% improvement in profit after tax in 2023, compared to 2022. The Group also achieved strong residential property sales in 2023, which grew 74% to RM831.3 million compared to 2022.



RM2.5 BILLION
REVENUE



RM134 MILLION
PROFIT BEFORE TAX

The profit contribution from the Engineering, Construction & Environment Division rose 25% to RM87.3 million in 2023, compared to 2022, largely due to the LRT3 rail project, which achieved physical construction progress of 92% and financial progress of 88% as of 31 December 2023.

The Group's 27.94% equity-owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd, contributed a combined profit after tax of RM18.8 million in 2023 compared with RM14.9 million in the preceding year.

We also pre-emptively refinanced loans totalling RM200 million due in April 2023 and RM250 million in July 2023. This strategic move locked in lower interest rates, yielding cost savings and better cashflow, while mitigating the risk of higher borrowing rates.

As the economy and consumer confidence improved and lending restrictions eased during the course of the year, the Property Development & Investment Division recorded a strong improvement in property sales. We achieved sales of RM831.3 million in 2023, an improvement of 74% over 2022. The majority of these sales were from our inventory of completed unsold units, particularly TRIA 9 Seputeh, which recorded strong sales after its completion in May 2023. Our completed unsold inventory at the end of 2023 stood at RM384.8 million.

Following the completion of Sentral Suites and TRIA 9 Seputeh in 2023, we launched two new residential property projects with a combined First reference in full - Gross Development Value (GDV) of RM1.9 billion in the same year, timing these launches to more favourable market conditions and aligning with the expected progress and demand expectations of the surrounding locations.

VISTA, a 51-storey RM1.5 billion GDV residential development in Surfer's Paradise in Gold Coast, Australia, was launched in April 2023. Encouraging factors such as strong interstate migration, a shortage of new stock, the return of foreign investors, and heightened domestic investment are expected to contribute positively to this project. This residential development builds on the success of our completed overseas projects, the 1060 Carnegie development and Easton Burwood projects in Melbourne, and affirms our long-term commitment to Australia's property market.

In September 2023, we launched the RM385 million GDV Residensi Tujuh residential property project in Kwasa Damansara City Centre, an integrated development consisting of 573 units over 29 storeys. Residensi Tujuh will

be the first residential development in Malaysia to be constructed using MRCB's more sustainable modular construction technology, the MRCB Building System (MBS). Given that more than half the area surrounding the development is planned for commercial development, we anticipate that the value of Residensi Tujuh will steadily increase as the city centre matures and stimulate future demand.

In 2023, the Engineering, Construction & Environment Division completed the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) CA2 Package infrastructure project. The Light Rail Transit 3 (LRT3) project, a significant infrastructure development project in our portfolio, achieved notable milestones in 2023. Almost all of the civil works were completed, achieving overall physical construction completion of 92% and financial progress of 88% at the end of 2023. The project is on track to meet the target completion timeline by the first quarter of 2025.

In navigating 2023, challenges faced included inflation, which impacted the

cost of materials, leading to increased expenses. Efforts to curb inflation by governments globally drove up interest rates, making loans more expensive. While our property projects felt the impact of these economic shifts, we countered these challenges with innovative marketing strategies. We also faced challenges in the labour market, necessitating strategic adaptations to maintain our workforce efficiency and project timelines.

We strategically manage risks and capitalise on opportunities through a robust framework that identifies and assesses potential challenges and prospects across all our operations. Proactive risk management is embedded in our decision-making processes, allowing us to mitigate financial, operational, regulatory, and reputational risks effectively. At the same time, we look to seize opportunities by leveraging our expertise in sustainable development, our deep-rooted experience in TOD, and tapping into the growing demand for Green Buildings.

 For more details on Our Risks and Mitigations, refer to page 66



An artist's impression of the Stadium Shah Alam redevelopment

CONTINUING OUR FOCUS ON DIVERSIFICATION

We continued to drive our mid-term strategy, which is based on four Growth Principles. These principles focus on strengthening our core business, diversifying revenue streams, integrating technological advancements, and maintaining quality across products and our human resources.

 <p>Strengthen Core for Sustainable Returns</p> <ul style="list-style-type: none"> ▶ Ensure Steady Pipeline of Projects 	 <p>Diversification & Operational Expansion</p> <ul style="list-style-type: none"> ▶ Geographical Expansion ▶ Enter into New Markets 	 <p>Technology Adoption & Innovation</p> <ul style="list-style-type: none"> ▶ Achieve Lean & Efficient Operations ▶ Leverage on MRCB Building System (MBS) 	 <p>Quality Products & People</p> <ul style="list-style-type: none"> ▶ Uphold Good Governance ▶ Develop a Skilled Workforce
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Our approach emphasises diversification and operational expansion to create multiple revenue streams that are more resilient to market volatility and policy changes. We are strengthening our international presence in the property market, notably in Australia and New Zealand. Concurrently, MRCB is exploring new market segments informed by demographic trends and demand shifts, including the ageing population and the younger generation's living preferences.

As part of this diversification approach and in line with Malaysia's evolving economic landscape, MRCB has expanded its property portfolio to include the industrial and logistics segments. We are focusing on regions outside the Klang Valley and Selangor to benefit from foreign direct investments flowing into Malaysia from multi-national corporations looking to diversify their international manufacturing and logistics operations. This also aligns with the aspirations of Malaysia's New Industrial Master Plan 2030 (NIMP2030), which aims to enhance the country's industrial capacity.

We marked our move into the industrial segment in 2022 with the launch of Ipoh Raya Integrated Park, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak. In July 2023, we launched the development of a RM121.5 million electronics facility in the Chuping Valley Industrial Area, Perlis. Partnering with a US Fortune 500 company, this design, build, and lease project is set to yield consistent returns for at least 15 years. More than that, this high-impact national project speaks directly to our purpose to 'Build Meaningful Places for a Better Tomorrow', as the facility is expected to create 200 to 300 jobs initially, helping the northern state of Perlis with its aspiration of becoming a high-income and industrialised state by 2030.

Investments in waste-to-energy and expanding modular construction technologies to the market further exemplify our diversification approach, while leveraging our expertise in engineering and sustainable construction practices. As discussions with the Government on a waste-to-energy project remain ongoing, we are optimistic about the potential of this project to complement our diversification portfolio.

LARGE PIPELINE FOR FUTURE GROWTH

The pipeline of upcoming projects for MRCB offers substantial prospects for long-term growth and value creation. Driven by our diversification strategy that promotes expansion into new markets and geographical areas, we have RM3.6 billion in forthcoming property launches, a robust RM30 billion external client construction tender book, and an unbilled construction order book of RM15.7 billion, marking the emergence of a new cycle of growth for MRCB.

For the Property Development & Investment Division, 2024 will be a significant year, as it aims to embark on RM3.6 billion GDV of property launches, of which RM2.3 billion will be in Malaysia and RM1.3 billion in Auckland, New Zealand. Key Malaysian development projects include Bukit Jalil Phase 1, 9 Seputeh Parcel A, and Lot F in KL Sentral. Internationally, we will also commence construction of our VISTA residential project in Australia's Gold Coast, as well as commence the development of The Symphony Centre, which is a TOD located in a very prime location in the central business district of Auckland, New Zealand. We will also commence with developing the industrial and logistics facilities in Perak and Perlis.

Key future growth drivers for our Engineering, Construction & Environment Division will include the redevelopment projects of the Shah Alam Stadium and Kuala Lumpur Sentral Station (KL Sentral Station) and the construction of five additional stations for the LRT3 project. All three projects are still being negotiated with the relevant authorities. Our successful award-winning refurbishment of the Bukit Jalil National Sports Complex, which showcased how we embedded innovation and sustainability, positioned us well for the Shah Alam Stadium redevelopment project. Furthermore, our pioneering development of KL Sentral and expertise in TOD uniquely qualify us for the redevelopment of KL Sentral Station.

We secured an agreement in principle to redevelop KL Sentral Station, the main public transport hub in the capital, on a Private Finance Initiative (PFI) basis. This important transportation infrastructure is over 22 years old and was originally designed for 100,000 daily passengers. Today, KL Sentral Station serves over 220,000, double its intended design capacity. This strains the infrastructure, necessitating urgent redevelopment. Our plan will not only expand its capacity but also incorporate many sustainability features.

Finally, although the LRT3 project is nearing completion, the announcement of the construction of an additional five LRT stations in the National Budget 2024 will provide a revenue driver for the Group over the next two financial years.

Project Pipeline

Category	Project	Type	GDV or Construction Value
Property Development & Investment	Bukit Jalil Sentral - Phase 1	1,200 residential units	RM900 million
	9 Seputeh Parcel A	490 residential units	RM400 million
	Lot F, KL Sentral	Mixed-development	RM1 billion
	Residensi Tujuh, Kwasa Sentral	573 residential units	RM385 million
	VISTA, Gold Coast, Australia	280 high-rise residential units	AUD504 million (≈ RM1,511 million)
	The Symphony Centre, New Zealand	21-storey mixed development	NZD452 million (≈ RM1,314 million)
	Bledisloe House, New Zealand	Refurbishment	NZD137 million (≈ RM398 million)
	Ipoh Raya Integrated Industrial Park, Perak	810.57-acre	Not Announced
Engineering, Construction & Environment	Chuping Valley Industrial Area, Perlis	One-storey production facility including warehouse and operations office across 100,874 sq. ft.	RM121.5 million
	Light Rail Transit 3 (LRT3)	Construction of 5 LRT stations as per the National Budget 2024	Not Announced
	Shah Alam Stadium	Redevelopment	Not Announced
	Kuala Lumpur Sentral Station	Redevelopment	Not Announced

ADVANCING SUSTAINABILITY AND CLIMATE ACTION COMMITMENT

We are committed to ESG, going beyond construction to create sustainable, interconnected spaces that foster community and economic growth. On the environmental front, we have expressed our commitment to climate action and made notable inroads for the year by reducing Scope 1 and Scope 2 carbon emissions intensity by 49% against our 2020 baseline, continuing our annual goal of a 4.2% decrease.

In 2023, we took further steps to improve our Scope 3 emissions disclosures and now disclose 88% by the value of the sum procured by our supply chain, compared to 64% in 2022. We also partnered with the United Nations Global Compact (UNGC) and conducted sustainability readiness assessments across our supply chain. This move is crucial in ensuring a just transition in our climate action efforts. By actively including our supply chain in our sustainability journey, particularly our SME suppliers, we aim to assess our progress along with theirs and implement engagement strategies that are inclusive to build a sustainable construction ecosystem.

In 2022, we began purchasing Renewable Energy Certificates (REC) through the Green Electricity Tariff programme offered by Tenaga Nasional Berhad. In 2023, we continued subscribing to a monthly total of 1,206,000 kWh of electricity generated from renewable sources for three buildings under our management, namely Celcom Tower, Plaza Alam Sentral, and Penang Sentral.

A Memorandum of Collaboration was signed with Bursa Malaysia, positioning MRCB as an early adopter of their Centralised Sustainability Intelligence Platform for the Construction Sector. The main goal of this initiative is to

improve sustainability practices and elevate reporting standards across public listed organisations. We believe this is an important step towards setting industry benchmarks in sustainable construction and the measurement of embodied carbon.

We are working closely with industry partners to equip the future construction workforce with knowledge and skills in using innovative and sustainable construction materials. To achieve this goal, we collaborated with CIDB Holdings Sdn Bhd and its Akademi Binaan Malaysia to enhance the construction-related programmes offered by their Technical and Vocational Education and Training (TVET) Centres.

A focal point of these programmes is the MRCB Building System (MBS), a more sustainable construction method that reduces waste and carbon emissions. Our proprietary MBS technology is at the forefront of sustainable construction methods. MBS technology accelerates project delivery by up to 50% compared to conventional methods while reducing carbon emissions through its efficient construction process.

MBS tackles challenges in conventional construction, effectively mitigating issues such as weather-related delays

and on-site safety hazards, while maintaining stringent quality control standards. Through MBS, sustainability is integrated into every phase of the construction, seamlessly aligning with both our clients' needs and our commitment to environmental responsibility.

MRCB's new Sustainable Design and Planning Policy has approached its finalisation stage in 2023. This policy serves as a comprehensive guide for MRCB to embed sustainability considerations into every facet of design and development, from initial concept to final construction, including the procurement of environmentally responsible materials. To this end, the Residensi Tujuh in Kwasa Sentral development will employ the MBS construction approach to minimise waste and carbon emissions.

We have also rolled out the Enterprise Resource Planning (ERP) system to drive further digitalisation and automation across our processes. The ERP system aims to achieve leaner and more cost efficient operations, streamlining workflows, and enhancing overall productivity within our organisation.

 For more details on Our Performance: Environment, refer to page 172



An artist's impression of the aerial view of Kwasa Damansara City Centre

Operating Context

EMPOWERING OUR PEOPLE FOR TOMORROW'S CHALLENGES

We believe in aligning our employees' capabilities with MRCB's vision for future growth and sustainability. To achieve this, we have implemented people management strategies prioritising employee well-being and performance. These include flexible working hours and providing comprehensive mental health and well-being programmes. A strong emphasis is also placed on learning and development, providing our people with opportunities for continuous professional growth.

In preparing our people for the challenges and opportunities of tomorrow, we focus on integrating key aspects of sustainability, Diversity, Equity and Inclusion (DEI), and human rights in our people management efforts. Our 'Introduction to Sustainability' course for all employees launched in 2023 covers various facets of sustainability, including DEI and human rights. We also continued to provide the UNGC Academy learning portal resource for all our employees, offering them access to various courses, including climate change and environment, Sustainable Development Goals, gender equality, human rights, and decent work. These educational resources are essential to empower our people to understand and contribute to MRCB's sustainability ambitions.

We actively participate in the CEO Action Network (CAN), a closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity building, action, and performance. In August 2023, we announced our co-leadership in CAN's DEI workstream. We view this effort with a high degree of importance as building a DEI mindset overall can foster a more inclusive work culture, which extends to employee satisfaction, talent retention, and overall productivity.

In July 2023, we joined the esteemed 30% Club Malaysia as part of our commitment to advancing gender parity in the boardroom and senior leadership. A series of workshops on gender parity were conducted in November 2023, which provided insights into how unconscious bias influences perspectives and actions. The workshops aimed to foster an appreciation of gender equality and equity in our professional environment. Collectively, these efforts represent MRCB's comprehensive approach to building a more inclusive, sustainable, and future-ready organisation.

 For more details on our DEI initiatives, refer to page 156

 For more details on Our Performance: Social, refer to page 132

ACKNOWLEDGEMENT

We have set the groundwork for our next phase of growth. We are focused on executing our well-defined strategy to strengthen our core business, actively diversify revenue streams, and integrate technological advancements in our operations. Our commitment to maintaining quality across products and human resources solidifies our strong position in property and construction. This strategy allows us to balance risks effectively and leverage emerging opportunities, positioning us for future growth and resilience.

Our achievements in 2023 were made possible by the concerted efforts of many. I extend my deepest appreciation to our former Chairman, Dato' Seri Amir Hamzah Azizan, for his leadership and valuable contribution. I warmly welcome our new Chairman, Dato' Mohamad Nasir AB Latif, whose insights and guidance will be instrumental in leading us forward as we progress ahead. I am grateful for the support and guidance of the Board of Directors in steering our path towards sustained performance.

I would like to accord my special thanks to our employees for their dedication and exceptional performance. Working with such a team is indeed a privilege. To our shareholders, clients, and business partners, your ongoing support is invaluable, and we remain committed to delivering long-term value.

Datuk Imran Salim
Group Managing Director

ECONOMIC & INDUSTRY REPORT

The Economy

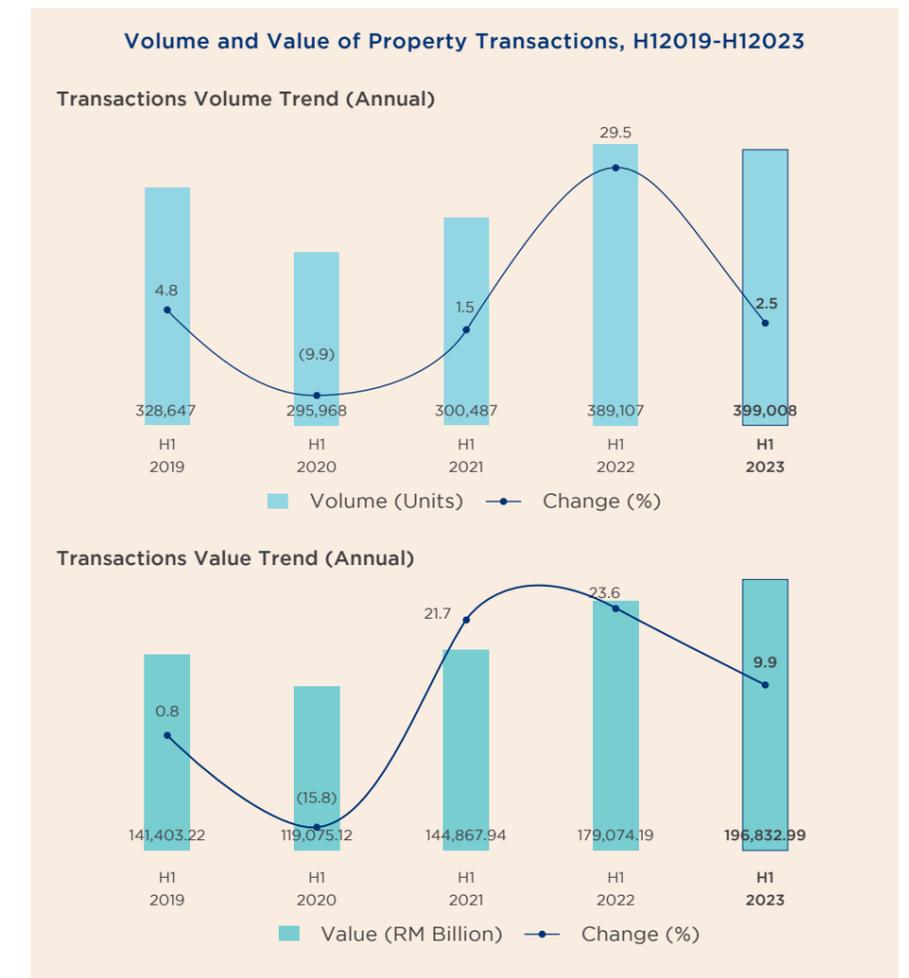
The global economic recovery in 2022 faltered in 2023, grappling with ongoing ripples from the Russia-Ukraine war, soaring inflation, and tightening monetary policies. The World Bank Group estimates global growth to slow to 2.4% in 2024, making it a third year of deceleration.

Despite the subdued external environment, the Malaysian economy demonstrated continued resilience, increasing by 3% in the fourth quarter of 2023, bringing GDP for 2023 to 3.7%. The continued growth is attributed to robust domestic demand. Key drivers include a recovering labour market; ongoing implementation of major infrastructure projects like MyDigital, ECRL, and LRT3, and easing of supply chain disruptions. Services (5.3% growth), and the construction (6.1% growth) sectors further fuelled expansion, while agriculture, manufacturing and mining saw slight contractions.

Looking ahead, the outlook for 2024 remains cautious. Bank Negara Malaysia projects growth to be 4%-5%, contingent on global recovery offsetting a slowdown in China. Balancing inflation and supporting domestic growth will be key challenges for policymakers. While uncertainties persist, Malaysia's resilient domestic demand, ongoing policy support, and infrastructure investments offer promising buffers against external headwinds.

Property Sector in Malaysia

A total of 399,008 transactions worth RM196.83 billion were recorded in 2023, showing an increase of 2.5% in volume and 9.9% in value compared to 2022. The residential property sub-sector made up 62.8% of total transactions and 51.3% of total value.

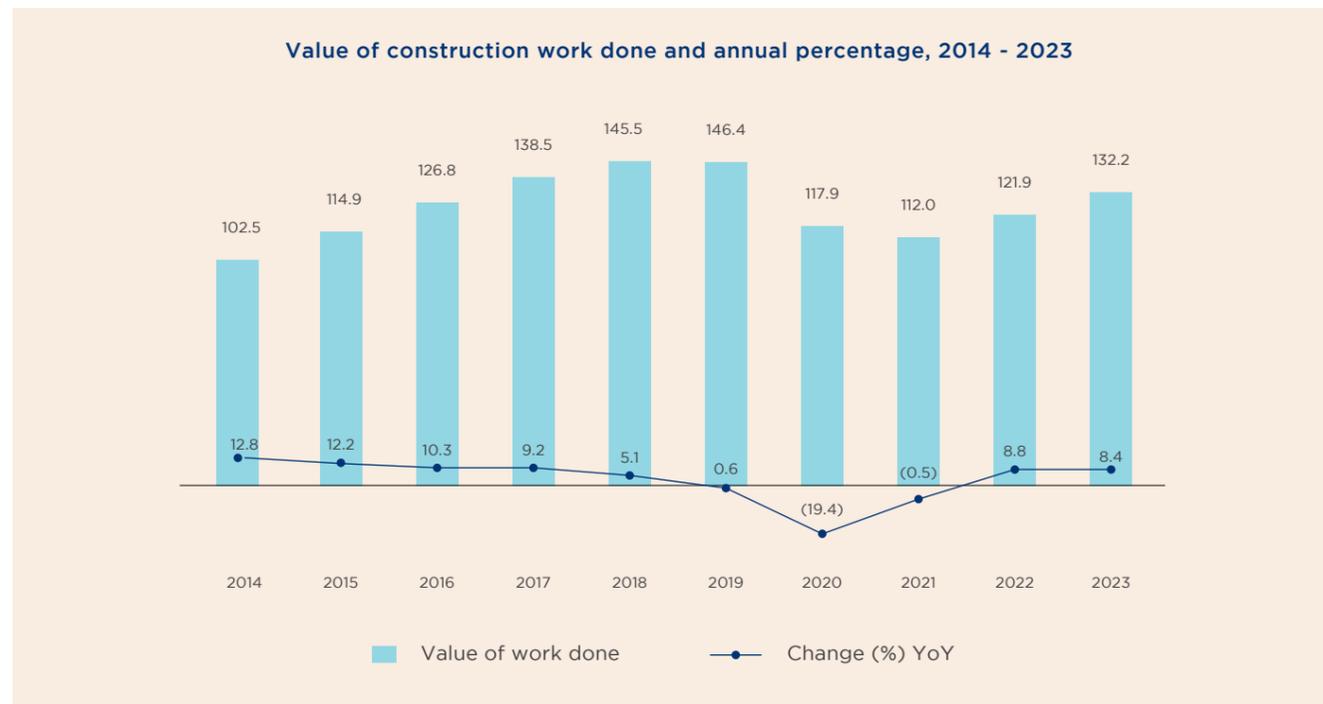


The residential property sector recorded 250,586 transactions worth RM100.93 billion in 2023, which translated to a marginal increase of 3.0% in volume and a 7.1% in value from 2022. These transactions were mainly driven by those in Pulau Pinang, Kuala Lumpur, Johor, and Selangor, which formed 51% of total transaction volume and 67% of transaction value. Meanwhile, the commercial property sector recorded 40,463 transactions worth RM38.31 billion in 2023, a 23.3% increase in volume and a 17.5% increase in value compared to 2022. Selangor contributed the highest volume and value to the national market share, with 10,110 transactions worth RM10.73 billion.

Construction Sector in Malaysia

Construction activity increased in 2023, with the value of work done rising by 8.4% in 2023 compared to 2022. Notably, the positive growth was propelled by the significant contribution of civil engineering activities.

Of the RM132.2 billion value of work done in total in 2023, construction of buildings made up 50.9% (RM67.2 billion) of the total value, followed by the construction of roads and railways at 20.6% (RM27.2 billion).



Outlook

Global economic headwinds persist in 2024, with concerns over slower growth, high-interest rates, geopolitical instability, and ongoing supply chain disruptions. The World Bank Group, estimating global growth of 3.1% in 2024.

Malaysia, however, remains resilient despite these external challenges. The outlook for the construction sector in 2024 is cautiously optimistic. While high interest rates may dampen demand for private construction projects, the government’s continued focus on infrastructure development through initiatives like the Pan Borneo Highway and MRT3 projects is expected to provide ample opportunities for contractors. Malaysia’s public investment is set to rise 8.3% in 2024, driven by increased government spending on social and economic sectors, including ongoing infrastructure projects like highways, railroads, and transit systems. Major new projects like flood mitigation and industrial park expansions will further boost this growth.

The property market is expected to see continuous recovery in 2024, albeit at a slower pace compared to 2023. The relaxation of Malaysia My Second Home requirements in Budget 2024 should further boost demand. However, interest rates may impact affordability and dampen investor sentiment, especially in the high-end segment. Overall, the Malaysian construction and property development markets are poised for moderate growth in 2024, navigating a global environment with both opportunities and challenges.

KEY MARKET TRENDS & OUTLOOK

Key Market Trend 1

RECOVERING PROPERTY MARKET DESPITE GLOBAL ECONOMIC CHALLENGES

While a stronger property market recovery was seen in 2023 after the gradual re-opening of the economy in 2022 in the post-pandemic era, uncertainties regarding the direction of global inflation rates and the resulting interest rate increases by Central Banks impacted property affordability. This was further exacerbated by Malaysia’s weakening Ringgit and China’s slowing economy as a result of the country’s real estate crisis, high unemployment, weak consumer spending, and heightened geopolitical tensions.

POTENTIAL IMPACT

- Higher property sales and revenues
- Better cash flow and availability of funding for growth

OUTLOOK

Despite only moderate economic expansion in 2023 and the uncertainties brought about by continued inflationary pressures, both domestic and foreign demand for property picked up due to pent-up demand, the opening of foreign borders and the Ringgit’s weakness.

Response

In 2023, we achieved RM831.3 million in residential property sales and successfully completed the sale of Menara CelcomDigi for RM450 million. The Group also completed two of our key property development projects, TRIA 9 Seputeh (GDV: RM940 million) and Sentral Suites (GDV: RM1.6 billion).

As an indication of MRCB’s return of confidence in the residential property market after the pandemic years, when it deliberately halted new property launches due to very uncertain market conditions and to prevent a potential ballooning in its future completed unsold stock, MRCB launched RM1.9 billion GDV of new properties in 2023. VISTA in Surfer’s Paradise, Gold Coast, Australia, a 51-storey high-rise development with 280 units with a GDV of AUD504 million (≈ RM1,511 million), and Residensi Tujuh in Kwasa Sentral, a 573-unit development with a GDV of RM385 million, were both launched during the year.

MRCB also has plans to launch RM3.6 billion worth of new properties in Malaysia and New Zealand in 2024, entering a new project cycle, that should fuel growth over the medium term.

[For details of the properties to be launched, please refer to page 105](#)

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Material Matters



● 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 with better energy efficiency that are more sustainably constructed and located in close proximity 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

OUTLOOK

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 carbon emissions reduction targets and are looking to own and relocate to high-energy efficient green buildings.

Conscious consumerism, characterised by an increasing trend among the general public, especially the younger demographic, to consume less and prioritise sustainability and minimise carbon footprints, is on the rise.

Response

TOD make up 81% of the 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 TOD that integrate commercial, residential, and other types of developments around or integrated with mass transportation infrastructure.

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, as well as developments aimed at Malaysia's ageing population.

As one of the pioneers of green building in Malaysia, having applied for 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 among corporates for energy-efficient green buildings.

In 2019, we launched 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 carbon emissions. Ensuring our growth as conscious consumerism and demand for more sustainable construction rises and as the benefits of modular construction become known and mainstream. We have rolled out MBS locally, licensed the technology to companies in Hong Kong and Singapore and successfully patented it in 20 countries. In 2023, 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 and targeted customers in terms of design, quality, and customer service.

Linked

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SRC

Growth Principles



Material Matters

PQR

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● 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

OUTLOOK

The focus on sustainability and ESG matters has grown significantly in the past few years. In 2023, Bursa Malaysia's enhanced sustainability reporting requirements will be implemented. At the same time, other international reporting standards are evolving, such as the International Sustainability Standards Board's (ISSB) new reporting standards that build upon the Task Force on Climate-related Financial Disclosure (TCFD). Bursa Malaysia's growing seriousness on enhancing ESG reporting also led to the launch of its Centralised Sustainability Intelligence (CSI) platform in 2023.

Response

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 our customers' and stakeholders' demands. Sustainability is inherently embedded into our business through our role as a Transit Oriented Developer (TOD), which features heavy integration with mass public transportation. This strategy encourages city dwellers to use public transport for commuting. This takes motor vehicles off the roads, thereby reducing carbon emissions.

We also contribute to SDGs 9 and 11 by applying four Green Building rating systems to increase efficiency in the use of energy, water, and materials in our property projects. These include Malaysia's Green Building Index (GBI), Malaysia's Green Real Estate (GreenRE), Malaysia's Carbon Reduction and Environmental Sustainability Tool (MyCrest), and the US Green Building Council's Leadership in Energy and Environmental Design (LEED). We also measure and make comprehensive ESG disclosures and publish the data on 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 carbon monoxide emitting landfills. In 2023, MRCB developed its Sustainable Financing Framework, which was rated GOLD by MARC Ratings Berhad, that 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. We are also committed to Science-Based Targets and have

established an internal science-based target to reduce Scope 1 & Scope 2 carbon emissions by 4.2% annually, which is aligned to the 1.5°C scenario, as well as long-term net zero emissions targets. In 2023, MRCB partnered with UNGC to communicate with 100% of our registered supply chain, to gauge their ESG readiness, which will help us develop effective and inclusive strategies in the future to ensure a just transition. In this vein, MRCB appointed Bureau Veritas Malaysia Sdn Bhd to provide advisory and consultancy services in reviewing the Group's new Sustainable Design & Planning Policy to identify areas where ESG and sustainability-related criteria, including embodied carbon management, can be integrated.

In 2023, we signed a Memorandum of Co-operation with Bursa Malaysia to become an early adopter of its Centralised Sustainability Intelligence (CSI) Platform and improved our FTSE4Good Bursa Malaysia Index score from 3.2 in 2022 to 3.6 during the year, one of the highest scores for a company in our sector. MRCB has been a constituent of the FTSE4Good Bursa Malaysia Index since its launch in 2014. We also achieved an 'A' rating in the MSCI ESG ratings.

We will also continue to conduct internal capacity-building programmes for our staff on sustainability and the "Environment" pillar of ESG. This will be done through continuous training and communication programmes, including collaborations with UN Global Compact (UNGC) to allow employees free access to the UNGC Academy, a digital learning platform with courses and resources from the world's leading experts on sustainability and the CEO Action Network (CAN) for peer-to-peer learning workshops and sharing with other like-minded organisations.

 Full information on our environment performance can be read on page 172

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Material Matters

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● 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

OUTLOOK

The dwindling number of available large infrastructure construction projects available for tender over the past three years has added to the competitive landscape. Nevertheless, Budget 2024 allocated RM90 billion for major infrastructure projects. The MRT3 project, which MRCB has tendered for, has an estimated total project cost of RM45 billion.

Competition within the property sector remains intense. MRCB's existing land bank is not only almost entirely located in Malaysia but also predominantly by value located within the prime areas of the Klang Valley, while projects within its external construction order book are all located within Malaysia. This could lead to concentration risk in the event that intense competition within these markets and locations persists.

Response

In a bid to address concerns from discerning clients and the demand for sustainable construction, MRCB will continue to market MBS for its residential projects, innovate new sustainable development solutions, and leverage on the locations of its land bank and its proximity to mass public transportation.

As of 31 December 2023, MRCB recorded open tenders worth RM30 billion, with ongoing negotiations being pursued for the redevelopments of Stadium Shah Alam and Kuala Lumpur Sentral Station. MRCB will continue to tender, conduct direct negotiations, and submit innovative proposals for large infrastructure projects such as the climate change adaptation infrastructure. Additionally, we have also entered into new business markets and new geographical areas to diversify revenues and avoid competition and concentration risk. In diversifying away from commercial and residential developments, MRCB's entry into the industrial and logistics development segment in 2022, via its Ipoh Raya Integrated Park, was followed by the 2023 launch of the development of an electronics production facility with a Fortune 500 company in the Chuping Valley Industrial Area (CVIA) in Perlis, valued at RM121.5 million. We also continued advanced negotiations on a waste-to-energy service agreement and are tendering for infrastructure construction projects in East Malaysia.

Our presence in Australia has been strengthened with the launch of VISTA in Surfer's Paradise, Gold Coast, Australia, a 280-unit 51-storey high-rise development with a GDV of AUD504 million (≈ RM1,511 million). MRCB also has a presence in New Zealand through The Symphony Centre with a GDV of NZD452 million (≈ RM1,314 million) in Auckland City Centre, which will begin construction in 2025, and the refurbishment of Bledisloe House, a heritage building located in the Aotea precinct of Auckland Central Business District with a GDV of NZD137 million (≈ RM398 million).

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● Key Market Trend 5

REGULATORY ENVIRONMENT

The property and construction sector 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 to comply with new regulations
- Delays in construction progress

OUTLOOK

MRCB is governed by a range of statutory requirements for publicly listed companies, environmental, health & safety, sector/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, like the IFRS S2 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 (CIDB), 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 41 out of the 43 Practices prescribed in MCGG 2021, together with 4 out of the 5 optional Step-Up Practices. In 2023, MRCB was awarded its fifth Gold at the 2023 Australasian Reporting Awards, as well as Gold for Governance, Reporting & Transparency in the large corporation category at the ESG Positive Impact Awards. We also continued our climate action journey by conducting a quantitative assessment of the physical climate risks on our assets, aligned with the Task Force on Climate-related Financial Disclosures (TCFD).

In efforts to enhance our Diversity, Equity & Inclusion (DEI) practices, in 2023, MRCB 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. We also further strengthened our corporate governance by revising our Conflict of Interest Policy, our Board Charter and our Director's Fit & Proper Policy.

Full information on our Corporate Governance Overview Statement can be read on pages 214 - 254

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Our Stakeholders

● 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

OUTLOOK

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 footprint.

Digitalisation is key to reducing long-term costs and increasing productivity and efficiency, as well as reducing energy and an organisation's carbon emissions.

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 property development projects in Hong Kong and Singapore. In 2023, we launched our first medium-end high-rise residential building, Residensi Tujuh, at Plot F, Kwasa Sentral, with a GDV of RM385 million, that will be developed 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 2023 when we completed the User Acceptance Testing and began rolling out our new Enterprise Resource Planning (ERP) software platform. This effort provides end-to-end automation for many of our project management, business, and finance processes, helping us to eliminate many manual legacy processes and systems to attain leaner and more efficient operations.

Linked

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Material Matters



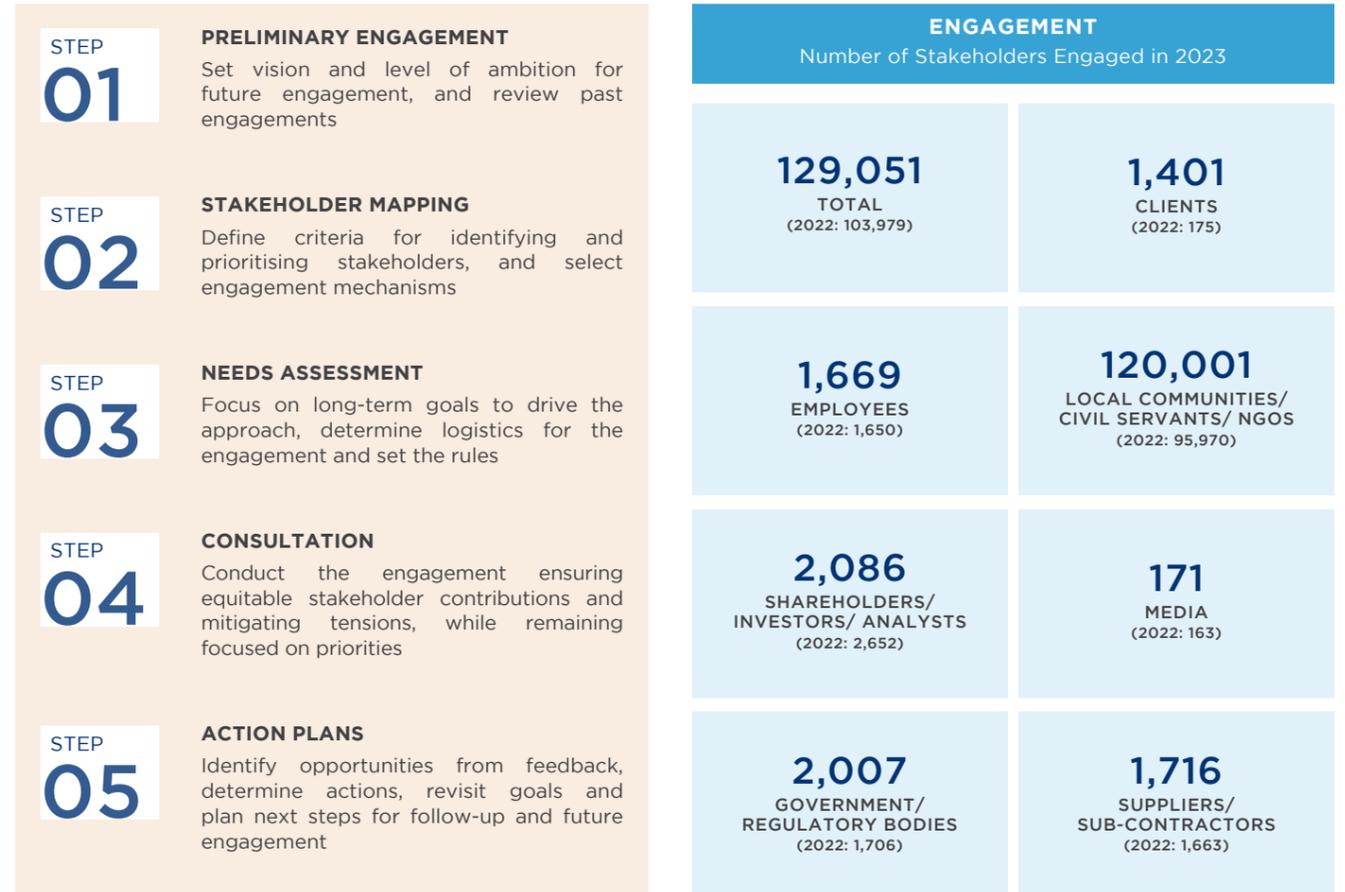
Maintaining an active and meaningful dialogue with both our internal and external stakeholders is a vital part of our business operations. By understanding their expectations, concerns, and interests related to our business performance, we can effectively shape our strategies and approaches. Their feedback 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 in achieving 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 for potential collaborations and partnerships, thereby identifying opportunities.



CLIENTS/CUSTOMERS

WHY WE ENGAGE

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

- Expand into new markets to diversify the business
- Develop new products and innovate new technologies to remain in a market-leading position

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 flood/erosion mitigation projects.

Engagement Platforms & Frequency

- Y** Customer satisfaction surveys
- M** Marketing events
- M** Engagement activities and roadshows

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 data/information
- Timeliness of delivery

FOR CORPORATE AND OTHER CLIENTS

- Solutions to meet future ESG demands and increased operational efficiencies
- Green design and construction
- Faster build times

Response and Contributions

FOR RESIDENTIAL PROPERTY BUYERS

- Achieved an overall customer service excellence score of 80% based on the customer experience survey conducted among 425 purchasers of the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects
- Organised various events such as open houses, roadshows, and property previews to 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 cyber security attack attempts
- Applied Green Building rating systems
- Innovated and developed MBS technology that improves quality and construction time

FOR CORPORATE AND OTHER CLIENTS

- Patented MBS technology in 20 countries, with patents pending in an additional 11 countries, thereby increasing opportunities to license the environmentally-friendly construction technology to other companies overseas
- Innovated technical and new design concepts for clients, providing them with long-term, cost-effective, and sustainable solutions

Engagement Frequency

- D** Daily
- W** Weekly
- M** Monthly
- Q** Quarterly
- Y** Yearly

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

- Loss of investor confidence
- Misaligned expectations and inadequate understanding of the Group's strategy
- Weak share price, leading to inability to raise capital

OPPORTUNITIES

- Strengthen communication with investors to 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 governance.

Engagement Platforms & Frequency

- Y** Annual General Meeting (AGM)/ Extraordinary General Meeting (EGM)
- Q** Analysts' briefings
- Q** Corporate website
- Q** Investor Relations mobile app
- Y** Yearly sessions with Minority Shareholders Watch Group (MSWG)
- M** Meetings, engagement sessions with institutional investors, investment analysts, and investor conferences
- Y** Site visits for institutional investors and investment analysts

Key Concerns and Expectations

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

Response and Contributions

- Answered and published all questions received from shareholders before and during the virtual AGM and EGM on the corporate website
- Conducted one (1) ESG session with an analyst and participated in six (6) ESG-specific conferences in which a total of 582 investors/analysts/fund managers/other professionals participated.
- Conducted eight (8) investor relations engagements attended by 78 investors/analysts/fund managers
- Developed and published an ESG Brief detailing MRCB's ESG performance on a quarterly basis on our website
- Conducted one (1) site visit for 12 analysts/fund managers to our LRT3 project site
- Included ESG matters into all quarterly analysts' briefings and meetings
- Communicated regularly with analysts via email and phone calls to answer specific questions and provide updates
- Published all quarterly results presentations on our website
- Increased our overall FTSE4Good Bursa Malaysia Index score from 3.2 in 2022 to 3.6 in 2023
- Improved MRCB's MSCI ESG rating from 'BBB' to 'A'

Engagement Frequency

- D** Daily
- W** Weekly
- M** Monthly
- Q** Quarterly
- Y** Yearly

EMPLOYEES

WHY WE ENGAGE

Our employees are the backbone of our company. By nurturing a diverse group of talents, we are building the knowledge and skills needed to maintain our market position.

RISKS

- Competition for talent
- Demotivated staff and reduced productivity
- Changing expectations of the younger workforce
- Staff retention

OPPORTUNITIES

- Adopt new work arrangements, such as flexi-hours, which lead to improved well-being and performance
- Enhance Health & Wellness, including mental health programmes
- Improve Diversity, Equity & Inclusion (DEI) programmes
- Capacity building and upskilling programmes
- Training and talent development
- Nurture a lean and performance-driven work culture

VALUE PROPOSITION

Competitive remuneration, career progression, and healthy work-life balance. Equal opportunities, safe working environment, and learning and development.

Engagement Platforms & Frequency

- | | |
|---|---------------------------------------|
| Y Focus groups and surveys | D Social media |
| W Electronic direct mail (EDM) communication and video/multimedia engagement through video displays strategically located in common areas of our offices | M Health & Wellness programmes |
| | Y E-Newsletter |
| | Q DEI programmes |

Key Concerns and Expectations

- | | |
|--------------------------------------|------------------------------------|
| • Business direction and performance | • Health and safety |
| • Work-life balance initiatives | • Diversity, equity, and inclusion |
| • Career advancement opportunities | • Training |

Response and Contributions

- Rolled out Succession Planning programme for 27 identified critical job positions
- Re-launched the UNGC Academy learning portal for employees to access sustainability courses on topics like climate change, SDGs, gender equality, human rights, and decent work
- Facilitated confidential counselling services carried out by experienced mental health professionals
- Allowed flexibility for staff with special-needs children or relatives
- Appointed as Co-Lead for the CEO Action Network (CAN)'s Diversity, Equity & Inclusion workstream to collaborate with fellow members in raising awareness about the principles of and business case for DEI, while also strengthening policies and strategic interventions
- Rolled out an Employee Engagement Survey to over 1,700 staff to gather insights and feedback
- Organised various recreational activities through our Kelab Kebajikan dan Rekreasi MRCB (KKRM), including jungle trekking, treasure hunts, Zumba exercise classes, and bowling tournaments
- Organised free Breast Screening by the National Cancer Society of Malaysia, along with other health programmes and talks to promote employee health and well-being
- Organised free health screening by PERKESO for employees aged 40 - 59 years old through the PERKESO SEHATi programme
- Arranged five (5) interactive talks with senior management including the Group Chief Financial Officer, Group Chief Operating Officer, and Chief Corporate Officer. These sessions involved 162 selected participants, promoting open communication and employee involvement
- Introduced two payroll-related services under Mulaaa, namely the Mid-Month Payout (MMP) service and Earned Wage Access (EWA) service
- Introduced the Long Term Medicine (LTM) enrolment for MRCB staff that are on a long-term medication
- Achieved an average of 6.4 training hours per employee through our impactful and diverse training and development programmes, driving all MRCB employees toward continuous learning and skill enhancement

Engagement Frequency

- D** Daily **W** Weekly **M** Monthly **Q** Quarterly **Y** Yearly

GOVERNMENT/REGULATORY BODIES

WHY WE ENGAGE

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

RISKS

- Changing regulations
- Non-compliance, financial penalties, and reputational damage

OPPORTUNITIES

- Drive initiatives outlined in the national agenda
- Become the standard-bearer of new regulation compliance
- Leverage opportunities arising from priorities in the national agenda

VALUE PROPOSITION

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

Engagement Platforms & Frequency

- | | |
|------------------------------|----------------------|
| M Engagement sessions | Y Site visits |
|------------------------------|----------------------|

Key Concerns and Expectations

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

Response and Contributions

- Contributed tax payments
- Streamlined land acquisition and development process by working closely with local and international legal and regulatory experts, and 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 Health & Safety Management Systems ISO 45001:2018
- Partnered with CIDB's Akademi Binaan Malaysia to improve TVET programmes aligned to MRCB's modular construction technology
- Achieved a 5-Star SHASSIC rating for our PRIMA Brickfields development from CIDB, the construction industry regulator in Malaysia
- Adopted and applied 41 out of 43 Practices prescribed in MCCG 2021, together with four (4) out of five (5) optional Step-Up Practices
- Continued training and awareness on anti-bribery and corruption, as well as MRCB's Whistleblowing Policy
- Participated in industry events

Engagement Frequency

- D** Daily **W** Weekly **M** Monthly **Q** Quarterly **Y** Yearly

LOCAL COMMUNITIES/CIVIL SOCIETY/NGOs

WHY WE ENGAGE

Our projects can 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 social and community development.

Engagement Platforms & Frequency

- | | |
|---|---------------------------------|
| M Community development programmes | D Social media |
| Q Community briefings on projects | D General enquiry emails |

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

- Donated approximately RM5.3 million through various community development programmes, which included the establishment of our third library, Pustaka KL Digital Madani, located in Bandar Sri Permaisuri
- Engaged with members of the public to provide updates and resolve concerns relating to the Group's projects
- Trained 460 prisoners through MRCB's Peluang Kedua Anda @ MRCB or PEKA programme
- Assessed the quantitative impact of climate-related physical risks aligned with the Task Force on Climate-related Financial Disclosures (TCFD)
- Organised a corporate social responsibility initiative with the Orang Asli community of Royal Belum State Park, Perak, providing food and essential household supplies, conducting health check-ups, and delivering crucial hygiene education to over 150 indigenous families in Bongor Village

Engagement Frequency

- D** Daily **W** Weekly **M** Monthly **Q** Quarterly **Y** Yearly

SUPPLIERS/SUB-CONTRACTORS

WHY WE ENGAGE

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

RISKS

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

OPPORTUNITIES

- Upskill suppliers, sub-contractors, and business associates
- Employ local labour to decrease dependency on foreign labour
- Create efficiency and value engineering opportunities, and improve health and safety performance

VALUE PROPOSITION

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

Engagement Platforms & Frequency

- | | |
|---|---------------------------------|
| Q Health and safety training | D On-site briefings |
| Y Survey on sustainability readiness | M Anti-bribery workshops |

Key Concerns and Expectations

- Safe, humane, and conducive work sites and worker's living quarters
- Non-performance issues
- Guidance and training on and adherence to Standard Operating Procedures to ensure safe working conditions
- Transparent and fair pre-qualification, procurement, and tender processes

Response and Contributions

- Expanded our e-Procurement system
- Arranged Centralised Labour Quarters (CLQ) to ensure adequate accommodation and healthy living conditions for foreign workers at our sites
- Partnered with UNGC to assess our supply chain's ESG readiness, which will help us develop effective policies in the future
- Appointed Bureau Veritas Malaysia Sdn Bhd to provide advisory and consultancy services in relation to the Group's new Sustainable Design & Planning Policy. Bureau Veritas will look into identifying areas where further ESG and sustainability-related interventions, including carbon management can be integrated into our developments
- Engaged with suppliers to expand measurement and disclosure of Scope 3 carbon emissions
- Conducted anti-bribery and corruption briefings to our suppliers

Engagement Frequency

- D** Daily **W** Weekly **M** Monthly **Q** Quarterly **Y** Yearly

MEDIA

WHY WE ENGAGE

The media delivers corporate news to all our other stakeholders, creating visibility and public confidence in our brand.

RISKS

- Misrepresentation or lack of understanding of MRCB's business and performance
- Inability to correct inaccuracies due to lack of a working relationship with the media

OPPORTUNITIES

- Strengthen relationships with media for effective stakeholder outreach and communications

VALUE PROPOSITION

Access to the latest business development updates and industry insights.

Engagement Platforms & Frequency

- Q** Press releases
- Y** Engagement sessions
- Q** Press conferences and media briefings

Key Concerns and Expectations

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

Response and Contributions

- Disseminated regular press releases
 - Conducted eight (8) press conferences attended by 109 media personnel
-  *see page 45 for more details*

Engagement Frequency

- D** Daily
- W** Weekly
- M** Monthly
- Q** Quarterly
- Y** Yearly

KEY HIGHLIGHTS OF OUR STAKEHOLDER ENGAGEMENT ACTIVITIES IN 2023

Integrated ESG Engagement Sessions

In 2023, we continued to integrate ESG matters into analysts' briefings and other investor meetings instead of being discussed separately. However, ESG matters continued to garner interest from the financial and professional community. This led to the Investor Relations team to conduct one (1) ESG session with an analyst and to participate in six (6) ESG-specific conferences in which a total of 582 investors/analysts/fund managers/other professionals participated. These conferences helped to provide insights into MRCB's ESG strategy, performance and our future plans. They also served as knowledge-sharing platforms between MRCB, other corporates, and sustainability experts. An ESG Brief is also updated frequently and made available at www.mrcb.com.my

Qualitative assessments to gather feedback were also conducted at the end of each meeting, and participants were unanimously satisfied with the ESG sessions.

Press Conferences

Several on-site press conferences were conducted to engage with the media and communicate certain initiatives to the public in 2023.

<p>28 January 2023</p> <p>Soft launch of the showcase of Shah Alam Sports Complex Development Project (KSSA)</p> <hr/> <p>NO. OF MEDIA PERSONNEL 25</p>	<p>17 February 2023</p> <p>Kwasa Damansara City Centre Exhibition and Groundbreaking ceremony</p> <hr/> <p>NO. OF MEDIA PERSONNEL 20</p>	<p>30 May 2023</p> <p>Memorandum of Understanding with CIDB on Technical and Vocational Education and Training (TVET)</p> <hr/> <p>NO. OF MEDIA PERSONNEL 5</p>	<p>25 June 2023</p> <p>Back To School Programme at Sekolah Jenis Kebangsaan Tamil Landang Midlands</p> <hr/> <p>NO. OF MEDIA PERSONNEL 5</p>
<p>4 July 2023</p> <p>LRT3 Site Visit by Ministry of Transportation</p> <hr/> <p>NO. OF MEDIA PERSONNEL 20</p>	<p>18 July 2023</p> <p>Groundbreaking ceremony of the Chuping Valley Industrial Area project in Perlis</p> <hr/> <p>NO. OF MEDIA PERSONNEL 20</p>	<p>14 October 2023</p> <p>White Cane Day 2023 at Penang Sentral</p> <hr/> <p>NO. OF MEDIA PERSONNEL 4</p>	<p>31 October 2023</p> <p>Launch of our third digital library, Pustaka KL Digital Madani@Bandar Sri Permaisuri</p> <hr/> <p>NO. OF MEDIA PERSONNEL 10</p>

Responsible Procurement & Supplier Assessment

Our commitment to having a sustainable supply chain includes appointing foreign suppliers only when it is necessary for the business. Engaging local suppliers over foreign suppliers helps reduce transportation costs and carbon emissions. Out of our 231 appointed suppliers throughout 2023, 228 were local suppliers, and 99.6% of our procurement budget was spent on these local suppliers.

In 2023, we partnered with UNGC to implement supply chain sustainability readiness assessments and to improve our Scope 3 carbon emissions reporting.

UNGC Communication on Progress (CoP) 2023

In our commitment to the UNGC and its Ten Principles, MRCB completed its annual submission of the CoP report in November 2023, which can be found 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 2022. 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 two workstreams on Policy Advocacy, and Awareness & Capacity Building; with MRCB being part of the latter workstream. 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 by 2023 or within three years of signing up with CAN. Our initiatives, which 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, can be read in Our Approach to Sustainability section on pages 120 to 131, as well as our Social section on pages 132 to 170 and Environmental section on pages 171 to 200.

In 2023, MRCB was appointed to co-lead the CAN Diversity, Equity & Inclusion workstream.

30% Club Malaysia

As part of MRCB's strengthening commitment towards championing Diversity, Equity & Inclusion (DEI), in 2023, we joined the 30% Club Malaysia, which is 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 and the Malaysian government and the business community. It facilitates trade and investment between Europe and Malaysia. MRCB became a member in the first quarter 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 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.

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, the right to express opinions, and the right to 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.

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.

Determining Our Material Matters

We understand the need to focus our efforts on material matters that are most significant to the business and to its stakeholders. Our business strategy and resource allocation are guided by the most impactful material issues, identified through a materiality assessment which we aim to conduct every two years. To remain vigilant, we supplement the materiality assessment with annual reviews to ensure our identified economic, environmental, social, and governance (ESG) impacts remain relevant.

The step-by-step methodology of our Materiality Assessment is illustrated below:

01	<p>EVALUATION OF PAST REPORTS</p> <p>We reviewed our past reports to determine if our material matters were still relevant and if prioritisation had changed.</p>
02	<p>COMPARATIVE ANALYSIS</p> <p>We benchmarked against industry peers and other international standards to ensure our material matters were relevant.</p>
03	<p>INPUT FROM STAKEHOLDERS</p> <p>We gathered feedback from our stakeholders via a Materiality Survey to better understand their expectations on each material matter and allow them to propose material matters that were not listed. We conduct this Survey every two years.</p>
04	<p>PRIORITISATION</p> <p>We ranked the list of material matters based on their importance to our stakeholders and our business operations after conducting the stakeholders Materiality Survey.</p>
05	<p>ANALYSE RESULTS</p> <p>Based on the results of the Materiality Survey conducted in 2022, a Materiality Map was generated based on the significant impact of each material matter on our business operations. These results were then benchmarked against industry peers to ensure their reasonableness.</p>
06	<p>ANNUAL REVIEW AND VALIDATION</p> <p>Based on the review and benchmarking, the remaining validity of the existing material matters was confirmed. Prioritisations were adjusted where necessary, including identifying new material matters to address evolving circumstances.</p>

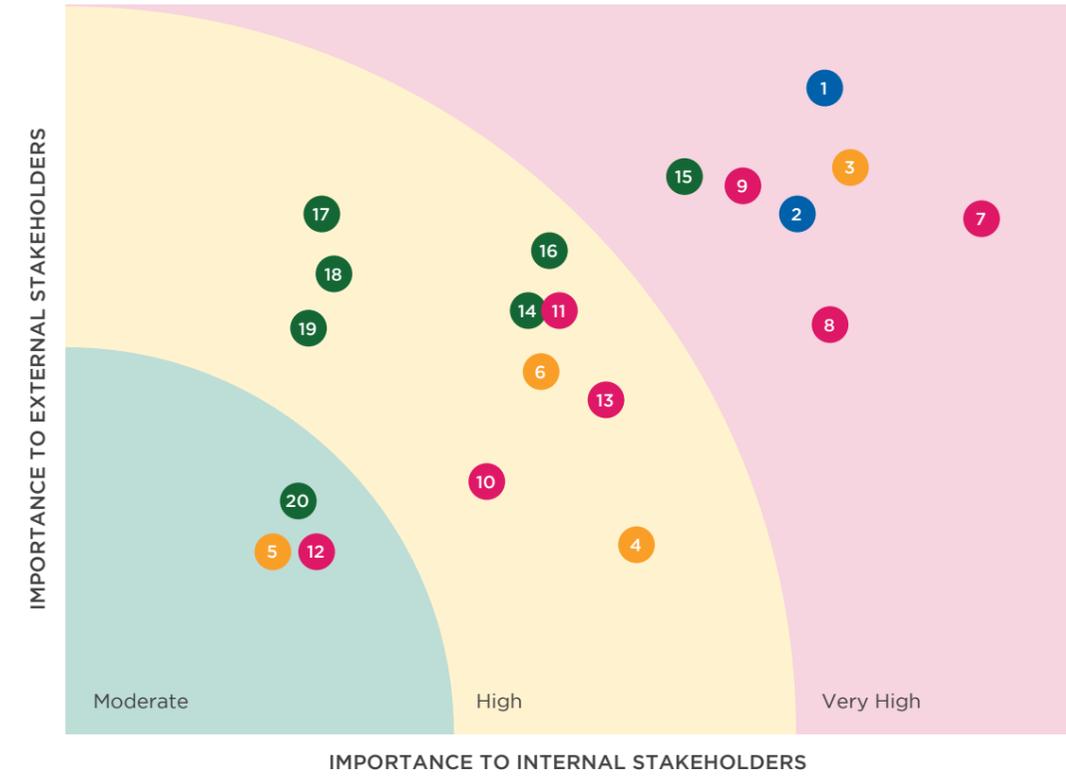
Our 2023 review, including benchmarking against local and regional peers, risk assessments, and alignment with frameworks like the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and GRI Standards, confirmed that all 20 previously identified material matters outlined in 2022 remain relevant to our strategic goals and stakeholder expectations. As there have been no changes in our core business activities since the previous review, we deemed that these 20 matters still best represent our 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 page 51.

OUR MATERIAL MATTERS AND DEFINITIONS

The 20 material matters identified and their descriptions are summarised in the following table:

Governance	
1 Ethics & Principles	Upholding values, principles values, principles, standards, and practices to act ethically as a sustainable business. This includes anti-bribery, anti-corruption, and anti-competition practices within its operations, protection of data privacy, and professional conduct with others such as suppliers and customers.
2 Governance & Compliance	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.
Economic	
3 Product Quality & Responsibility	Quality of products and services, and actions that directly affect stakeholders, the community at large, and the environment.
4 Economic & Business Performance	Economic value generated and distributed to stakeholders as a direct result of an organisation's performance.
5 Indirect Economic Impacts	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.
6 Responsible Procurement & Supplier Assessment	Meeting MRCB's needs for materials, goods, utilities, and services in an environmentally friendly, responsible, and ethical way.
Social	
7 Health & Safety	Integrating principles of health and safety throughout our business operations and in the lifecycle of our products.
8 Employee Engagement & Well-Being	Engaging with our employees to ensure talent attraction and retention for a skilled workforce. This entails providing training, benefits, and a healthy work environment.
9 Customer Engagement	Enhancing our products and services by understanding clients' and customers' preferences and providing an overall positive customer experience to maintain our reputation.
10 Diversity & Equal Opportunity	Providing equal opportunities to all employees and empowering women and minorities in the workplace. Diversity pushes innovation through the exchange of ideas and perspectives and strengthens our organisation.

Social	
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.
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.
Environment	
14 Materials Management	Responsibly managing consumption of raw materials and enhancing supply chain traceability and certification to mitigate negative environmental impacts.
15 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 the organisation's business operations.
17 Climate Transition Risk	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 Risk	Importance of addressing physical risks resulting from climate change and shifts in climate patterns (e.g. extreme weather events such as floods or 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 its business operations.
20 Biodiversity	Our efforts to minimise harm to local natural ecosystems and biologically sensitive areas from its business operations.



Legend

- Governance (Blue)
- Economic (Orange)
- Social (Pink)
- Environment (Green)

Very High	High	Moderate
1 Ethics & Principles	16 Waste	20 Biodiversity
7 Health & Safety	11 Labour Practice	12 Local Community Engagement
3 Product Quality & Responsibility	13 Human Rights	5 Indirect Economic Impacts
2 Governance & Compliance	14 Materials Management	
8 Employee Engagement & Well-Being	6 Responsible Procurement & Supplier Assessment	
9 Customer Engagement	17 Climate Transition Risk	
15 Sustainable Construction	18 Physical Climate Risk	
	19 GHG Emissions	
	10 Diversity & Equal Opportunity	
	4 Economic & Business Performance	

MATERIALITY ANALYSES AND DISCUSSION

Building upon the foundation established in 2022, our 2023 materiality review reaffirmed the continued relevance of all 20 identified material matters to both our strategic goals and stakeholder expectations. This alignment was further validated through benchmarking against industry peers and relevant frameworks, including the Bursa Malaysia Sustainability Reporting Guide and GRI Standards, as well as considering emerging risks and trends.

The five consistently very high-ranking material matters – Ethics & Principles, Governance & Compliance, Product Quality & Responsibility, Health & Safety, and Customer Engagement – remain central to our operations. This reflects the core values of our business, which is heavily regulated and reliant on stringent quality and safety standards, while also acknowledging the importance of competitive advantage through responsive customer engagement. Dedicated initiatives addressing these matters can be found on pages 78 to 85.

In 2022, we also witnessed two noteworthy shifts in materiality priorities. Employee Engagement & Well-Being and Sustainable Construction both ascended from high to very high importance. This shift highlights the growing focus on mental well-being and employee satisfaction, alongside the increasing demand for eco-friendly construction practices and responsible consumerism. To address the growing importance of Employee Engagement & Well-Being, in 2023 we organised Skip-Level Employee Engagement sessions with Senior Management aimed at providing a platform for open communication. Six (6) separate sessions were conducted with our C-Suites (Chief Corporate Officer, Group Chief Operating Officer and Group Chief Finance Officer) involving 162 selected employees to engage and interact with the C-suites. It was an opportunity to get insights into the company, understand the outlook

and future plans as well as a chance to get career and self-development advice from our top leadership.

In 2023, we continued to communicate and create awareness throughout our supply chain on MRCB’s Human Rights Policy that was developed in 2022. We strengthened our Human Rights Policy to further safeguard the rights of all individuals involved in our operations. Specific initiatives undertaken in this area can be found on page 140 to 170.

Our commitment to Sustainable Construction remains unwavering. The MRCB Building System (MBS) and our adherence to Green Building Certification criteria continue to guide our practices. In 2022, we saw the further development of our new Sustainable Design and Planning Policy. The policy will be applicable to the design and development of residential and commercial properties, including new and refurbished buildings and infrastructure. Climate change, embodied carbon, pollution and resource management, and sustainable procurement have been considered in our design strategies and policy development.

By continuously monitoring and adapting our materiality focus, we ensure our sustainability efforts remain aligned with the evolving needs of both our business and our stakeholders. With this firm foundation, we move forward towards a future built on responsible principles and impactful action.

As sustainability is well integrated into our business operations, our material matters are also embedded into our Enterprise Risk Management system and Key Enterprise Risks (KERs); which are also in alignment with the GRI indicators. This is mapped to the corresponding UNSDGs to reflect MRCB’s commitment to championing universal and shared values.

Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
Governance				
Ethics & Principles	KER 001 – Project Delivery Risk KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk KER 006 – Regulatory Risk	  \$ 	205: Anti-corruption 206: Anti-competitive Behaviour	 

Materiality	KER	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
Governance				
Governance & Compliance	KER 006 – Regulatory Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	 \$ 	2-27: Compliance with laws and regulation 307: Environmental Compliance 419: Socioeconomic Compliance	 
Economic				
Product Quality & Responsibility	KER 008 – Quality Risk	 \$ 	2-25: Process to remediate negative impact 201: Economic Performance	 
Economic & Business Performance	KER 001 – Project Delivery Risk KER 002 – Liquidity Risk KER 009 – Concentration 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	 \$	204: Procurement Practices 308: Supplier Environmental Assessment 414: Supplier Social Assessment	 
Social				
Health & Safety	KER 007 – Safety, Health & Environment Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	 \$ 	403: Occupational Health & Safety	 
Employee Engagement & Well-Being	KER 004 – Business Continuity Risk		401: Employment 404: Training and Education	  
Customer Engagement	KER 003 – Marketing Risk KER 008 – Quality Risk	 \$	418: Customer Privacy	

Our Approach To Value Creation

Materiality	KER	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
Social				
Diversity & Equal Opportunity	KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk		405: Diversity and Equal Opportunity	
Labour Practice	KER 001 – Project Delivery Risk KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	 	G4 Sector Specific – Construction and Real Estate Sector Disclosures	
Local Community Engagement	KER 008 – Quality Risk KER 005 – Environmental, Social, and Governance (ESG) Risk		413: Local Communities	
Human Rights	KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	 	400: Social	
Environment				
Materials Management	KER 001 – Project Delivery Risk KER 007 – Safety, Health & Environment Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	 	301: Materials	
Sustainable Construction	KER 001 – Project Delivery Risk KER 007 – Safety, Health, & Environment Risk		302: Energy 303: Water and Effluents 305: Emissions	
Waste	KER 001 – Project Delivery Risk KER 005 – Environmental, Social, and Governance (ESG) Risk KER 007 – Safety, Health, & Environment Risk		306: Effluents and Waste	
Biodiversity	KER 005 – Environmental, Social, and Governance (ESG) Risk		304: Biodiversity	
Climate Transition Risks	KER 005 – Environmental, Social, and Governance (ESG) Risk	 	300: Environmental	
Physical Climate Risks				
GHG Emission				

As a pioneer of green building and Transit Oriented Developments (TOD) 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. 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

Operating Context

page 29

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

- Property & Construction Market
- Evolving Customer Trends
- Environmental Stewardship
- Competitive Landscape
- Regulatory Environment
- Technology & Digitalisation

Risks & Opportunities

page 66

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 nine 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 002
Liquidity Risk
- KER 003
Marketing Risk
- KER 004
Business Continuity Risk
- KER 005
Environmental, Social, and Governance (ESG) Risk
- KER 006
Regulatory Risk
- KER 007
Safety, Health, & Environment Risk
- KER 008
Quality Risk
- KER 009
Concentration Risk

MINDFUL GOVERNANCE

02

Engaging with Stakeholders & Identifying Material Matters

Stakeholder Engagement

page 37

Value creation centres on the stakeholders of our business. Engagement enables us to truly understand how “value” is interpreted by them, and how they too contribute to helping the Group create value. Our stakeholders also shape our material matters.

- Clients/Customers
- Stakeholders/ Investors/Analysts
- Employees
- Government/ Regulatory Bodies
- Local Communities/Civil Society/NGOs
- Suppliers/Sub-Contractors
- Media

Material Matters

page 48

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.

GOVERNANCE	ECONOMIC
<ul style="list-style-type: none"> Ethics & Principles Governance & Compliance 	<ul style="list-style-type: none"> Product Quality & Responsibility Economic & Business Performance Indirect Economic Impacts Responsible Procurement & Supplier Assessment
SOCIAL	ENVIRONMENT
<ul style="list-style-type: none"> Health & Safety Employee Engagement & Well-Being Customer Engagement Diversity & Equal Opportunity Labour Practice Local Community Engagement Human Rights 	<ul style="list-style-type: none"> Materials Management Sustainable Construction Waste Climate Transition Risk Physical Climate Risk GHG Emissions Biodiversity

03

Taking Stock of Capitals & Formulating Our Strategy

Capitals

page 60

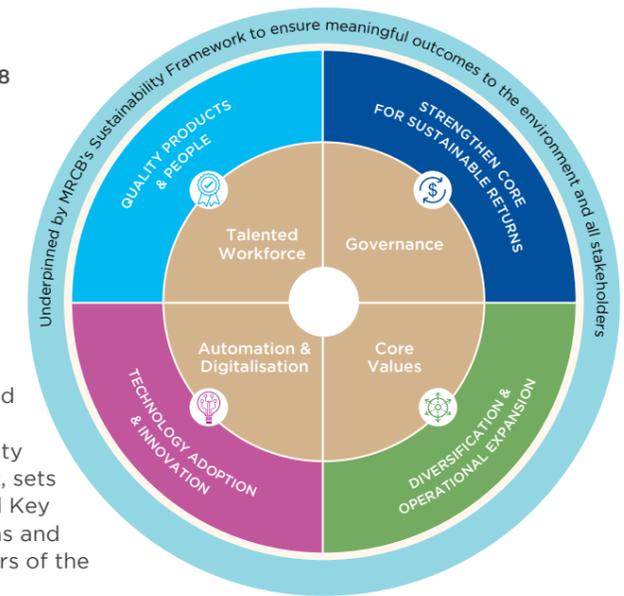
Our six Capitals are the business inputs and outputs through which we can execute plans and measure the value created from our business model and strategies. Access to the management of the six Capitals are critical to managing every aspect of the business.

- | | |
|----------------------|-------------------------------|
| Manufactured Capital | Human Capital |
| Financial Capital | Intellectual Capital |
| Natural Capital | Social & Relationship Capital |

Strategy

page 78

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



04

Monitoring, Managing, and Reporting on Value Creation

Value Creation

page 58

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, risk mitigation, and the exploration of opportunities for sustainable growth and responsible business.



Our Value Creating Business Model

As a pioneer of Transit Oriented Developments (TOD) 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.

PURPOSE	VISION	MISSION	VALUES
To Build Meaningful Places for a Better Tomorrow	Setting the Standard	Leading the field through innovation in Property Development, Engineering and Construction	<ul style="list-style-type: none"> Courageous Creative Driven Customer Centric Accountable

OUR VALUE CREATION PROCESS IS GOVERNED BY MINDFUL GOVERNANCE

KEY INPUTS	OUR BUSINESS ACTIVITIES	OUTPUTS	VALUE CREATED	STAKEHOLDERS IMPACTED & UNSDG ALIGNMENT
<p>Human</p> <ul style="list-style-type: none"> 1,669 skilled professionals that propel the company forward 36 health and safety programmes <p>Intellectual</p> <ul style="list-style-type: none"> With over 50 years of various industry experience, we have built a strong brand name as a pioneer, including two decades of expertise in TOD, coupled with an enviable track record in green building, and rail and road infrastructure development Patented proprietary modular construction technology through MBS <p>Natural</p> <ul style="list-style-type: none"> ISO 14001 compliant (Environmental Management Systems) 1,148 acres of land bank <p>Social & Relationship</p> <ul style="list-style-type: none"> Over 120,000 stakeholders engaged <p>Financial</p> <ul style="list-style-type: none"> Share capital: RM4.4 billion RM5 billion Sukuk programme, RM450 million issued in 2023 Total borrowings: RM1.8 billion <p>Manufactured</p> <ul style="list-style-type: none"> RM31 billion GDV land bank RM1.8 billion GDV of ongoing property development projects RM11.7 billion worth of ongoing infrastructure projects RM26.1 billion external client construction order book 	<p>Property Development & Investment</p> <p>Engineering, Construction & Environment</p> <p>Facilities Management & Parking</p> <p>Strategy</p> <p>Refer to 'Our Approach to Value Creation' on page 55</p> <p>Operating Context Risks & Mitigations Material Matters</p> <p>Our Products</p> <ul style="list-style-type: none"> Transit Oriented Developments World-Class Residential Properties Bespoke Commercial Green Building Developments Innovative Buildings and Complex Structures Quality Rail & Road Infrastructure Power Projects, Rehabilitation of Rivers & Coastal Areas, and Flood Mitigation Facilities Management & Carpark Ownership <p>COMPETITIVE ADVANTAGES</p> <p>Pioneer of TODs and Green Building in Malaysia, with five TOD in the pipeline, and a leading infrastructure construction company</p> <p>Largest listed Bumiputera construction company</p> <p>Strong corporate governance, a constituent of the FTSE4Good Bursa Malaysia Index, an MSCI ESG 'A' rated company, and a signatory of the Ten Principles of the United Nations Global Compact</p> <p>Innovated a proprietary modular construction technology, MRCB Building System (MBS)</p> <p>Led by a Board and Management team that provides strong leadership, expertise, and insights</p> <p>Long pipeline of projects through a land bank of 1,148 acres with a GDV of RM31 billion, an external client construction order book of over RM26.1 billion, and a strong balance sheet with net gearing of 0.16 times</p>	<p>Human</p> <ul style="list-style-type: none"> Women make up 38% of the workforce 11.7% mean employee gender pay gap 6.4 average training hours per employee Achieved >1-million man hours without LTI for Sentral Suites, PRIMA Brickfields, and TRIA 9 Seputeh <p>Intellectual</p> <ul style="list-style-type: none"> Received Silver Award for Most Consistent Performer Over Five Years at The Edge ESG Awards 2023 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 2022 Patented the MBS Technology in 20 countries and pending patents in an additional 11 countries Licensed the MBS technology in Singapore and Hong Kong <p>Natural</p> <ul style="list-style-type: none"> 22,602 of Carbon Emissions - Scope 1 & 2 (tCO₂e) Subscribed to a monthly allocation of 1,206,000 kWh of electricity generated sustainably at the Celcom Tower, Plaza Alam Sentral, and Penang Sentral 49% reduction in Scope 1 & 2 emissions (intensity) Conducted physical risk financial quantification on the water stress and urban flood All commercial development projects qualified for Green Building Index accreditation <p>Social & Relationship</p> <ul style="list-style-type: none"> Strong network of 1,716 approved suppliers/sub-contractors supporting the business Strategic engagement with 1,401 customers, including 425 customers for the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects 38 community programmes were conducted to 102,344 beneficiaries 460 prisoners/offenders participated in the PEKA@MRCB programme as site workers Conducted 16 engagements with 673 participants from the investment community, including seven ESG-specific sessions <p>Financial</p> <ul style="list-style-type: none"> RM2.5 billion generated in revenue RM137.6 million profit before tax Net gearing of 0.16 times RM532 million cash generated from operations Received in RM20.8 million of income Disposed of RM628 million of properties Achieved residential property sales of RM831.3 million <p>Manufactured</p> <ul style="list-style-type: none"> RM831 million in property sales Completed two key property development projects, TRIA 9 Seputeh (GDV: RM940 million) and Sentral Suites (GDV: RM1.6 billion) Completed the construction of the Sungai Besi-Ulu Kelang Elevated (SUKE) Expressway CA2 Package LRT3 achieved physical construction progress of 92% and financial progress of 88% Launched VISTA in Gold Coast, Australia (GDV: RM1.5 billion) and Tujuh Residensi Kwasa Sentral (GDV: RM385 million) 	<p>Human</p> <ul style="list-style-type: none"> RM239.6 million paid in salaries and benefits Achieved a 5-Star SHASSIC rating for our PRIMA Brickfields development <p>Intellectual</p> <ul style="list-style-type: none"> Increased FTSE4Good Scores from 3.2 to 3.6 points (out of 4.0) Established as a pioneer in Malaysia, transitioning from traditional to modular construction through our first development using MBS technology for our Residensi Tujuh, at Kwasa Sentral development Expansion of our MBS technology overseas, marking international adoption in Singapore as well as newly completed two blocks of 19-storey student residences in Hong Kong Upgraded MRCB's MSCI ESG rating from 'BBB' to 'A' Collaborated with CIDB to enhance construction industry Technical and Vocational Education and Training construction programmes <p>Natural</p> <ul style="list-style-type: none"> Achieved our target of more than 4.2% reduction of carbon emissions annually and sourced 55% of our energy consumption from renewable energy sources for three of our managed buildings Increased Scope 3 data collection from supply chain to 88% from 64% Strategic collaboration with Bursa Malaysia in its Early Adopter Programme for Centralised Sustainability Intelligence Platform Identified climate-related financial risks and opportunities aligned with the TCFD Developed a new design policy for future sustainable developments and unavoidable damage to biodiversity caused by development projects <p>Social & Relationship</p> <ul style="list-style-type: none"> RM1,894 million or 99% of procurement budget spent on local suppliers/sub-contractors Engaged with 751 of our suppliers/sub-contractors, of which 50 have completed UNGC's "ESG Start" assessment Achieved an overall customer service excellence score of 80% based on the customer experience survey for the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects RM5.3 million spent on local communities Received Partnership For The Goals Recognition for PEKA@MRCB programme at the UN Global Compact Network Malaysia & Brunei Awards Fostered innovation through MRCB's Industrial Collaboration Programme by aligning business endeavours with Malaysia's economic goals and awarded a total of 64 contracts to the ICP Project Providers, with an average value of between RM250,000 to RM500,000 per project <p>Financial</p> <ul style="list-style-type: none"> Increased Profit After Tax by 89% to RM101 million Increased EPS by 56% to 2 sen RM33 million tax paid to the Government Delivered a dividend payout of RM45 million to its shareholders, reflecting a dividend of 1.0 sen per share <p>Manufactured</p> <ul style="list-style-type: none"> Ranked 4th for the Top-of-the-Chart Award at The Star Malaysia Developer Awards (MDA) 2023 Received the "Outstanding Overseas Project Award" for 1060 Carnegie at The Edge Malaysia Property Excellence Awards 2023 Received three PropertyGuru Asia Property Awards (Australia) 2023: <ul style="list-style-type: none"> Best Boutique Developer - MRCB International Best Lifestyle Development (Queensland) - 26 VISTA Best Eco Friendly Apartment Development - 26 VISTA Achieved >70% QLASSIC rating for Residential-Sentral Suites and TRIA Residences @ Seputeh 	

TRADE-OFFS 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. Our aim is to maximise the positive outcomes of our capital inputs and minimise any trade-offs. In doing so, we balance value creation's short, medium, and long-term outcomes. Below is a review of our Capitals and their trade-offs.

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

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

Our Focus in 2023
We fostered a supportive workforce through enhanced Diversity, Equity & Inclusion (DEI) activities, engaging 67% of our general managers. Notable initiatives included disability awareness training for 160 Auxiliary Police officers and Security Guards at Kuala Lumpur Sentral Station; Gender Parity Workshops to address unconscious biases; and sessions with clinical psychologists to promote mental and physical well-being. Two new initiatives were introduced: SOCSO health screenings and Mulaaa payroll services. The payroll services include Mid-Month Payout (MMP) and Earned Wage Access (EWA) to help manage staff's monthly expenses, emergencies, or any unplanned expenditures between paydays. MRCB's commitment to gender equality was reinforced through participation in the 30% Club Malaysia. We conducted an assessment based e-learning Anti-Bribery & Anti-Corruption Awareness Programme, attended by 98.4% of employees, promoting continued awareness and training on anti-bribery and anti-corruption practices, as well as MRCB's Whistleblowing Policy. We have also achieved an average of 6.4 training hours per employee with impactful and diverse training and development programmes, driving all MRCB employees toward continuous learning and skill enhancement.

IC INTELLECTUAL CAPITAL

Our Approach

Aggressively defend our market-leading position in the property and construction sectors by leveraging on 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 our climate change adaptation infrastructure; like food mitigation, renewable energy and energy transition infrastructure, the industrial and logistics segment, sustainable stadiums, as well as waste-to-energy to provide new and diverse sources of long-term revenue.

Value Creation
Our strong track record strengthens our value proposition as a TOD and Green Building developer, and an engineering company with innovative and forward-looking project delivery solutions for customers.

Trade-Offs
Investments in new technologies are earmarked to delivering returns over the long term, with no immediate financial rewards, putting pressure on profitability and cashflow in the short term.

Our Focus in 2023
Launched the RM385 million GDV residential development, Residensi Tujuh at Kwasa Sentral, which will showcase our proprietary MBS technology. This is the first residential development in Malaysia to utilise MBS. Our technology has successfully gained patents in 20 countries and pending patents in 11 others. This technology was also licensed and used in already completed projects in Singapore and Hong Kong, marking international adoption. We have also completed the User Acceptance Testing of our new ERP Platform and completed data migration for the Engineering, Construction & Environment division and the Property Development & Investment Division, which went live in Q4 2023. Additionally, our administration costs have been reduced due to our successful deployment of the Defect Management System for property buyers.

NC NATURAL CAPITAL

Our Approach

Manage our consumption of energy, water, and materials through monitoring and efficiency measures. Develop sustainable construction methodologies like 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 ensuring only locally sourced materials are specified and materials that meet sustainability specifications are procured.

Value Creation

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

Trade-Offs

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

Our Focus in 2023

In 2023, our focus on natural capital centred around implementing more energy reduction strategies across our operations, and employing technology such as MBS and modular construction to minimise waste and emissions. This resulted in a notable 49% reduction in Scope 1 & Scope 2 emissions (intensity). We expanded our Scope 3 reporting by collecting carbon emissions data from major sub-contractors. A partnership with Tesla Inc. was initiated to install EV charging stations within MRCB's car park facilities, aligning with our commitment to sustainable practices. To further reduce carbon emissions, we collaborated with UNGC to assess the sustainability practices of our supply chain. Our active involvement in UN-level and CEO Action Network initiatives, along with the adoption of science-based carbon emission reduction targets, reflected our dedication in addressing climate challenges. In enhancing climate risk disclosures, we incorporated more of the Task Force on Climate-related Financial Disclosures (TCFD) framework, focusing on quantitative analysis to assess the financial impact of physical climate risks on our assets. This allowed for more robust climate risk disclosures. A significant step was taken by signing a Memorandum of Co-operation with Bursa Malaysia to join the Early Adopter Programme for its Centralised Sustainability Intelligence Platform, demonstrating our commitment to transparency and sustainability reporting.

SRC SOCIAL AND RELATIONSHIP CAPITAL

Our Approach

Engage and cooperate with various stakeholders, including regulators, suppliers, and sub-contractors, regarding their expectations and pain points. 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.

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.

Our Focus in 2023

MRCB demonstrated a dedicated focus on social and relationship capital through impactful initiatives. Notably, the company engaged in a corporate social responsibility initiative with the Orang Asli community of Royal Belum State Park, Perak, delivering essential household supplies, conducting health check-ups, and providing crucial hygiene education to over 150 indigenous families in Bongor Village. MRCB furthered its commitment to the broader community through the PEKA@MRCB programme, a structured prisoner upskilling initiative launched in 2019, which has trained 460 prisoners since its launch. Collaborating with the Construction Industry Development Board (CIDB) and Akademi Binaan Malaysia, MRCB contributed to the improvement of Technical and Vocational Education and Training (TVET) programmes to address skills gaps in the construction sector. Additionally, MRCB constructed Pustaka KL Digital Madani@Bandar Sri Permaisuri, a state-of-the-art digital library equipped with digital recreational amenities for Dewan Bandaraya Kuala Lumpur.

This facility aims to foster lifelong learning and social engagement within a diverse population segment by reaching out to non-affluent communities, providing them with equal access to a wealth of resources, and tackling digital inequity head-on. MRCB also channelled financial assistance in cash and in-kind (food packs, school supplies, renovations, etc.) for underprivileged and marginalised communities.

FC FINANCIAL CAPITAL

Our Approach

Manage liquidity and maintain a sound financial structure and a healthy balance sheet while keeping 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 high-interest 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 2023

Raised funds through our RM5.0 billion Sukuk programme, from which an additional RM0.45 million was issued in three tranches at a rate of 5.19%, 5.26% and 5.43% respectively with 3 to 6 years tenures, largely to refinance higher interest rate debt at lower interest rates. MRCB also developed a Sustainable Financing Framework, which was rated GOLD by MARC Ratings Berhad, that sets the guidelines for the Group's future fundraising through sustainable debt instruments. We disposed Menara CelcomDigi to Sentral REIT for RM450 million, aligning with our asset optimisation strategy while increasing dividend income via acquiring additional units in Sentral REIT and disposed of Plaza Alam Sentral for RM178 million. We sold completed unsold residential stock amounting to RM384.8 million. The Group also continued its plan to diversify into new market segments in Malaysia, expanded overseas, and mobilised MBS to accelerate returns and improve its sustainability.

We prioritised financial management to enhance efficient capital structure in the Group. Proactive cash flow management kept our net gearing ratio at a healthy 0.16 times. We secured dependable income streams through our REIT and strategic 49% shareholding in ZM Property Management, ensuring consistent dividend returns. Furthermore, we restructured loans totalling RM200 million in April 2023 and RM250 million in July 2023, capitalising on lower interest rates to optimise our debt profile and fuel future growth.

MC MANUFACTURED CAPITAL

Our Approach

The Group's urban land bank continues to be carefully and strategically developed to provide sustained revenues in the future. TOD 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; like 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 TOD that seamlessly integrate mass public transport with working and living areas to improve productivity and enhance economic activity and social development.

Protect the environment by constructing responsibly using sustainable materials and new technologies.

Trade-Offs

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

Our Focus in 2023

TOD projects continue to be pursued as a smarter solution for integrated and connected living that reduces urban sprawl, road congestion, and carbon emissions. MRCB will extend its expertise in Auckland, New Zealand, to develop The Symphony Centre in the Central Business District with a GDV of NZD452 million (≈ RM1,314 million).

In 2023, MRCB completed the construction of the Sungai Besi-Ulu Kelang Elevated (SUKE) Expressway CA2 Package, which has reduced traffic congestion during peak hours on the Middle Ring Road 2 (MRR2). We also completed the construction of two of our largest property development projects, Sentral Suites, with a GDV of RM1.6 billion, and TRIA 9 Seputeh, with a GDV of RM0.9 billion.

Our LRT3 project achieved its targeted 92% physical construction progress as of 31 December 2023. The Government of Malaysia announced in Budget 2024 its plan to build an additional five stations on the LRT3 line in Selangor. Continued emphasis was given to ensuring all commercial development projects qualified for the Green Building Index accreditation.

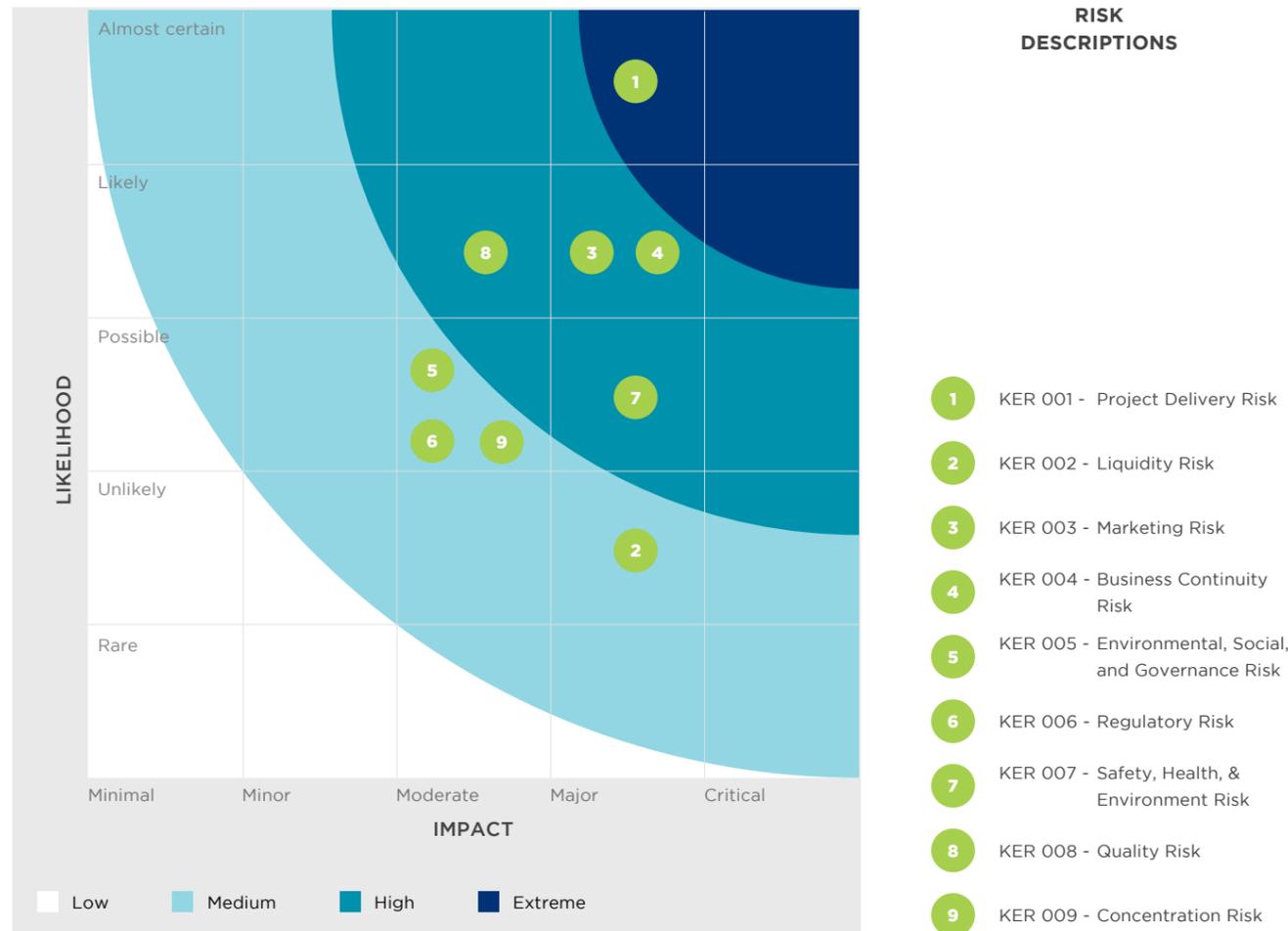
Our Risks And Mitigations

Our aim is 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 in addressing the top risks to the Group.

The ERM process aims to identify potential events that may substantially impact the Group. It adheres to ISO 31000:2018, demonstrating our commitment to international best practices. Our risk methodology uses the ERM process to drive consistency and resilience.

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

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



1 PROJECT DELIVERY RISK

We rely on both internal and external stakeholders for timely project delivery. Each project development phase has risks that may impact quality, timeliness, profitability, and our reputation. 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
- Delays in product handover due to health & safety violations and remedying poor quality construction
- 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 cashflow and profitability
- Reputational damage

Mitigation Strategies	Results
<ul style="list-style-type: none"> • Benchmark against global standards on quality and safety as well as environmental stewardship • Implement strategies to address the impact of adverse weather conditions on project delivery • Procure building materials in bulk at the outset of projects to secure prices and raw material supply • Step in to take over construction work packages from poor-performing sub-contractors • Adopt new technologies, such as MRCB Building System (MBS) and the digitalisation of processes, and 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 	<ul style="list-style-type: none"> • Achieved certification of Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015, Occupational Health & Safety Management Systems ISO 45001:2018, 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. • Achieved our target of 92% physical construction progress for the LRT3 project • Completed two significant property development projects, Sentral Suites and TRIA 9 Seputeh, as planned • Completed and handed over Sungai Besi-Ulu Kelang Elevated Expressway (Suke) as planned • Planned for a long-term transition from traditional to modular construction for our residential development projects using our MBS technology to enhance the quality and speed of future developments, Residensi Tujuh at Kwasa Sentral, our first residential development using modular construction technology, was launched in 2023

Capitals MC, FC, NC, HC, IC, SRC	Material Matters GC, PQR, EBP, RPSA, HS, EEW, LP, CTR, PCR	Stakeholders Affected 	Growth Principles
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Legend Increased Reduced Unchanged

2

LIQUIDITY RISK

We require finance and liquidity to sustain our business obligations. The inability to liquidate assets may impede our cashflow and result in reputational risks.

Status 

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	Results
<ul style="list-style-type: none"> • 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, cashflow, and funding plans • Seek opportunities to dispose of non-core land holdings and other non-core assets to unlock value and improve liquidity position • Monetise existing inventory of completed unsold stock • Adopt MBS technology to benefit from faster and more efficient construction with fewer defects, resulting in faster construction and cashflow 	<ul style="list-style-type: none"> • Developed a Sustainable Financing Framework based on the principles of the ASEAN Sustainability Sukuk SRI and received a gold rating from MARC Rating Berhad on 1 June 2023 with a stable outlook • Proactively managed cashflow, resulting in net gearing of 0.16 times • Sold RM831.3 million of residential properties in 2023 • Earned stable and recurring cash flows in the form of dividends through REIT and 49% shareholdings in ZM Property Management • Disposed of Menara CelcomDigi for RM450 million and Plaza Alam Sentral for RM178 million to free up capital to be re-invested into new projects • Pre-emptively refinanced loans totalling RM200 million due in April 2023 and RM250 million in July 2023 to lock in and take advantage of lower interest rates • Launched Residensi Tujuh, our first development utilising our proprietary modular construction technology, MRCB Building System (MBS)

Capitals Material Matters Stakeholders Affected Growth Principles






3

MARKETING RISK

We need to design and deliver products that meet the aspirations of our targeted demographic, align with the socio-economic conditions in our development locations, and create effective marketing strategies to attract customers. We also need to manage the rising cost of materials and ensure our products are priced competitively. An ineffective product, marketing, or pricing strategy may impact our ability to sell our products, generate revenue, profits and cashflow, and repay development loans.

Status 

Potential Impact on Value

- Lack of demand and interest in our products
- High levels of unsold inventories from completed projects, leading to increased holding costs
- Inability to generate revenue, profits, and cash flow
- Increase in indebtedness

Mitigation Strategies	Results
<ul style="list-style-type: none"> • 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 • Roll out more aggressive digital and social media marketing initiatives • Restructure pricing strategies to enable customers to obtain financing easily 	<ul style="list-style-type: none"> • Achieved 94% sales rate for Sentral Suites and 83% for TRIA 9 Seputeh • Achieved property sales of RM831.3 million in 2023 • Implemented a Rent-to-Own (RTO) Programme with selected banks for the Sentral Suites and St. Regis residential developments • Launched Residensi Tujuh at Kwasa Sentral, a 573-unit residential development with a GDV of RM385 million that will be developed using our MBS modular construction technology, an environmentally friendly construction method • Explored bulk sales for commercial units • Increased marketing efforts to foreign customers • Launched VISTA, a 51-storey residential development in Gold Coast, Australia, with a GDV of AUD504 million (≈ RM1,511 million) • Entered a partnership with Tesla Inc. to install EV charging stations within MRCB's car park facilities • Collaborated with interior design companies to provide interior designs for selected units to enable purchasers to better visualise the product and showcase the units • Introduced a staff sales referral programme, offering incentives to staff who successfully introduce buyers of our residential units

Capitals Material Matters Stakeholders Affected Growth Principles






4

BUSINESS CONTINUITY RISK

A robust Business Continuity Plan is necessary for business continuity and resilience against unprecedented and unexpected occurrences, such as the COVID-19 pandemic.

Status

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	Results
<ul style="list-style-type: none"> Continuously update the 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 cyber security 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 necessary Continuously invest in IT Security software applications and Disaster Recovery Plans Establishment of a Data Governance Framework 	<ul style="list-style-type: none"> Achieved zero breaches of security or data leakages as MRCB's cyber defence and system monitoring managed to detect, protect, and prevent all cyber security attack attempts Implementation of a new enterprise-level Endpoint Protection Software tool for external malware protection and remediation that helps with proactive threat-blocking and is equipped with a third-party server auditing tool to review and monitor active event logs that detects and responds to inside threats, privilege misuse, and other indicators of compromise Continued development of Data Governance Framework

Capitals



Material Matters



Stakeholders Affected



Growth Principles



5

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) RISK

Building resilience through ESG-aligned strategies is a priority, not just for industry regulators, but for any company that is looking to uphold its stakeholders' best interest. Customers and investors are becoming increasingly discerning, demanding that companies focus not only on increasing value for all stakeholders but also on ensuring businesses are run sustainably and ethically with minimal negative impact on the environment and community at large.

Status

Potential Impact on Value

- Significant fines and penalties for breaching environmental laws and regulations
- Environmental and social impact on surrounding communities
- Financial costs of remediation, possible litigations, or fines
- Reputational damage, resulting in loss of customers, sales, and cash flow
- Inability to attract capital from banks and investors
- Breach of legal or regulatory requirements

Mitigation Strategies	Results in 2023
<ul style="list-style-type: none"> Evaluate climate and transition risks on the company and its assets and formulate targeted strategies to mitigate and manage these risks Continuously communicate the importance of ESG to the business, internally and externally Institutionalise an oversight committee to implement, monitor, and develop ESG-related strategies and initiatives Create a comprehensive strategy that integrates and embeds sustainability principles more deeply within the business and corporate strategy Elevate ESG-related partnerships Elevate disclosure of ESG data points, targets, and progress Expand and enhance the use of the MRCB Building System (MBS) to reduce carbon emissions and lower construction wastage Establish and monitor science-based reduction targets on CO₂ emissions Communicate our human rights policies-related requirements internally and externally Undertake ESG assessments of the supply chain and expand Scope 3 emissions measurement and disclosure 	<ul style="list-style-type: none"> Maintained a science-based target to reduce Scope 1 and Scope 2 carbon emissions by 4.2% annually, which is aligned to the 1.5°C scenario Achieved 49% reduction in Scope 1 and Scope 2 carbon emissions intensity against our 2020 baseline Continued to embed ESG-related reporting into all our investor meetings to ensure investors remained fully apprised of our ESG strategies and our ESG performance. Participated in conferences and forums to ensure that MRCB's ESG performance is articulated and well known Conducted internal capacity building on sustainability and anti-bribery, and corruption awareness through training and communication programmes Collaborated with the UNGC to allow free employee access to the UNGC Academy, a digital learning platform with courses and resources from the world's leading experts on sustainable development; and the CEO Action Network (CAN), through peer-to-peer learning workshops and sharing sessions with other like-minded organisations Conducted Diversity, Equity & Inclusion training, Gender Parity workshops for our General Managers, and joined the 30% Club Malaysia to advocate for broader market change Continued to implement MRCB's Anti Bribery Management System, which is now in its 5th year of ISO 37001:2016 certification Launched Residensi Tujuh, a residential development in Kwasa Damansara which will be constructed using our more sustainable and lower emission modular technology Continued utilising Renewable Energy Certificates from Tenaga Nasional Berhad Expanded our Scope 3 emissions measurement and reporting from our supply chain to 88%

5

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) RISK (CONT'D)

Mitigation Strategies	Results in 2023
	<ul style="list-style-type: none"> Increased our overall FTSE4Good Bursa Malaysia Index score to 3.6 (from 3.2 in 2022), and increased our score in the climate change segment of the assessment to 4.0 Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices Received the Gold Award for MRCB's Integrated Annual Report 2022 at the Australasian Reporting Awards 2023 Received the Gold Award for Governance, Reporting & Transparency in the Large Corporation Category at the ESG Positive Impact Awards 2022 Received the Silver Award for Most Consistent Performer Over Five Years at The Edge ESG Awards 2023 Received the Partnership For The Goals Recognition for our PEKA@MRCB prisoner upskilling programme at the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB) Forward Faster Sustainability Awards 2023 Added new standard clauses to our supplier contracts in line with our International Labour Organisation Core Conventions and Labour Standards aligned Human Rights Policy Partnered with UNGC to assess the sustainability readiness of our supply chain Signed a Memorandum of Co-operation with Bursa Malaysia to participate in the Early Adopter Programme for its Centralised Sustainability Intelligence Platform and began submitting data Organised a corporate social responsibility initiative with the Orang Asli community of Royal Belum State Park, Perak, providing essential household supplies, conducting health check-ups, and delivering crucial hygiene education to over 150 indigenous families in Bongor Village Achieved MSCI ESG Rating upgrade to "A" from "BBB" Undertook a TCFD aligned quantitative assessment of climate related physical risks on our assets

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REGULATORY RISK

We operate within a highly regulated environment. We are governed by a range of rules and procedures that determine our ability to operate. This includes statutory requirements for publicly listed companies, sector-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	Results in 2023
<ul style="list-style-type: none"> Provide Board members with regular updates on relevant regulatory changes Engage with Government bodies and regulators regularly to better understand the potential risks of proposed regulatory changes Benchmark against locally and internationally recognised standards of corporate governance Conduct regular communication, awareness, and training exercises with internal and external stakeholders Regularly review and update Policies and Guidelines Conduct regular compliance audits by internal/external auditors 	<ul style="list-style-type: none"> Revised and updated the following policies: <ul style="list-style-type: none"> - Conflict of Interest (COI) Policy - Board Charter - Directors' Fit & Proper Policy Conducted Quarterly Risk Reviews with each business unit to review, monitor, and mitigate potential risks through risk action plans Certified with 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 Complied with 41 out of the 43 Practices prescribed in the Malaysia Code for Corporate Governance 2021, together with 4 out of the 5 optional Step-Up Practices Received the following ESG ratings, awards, and recognitions: <ul style="list-style-type: none"> - Maintained our presence in the FTSE4Good Bursa Malaysia Index for nine years since 2014 and improved our score to 3.6 points - Received Gold Award for MRCB's Integrated Annual Report 2021 at the Australasian Reporting Awards 2023 - Achieved MSCI ESG Rating upgrade to "A" from "BBB" - Received "Gold" for Governance, Reporting, and Transparency in the large corporation category at The ESG Positive Impact Awards 2022 - Received the Silver Award for "Most Consistent Performer Over Five Years" at The Edge ESG Awards 2023

6

REGULATORY RISK (CONT'D)

Mitigation Strategies	Results in 2023
	<ul style="list-style-type: none"> Conducted MRCB's Integrity Action programme, which delivered impactful trainings including: <ul style="list-style-type: none"> Anti-Bribery & Anti-Corruption training and assessment, attended by 98.4% of our employees, promoting continued awareness on anti-bribery and anti-corruption best practices, as well as MRCB's Whistleblowing Policy Mandatory anti-bribery & anti-corruption digital training and assessments for all employees Bribery Risk Awareness Session, attended by 12 departments from the LRT3 project company Internal Audit Training & Workshop 2023 Anti-Bribery Management System (ABMS) ISO 37001:2016, attended by 30 employees from different ABMS-related departments and other divisions Integrity Knowledge Sharing Session 2023 between MRCB and the Malaysian Commission of Multi-media and Communication Assessed 100% of MRCB's operations for bribery and corruption-related risks through Bribery Risk Assessments and Bribery Risk Facilitation exercises

Capitals Material Matters Stakeholders Affected Growth Principles

IC HC EP GC EBP

7

SAFETY, HEALTH & ENVIRONMENT RISK

We depend on the health and safety of our people and the environment. Major breaches will cause financial, non-financial, and reputational damage.

Status

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, resulting in poor construction progress, which limits the ability to recognise revenue
- Inability to attract future capital from banks and investors
- Damage to property/environment
- Stop-work orders by authorities may lead to delays and idling costs, which impacts our profit margins
- Inability to attract workers for our current and future development projects

Mitigation Strategies	Results in 2023
<ul style="list-style-type: none"> 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 Regularly audit 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 	<ul style="list-style-type: none"> Conducted 36 training sessions for 588 people consisting of employees, site workers, and sub-contractors Conducted the "You See You Act Campaign" at construction sites in Kuala Pahang, TTSB Gemas, and Kwasa Damansara Continued to roll out MBS, which will significantly improve safety and reduce the risk of injuries from working at height, as up to 85% of work is undertaken in controlled conditions on ground level Achieved over 1 million man-hours with zero Lost Time, Minor Injuries, and Major Injuries for our TRIA 9-Seputeh, Sentral Suites, PR1MA, and SUKE CA2 projects Conducted daily safety "toolbox" briefing sessions at construction sites to raise awareness of ongoing safety procedures necessary during the various construction phases Conducted continuous digital communications programmes for all employees to cultivate a safety-first culture <p> Our health and safety data and achievements in 2023 can be viewed on pages 133 to 139 of this report</p>

Capitals Material Matters Stakeholders Affected Growth Principles

FC HC SRC GC RPSA H&S EEW LCE

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QUALITY RISK

We are expected to deliver high-quality and safe products to our customers consistently. In doing so, we enhance customer loyalty and corporate branding as a provider of quality products.

Status

Potential Impact on Value

- Lower 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	Results in 2023
<ul style="list-style-type: none"> • Implement QESH Policy that governs the Quality, Environmental, Safety, and Health Management System, and operate 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 • Measure customer satisfaction • Develop and implement periodic awareness programmes/continuous education and training for employees on quality 	<ul style="list-style-type: none"> • Achieved a 5-Star SHASSIC rating for our PRIMA development from the Construction Industry Development Board, which is the regulator of the construction industry in Malaysia • Regularly monitored and conducted periodic quality audits to ensure that quality standards are met • Launched Residensi Tujuh, a residential development in Kwasa Sentral to be constructed using our MBS construction technology. This technology will significantly improve quality standards as up to 90% of construction work is undertaken offsite in controlled manufacturing conditions, where highly skilled and specialised teams will manage and monitor the entire construction process, ensuring quality control • Achieved an 80% Overall Purchaser Survey Score for Sentral Suites, VIVO, TRIA, Kalista, and Alstonia • Received excellent quality feedback from buyers after the completion of our Sentral Suites and TRIA 9 Seputeh developments. TRIA achieved a strong increase in sales in the second half of 2023 after construction completion in May 2023, achieving a 83% sales rate by the end of 2023, reflecting the positive response of prospective buyers after viewing the completed product

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CONCENTRATION RISK

We are highly susceptible to adverse changes in our core business, which has historically been concentrated in the high-rise urban property development market within the Klang Valley.

Status

Potential Impact on Value

- Poor sales performance during a downturn
- Inability to generate revenue, profits, and cash flow
- Increased debt levels
- Unsustainable business model
- Liquidity issues and high indebtedness

Mitigation Strategies	Results in 2023
<ul style="list-style-type: none"> • Expand and diversify into new geographic markets in Malaysia to reduce dependency on existing high-rise urban development in the Klang Valley • Diversify into new international markets and new market segments in Malaysia, • Expand presence in existing overseas markets like the industrial property segment, waste-to-energy, climate change adaptation infrastructure like flood mitigation infrastructure, and other infrastructure construction projects • Derive long-term, stable income streams from investment properties and units in Sentral REIT • Seek opportunities to enter concession projects with predictable long-term revenues, like waste-to-energy 	<ul style="list-style-type: none"> • Expanded our presence in Australia by launching VISTA in Surfer's Paradise, Gold Coast, a 280-unit, 51-storey high-rise property with a GDV of AUD504 million (≈ RM1,511 million) • Leveraged and expanded the MBS technology's global presence to 31 countries, with successful patent applications secured in 20 of these nations • Expanded our presence in the northern regions, Perlis and Perak, by initiating two new diverse projects: <ul style="list-style-type: none"> - Development of a RM121.5 million electronics plant, a collaboration with a Fortune 500 company in the Chuping Valley Industrial Area (CVIA), Perlis - Further engaged with multinational corporations (MNCs) to market industrial property/logistics and fulfilment solutions at our Ipoh Raya Integrated Park, Perak • Continued advanced negotiations to finalise a long-term concession agreement for a waste-to-energy project • Continued construction work on the ongoing Kuala Pahang Rivermouth Improvement works, our flood mitigation project in Pahang • Successfully designed the Residensi Tujuh in Kwasa Sentral, Malaysia's first real estate development project to be built using MBS technology to cater to our ESG-oriented customers' needs. This will help showcase the technology to other property developers and help create a new revenue stream from licensing the MBS technology to other construction companies • Entered negotiations to re-develop Shah Alam Stadium and Kuala Lumpur Sentral Station • Derived income from investment properties from our 27.94% interest in Sentral REIT

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Our Strategic Roadmap



The Light Rail Transit 3 (LRT3) project, a significant infrastructure development project in our portfolio, achieved notable milestones in 2023. Almost all of the civil works were completed, achieving overall physical construction completion of 92% and financial progress of 88% at the end of 2023

Our fervent commitment has consistently centred around ensuring the sustainability of our business and generating value for both our shareholders and stakeholders.

In alignment with this commitment, MRCB's crafted Growth Strategy positions us as a responsible leader within our industries. This Strategy is anchored on four Growth Principles, each driven by seven Key Action Plans.

The execution of these principles and action plans are entrusted to our talented workforce, who operate under the guidance of our strong core values and exemplary corporate governance, ensuring that our business activities are conducted with utmost ethics and professionalism. We firmly believe that the integration of technology is pivotal in steering MRCB towards a cost-efficient and resilient future. Our Digitalisation &

Automation Roadmap spearheads this initiative, complemented by strategic investments in innovative construction methodologies and technologies.

Sustainability is not just a facet but an integral part of our organisational culture, influencing every angle of our operations. It extends beyond ensuring sustainable returns to encompass the responsible use of natural resources.

We believe that our Strategy, underpinned by the comprehensive Sustainability Framework, will not only set MRCB apart from its competitors in realising sustainable returns, but will also position us as innovators, proactively addressing both current and future market needs. Our Strategy has four Growth Principles, driven by seven Key Action Plans:

Strengthen Core For Sustainable Returns

	Key Action Plan	Key Indicators
Ensure Steady Pipeline of Projects	To secure and develop land in strategic locations, and tender for large construction projects with relatively higher pre-qualification requirements and barriers to entry, with a focus on infrastructure.	<ul style="list-style-type: none"> Revenue Profit Before Tax Finance Cost Order Book Land Bank

2023 KEY INITIATIVES

- 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
- Pro-actively 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 RM11.7 billion of on-going infrastructure projects

2023 ACHIEVEMENTS

- Achieved Property Sales of RM831.3 million
 - Sustained a construction open tender book of RM30 billion, excluding the potential re-development projects of Stadium Shah Alam and KL Sentral Station, and various climate adaptation and other infrastructure development proposals submitted under direct negotiation
 - Launched RM1.9 billion worth of residential property projects, including Residensi Tujuh in Kwasa Damansara, a 573-unit development with a GDV of RM385 million and VISTA in Surfers Paradise, Gold Coast Australia with a GDV of AUD504 million (≈ RM1,511 million)
 - Planned RM3.6 billion worth of new property launches for 2024 in Malaysia and New Zealand
- [More details on page 105](#)
- Acquired the mixed commercial property development Rights of Tower 2 in the PJ Sentral, Petaling Jaya from Perbadanan Kemajuan Negeri Selangor (PKNS) for a consideration of RM270 million. This was largely funded by the disposal of non-core asset Plaza Alam Sentral and its adjoining land in Shah Alam, to PKNS for a consideration of RM178 million and the disposal of the Group's completed residential units in Vivo, TRIA and St. Regis developments to PKNS for a consideration of RM80 million
 - Completed the disposal of Menara CelcomDigi for RM450 million
 - A land bank with a GDV of RM31 billion
 - An external client construction order book of RM26.1 billion

SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to tender for projects with relatively high pre-qualification requirements and barriers to entry, infrastructure construction projects, particularly in the rail, energy transition, and climate adaptation infrastructure sectors, and any other new market opportunities where MRCB's technical expertise and skill sets will create value. We will also undertake RM3.6 billion of new property developments projects targeted in 2024 and continue to focus on completing our existing construction contracts and property development projects.

LONG-TERM PRIORITIES

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

Linked to

Capitals



Material Matters



Diversification & Operational Expansion

Key Action Plan		Key Indicators
Geographical Expansion	Expand in existing and new overseas markets, backed by sound strategy and robust implementation	<ul style="list-style-type: none"> International property sales Revenue from international projects International land bank/project GDV New international launches

2023 KEY INITIATIVES	2023 ACHIEVEMENTS
<ul style="list-style-type: none"> Expand into Australia and New Zealand by proactively identifying and pursuing development opportunities, and increasing international market awareness and presence Launch VISTA in Gold Coast, Australia Evaluate property development and other projects in Australia and New Zealand Source projects in Sabah, East Malaysia 	<ul style="list-style-type: none"> Launched VISTA in Gold Coast, Australia, a 280-unit 51-storey high-rise residential development with a GDV of AUD504 million (≈ RM1,511 million) in April 2023 Continued planning of The Symphony Centre in Auckland City Centre, New Zealand, formerly known as the Aotea Central Over Station Development, which has a GDV of NZD 452 million while awaiting handover of the development site 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, which has an expected GDV of NZD137 million (≈ RM398 million) Completion of a project in Hong Kong that licensed MRCB's MBS modular technology Successfully secured patents for the MBS technology in 20 countries (2022: 11 countries), with applications currently pending in another 11 RM3.2 billion GDV of overseas projects pipeline

SHORT-TO-MEDIUM-TERM PRIORITIES

MRCB will continue to execute its plans to implement the pipeline of RM3.2 billion of projects in Australia and New Zealand. The plan includes marketing the newly launched VISTA in Gold Coast and kick-starting marketing for The Symphony Centre in Auckland, ahead of the project site handover and after completion of the rail station that the project will sit above and will be integrated with. MRCB will also continue to focus on exploring other opportunities for expansion in Australia and New Zealand, as well as looking for other overseas expansion opportunities. Continue to tender for infrastructure construction projects in East Malaysia.

LONG-TERM PRIORITIES

To grow the Group's Australia and New Zealand businesses with the aim of them becoming very 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.

Key Action Plan		Key Indicators
Enter Into New Markets	To expand our business in identified new key markets, such as the renewable energy, waste-to energy (WTE), other energy transition and climate change adaptation infrastructure sectors, and other markets; such as the industrial/logistics, co-living, co-working and assisted living property market segments, and target contracts to construct iconic infrastructure	<ul style="list-style-type: none"> Contract awards Project launches in new property market segments

2023 KEY INITIATIVES	2023 ACHIEVEMENTS
<ul style="list-style-type: none"> Continue negotiations with key stakeholders and the Government to sign a concession agreement for a WTE project Market industrial and logistics segment offerings and solutions at the Ipoh Raya Integrated Park to foreign direct investors Market climate adaptation infrastructure solutions to Federal and State Governments Propose infrastructure development solutions to Federal and State Governments 	<ul style="list-style-type: none"> Continued to advance negotiations for a WTE service agreement Achieved property sales of RM831.3 million Partnered with Tesla, Inc. to introduce Tesla Superchargers within MRCB's car parks Launched the development of an electronics production facility with a Fortune 500 company in the Chuping Valley Industrial Area in Perlis, valued at RM121.5 million Received approval in principle from the Government for a design concept submitted for the re-development of KL Sentral Station and entered into negotiations for the award of the project Submitted an iconic design proposal for the re-development of Stadium Shah Alam and entered into negotiations with the client and other stakeholders Submitted proposals and tenders for stormwater management and flood mitigation solutions to the Federal Government and various State Governments Developed proposals for renewable energy projects aligned to Malaysia's New Energy Transition Roadmap

SHORT-TO-MEDIUM-TERM PRIORITIES

Expand the industrial and logistics segment by marketing and developing the Ipoh Raya Integrated Park to large foreign direct investors and multi-national corporations looking to diversify their international manufacturing bases and invest in large, integrated, strategically located, and bespoke developments meeting their sustainability requirements. MRCB will continue to negotiate with clients to finalise the awards contracts for the redevelopment of Stadium Shah Alam and KL Sentral Station. We will also continue to tender and submit proposals for energy transition and climate change adaption infrastructure projects, like WTE, renewable energy and flood mitigation infrastructure projects, and any other new market opportunities where MRCB's technical expertise and skill sets will create value.

LONG-TERM PRIORITIES

Continuing to expand into new markets and 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.

Linked to

Capitals



Material Matters



Technology Adoption & Innovation

	Key Action Plan	Key Indicators
Achieve Lean and Efficient Operations	To improve data security and operational efficiency through robust business processes and the adoption of new technologies, anchored on MRCB's Digitalisation & Automation Roadmap	<ul style="list-style-type: none"> Productivity (Revenue/Employee) Cost savings

2023 KEY INITIATIVES	2023 ACHIEVEMENTS
<ul style="list-style-type: none"> Optimise costs through the digitalisation and automation processes Conduct operational cost rationalisation and value engineering exercises Continue to roll-out the new ERP platform Rationalise office space 	<ul style="list-style-type: none"> Achieved RM1.52 million in revenue per employee productivity ratio for 2023 Achieved administrative cost savings due to efficiencies from digitalisation and automation of operations, which also resulted in office space rationalisation Completed User Acceptance Testing of the new ERP Platform, and completed data migration for the Engineering, Construction & Environment division and the Property Development & Investment division, resulting in both divisions going live on the platform in Q4 2023 Reduced administration costs by successfully deploying a digital Defect Management System for property buyers

SHORT-TO-MEDIUM-TERM PRIORITIES

Drive further productivity and cost efficiencies through digitalisation and automation to further reduce headcount through natural attrition and office space rationalisation.

LONG-TERM PRIORITIES

To continue to adopt digitalisation and automation for leaner and more efficient operations, and to maintain cost competitiveness.

	Key Action Plan	Key Indicators
Leverage on MRCB Building System (MBS)	To construct projects using MBS and license out this modular construction technology to other construction companies	<ul style="list-style-type: none"> Revenue from licensing MBS technology Number of MBS projects

2023 KEY INITIATIVES	2023 ACHIEVEMENTS
<ul style="list-style-type: none"> Conduct ESG sessions with analysts to include a brief on our MBS technology Plan the launch of Residensi Tujuh as the inaugural Malaysian residential development using MBS Partner with CIDB's Akademi Binaan Malaysia to improve TVET programmes aligned to MRCB's modular construction technology 	<ul style="list-style-type: none"> Successfully secured patents for our MBS technology in 20 countries (2022: 11 countries), with applications currently pending in another 11 Launched Residensi Tujuh at Plot F, Kwasa Sentral with a GDV of RM385 million, MRCB's first high-rise residential development that will be constructed using modular technology

SHORT-TO-MEDIUM-TERM PRIORITIES

To secure projects that can benefit from modular applications, including developing schools, as well as affordable housing.

We will also continue to explore the adoption of MBS for other potential products and applications in the public sector such as Centralised Labour Quarters (CLQ), External Labour Quarters (ELQ), police accommodation and prisons, where speed of construction is a client priority, and market these to relevant stakeholders.

LONG-TERM PRIORITIES

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

Linked to

Capitals



Material Matters



 **Quality Products & People**

	Key Action Plan	Key Indicators
Uphold Good Governance	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	<ul style="list-style-type: none"> • SHASSIC Score • Customer Satisfaction Surveys • Anti-Bribery & Anti-Corruption Training • MCCG 2021 Compliance • MSWG-ASEAN Corporate Governance Scorecard • FTSE4Good Bursa Malaysia Index Score • MSCI ESG Rating

2023 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, and OHSAS 18001:2007
- Comply with international labour laws and assess our suppliers as well as contractors and sub-contractors
- Conduct anti-bribery and corruption training for staff

2023 ACHIEVEMENTS

- Achieved a 5-Star SHASSIC rating for our PR1MA development from the Construction Industry Development Board (CIDB), which is the regulator of the construction industry in Malaysia
- Achieved an 80% Overall Purchaser Survey Score for KL Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects
- Conducted 36 safety training sessions for a total of 588 people consisting of employees, site workers, and sub-contractors
- Increased our overall FTSE4Good Bursa Malaysia Index score to 3.6 (from 3.2 in 2022), and increased our score in the climate change segment of the assessment to 4.0
- Received Gold Award at the 2023 Australasian Reporting Awards
- Awarded Gold for Governance, Reporting & Transparency in the large corporation category at the ESG Positive Impact Awards
- Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices
- Conducted an assessment-based e-learning Anti-Bribery & Anti-Corruption Awareness Programme and Whistleblowing Policy, attended by 98.4% of employees, with the remaining employees being engaged in a physical briefing session on Anti-Bribery & Anti-Corruption awareness

 *more details can be viewed on page 263 of this report*

- Re-launched the UNGC Academy learning portal for employees to access sustainability courses on topics like climate change, SDGs, gender equality, human rights, and decent work
- Achieved MSCI ESG Rating upgrade to “A” from “BBB”

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 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.

	Key Action Plan	Key Indicators
Develop A Skilled Workforce	To produce performance-driven employees aligned with the Group’s purpose and strategic objectives that continuously strive to exceed our financial and non-financial targets, while being responsive to the external environment and customer demands.	<ul style="list-style-type: none"> • Number of staff trained • Average training hours per employee

2023 KEY INITIATIVES

- Encourage knowledge sharing between Management, in-house specialists, and subject-matter experts
- Conduct internal capacity building on sustainability, and anti-bribery and corruption awareness through training and communication programmes
- Continue to improve training and talent development

2023 ACHIEVEMENTS

- Collaborated with the UNGC to allow employees free access to UNGC Academy, a digital learning platform with courses and resources from the world’s leading experts on sustainable development
- Employees participated in the CEO Action Network (CAN) peer-to-peer learning workshops and sharing with other like-minded organisations
- 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
- Conducted Skip-Level Employee Engagement sessions between the Senior Management team and employees to sustain organisational transformation
- Achieved an average of 6.4 training hours per employee (2022: 4.6 training hours per employee) with impactful and diverse training and development programmes, driving all MRCB employees toward continuous learning and skill enhancement

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, driven workforce with clearly defined career paths so that our people can grow with the organisation. We will continue to upskill our people by utilising programmes developed by leading training companies and institutions.

LONG-TERM PRIORITIES

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

Linked to

Capitals



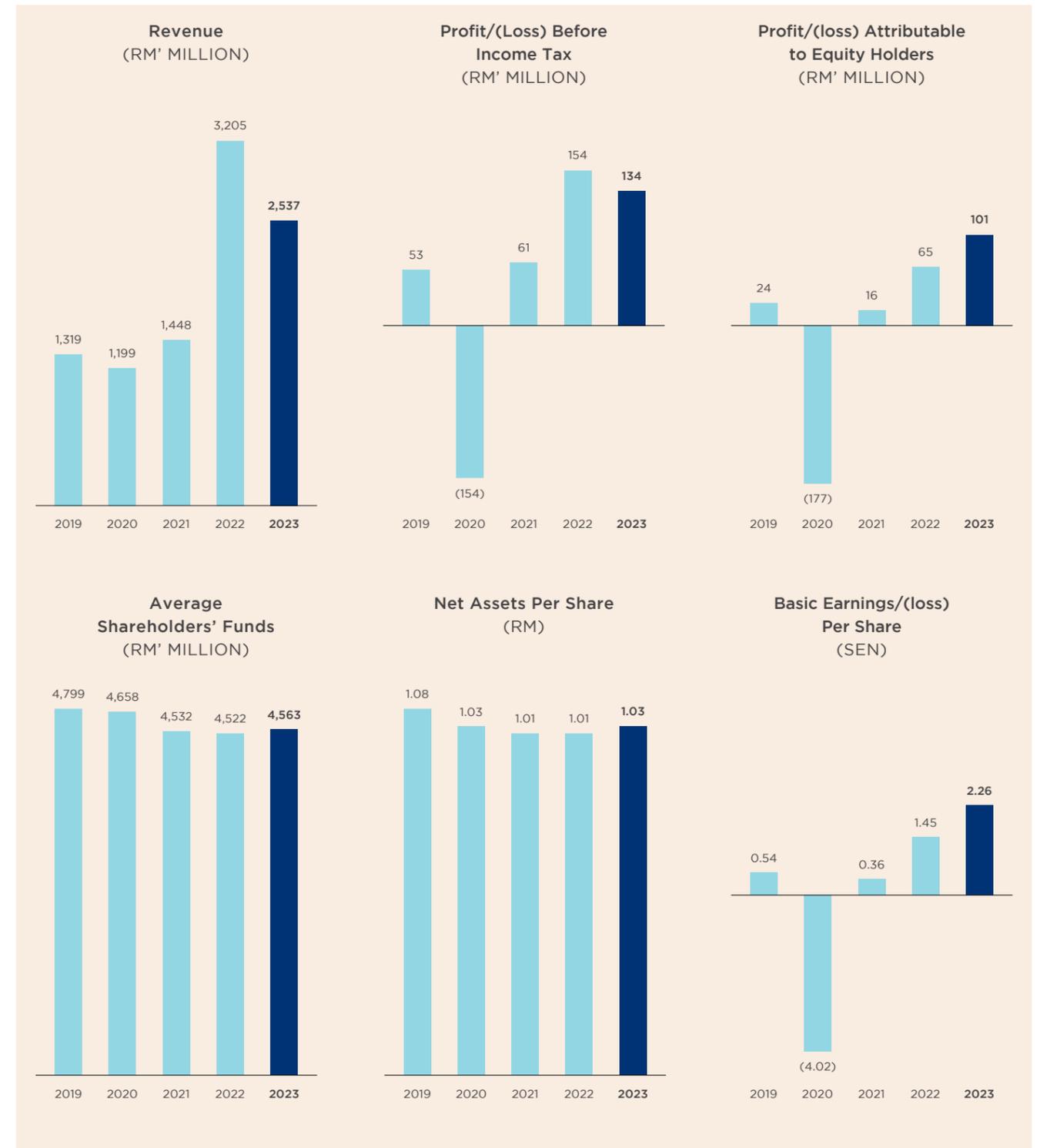
Material Matters



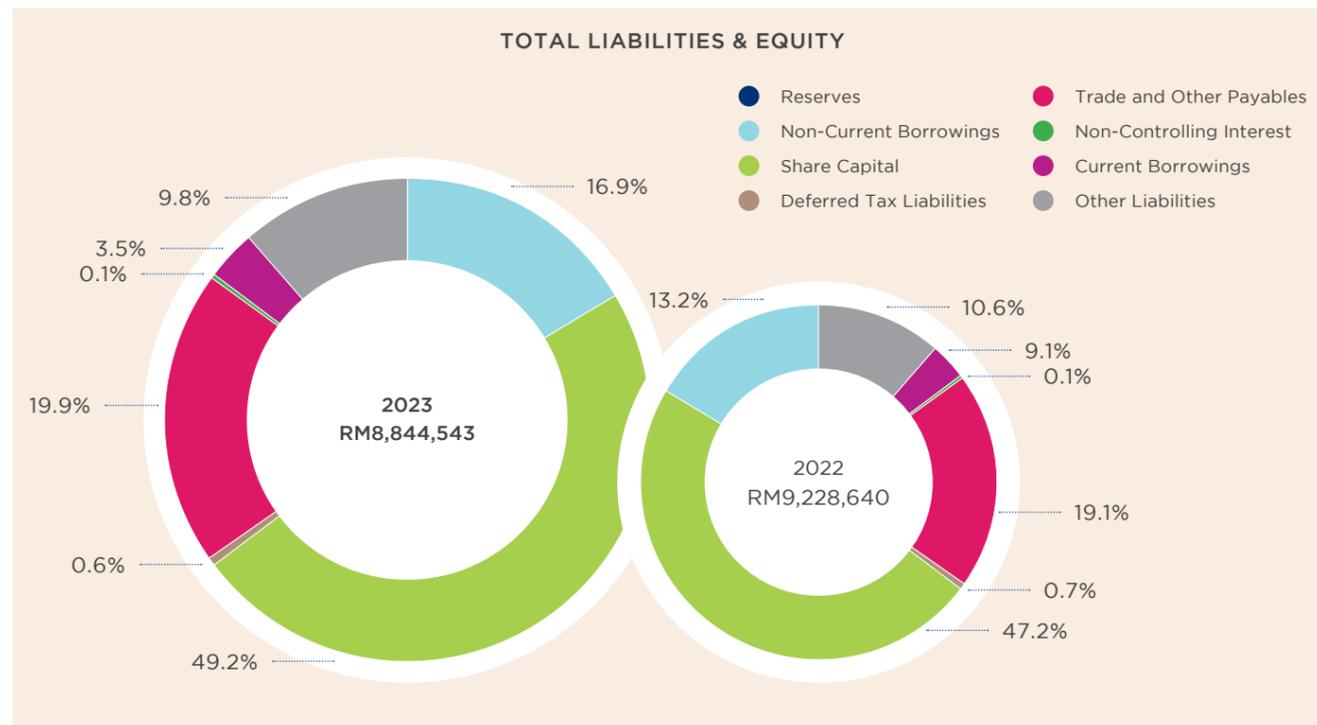
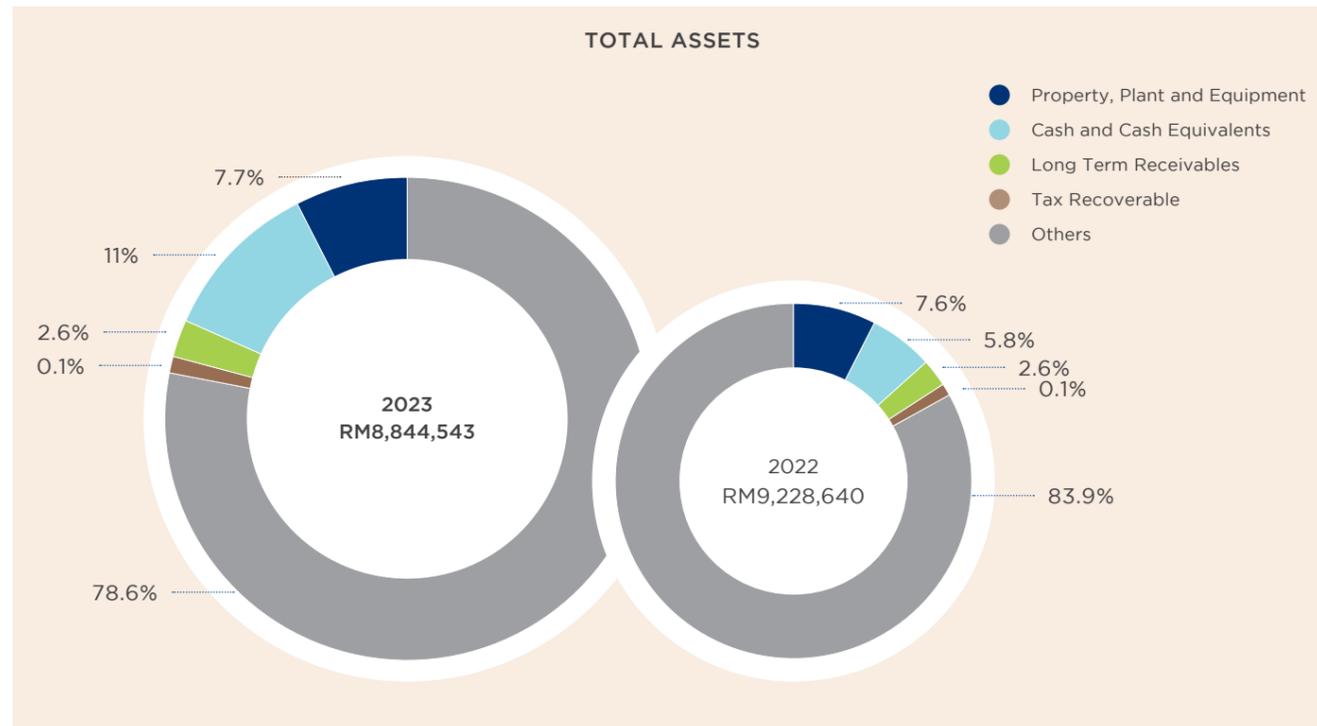
5-Year Group Financial Highlights

	2019	2020 (restated)	2021	2022	2023
FINANCIAL RESULTS (RM' MILLION)					
Revenue	1,319	1,199	1,448	3,205	2,537
Gross Profit	298	253	180	446	331
Profit/(loss) before taxation	53	(154)	61	154	134
Profit/(loss) after taxation	19	(177)	7	54	101
Profit/(loss) attributable to equity holders	24	(177)	16	65	101
FINANCIAL POSITION (RM' MILLION)					
Total cash & bank balances and investment securities	517	842	680	593	1,072
Total assets*	8,448	8,314	9,205	9,229	8,845
Total borrowings	1,828	1,933	1,932	2,057	1,801
Total net assets*	4,765	4,551	4,513	4,531	4,594
Share capital	4,332	4,332	4,356	4,356	4,356
Total equity*	4,796	4,561	4,540	4,537	4,600
FINANCIAL RATIOS					
Basic earnings/(loss) per share (sen)	0.54	(4.02)	0.36	1.45	2.26
Return on average shareholders' funds (%)	0	(4)	0	1	2
Return on total net assets (%)	1	(4)	0	1	2
Share price at year end (RM)	0.73	0.48	0.36	0.295	0.445
Price earning ratio (times)	135.19	(11.94)	100.00	20.34	19.69
Dividend per share (sen)	1.00	1.00	1.00	1.00	1.00
Dividend yield (%)	1.4	2.1	2.8	3.4	2.2
Net assets per share attributable to equity holders* (RM)	1.08	1.03	1.01	1.01	1.03
Net gearing ratio (times)	0.27	0.24	0.28	0.32	0.16
Market capitalisation (RM' Million)	3,221	2,118	1,608	1,318	1,988
Average shareholders' funds* (RM' Million)	4,799	4,658	4,532	4,522	4,563
Weighted average no. of shares (Million)	4,406	4,412	4,447	4,468	4,468
Share capital (No. of shares' Million)	4,412	4,412	4,468	4,468	4,468
BANK BORROWINGS (RM' MILLION)					
Bank borrowings	1,828	1,326	523	646	390
Sukuk	-	607	1,409	1,411	1,411
Total borrowings	1,828	1,933	1,932	2,057	1,801
Less:					
Total cash & bank balances and investment securities	(517)	(842)	(680)	(593)	(1,072)
Total net borrowings	1,311	1,091	1,252	1,464	729

* restated figures for FY2019



Simplified Statement of Financial Position



Group Segmental Financial Position

RM' MILLION	2019	2020 (restated)	2021	2022	2023
REVENUE					
Property Development & Investment	567	635	498	915	738
Engineering, Construction & Environment	679	515	903	2,234	1,734
Facilities Management & Parking	54	43	35	46	51
Others	19	6	12	10	14
Total Revenue	1,319	1,199	1,448	3,205	2,537
OPERATING PROFIT/(LOSS) BY SEGMENT**					
Property Development & Investment	77	63	153	177	149
Engineering, Construction & Environment	23	(174)	(41)	70	87
Facilities Management & Parking	6	7	(1)	(1)	(2)
Others	(4)	1	6	(5)	(9)
Total Segment Results	102	(103)	117	241	225

** Earnings before interest, tax and unallocated corporate expenses

Group Quarterly Financial Position

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

2022 RM' MILLION For the period ended	First Quarter 31/3/2022	Second Quarter 30/6/2022	Third Quarter 30/9/2022	Fourth Quarter 31/12/2022	2022 YTD
Revenue	811	700	860	834	3,205
Profit/(loss) before taxation	31	28	57	38	154
Profit/(loss) after taxation	14	11	16	13	54
Profit/(loss) attributable to equity holders	14	14	24	13	65
Basic earnings/(loss) per share (sen)	0.31	0.32	0.53	0.29	1.45
Dividend per share (sen)	-	-	-	1.00	1.00
Net assets per share attributable to equity holders (RM)	1.01	1.01	1.01	1.01	1.01

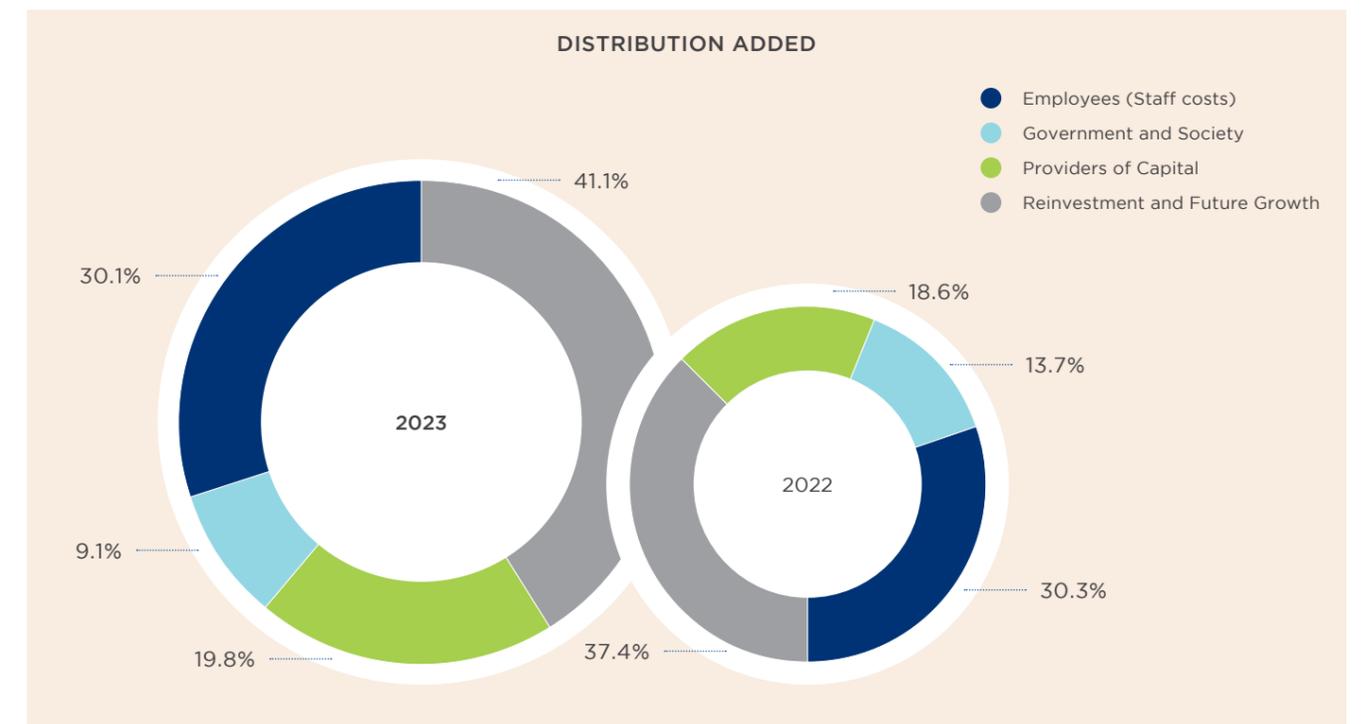
Statement of Value Added

VALUE ADDED

RM' MILLION	2023	2022
Total revenue	2,537	3,205
Direct and indirect costs	(2,497)	(3,018)
Value added from operation	40	187
Other operating income	21	24
Other gains	150	18
Share of results of associates	18	10
Share of results of joint ventures	(5)	(5)
Finance income	23	18
Total value added	247	252

DISTRIBUTION ADDED

RM' THOUSAND	2023	2022
Staff costs	239,607	215,031
Government and Society (Corporate Taxation and CSR Expenses)	72,293	97,179
Providers of Capital Dividends declared	44,675	44,675
Finance costs	112,761	99,057
Non-controlling interest	55	(11,302)
	157,491	132,430
Reinvestment and Future Growth Retained earnings, depreciation and amortisation	326,971	265,871
Total value distributed	796,362	710,511



2023 Financial Calendar

• ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS

20 February 2023	29 May 2023	30 August 2023	27 November 2023
FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER
Ended 31 December 2022	Ended 31 March 2023	Ended 30 June 2023	Ended 30 September 2023

• DIVIDENDS

First and Final
Single Tier Dividend of

1 SEN

per Ordinary Share
for the Financial Year
31 December 2022

Announcement Date

20 FEBRUARY 2023

EX Date

26 APRIL 2023

Entitlement Date

27 APRIL 2023

Payment Date

17 MAY 2023

• ANNUAL GENERAL MEETING

MRCB's

52ND ANNUAL GENERAL MEETING

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

Notice Date

28 APRIL 2023

Meeting Date

7 JUNE 2023

• EXTRAORDINARY GENERAL MEETING

MRCB's

EXTRAORDINARY GENERAL MEETING

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

Notice Date

9 OCTOBER 2023

Meeting Date

24 OCTOBER 2023



TRIA Residence

TRIA 9 Seputeh by MRCB: Where nature meets city living. Consists of three distinctive towers - Ebon, Pelto, and Cavi. TRIA 9 Seputeh is a place where the vibrancy of the big city and the tranquillity of nature converge, offering breathtaking views of KL city's skyline.

Our Performance

Property Development & Investment



MRCB'S PROPERTY DEVELOPMENT & INVESTMENT DIVISION PLAYS A CENTRAL ROLE IN OUR PURSUIT OF URBAN TRANSFORMATION IN MALAYSIA. WE FOCUS ON THE PRAGMATIC IMPLEMENTATION OF TRANSIT-ORIENTED DEVELOPMENTS (TOD), AIMED AT OPTIMISING LAND USE AROUND TRANSPORTATION HUBS TO FOSTER SUSTAINABLE URBAN GROWTH.

Our significant achievement lies in our ongoing flagship project, the Kuala Lumpur Sentral Central Business District (CBD), which despite being over 20 years old, showcases our ability to create well-connected and premium-quality working and living environments. This development has gained international recognition for its exceptional integration with transportation links and its ability to attract renowned global corporations as tenants.

Beyond Kuala Lumpur Sentral CBD, we are strategically expanding our TOD concept to locations such as PJ Sentral Garden City, Penang Sentral, and Kwasa Sentral. These projects focus on enhancing connectivity and offering residents and businesses easy access to mass transportation infrastructure.

With sustainability as a central consideration in our approach, we prioritise eco-efficiency and adhere to international Green Building standards. We aim to create spaces that align with these standards, contributing positively to our stakeholders and the environment.



Q Sentral, KL Sentral CBD

We are also actively engaged in international property developments in Australia and TOD projects in New Zealand. Our property investment activities are managed through a significant stake in Sentral REIT, which owns commercial properties valued at RM2.5 billion as of 31 December 2023.

As part of our diversification efforts, we have expanded into the industrial and logistics market through the 810.57-acre Ipoh Raya Integrated Park in Perak, and the development of an upcoming electronics production facility in Chuping Valley Industrial Area, Perlis.

Our commitment is to create value for our stakeholders, create economic growth, and provide sustainable, high-quality spaces tailored to the evolving needs of our communities. Ultimately, we aim to contribute to a more sustainable future through our property development and investment initiatives.

To see how the Property Development & Investment Division creates value for our stakeholders, please refer to the Stakeholder Engagement & Value Creation section on pages 37 - 47 and the Strategic Roadmap on pages 78 - 85 of this Integrated Annual Report

Key highlights of the year

Revenue		RM737.8 MILLION
Operating Profit	Property Sales	Unbilled Property Sales
RM148.8 MILLION	RM831.3 MILLION	RM234.9 MILLION
Sentral REIT & Sentral REIT Management Profit Contribution	Land Bank	GDV of Land Bank
RM18.8 MILLION	1,148 ACRES	RM31 BILLION
% of GDV from TODs	Daily Average Pedestrian Traffic (KL Sentral)	Daily Average Pedestrian Traffic (Penang Sentral)
81%	220,000	25,000



ISO 14001 certification



Malaysia's Green Building Index (GBI)



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



Singapore-based Building Construction Authority (BCA) Green Mark

2023 FINANCIAL PERFORMANCE

In 2023, the completion of major development projects earlier in the year significantly impacted the Division's performance, leading to lower revenue and operating profit contributions.

The Division recorded a 19% decline in revenue to RM737.8 million and a 16% decline in operating profit to RM148.8 million, compared to 2022. This was due to the construction completion of the Sentral Suites development project in KL Sentral in March 2023 and the TRIA 9 Seputeh mixed residential development project in Jalan Klang Lama in May 2023, two significant and timely milestones for the Division.

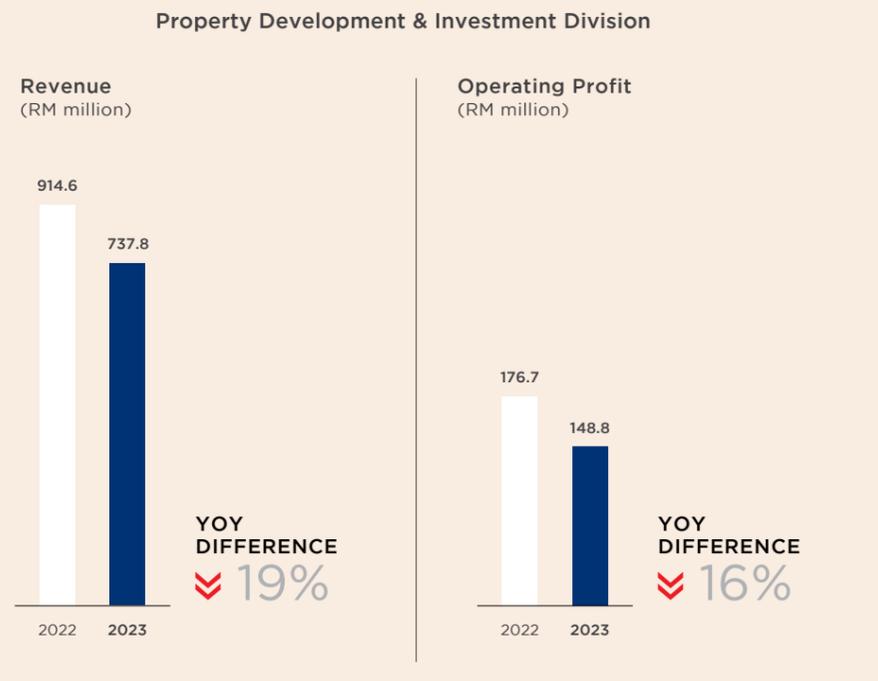
The main revenue contributors were the Sentral Suites and TRIA 9 Seputeh developments, and the Alstonia development, which had achieved 87% construction progress at 31 December 2023. Other revenue came from

rental income from the Group's investment properties, including Menara CelcomDigi in PJ Sentral Garden City, prior to its disposal in December 2023.

The Group's investment holding in Sentral REIT and associated company Sentral REIT Management Sdn Bhd contributed a combined profit after tax of RM18.8 million to the Group compared to RM14.9 million in the preceding year.

The division did, however, achieve strong residential property sales in 2023, which grew 74% to RM831.3 million over the sales achieved in 2022. The sales of residential property will continue to be recognised as revenue in line with construction progress for units sold in developments still under construction and completion of the Sales & Purchase process for sales of units sold in developments already completed, such as Sentral Suites and TRIA 9 Seputeh.

In December 2023, we strengthened our balance sheet by completing the sale of Menara CelcomDigi to Sentral REIT for RM450 million, aligning with our asset optimisation strategy.



Completed Developments and Milestones Achieved in 2023

Development	Description	GDV (RM' Million)	Status as of 31 December 2023	Revenue Contribution
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	1,637	100% Completed March 2023	RM227.3 million
TRIA 9 Seputeh, Jalan Klang Lama	Residential high-rise development with amenities, built on 4.57 acres with 734 apartment units	940	100% Completed May 2023	RM243.4 million
Alstonia Hilltop Homes, Bukit Rahman Putra	31 units of Superlink Villa and 214 condominium units, built on 4.11 acres	248	86.8% Construction Progress	RM53.1 million
Lilium, Bandar Seri Iskandar	90-units of double-storey landed terrace houses	32	85.2% Construction Progress	RM15.6 million
Amaryllis, Bandar Seri Iskandar	80-units of single-storey landed terrace houses	17	100% Completed June 2023	RM2.9 million



Artist's impression of Lilium, a serene residential development nestled in the heart of Bandar Seri Iskandar, Perak

NEW LAUNCHES

Following the pandemic, our strategic decision to pause major new launches and concentrate on our ongoing projects mitigated the risk of very elevated building materials and labour costs. This strategic move was also designed to ensure that we did not accumulate high numbers of completed and unsold unit inventories. However, in 2023 the stronger sales performance during the year gave us the confidence to kick-start our pipeline of new launches to align with the market's recovery, and we launched approximately RM1.9 billion worth of new residential property developments, marking the beginning of a new project cycle:

• **Residensi Tujuh, Kwasa Sentral**



Residensi Tujuh is a residential development within the 94-acre mixed-development Kwasa Sentral. Launched in September 2023 with a projected GDV of RM385 million, this 29-storey serviced apartment complex with 573 residential units will offer a range of one to three-bedroom and dual-key units.

Residensi Tujuh stands to gain in value as the Kwasa Sentral development progresses, based on the experience of the Kuala Lumpur Sentral development and data from similar developments, indicating the importance of commercial activities in driving a CBD's success. Kwasa Sentral is poised to become the new CBD for the expansive 2,257-acre Kwasa Sentral township. The emphasis on commercial development, which constitutes 56% of the development plan, provides a robust growth environment for Residensi Tujuh, especially as only 13% of the city centre is allocated for residential space.

Name of Project	Description (acreage/units)	GDV (RM' Million)	Launch Date
Plot F Residensi Tujuh, Kwasa Sentral	29-Storey Serviced Apartments with 573 units	385	September 2023

• **VISTA, Gold Coast, Australia**



As part of our geographic diversification efforts, we launched VISTA in April 2023. This residential high-rise development has 280 apartment units in Gold Coast, Queensland, a region that benefits from net migration and targets a niche in Australia's residential market. The development is situated in Surfers Paradise and leverages the area's limited land availability, dated secondary market stock, and its attraction as a very popular lifestyle destination.

The design of VISTA intentionally maximises environmental efficiencies by orientating towards the east to take advantage of sunlight and ocean breezes, while cross-ventilation pathways have been introduced to allow for greater airflow. This feature reduces reliance on air conditioning and speaks to MRCB's design purpose to be eco-conscious, resonating with the market's increasing preference for sustainable living.

Given that its location is not directly on the beachfront, VISTA provides a relatively cost-effective alternative to premium beachfront properties while still capitalising on the Gold Coast lifestyle and vast uninterrupted sea views. At the end of December 2023, 23% of the units in the VISTA development had been sold.

The economic backdrop in Australia, characterised by rising interest rates, has not dampened the Gold Coast's property market, which remains buoyant due to ongoing interstate migration and a boost in the tourism sector. These factors, along with the anticipated infrastructure developments for the upcoming Brisbane Olympics, should sustain apartment demand, indicating a favourable market for VISTA's offerings.

Name of Project	Description (acreage/units)	GDV	Launch Date
VISTA, Gold Coast, Australia	Residential high-rise with amenities on a 3100m ² site with 280 apartment units on 51 storeys	RM1.5 billion* AUD504 million (≈ RM1,511 million)	April 2023

* Based on the exchange rate as at 31 December 2023

NEW MARKET SEGMENT

As part of our diversification strategy, we also ventured into the industrial and logistics sector to capitalise on growth opportunities and reduce our dependence on our traditional focus areas of green high-rise commercial and residential developments within the Klang Valley.

• Chuping Valley Industrial Area (CVIA), Perlis



In line with Malaysia's new strategic industrial master plan to chart the country's industrial transformation, the industrial property segment has a lot of potential. Our initial venture into the industrial sector began with the Ipoh Raya Integrated Park, a sustainable, integrated logistics and industrial park in Perak. Building on this, 2023 marked our partnership with a prominent Fortune 500 company to develop an advanced electronics manufacturing facility in Chuping Valley Industrial Area (CVIA), Perlis.

Following a build-and-lease framework, this ambitious RM121.5 million project is set for completion in November 2024. MRCB's initiative in establishing an electronics production facility is expected to act as a springboard for further investments in CVIA, contributing to improving living standards and boosting economic prosperity in Perlis.

Name of Project	Description (acreage/units)	GDV (RM' Million)	Launch Date
Production facilities @CVIA, Chuping Perlis	One-storey production facility including warehouse and operations office across 100,874sf	121.5	July 2023

SALES PERFORMANCE

While market sentiment was more favourable in 2023, buyers still faced the hurdles of higher borrowing interest rates and stringent bank credit approvals. In the face of these challenges, MRCB continued to adopt an agile and customer-centric sales approach. We adjusted our sales promotions to create more competitive offerings to stimulate buyer interest.

Following its completion, TRIA 9 Seputeh witnessed a surge in sales, driven by purchasers who were impressed by the project's design concept and high quality, which surpassed their expectations. Our commitment to value and excellence was also demonstrated by offering more comprehensive facilities. Showcasing the high standards of design and quality in the show gallery and the final product, coupled with conducting surveys to understand consumer desires, enables us to deliver products that resonate with our customers.

We also leveraged social media marketing initiatives, offering an innovative and convenient way for potential buyers to explore projects remotely. This digital approach has proven effective, with a surge in virtual viewings, reflecting the market's growing inclination towards online platforms viewing.

Property sales, both from our inventory of completed stock and from projects still under construction, reached RM831.3 million in 2023, up 74% compared to 2022. This upward sales momentum signifies strong consumer confidence in the quality and the value proposition of our properties.

Project	Total Project GDV (RM' Million)	% Sales Achieved* as at 31 December 2023	Sales** Breakdown (RM' Million)
Completed Project			
Sentral Suites - Residential	1,535	94%	161.2
Sentral Suites - Commercial	102	76%	19.8
VIVO 9 Seputeh - Residential	982	90%	60.8
VIVO 9 Seputeh - Commercial (incl. retail car park)	266	87%	0.0
Kalista, Bukit Rahman Putra	102	94%	3.0
1060 Carnegie - Residential	295	100%	0.0
1060 Carnegie - Commercial	29	56%	0.0
St. Regis	165	71%	64.5
TRIA 9 Seputeh	940	83%	260.7
Ongoing Project			
Alstonia, Bukit Rahman Putra	248	65%	36.1
Amaryllis, SIDEC	17	100%	0.6
Lilium, SIDEC	32	69%	11.0
26 VISTA, Gold Coast, Australia	1,511	14%	213.6
TOTAL	6,224		831.3

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

The Group had RM234.9 million of unbilled sales at the end of 2023, representing signed and stamped purchase agreements that are pending revenue recognition, which will be recognised progressively in tandem with construction progress.

Project	Construction Progress (%)	Revenue Recognised* in 2023 (RM' Million)	Unbilled Sales** (RM' Million)
Residential			
Alstonia, Bukit Rahman Putra	86.8%	107.7	15.4
Lilium, SIDEC	85.2%	16.0	5.9
VISTA, Gold Coast	0%	0	213.6
TOTAL		123.7	234.9

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 have been constructed

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

LAND BANK

MRCB had interests in 1,148 acres of land with an estimated GDV of RM31.1 billion at the end of 2023. Our land bank portfolio is set to continue driving revenue for the Division for at least the next decade.

	Land Size (Acres)	GDV (RM' Million)	% Stake	Start Date	Completion Date
Transit Oriented Developments					
KL Sentral	5.71	3,949	100%	2022	2027
PJ Sentral Garden City	11.91	2,700	100%	2013	2026
Penang Sentral	21.88	2,698	100%	2015	2027
Cyberjaya City Centre	41.45	5,350	70%	2017	2024
Kwasa Sentral	64.30	10,851	70%	2018	2030
Total	145.25	25,548			
Commercial Developments					
Pulai Land, Johor	67.52	770	100%	TBD	TBD
Total	67.52	770			
Residential Developments					
9 Seputeh	17.63	2,158	100%	2014	2026
Bukit Rahman Putra	14.18	642	100%	2016	2024
Bandar Sri Iskandar (Phase 2C, 2D & 3)	57.40	849	100%	2020	2035
VISTA Street Project, Gold Coast	0.77	1,511	100%	2023	2025
Total	89.98	5,160			
Industrial Developments					
SIDEC (Ipoh Raya Integrated Park)	810.57	TBD	100%	TBD	TBD
Total	810.57	TBD			
Others					
Selbourne 2, Shah Alam	2.37	TBD	100%	TBD	TBD
Metro Spectacular Land, Jalan Putra	10.06	TBD	100%	TBD	TBD
Muara Tuang Land, Samarahan	22.07	TBD	100%	TBD	TBD
Total	34.50	TBD			
Grand Total	1,147.82	31,478			

2023 Performance Driven by MRCB Key Strategies and Initiatives

Strengthen Core For Sustainable Returns

• **Key Action Plan: Ensure Steady Pipeline of Projects**

Key Initiatives	Outcomes
Launched new developments	<ul style="list-style-type: none"> Launched RM1.9 billion of properties in 2023: <ul style="list-style-type: none"> Residensi Tujuh, Kwasa Damansara, with a GDV of RM385 million VISTA, Gold Coast, Australia with a GDV of AUD504 million (≈ RM1,511 million) Achieved total property sales of RM831.3 million
Land bank expansion	<ul style="list-style-type: none"> Acquired the development rights for an office tower in the PJ Sentral development valued at RM270 million

Diversification & Operational Expansion

• **Key Action Plan: Diversification & Operational Expansion and Enter into New Markets**

Key Initiatives	Outcomes
Increase presence in Australia and New Zealand	<ul style="list-style-type: none"> Launched residential high-rise VISTA in Gold Coast, Australia Planned the marketing and launch of The Symphony Centre in Auckland, New Zealand, a NZD452 million (≈ RM1,314 million) GDV mixed-development
Continue diversification into the industrial segment	<ul style="list-style-type: none"> Launched Chuping Valley Industrial Area (CVIA), Perlis, an electronic production facility with a GDV of RM121.5 million with a US Fortune 500 company Continued to market Ipoh Raya Integrated Park to foreign direct investors and other multi-national corporations looking to diversify their manufacturing bases

Technology Adoption & Innovation

• **Key Action Plan: Achieve Lean & Efficient Operation and Leverage MRCB Building Systems (MBS)**

Key Initiatives	Outcomes
Digital marketing strategies	<ul style="list-style-type: none"> Rolled out new digital marketing campaigns on social media
Drive automation across operational processes	<ul style="list-style-type: none"> Rolled out Enterprise Resource Planning (ERP) system to streamline workflows and enhance productivity and efficiency

• **Key Action Plan: Achieve Lean & Efficient Operation and Leverage MRCB Building Systems (MBS)**

Expand use of MBS, MRCB's proprietary modular construction technology

- Launched Residensi Tujuh in Kwasa Sentral, a RM385 million GDV, 29-storey residential development, MRCB's first high-rise development to be constructed using modular construction technology

Quality Products & People

• **Key Action Plan: Uphold Good Governance and Develop a Skilled Workforce**

Key Initiatives	Outcomes
Safe and timely delivery of key projects	<ul style="list-style-type: none"> • Completed Sentral Suites and TRIA 9 Seputeh on time and abided by Health and Safety standards • Achieved an overall customer service excellence score of 80% based on the customer experience survey conducted among 425 purchasers of the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects
Enhance quality standards	<ul style="list-style-type: none"> • Achieved a Quality Assessment System in Construction (QLASSIC) Score of 81% and 71% for TRIA and Sentral Suites
Development approvals for VISTA	<ul style="list-style-type: none"> • Formed a skilled team for project planning and design, and engaged in thorough consultations with authorities and council planners to secure development approvals for VISTA

• **Challenges and Risks**

Risks	Mitigation Strategies	Results
Higher construction and materials costs and weak sub-contractors	<ul style="list-style-type: none"> • Closely monitored material prices and supplies • Conducted rigorous due diligence with sub-contractors in Australia before setting selling prices for VISTA 	<ul style="list-style-type: none"> • Launched VISTA at selling prices that adequately absorbed higher building material prices in Australia and remained competitive for buyers • Secured project financing for VISTA and appointed a project contractor
Obtain relevant approvals for developments in Australia and New Zealand	<ul style="list-style-type: none"> • Assembled a competent team of professionals for the planning and design of the project, to ensure development approvals could be obtained • Closely consulted with relevant authorities and Council planners and all other stakeholders, including, indigenous peoples' representatives, and institutions for The Symphony Centre in Auckland 	<ul style="list-style-type: none"> • Obtained development approval and the Foreign Investment Review Board (FIRB) approval for the VISTA, Gold Coast, Australia project • Obtained Overseas Investment Office (OIO) approval for The Symphony Centre, New Zealand project

OUTLOOK AND PROSPECTS

1. Pipeline of Projects and Sustainable Returns

Key Initiatives



UN SDGs



Revenue Recognition from Existing Projects

We will maintain our marketing momentum for our key residential developments. These include the Alstonia project in Bukit Rahman Putra, the newly launched VISTA in Gold Coast, Australia, Residensi Tujuh in Kwasa Sentral, and the remaining inventory of unsold stock within the recently completed TRIA 9 Seputeh, Sentral Suites, VIVO Residences in 9 Seputeh, and Kalista Park Homes in Bukit Rahman Putra.

We anticipate a progressive recognition of revenue and operating profit in alignment with the construction progress of our newly launched and ongoing Malaysian projects, and the sales of completed units. Revenue and profit recognition from VISTA, however, will only commence once construction has been completed and financial settlement has been achieved with purchasers.

Our immediate priority is to enhance cash flow by monetising the inventory of unsold completed stock valued at RM384.8 million as of 31 December 2023. We anticipate improved sales to international buyers, particularly for our residual stock of St Regis residential units in KL Sentral. With a substantial land bank of 1,148 acres valued at a GDV of RM31 billion, the Group is well-positioned for a steady flow of future projects. As of 31 December 2023, the Division had RM234.9 million in cumulative unbilled sales.

The Division will also continue to earn a relatively stable income stream from its remaining investment properties, as well as its 27.94% equity interest in Sentral REIT.

New Developments in 2024 and 2025

We are targeting RM3.6 billion GDV worth of new property launches in 2024, with RM2.3 billion within Malaysia and RM1.3 billion for a property launch in Auckland, New Zealand, all subject to receiving the necessary development approvals.

2024 Launches	GDV (RM' million)	Units
Parcel A, 9 Seputeh	400	490
Serviced Apartment, Bukit Jalil Sentral	900	1,200
Office Tower at Lot F, KL Sentral	1,000	TBD
The Symphony Centre, Auckland, New Zealand (NZD452 mil)	1,314	78*
Total 2024	3,614	

* Residential units only

2025 Launches	GDV (RM' million)	Units
Lifestyle Suites at Lot R, KL Sentral	174	440
Bledisloe House, Auckland, New Zealand (NZD137 mil)	398	Lease
Tower 1, PJ Sentral	626	900
Tower 5, PJ Sentral	486	En bloc
Total 2025	1,684	

The Group is keenly aware of external factors that may impact sales performance. We are committed to vigilantly observing the broader macroeconomic and property market trends and will adjust our marketing approaches and sales projections as necessary. This includes the potential reassessment of upcoming launches should market conditions warrant it.

2. Competitive Advantage and Innovative Solutions

Key Initiatives



UN SDGs



Building on MRCB's track record in TOD, we are poised to advance our specialised expertise with the Kwasa Sentral project. This is an integrated TOD designed to create a dynamic and interconnected community. Our success in TOD, accounting for 81% of the GDV from our land bank, underpins our confidence in the Kwasa Sentral project. We aim to deliver a project that exemplifies accessibility and efficiency, driving sustained revenue growth and establishing Kwasa Sentral as a model of modern, integrated urban living.

The Residensi Tujuh in Kwasa Sentral will also mark a significant milestone as the first residential development to fully implement our innovative, proprietary modular construction technology, the MRCB Building System (MBS). This advanced construction method exemplifies MRCB's commitment to quality, sustainability, and efficiency, and ensures faster construction timelines while maintaining superior quality standards. Key advantages of MBS are its lower carbon emissions and lower waste generation. We aim to extensively promote the use of MBS across various types of applications, including serviced apartments, hotels, schools, and other facilities, not just in our developments, but also to industry peers in Malaysia and overseas.

We understand that the current strict borrowing policies are making it harder for people to buy property, especially for young professionals who often find it difficult to afford homes. As part of our TOD approach, we are addressing this by creating smaller, more affordable units that are well connected to public transport. These units range from 170 sq. ft. to 500 sq. ft. and come with shared amenities, focusing on what young buyers need and can afford.

Our customers also want homes that are more environmentally friendly. Leveraging our expertise in incorporating green features, we integrate sustainability aspects from start to finish by applying our experience as one of the pioneers in Green Building in Malaysia. This includes incorporating energy and water efficiency, smart technologies, and green innovations into the buildings and infrastructure.

3. Diversifying Into New Markets and Products

Key Initiatives



UN SDGs



MRCB's Strategy

Mitigate against concentration risk to ensure more consistent/sustainable returns

DIVERSIFICATION

NEW PROPERTY SEGMENTS	GEOGRAPHICAL EXPANSION	NEW MARKETS
<ul style="list-style-type: none"> Industrial/logistics segment Land outside of Klang Valley and Selangor 	<ul style="list-style-type: none"> Strengthen presence in Australia Establish a new presence in New Zealand 	<ul style="list-style-type: none"> Leverage on new trends and demand i.e. growing ageing population, millennial living/working preferences Waste-to-energy/renewable energy Modular construction

MRCB's strategy moving into 2024 builds upon the momentum of our diversification strategy which we prioritised in 2023. This includes entry into new property segments, broadening our geographic footprint, and tapping into emerging markets.

New Property Segments

We aim to continuously explore new opportunities to expand our portfolios in the Industrial and Logistics Development segment. We will commence the development of the Ipoh Raya Integrated Park in Perak and the electronics production facility in Chuping Valley Industrial Area, Perlis in 2024. We anticipate revenue recognition as early as 2025 and recurring income for at least 15 years.

Geographical Expansion

Recognising the concentration of our land bank in Klang Valley and Selangor, our strategic plan includes reducing reliance on this central region by expanding into other promising areas within Malaysia. In Malaysia, the entry into the Industrial and Logistics sectors of Perak and Perlis exemplifies this effort, as well as the residential development of Lilium in Bandar Seri Iskandar, Perak which is progressing well in construction.

We are making efforts to strengthen our international presence in Australia and New Zealand. The goal is to enhance the MRCB brand as a symbol of quality, while adapting to the expectations of local consumers. In Gold Coast, Australia, the newly launched residential high-rise development VISTA has found appeal with buyers. Our activities in New Zealand will heighten in 2024 as we launch The Symphony Centre and commence the re-development and refurbishment of Bledisloe House, both located in central Auckland.

3. Diversifying Into New Markets and Products (con't)

Key Initiatives



UN SDGs



With a solid history of success in Australia, we see substantial growth potential in this market, bolstered by our extensive experience and proven operational success. Our subsidiary MRCB Australia Holding Company Pty Ltd (MAH), has demonstrated its expertise by successfully completing medium-sized property projects, such as the 1060 Carnegie development near Melbourne's CBD. Looking ahead, within the next three to four years, MAH plans to scale up its operations by embarking on larger or more concurrent development projects in Australia.

MRCB is actively pursuing expansion opportunities in New Zealand. The development of The Symphony Centre, which will be an iconic structure in the heart of Auckland's CBD, is expected to raise MRCB's profile and reputation in the country, opening more opportunities for us.

To support these endeavours, MRCB is embarking on a strategic fundraising initiative. This entails setting up a dedicated property credit fund specifically aimed at financing property developments in Australia and New Zealand. This fund will provide us with the flexibility and resources needed to capitalise on market opportunities and ensure that our international growth is sustainable and well-capitalised.

New Markets

With a keen understanding of evolving market trends, we strive to shape the future of urban living proactively. Leaning into our purpose of Building Meaningful Places for a Better Tomorrow, we look at strategically adapting to market trends and serving the younger demographic by developing compact and cost-effective housing units in prime urban locations, especially near transportation hubs in our TOD.

In response to the 'Work From Home' revolution, we are integrating dedicated workspaces within our residential designs to facilitate professional activities from the comfort of one's home. We are also exploring co-living spaces that provide millennials with affordable, well-connected, and community, community-centric urban living, addressing their preference for convenience and sociability.

Recognising that home ownership can be challenging with rising interest rates and the inability to secure preferred financing, we are looking at innovative sales strategies, including deferred billing models. The 'Build to Rent' model is another area where we see potential, offering long-term rental housing that promises residents continuity and investors a consistent revenue stream.



The Symphony Centre

The Symphony Centre, formerly known as the Aotea Central Over Station Development, is our first project in New Zealand. With a GDV of NZD452 million (≈ RM1,314 million), this development is set to rejuvenate the city's cultural heart, offering unique lifestyle and wellbeing benefits to its residents and the wider community.

Our Performance

Engineering, Construction & Environment



AS MALAYSIA'S LARGEST BUMIPUTERA CONSTRUCTION COMPANY, MRCB, THROUGH ITS ENGINEERING, CONSTRUCTION & ENVIRONMENT DIVISION, HAS BEEN INSTRUMENTAL IN CONSTRUCTING ESSENTIAL NATIONAL INFRASTRUCTURE SUCH AS RAIL AND ROAD NETWORKS, AND COMPLEX PROJECTS SUCH AS STADIUMS, ARENAS, AND HIGH VOLTAGE POWER TRANSMISSION PROJECTS. WE ALSO SPECIALISE IN ENVIRONMENTAL PROJECTS SUCH AS THE REHABILITATION OF RIVERS AND COASTAL EROSION AND FLOOD MITIGATION PROJECTS.

MRCB has played a significant role in Malaysia's economic growth, continuously delivering world-class infrastructure for the nation's growing population. The company has worked on numerous national projects, which range from the construction of the Light Rail Transit (LRT) and Mass Rapid Transit (MRT) rail lines to major highways such as the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) and the Damansara-Shah Alam Elevated Expressway (DASH). MRCB gained international awards and recognition for its innovative efforts in refurbishing the iconic Kuala Lumpur Sports City, the National Stadium in Bukit Jalil.

MRCB is dedicated to maintaining a safe work environment, as demonstrated by these certifications.



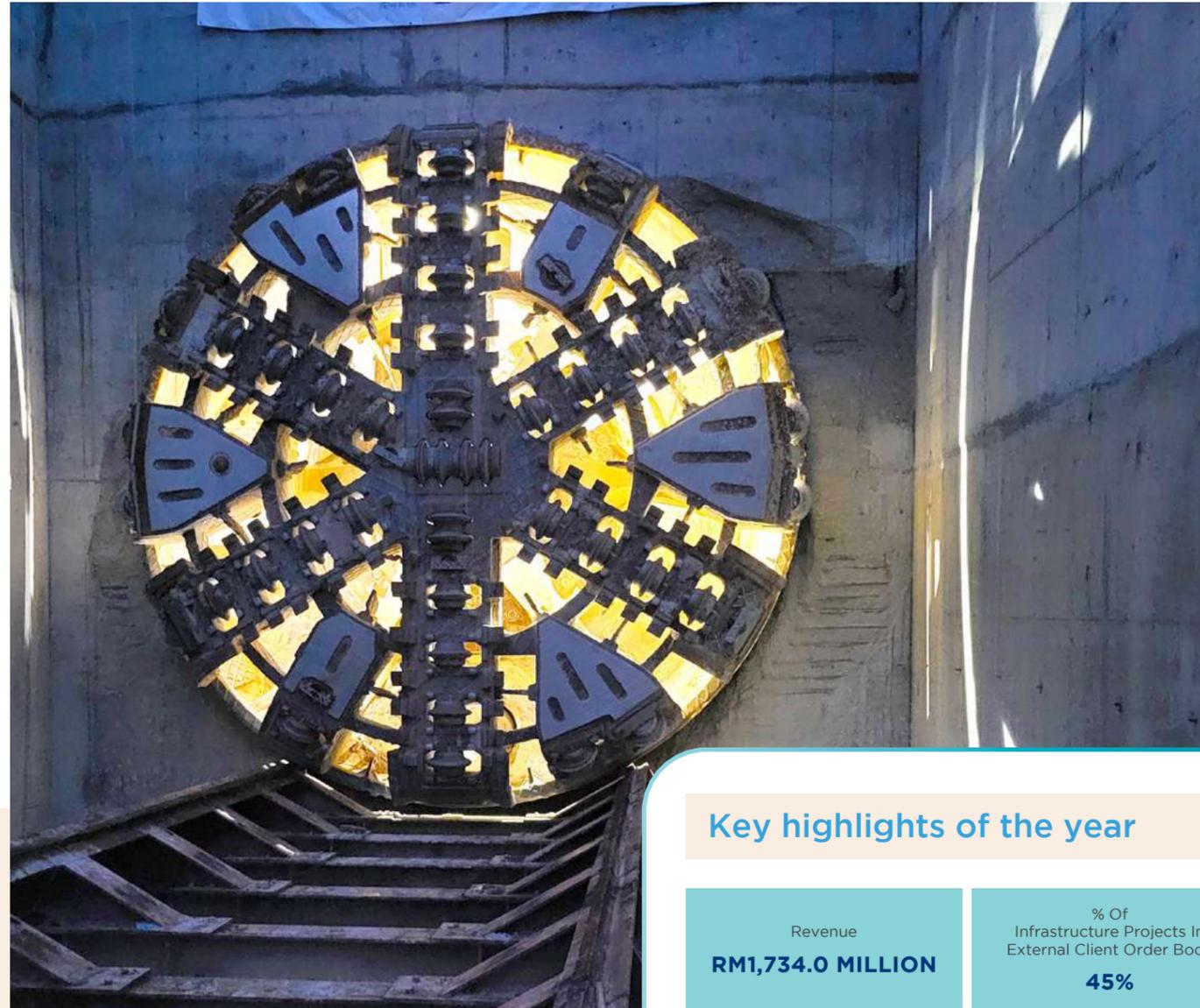
Quality Management Systems
ISO 9001:2015



Environmental Management Systems
ISO 14001:2015



Occupational Health & Safety
ISO 45001:2018



The intricate cutterhead of a tunnel boring machine in the LRT3 project

Key highlights of the year

Revenue RM1,734.0 MILLION	% Of Infrastructure Projects In External Client Order Book 45%
Open Tenders RM30 BILLION	Value Of Completed Projects In 2023 RM317 MILLION
External Client Order Book RM15,717 MILLION	

2023 FINANCIAL PERFORMANCE

The Engineering, Construction & Environment Division saw a notable shift in performance in 2023. While revenue declined due to the completion of major infrastructure projects in 2022, profits grew, driven mainly by the LRT 3 rail construction project. The Division maintained a strong position with a robust client order book, reflecting its leading position in the industry.

The Division recorded a revenue of RM1,734.0 million in 2023, a 22% decline compared to the preceding year. The lower revenue recorded was due to the completion of the Damansara-Shah Alam Elevated Highway Package CB2, Kwasa Utama C8, and Mass Rapid Transit 2 Package V210 infrastructure construction projects in 2022.

The operating profit of the Division rose 25% to RM87.3 million in 2023 compared to 2022, largely contributed by the LRT3 project which achieved physical construction progress of 92% and financial progress of 88% as of 31 December 2023.

REVENUE (RM MILLION)



OPERATING PROFIT (RM MILLION)



Beyond serving external clients, the Division constructs innovative and sustainable commercial and residential buildings for MRCB's Property Development & Investment Division. We prioritise close client collaboration with the aim of delivering value-added sustainable solutions that foster economic and social advancement.

To see how the Engineering, Construction and Environment Division creates value for our stakeholders, please refer to the Stakeholder Engagement & Value Creation section on pages 37 - 47 and the Strategic Roadmap on pages 78 - 85 of this Integrated Annual Report

CONSTRUCTION ORDER BOOK

At the end of 2023, the Division's external client order book stood at RM26.1 billion, with RM15.7 billion yet to be billed. We undertook significant national infrastructure projects, completing the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) CA2 Package and 92% of the Light Rail Transit 3 (LRT3) project.

We are also engaged in climate change adaptation infrastructure projects, drawing on our specialised expertise in water-related projects such as flood mitigation. Our Sungai Pahang River Estuary Conservation project (Project Pemuliharaan Muara Sungai Pahang) is in the latest phase

of a long-term flood mitigation project which aims to enhance the river's natural flow, reducing sediment build-up and improving water quality, contributing positively to the natural ecosystem and the safety of local communities.

The comprehensive scope of work includes the construction of two breakwaters and four dykes which are essential for controlling water flow and mitigating flood risks during high tides. A significant aspect of the project involves underwater excavation to maintain river flow and prevent sediment build-up. We are also supporting the project by implementing an Environmental Management Plan.

Name of Project and Description	Contract Value (RM' Million)	Financial Progress End 2023
Buildings		
FINAS Construction of the Malaysian National Film Development Board's (FINAS) headquarters	220	19%
Infrastructure		
SUKE - CA2 Package 24.4 km, three-lane, dual-carriageway expressway that will commence at Sri Petaling and pass through Sungai Besi	317	90%
LRT3 The 37 km LRT line from Bandar Utama to Klang has 20 stations and 2 integrated stations. The project will serve 2 million users and has achieved 92% physical construction progress as of 31 December 2023	11,427	88%
Transit Oriented Development (TOD) projects		
Bukit Jalil Sentral (provisional contract costs) The residential and commercial development comprises 3 development plots, which consist of office towers, hotels, retail shops and a mall, small offices/virtual offices, small offices/home offices, serviced apartments, and residential towers	10,116	0%
Kwasa Utama C8 (provisional TCC) The 29.82 acre Kwasa Corporate Park mixed development project	2,435	0%*
Environment		
Muara Sg Pahang Phase 3 Extension of the breakwater constructed under Phase 2 by 368 metres in length	380	24%
Fee-based orders		
Kwasa Utama, C8 - management contract	177	
Kwasa Land - PDP Infra	176	
Bukit Jalil Sentral - management contract	841	
Semarak City Phase 1 - management contract	27	
TOTAL	26,116	

Note:

* Refers only to the contract value that has not yet been awarded

AWARDED SHASSIC 5-STAR SAFETY RATING FOR PRIMA BRICKFIELDS PROJECT

In March 2023, the Construction Industry Development Board (CIDB) awarded MRCB with the Safety and Health Assessment System in Construction (SHASSIC) 5-star rating for our PRIMA Brickfields project. The SHASSIC 5-star rating is a recognised benchmark in construction safety and reflects our efforts to ensure rigorous safety and health management systems are implemented at our worksites.

QUALITY ASSESSMENT SYSTEM IN CONSTRUCTION (QLASSIC)

Quality is important to MRCB as it not only reflects our commitment to excellence but also ensures the longevity, safety, and customer satisfaction of all our construction and development projects. We adhere to CIDB's construction industry standard Quality Assessment System in Construction (QLASSIC). The QLASSIC is a standardised system designed to measure and evaluate the workmanship quality of building construction projects. This system follows the Construction Industry Standard (CIS 7:2006), setting benchmarks for various construction elements. The evaluation process involves site inspections to ensure construction practices meet these established standards. QLASSIC's approach encourages contractors to adopt a philosophy of 'Do Things Right the First Time and Every Time'.

MRCB targets achieving a QLASSIC score between 70-75%, with a score of 70% being recognised as credible. This goal reflects MRCB's commitment to maintaining high standards in construction quality, which aligns with the QLASSIC criteria to ensure that projects not only meet but exceed the minimum quality expectations.

Project Sites	2023
Residential - Sentral Suites	71%
Residential - TRIA Residences @ 9 Seputeh	81%

Apart from QLASSIC assessments, MRCB has implemented the Pre-Delivery Inspections (PDI) process, where our internal staff conduct thorough inspections of properties before they are handed over to purchasers, clients, and customers. This process mandates that our team ensures adherence to the best industry practices, including allocating at least two months to conduct any required rectification work prior to handover. We proactively learn from past project defects to ensure these errors are not repeated in future designs.

2023 PERFORMANCE DRIVEN BY MRCB KEY STRATEGIES AND INITIATIVES

Strengthen Core for Sustainable Returns

• Key Action Plan: Ensure Steady Pipeline of Projects

Key Initiatives

Complete key projects

Outcomes

- Completed RM317 million of infrastructure and construction project
- Reached 92% physical construction progress for the LRT3 project
- Completed construction of two major property development projects, Sentral Suites and TRIA 9 Seputeh
- Completed and handed over Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) construction work-packages

● **Key Action Plan: Ensure Steady Pipeline of Projects (cont'd)**

Key Initiatives	Outcomes
Tender for new infrastructure projects	<ul style="list-style-type: none"> An open tender book worth RM30 billion as of 31 December 2023 Tendered for these projects: <ul style="list-style-type: none"> MRT3 Iskandar Puteri Bus Rapid Transit (BRT) Johor Singapore Rapid Transit System (RTS), Centralised Labour Quarters (CLQ)
Direct project proposals	<ul style="list-style-type: none"> Secured agreement in principle from the Government to redevelop KL Sentral Station Negotiating with key stakeholders for the redevelopment of Shah Alam Stadium

 **Diversification & Operational Expansion**

● **Key Action Plan: Geographical Expansion and Enter into New Markets**

Key Initiatives	Outcomes
Market and expand MBS modular construction technology internationally	<ul style="list-style-type: none"> Successfully secured patents for MBS technology in 20 countries, with applications currently pending in another 11
Expand into climate change adaptation and energy transition infrastructure projects	<ul style="list-style-type: none"> Submitted proposals for climate change adaptation projects, centred around flood mitigation infrastructure, to the Federal Government and State Governments Submitted proposals for renewable energy projects and other projects aligned with Malaysia's New Energy Transition Roadmap

 **Technology Adoption & Innovation**

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

Key Initiatives	Outcomes
Drive automation across operations	<ul style="list-style-type: none"> Rolled out Enterprise Resource Planning (ERP) system to streamline workflows and enhance productivity and efficiency
Adopt MBS in construction	<ul style="list-style-type: none"> Launched Residensi Tujuh, to be constructed using modular technology

 **Quality Products & People**

● **Key Action Plan: Uphold Good Governance and Develop a Skilled Workforce**

Key Initiatives	Outcomes
Implement global quality standards and safety benchmarks	<ul style="list-style-type: none"> Achieved Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015, and Occupational Health & Safety ISO 45001:2018 certifications
Achieve high safety standards	<ul style="list-style-type: none"> Improved safety standards and reduced safety incidents <ul style="list-style-type: none"> Achieved > 1 million man-hours without a Loss Time Injury for our PRIMA Brickfields project Recorded an incident rate of zero (0), outperforming the Malaysia's Department of Occupational Safety and Health (DOSH)'s acceptable rate of 2.5 Scored 93% ESH Rating/SHASSIC CIDB Rating for PRIMA Brickfields project and received a SHASSIC 5-star rating for safety standards employed in construction
Conduct daily 'toolbox' safety briefings at construction sites	<ul style="list-style-type: none"> Continued to raise awareness of essential safety practices across different construction stages at our construction sites

● **Challenges and Risks**

Risks	Mitigation Strategies	Results
Depleting order book	<ul style="list-style-type: none"> Focus on tendering for high-value infrastructure projects with high barriers to entry for relatively lower tender competition Leverage on being the largest bumiputera construction company in Malaysia Propose climate change adaptation infrastructure solutions 	Tenders submitted for: <ul style="list-style-type: none"> MRT3 Iskandar Puteri BRT Johor Singapore RTS CLQ Total open tender book of RM30 billion at the end of 2023 Submitted proposals for climate change adaptation infrastructure projects, centred around flood mitigation
Maximise contract value	<ul style="list-style-type: none"> Transition completed projects, from Contract Administration teams to Post-Project Completion Administration teams Task Post-project completion administration teams to extract value from contracts and work done, while rigorously defending against ineligible claims from downstream subcontractors 	<ul style="list-style-type: none"> The following projects were transitioned to the post-project completion administration teams: <ul style="list-style-type: none"> TRIA 9 Seputeh, Parcel C Vivo DASH SUKE MRT2

Outlook and Prospects

1. Pipeline of Projects and Sustainable Returns

Key Initiatives



UN SDGs



High-value Infrastructure Projects

We will continue to enhance our order book by tendering for high-value infrastructure projects that have higher barriers to entry and require greater technical skill sets and project track records, as well as requiring a strong balance sheets in order to pre-qualify. These projects typically involve designing and constructing complex structures such as stadiums and transport hubs, major transportation infrastructure such as rail and highway projects, and climate change adaptation infrastructure such as flood mitigation and water-related projects. High-value infrastructure projects have longer construction durations where they require less frequent order book replenishment with higher margins.

Such projects can offer relatively higher margins compared to conventional commercial or residential building construction, which generally offers much lower margins due to lower barriers to entry and more intense tender competition. Our focus on winning large infrastructure projects also means we can add more value to our clients from the many years of expertise and experience that we have amassed in successfully delivering these types of projects.

Key Construction Projects Pipeline

Name of Project and Description	Contract Value (RM' Million)	Target Completion
Bukit Jalil Sentral	10,957	2038
Kwasa Utama C8	2,612	2027
Muara Sungai Pahang Phase 3	380	2027
Light Rail Transit 3 Line	11,427	2025

2. Competitive Advantage and Innovative Solutions

Key Initiatives



UN SDGs



Capitalising on our Expertise

We aim to establish ourselves as a preferred contractor in client tenders, capitalising on our decades of experience and expertise in complex infrastructure projects. Our track record in successfully managing these projects demonstrates our reliability and skills, positioning us as a top-tier contractor. With a focus on superior project management and quality delivery, we strive to distinguish ourselves in a competitive market, thereby enhancing our potential for selection in future tenders.

Leveraging Innovation in Construction

As we look to improve margins and market competitiveness, we are strategically enhancing our operational efficiency by adopting automation and integrating the MRCB Building System (MBS) in certain appropriate building projects. This innovative system has captured the interest of industry peers due to its effectiveness in addressing environmental concerns, particularly those related to carbon-heavy construction processes. The Division's technological innovation, MBS, has already seen international application, having been licensed to two companies abroad. These collaborations have led to the development of significant projects, including a 19-storey student accommodation project in Hong Kong, and a 12-storey nursing home and senior care centre in Singapore, completed in 2023.

Supporting MRCB's Property Development Projects

As MRCB's 'in-house' contractor, we ensure efficient project execution by aligning objectives, quality, materials, and timelines. Our position allows for the innovative application of construction methodologies and technologies, supporting MRCB's Property Development & Investment Division. We are set to fully implement the innovative MBS in Residensi Tujuh, Kwasa Damansara to realise MRCB's plan for sustainable construction and development, which will also enhance quality standards and efficiencies, and significantly reduce waste.

3. Diversifying Into New Markets and Products

Key Initiatives

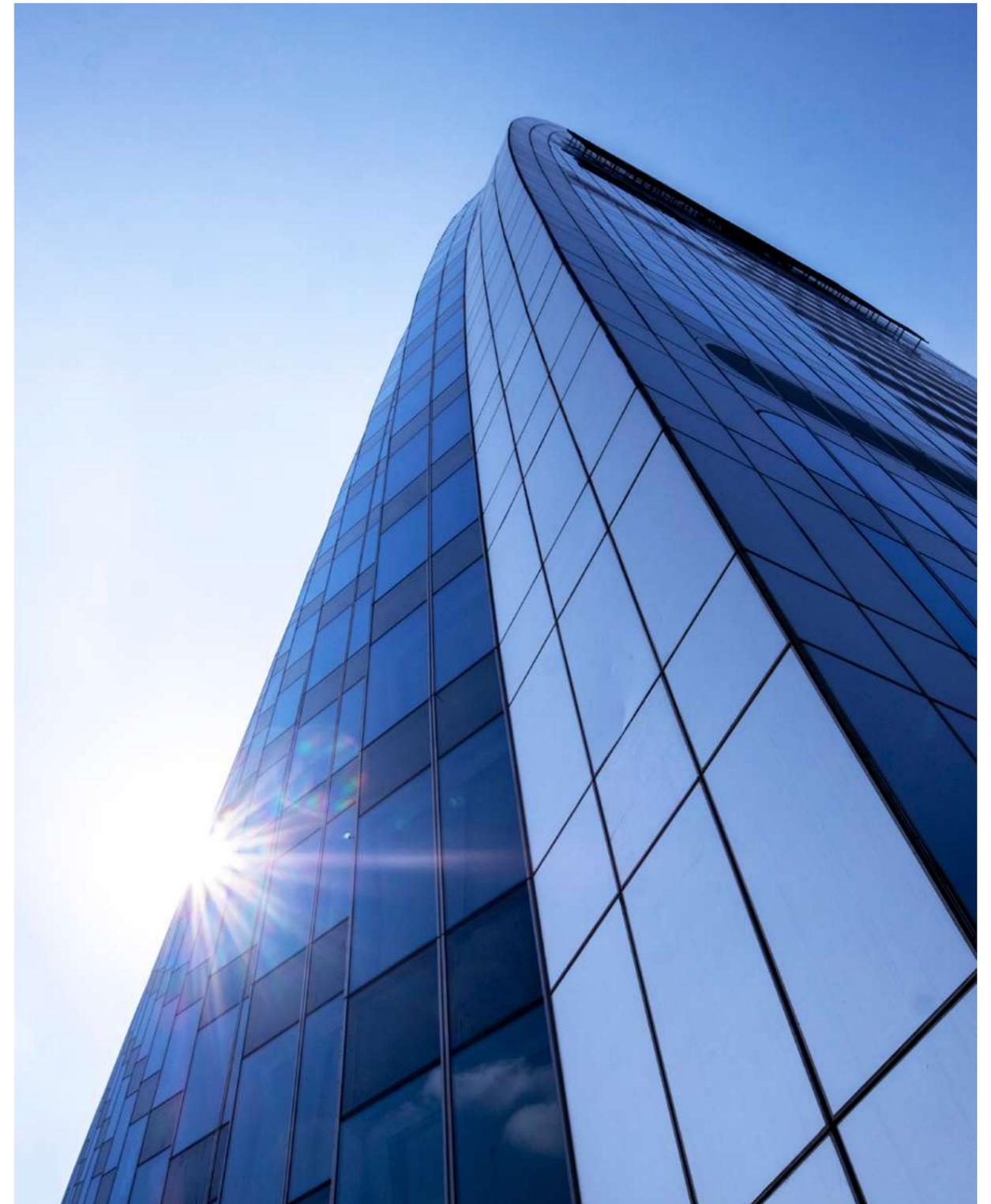


The Division is set to capitalise on its extensive core engineering expertise and apply this foundational knowledge to broader market segments, including projects that are sustainability and energy transition-centric. This includes projects that drive climate change adaptation and those that are aligned with Malaysia's aspiration of deriving 70% of its energy from renewable sources by 2050, through its National Energy Transition Roadmap (NETR). This roadmap sets out an implementation strategy driven by a combination of large-scale solar parks, hybrid hydro-floating solar, and co-firing hydrogen and ammonia projects, at an estimated cost of RM623 billion by 2050. This provides MRCB ample opportunities to apply the expertise it has gained developing power transmission infrastructure in the country through its subsidiary, Transmission Technology Sdn Bhd (TTSB), and its vast civil engineering track record, to tap into this large future growth market.

UN SDGs



Similarly, we are advancing sustainability-focused climate mitigation ventures, notably in the waste-to-energy (WTE) sector. Our move towards WTE is driven by the critical demand for alternative methods of household waste disposal and treatment. We are engaged in discussions to secure a project within the WTE sector, where we plan to deliver innovative and sustainable waste management solutions.



Menara CelcomDigi

Menara CelcomDigi, a prominent office tower, located in the heart of PJ Sentral Garden City, Petaling Jaya - sold to Sentral REIT for RM450 million.

Our Approach to Sustainability

Building Meaningful Places for a Better Tomorrow

OVER THE PAST TWO DECADES, OUR VISION OF SUSTAINABILITY HAS ALWAYS FOCUSED ON SETTING THE STANDARD TO CREATE LASTING VALUE. OUR PURPOSE HAS BEEN CLEAR FROM THE START, WHICH IS TO DEVELOP SPACES THAT WILL NOT ONLY CONNECT COMMUNITIES AND DRIVE COMMERCE, BUT ALSO PROMOTE A SUSTAINABLE AND VIBRANT ENVIRONMENT FOR COMMUNITIES TO THRIVE.

This vision meant that every project we undertook was an opportunity to build with a conscience, ensuring that our developments would stand the test of time and serve the needs of future generations. Today, that legacy continues, underpinned by a deep-rooted commitment to transforming communities into innovative and sustainable urban developments that connect and empower people.



An artist's impression of the aerial view of Kwasa Damansara City Centre

Sustainability is fundamental to MRCB's purpose, shaping our approach to progress and innovation. Our journey, which began over half a century ago, reflects a commitment to innovation, social integration, and environmental stewardship. MRCB's corporate mission 'To Build Meaningful Places for a Better Tomorrow' is deeply rooted in a sustainability-first mindset. We believe in creating more value through our projects than the resources we utilise, a principle that we consider in our business model and is integral to our corporate identity. Our early adoption of Environmental, Social, and Governance (ESG) principles has positioned us to better withstand market volatilities and global challenges. These standards serve as a compass for both our landmark projects and our everyday operations.

A Vision of Sustainable Construction

As pioneers in Transit Oriented Development (TOD) in Malaysia, we recognise the significant role we play in building sustainable communities. KL Sentral, once a modest railway godown, now stands as Malaysia's premier central business district and integrated transport hub, a transformation made possible through our application of TOD principles. Therejuvenation of KL Sentral is a reflection of our sustainability-driven approach that redefined the concept of TOD in Malaysia. Here, MRCB demonstrated how urban spaces can be designed to uphold environmental balance, facilitate economic growth, and enhance societal well-being all at once. KL Sentral has been a catalyst for urban renewal, raising living standards, and transforming the area into a sought-after locale for business and leisure. With enhanced connectivity and premium developments, property values in the surrounding vicinity of KL Sentral have increased markedly.

KL Sentral is also a prime example of MRCB's Green Building strategy, incorporating energy and water efficiency, smart technologies, and green innovation into the buildings and infrastructure. In fact, over 20 years ago, MRCB was the first company to achieve Singapore's BCA Greenmark Green Building certification in Malaysia, for its Platinum Sentral development in KL Sentral. Today, KL Sentral is distinguished as having the country's highest number of green buildings. KL Sentral's success is being replicated in our other TOD projects, including PJ Sentral Garden City, Penang Sentral, and Kwasa Sentral in Malaysia, as well as The Symphony Centre in New Zealand.

Apart from developing Green Buildings, over the years MRCB has also invested in innovative solutions such as District Cooling Systems (DCS) plants. DCS plants centralise the production of chilled water used for large-scale air conditioning systems, supplying multiple buildings within a defined area. This shared infrastructure eliminates the need for individual cooling systems to be built within each building, vastly reducing overall energy consumption and carbon emissions. MRCB's DCS plants in KL Sentral, PJ Sentral, Penang Sentral, and Kwasa Damansara, for instance, have achieved significant energy savings compared to segregated conventional cooling systems, while providing reliable and efficient cooling to numerous buildings within the area.

Innovation Driving Sustainability

Innovation and foresight are key drivers of our sustainability approach. This is evident in our proprietary construction technologies and processes that are aligned to five United Nations Sustainability Development Goals. The MRCB Building System (MBS), our proprietary modular construction technology, is a prime example of how we leverage innovative technology to minimise our environmental impact. MBS has already been licensed and utilised in developments in Hong Kong and Singapore. Our upcoming Residensi Tujuh will be the first residential development in Malaysia to fully utilise this modular technology. By optimising construction processes, we can significantly reduce construction waste that goes to methane emitting landfills, reduce the energy consumed and the carbon emissions emitted in the construction process, as well as significantly improve safety and quality standards. This supports our goal to deliver high-quality, sustainable urban buildings efficiently.

This approach of embedding sustainability with innovation is reflected in our ambitious approach to project management and execution. When tasked with transforming the Bukit Jalil National Sports Complex into Kuala Lumpur Sports City in 2017, we saw an opportunity not just to meet a challenging deadline, but also to set new standards in sustainable construction. With only 18 months to deliver what typically would be a 36-month project ahead of the 29th Southeast Asian (SEA) Games, we embraced the challenge with innovative architectural redesigns and eco-conscious redevelopment plans.

The accelerated completion was made possible through the coordinated efforts of various construction disciplines and an expanded team, streamlining processes to surpass normal project timelines without compromising quality. This exemplifies MRCB's commitment to setting new standards and our proactive stance in sustainable urban development, even under tight deadlines.

Collaborative Leadership to Set Standards

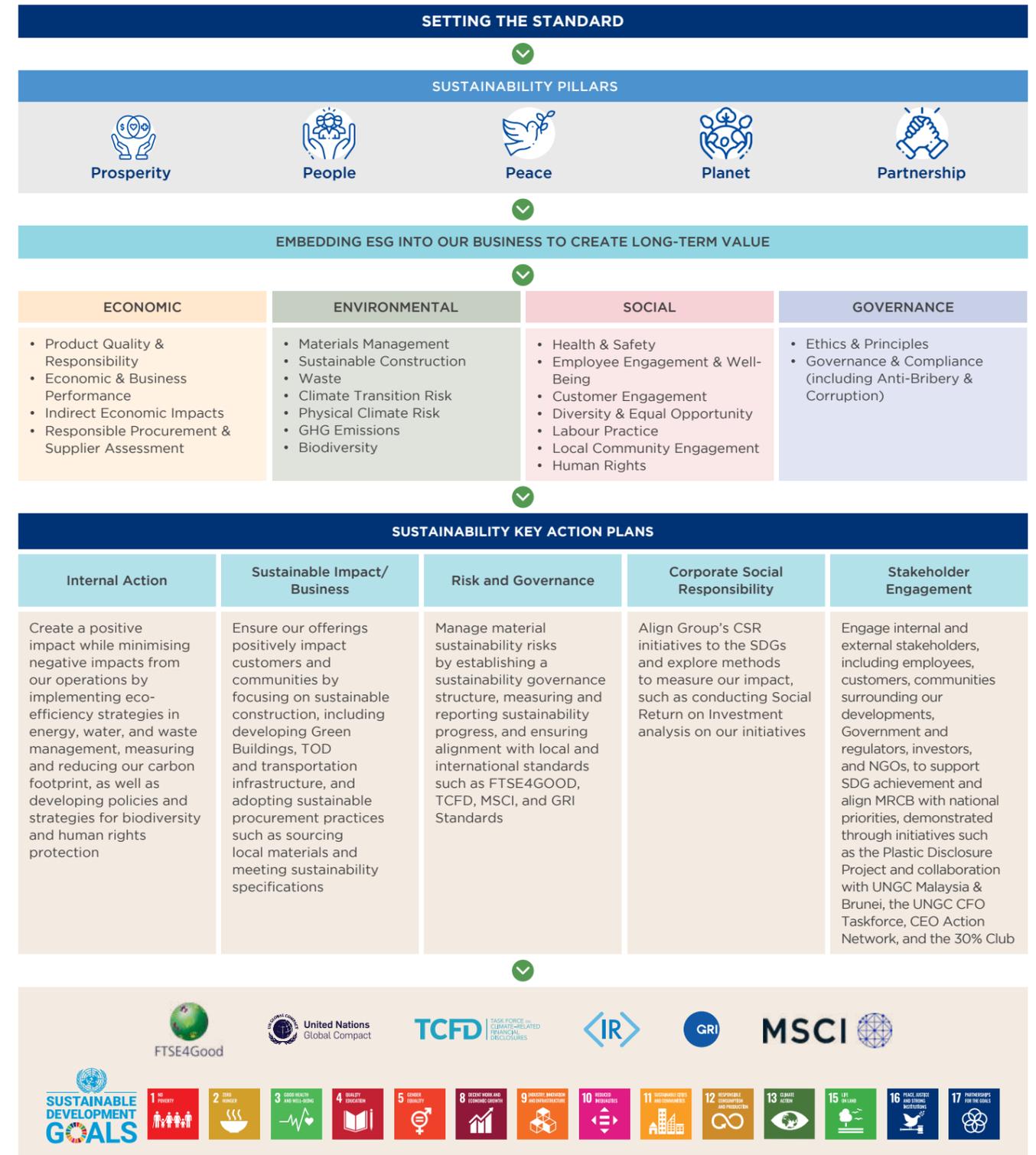
Our drive for sustainability is made possible through the visionary leadership that starts with our Board and Management team. Their leadership sets the tone at the top in steering the company towards responsible business conduct that resonates through the organisation, influencing the way we operate on every level.

We regularly reassess our sustainability goals and ESG performance indicators to stay agile and responsive to the ever-changing expectations of our stakeholders and the global market's fluctuating conditions. MRCB takes a collaborative approach to sustainability, actively engaging with a wide range of stakeholders on this journey. Our stakeholders extend from our customers and employees to government agencies and the wider community. These collaborations are designed to cultivate a mutual understanding of sustainable development and to align our goals with the broader societal and environmental objectives. This strategic alignment ensures that our projects not only contribute to immediate economic growth, but also to the long-term welfare of the communities we serve.

Recognising the imperative to future-proof our business, MRCB has instituted regular materiality assessments to prioritise risks, refine strategies, and integrate innovative green technologies and circular economy solutions. Our continuous advocacy for climate action among our stakeholders exemplifies this commitment. We have embarked on the Task Force on Climate-Related Financial Disclosures (TCFD) and this year, we are reporting the results of our quantitative analysis to assess the most material physical climate risks on our assets for more robust climate risk disclosures and strategies. Through multi-stakeholder collaboration, we strive to amplify our social impact, aligning our objectives with broader societal and environmental goals while driving the race to zero emissions.

MRCB's story is one of continuous progress, a relentless pursuit of excellence that does not just meet the benchmarks but sets the standards. MRCB's vision is 'To Build Meaningful Places for a Better Tomorrow', where each project, innovation and community initiative is about building a sustainable legacy for the future. Our proactive, strategic, and collaborative approach to sustainability is not just about facing the future, but about shaping it.

MRCB's Sustainability Framework



Building Liveable & Resilient Communities, Strengthening Environmental Stewardship, Driving Sustainable Growth

MRCB's vision - Building Meaningful Places for a Better Tomorrow lays the groundwork for fostering our commitment to building a sustainable and resilient business. Our Sustainability Framework, rooted in ESG principles, aligns with our climate-action commitments to drive sustainable growth for lasting value. This Framework harmonises with the United Nations Sustainable Development Goals (UN SDGs) and incorporates global benchmarks. MRCB Sustainability Framework encompasses Economic, Environmental, Social, and Governance (ESG), which was built upon 20 refined materials to drive holistic business sustainability.



KL Sentral Central Business District, MRCB's pioneering Transit-Oriented Development (TOD)

Building Resilient Communities, Strengthening Environmental Stewardship, Driving Sustainable Growth		
Our Sustainability Pillars	Embedding ESG Into Business	Creating Long-Term Value
<p>People Foster collaborative relationships and nurture community well-being</p>	<p>Green Building Develop green-certified buildings and sustainable TOD that integrate living and working spaces around transportation hubs</p>	<p>Net Zero Carbon by 2050 Aim to significantly reduce greenhouse gas emissions across our operations</p>
<p>Planet Champion eco-friendly innovations for environmental stewardship</p>	<p>Infrastructure Excellence Build world-class infrastructure to improve connectivity</p>	<p>Sustainable Procurement Prioritise environmentally responsible and ethical sourcing of materials and services</p>
<p>Partnership Cultivate strategic alliances to provide innovative solutions</p>	<p>Eco-Design Standards Integrate eco-friendly designs and adopt sustainable construction methods</p>	<p>Industry Leadership Set standards in sustainable practices and innovation within the industry</p>
<p>Prosperity Strive for economic growth benefitting all stakeholders</p>	<p>Stakeholder Engagement Engage and develop lasting partnerships with key stakeholders</p>	<p>Inclusive Community Development Develop projects that enhance community well-being and inclusivity</p>
<p>Peace Uphold integrity and openness in all business dealings</p>		<p>Eco-Friendly Construction Advance new technologies and methods such as MBS for sustainable construction</p>
		<p>Socio-Economic Contribution Boost local economies through sustainable business practices and job creation</p>

OUR SUSTAINABILITY JOURNEY

2017	2018	2019	2020	2021	2022	2023
<p>Sustainable Development Goals and GRI</p> <ul style="list-style-type: none"> Sustainability Report aligned to GRI Standards Alignment to two UNSDGs 	<p>Sustainable Development Goals</p> <ul style="list-style-type: none"> Sustainability Report aligned to GRI Standards Alignment to six more UNSDGs, making a total of eight 	<p>International Reporting Framework</p> <ul style="list-style-type: none"> Publication of inaugural Integrated Annual Report in accordance with the International Reporting Framework Launched our proprietary modular construction technology, MBS Developed our MRCB Sustainability Framework Aligned to eight UNSDGs 	<p>UNGC and TCFD</p> <ul style="list-style-type: none"> Signatory of the Ten Principles of the UNGC Member of the UNGC Alignment to four more UNSDGs, making a total of twelve Obtained external assurance for selected sustainability data Set Scope 1 and Scope 2 emissions baseline 	<p>TCFD</p> <ul style="list-style-type: none"> Embarked on Task Force on Climate-Related Financial Disclosures Member of the CEO Action Network Expanded measurement and reporting on Scope 3 carbon emissions Established science-based reduction targets for Scope 1 & Scope 2 carbon emissions Alignment to two more UNSDGs, making a total of fourteen Obtained external assurance of selected sustainability performance data and report 	<p>Sustainable Development Goals, TCFD, FTSE4Good</p> <ul style="list-style-type: none"> Published TCFD-aligned qualitative climate and transition risk disclosures Expanded reporting on Scope 3 carbon emissions to 64% of supply chain by value Developed Climate Strategy Framework Developed 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 UNSDGs Set Net Zero Carbon 2050 target and short, medium, and long-term emissions reductions targets 	<p>FTSE4Good, MSCI, TCFD</p> <ul style="list-style-type: none"> Published TCFD aligned quantitative 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 between 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 Sustainable Design Policy Co-lead CEO Action Network's (CAN) Diversity, Equity and Inclusion (DEI) workstream Expanded Scope 3 carbon 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 UNSDGs

Alignment to United Nations Sustainability Development Goals

As a responsible leader in the property and construction sectors, MRCB acknowledges the importance of contributing to global sustainable growth efforts. We have diligently integrated the United Nations Sustainable Development Goals (SDGs) into our business strategies. The 14 SDGs we focus on are carefully chosen based on MRCB's economic, environmental, social, and governance impacts. Our initiatives are strategically tailored to make significant contributions to specific goals as outlined by the SDGs, reflecting our commitment to sustainable development and corporate responsibility.

In 2017, we selected two SDGs, which were SDG 9 (Industry, Innovation, and Infrastructure) and SDG 11 (Sustainable Cities and Communities). These are intrinsically related to our role as a TOD developer and aligned with our values and business goals. In 2018, we identified six additional SDGs which reflected our strengthened efforts to build a sustainable business. In 2020, we expanded further to include SDG 10 (Reduced Inequalities) and SDG 15 (Life on Land). We also recognised SDG 16 (Peace, Justice, and Strong Institutions) and SDG 17 (Partnerships for the Goals), as key drivers by establishing trusting relationships with relevant government agencies and institutions to help drive the SDGs. In 2021, we further expanded our integration of the SDGs with the inclusion of SDG 1 (No Poverty) and SDG 2 (Zero Hunger), which we continue to address through our numerous corporate social responsibility programmes.



SDGs Description	Our Responses and Contributions
 <p>Contribute to poverty reduction by empowering individuals and communities through MRCB's CSR initiatives, and Yayasan MRCB, including community development, education, and skill-building programmes, coupled with engagements with local communities for targeted interventions</p>	<ul style="list-style-type: none"> • Focused on CSR efforts aimed at providing relief and long-term support for impoverished and vulnerable communities • Contributed RM5.3 million to CSR initiatives in 2023 • Since 2019, the PEKA@MRCB programme has effectively enhanced employability of low-risk offenders, successfully providing upskilling and employment opportunities to more than 460 individuals • Engaged in the creation of secure and decent jobs for marginalised and vulnerable people <p><i>Our CSR initiatives can be found at Local Community Engagement on pages 161 to 166</i></p>
 <p>Recognise that supporting basic human needs to achieve zero hunger is essential for ensuring holistic human rights protection</p>	<ul style="list-style-type: none"> • Provided food aid to underprivileged and indigenous families, different-abled communities, orphans, undocumented foreigners, refugees, and students • Increased quality of life for vulnerable and marginalised groups <p><i>Our contributions towards the underprivileged and indigenous people can be found at Community Engagement with Orang Asli, page 165</i></p>

SDGs Description	Our Responses and Contributions
 <p>Promote health and well-being to ensure safe, healthy living and working environments in our development projects, reflecting our commitment to the welfare of our communities and employees</p>	<ul style="list-style-type: none"> • Prioritised health and safety in all business operations by enforcing stringent safety standards and systems, and uphold Quality, Environmental, Safety, and Health (QESH) Policy • Provided continuous safety training to safeguard our workforce and the public • Promoted healthy lifestyles by organising programmes that focus on employees' physical and mental well-being <p><i>Our commitment and initiatives to ensure safety at the workplace can be found at Health & Safety, Employee Engagement & Wellbeing, pages 133 to 149</i></p>
 <p>Enhance community development and foster a more informed and sustainable society through fostering education and lifelong learning</p>	<ul style="list-style-type: none"> • Provided conducive learning environments by renovating and upgrading dilapidated schools and libraries • Provided lunches, books, and uniforms for underprivileged children • Leveraged our skills and expertise to build necessary infrastructure, such as schools, as required by the nation • Provided financial aid for children with special needs through the CADS Enhancement Centre programmes that specialises in workshops and trainings for special needs children • Collaborated with CIDB and Akademi Binaan Malaysia in TVET to enhance construction programmes with a focus on modular construction • We developed and handed over three libraries to Dewan Bandaraya Kuala Lumpur, namely Pustaka KL@Lembah Pantai in 2015, Pustaka KL@Medan Idaman in 2017, and a digital library, the Pustaka KL Digital Madani@Bandar Sri Permaisuri in 2023 <p><i>Our value creation for our local community can be found at Local Community Engagement, pages 161 to 166</i></p>
 <p>Recognise women's contribution in the industry and are committed to promoting the advancement of women, especially in fields related to property development, engineering, and construction</p>	<ul style="list-style-type: none"> • Introduced empowerment programmes and more flexible policies to promote gender equality • 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 <p><i>Our women empowerment programmes can be found at Diversity & Equal Opportunity, pages 152 to 158</i></p>
 <p>Focus on developing TODs that stimulate local economies, create job opportunities, and support economic sustainability, while strengthening inclusive employment policies that promote fair and equal treatment</p>	<ul style="list-style-type: none"> • Developed TOD and infrastructure projects that generate significant economic multipliers, provide ample employment opportunities, and contribute substantially to national economic development • Provided employees competitive remuneration packages, coupled with training opportunities for career advancement and development • Upheld the rights of all stakeholders as outlined in MRCB's Human Rights Policy, complying with local and international laws to protect workers' rights, ensuring a safe working environment, and firmly oppose forced labour, modern slavery, and child labour <p><i>Our investment in our human capital can be found at Employee Engagement & Wellbeing and Diversity & Equal Opportunity, pages 140 to 149 and 152 to 158 respectively</i></p>

SDGs Description	Our Responses and Contributions
 <p>Develop and construct Green Buildings, and where possible, make efforts to incorporate sustainable construction features in our infrastructure projects</p>	<ul style="list-style-type: none"> Utilised Design and Planning Policy to integrate sustainable design Utilised our MBS technology to integrate sustainability into our construction Patented our MBS technology to 20 countries to promote innovation and technology use in the industry <p> <i>Our technology in modular construction can be found at Our Performance: Engineering, Construction, & Environment, on pages 110 to 119</i></p>
 <p>Strive to bridge social and economic disparities by cultivating workforce diversity and community inclusivity, and through the development of accessible, equitable urban environments</p>	<ul style="list-style-type: none"> Provided our female workforce a safe work environment fitted to their needs, i.e. Mother's Room for nursing mothers Addressing the gender pay gap and striving towards achieving 30% female representation on the Board level Contributed to the underprivileged through Yayasan MRCB and supported the Orang Asli community in Royal Belum, Gerik, Perak Provided employment to prisoners/offenders through the PEKA@MRCB Programme <p> <i>Our initiatives to attract and retain female talent can be found at Employee Engagement & Wellbeing and Diversity & Equal Opportunity on pages 140 to 149 and 152 to 158 respectively</i></p> <p> <i>Our contribution to our local community can be found at Local Community Engagement, on pages 161 to 163</i></p>
 <p>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</p>	<ul style="list-style-type: none"> Involved in the construction of rail and road infrastructure, Green Buildings, and housing that reduces carbon emissions, connects communities, and provides opportunities for the general public to live comfortably and affordably in thriving cities <p> <i>Our operational activities that contribute to sustainable urban living can be found at Our Performance: Property Development & Investment/Engineering, Construction & Environment, on pages 94 to 118</i></p>
 <p>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</p>	<ul style="list-style-type: none"> Implemented QESH Policy at project sites, which includes the practice of the 3Rs (Reduce, Reuse, and Recycle) Tracked water and energy usage and waste generated at project sites, and implement improvement strategies Conducted training courses and toolbox talks regularly to educate site workers and employees on safety on construction sites Leveraged use of MBS modular and sustainable construction materials <p> <i>Our strategy to protect the planet can be found in the Environmental section on pages 172 to 199</i></p>

SDGs Description	Our Responses and Contributions
 <p>Actively engage in climate action initiatives aimed at reducing GHG emissions and promoting resilience in urban planning</p>	<ul style="list-style-type: none"> Measured and disclose our carbon dioxide (CO₂) emissions (Scope 1 and Scope 2) and working towards validating our science-based reduction targets Reported Scope 3 emissions generated by our employee transportation and supply chain Monitored energy, water consumption, and waste generation and developed strategies to increase energy efficiency and reduce waste in all business operations Conducted TCFD assessments to measure physical and transition risks of climate change to our business and developed strategies to overcome them <p> <i>Our strategy to protect the planet can be found in the Environmental section on pages 172 to 199</i></p>
 <p>Prioritise biodiversity conservation in our development projects, actively integrating green spaces and ecological considerations into urban planning</p>	<ul style="list-style-type: none"> Acknowledged and commit to the Ramsar Convention and the five principles stipulated in Malaysia's National Policy on Biological Diversity where applicable to our business operations <p> <i>Our strategy to protect the planet can be found in the Environmental section on pages 172 to 199</i></p>
 <p>Foster transparent accounting business practices, practice good corporate governance, ensure ethical conduct, and promote peaceful and inclusive societies through responsible urban development</p>	<ul style="list-style-type: none"> Committed to upholding peace, justice, and strong institutions in company and supply chain Ensured good corporate governance by complying with best practices as outlined by Malaysian Code on Corporate Governance and other governance frameworks Operate an ISO 3700:1 Certified Anti-Bribery Management, as well as providing channels for whistleblowing and reporting grievances Zero tolerance towards bribery and corruption, as articulated in our Anti-Bribery and Corruption Policy <p> <i>Our updates in upholding good governance can be found at Corporate Governance Overview Statement on pages 214 to 254</i></p>
 <p>Engage in collaborative partnerships with various stakeholders, including government, industry peers, and community organisations, to achieve sustainable development goals through innovative and responsible urban projects</p>	<ul style="list-style-type: none"> Adopted universal Ten Principles, as a signatory of the United Nations Global Compact (UNGC) Network Malaysia & Brunei Active member of the CEO Action Network's (CAN) Diversity, Equity & Inclusion (DEI) workstream and elected to co-lead this DEI workstream within CAN Signatory to the UNGC CFO Principles on Integrated SDG Investments and Finance to promote the Sustainable Finance agenda <p> <i>Our tone from the top approach to sustainability commitment, strategy, and targets can be found at Approach to Sustainability on pages 120 to 131 and Corporate Governance Overview Statement on pages 214 to 254</i></p>

SUSTAINABILITY GOVERNANCE

The Board of Directors (Board) and Senior Management are responsible for sustainability and for overseeing the development and adoption of the Group Sustainability Strategy, and its related policies and risk mitigation plans with support from MRCB's Sustainability Management Committee (SMC). To ensure accountability, key sustainability matters have also been embedded in the Key Performance Indicators (KPI) of the Senior Management team, which are linked to their remuneration. The Board Charter specifically outlines the Board's duty to foster sustainability as a key factor in driving MRCB's business success. This involves considering Environmental, Social, and Governance (ESG) aspects in our business strategies.



The Board has appointed the Chief Corporate Officer (CCO) to strategically manage sustainability and ensure its effective integration into the Group's operations. The Board-approved SMC supports the CCO in addressing climate-related risks and opportunities, aids in sustainable development planning, and oversees risk management. The SMC is chaired by the CCO and comprises Division and Department Heads from MRCB's core operations and corporate functions. The CCO's role includes managing key sustainability issues and keeping the Board informed about sustainability challenges, including climate risks and opportunities. Sustainability updates, including SMC meeting outcomes, are regularly discussed and deliberated at the quarterly Board meetings as a permanent agenda item.



Key Initiatives from 2023 Sustainability Management Committee (SMC) Meetings

Review of data	<ol style="list-style-type: none"> Quarterly update of emissions reduction data by business divisions. This is then presented to the Board during quarterly Board meetings SMC members presented updates of their respective Division's emissions reduction initiatives/strategies
Policy expansion	<ol style="list-style-type: none"> Embedded Human Rights Policy clauses in our standard supply chain contracts Developing Sustainable Data Management Policy & Procedure
Supply chain ESG readiness	<ol style="list-style-type: none"> Launched UN Global Compact ESG START Assessments to evaluate supply chain's ESG readiness Amended standard supplier contracts to include clauses to provide sustainability data when requested
DEI initiatives	<ol style="list-style-type: none"> Co-led CEO Action Network (CAN) DEI workstream and hosted CAN DEI Workstream sharing and discussion session on DEI Implementation Guide draft Conducted three gender parity workshops for Senior Managers <ol style="list-style-type: none"> Gender Parity Workshop 1: Unconscious Bias Gender Parity Workshop 2: Gender Equality & Equity Gender Parity Workshop 3: Male Allyship

Our Performance
Social

MRCB is committed to creating a future where everyone can thrive. Our strategy is rooted in building inclusive societies, empowering individuals, and nurturing communities that are more resilient and harmonious. We see social sustainability as a key driver in expanding opportunities for all, both now and in the future. By aligning our social goals with economic and environmental sustainability, we aim to pave the way for shared prosperity and well-being for everyone in our communities.

October 2022	July 2023	August 2023
MRCB joined the CEO Action Network's (CAN) 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	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	MRCB appointed as Co-Lead of the CAN DEI workstream to jointly lead members in developing DEI guidelines tailored to the varying readiness and capabilities of member organisations and other Malaysian companies

A Commitment to Empowering Our People, Customers, and Communities



MRCB is committed to creating a positive impact on society. We are guided by our core values of being **Courageous, Creative, Driven, Customer-centric, and Accountable**, which shape our relationships with all stakeholders. We actively integrate SDG principles into our business operations, ensuring our practices contribute to the well-being of our workforce, customers, and community.

Building Social Sustainability and Inclusion

<p><i>Health & Safety</i></p>  <p>ZERO Lost Time, Minor Injuries, and Major Injuries</p>	<p><i>Employee Engagement and Wellbeing</i></p>  <p>Average training hours per employee 6.4 HOURS compared to 4.6 hours in 2022</p>	<p><i>Customer Engagement</i></p>  <p>Achieved 80% overall customer service excellence score ZERO substantiated complaints of customer privacy or data loss</p>	<p><i>Labour Practice</i></p>  <p>ZERO VIOLATIONS of labour rights have been reported in our value chain</p>
<p><i>Local Community Engagement</i></p>  <p>RM5.32 MILLION has been contributed to improve community quality, including:</p> <ul style="list-style-type: none"> • Education: RM4.8 million • Community Development & Wellbeing: RM273,000 			<p><i>Human Rights</i></p>  <p>Incorporated human rights clauses into supply chain contracts</p>

HS Health & Safety

MRCB is committed to providing a safe work environment for all its employees in its offices, facilities, and construction sites. We also recognise that we have a wider responsibility in safeguarding the health, safety, and well-being of our sub-contractors, suppliers, and the public who have contact with our projects, or live and work in the vicinity of our development projects.

The nature of engineering and construction activities exposes workers to various types of safety risks such as working at heights, falling objects, noise from construction activities, risk of electrocution from temporary wiring, and the operation of machinery and equipment.

To safeguard the well-being of our workers at our project sites, we have implemented an Occupational Health and Safety Management System, ISO 45001:2018, to guide practices towards ensuring safety and health at the workplace. We also ensure the constant communication of health and safety matters through our toolbox talks and pre-task briefing sessions at our construction sites, electronic direct mail communication, videos playing at waiting areas in our offices, and notices and posters at strategic areas around our construction sites. Communication is also conducted in the native language of our workers, and our sub-contractors are encouraged to voice out any concerns they may have regarding safety.

In response to the COVID-19 pandemic, we have heightened our focus on health and safety. We continue to abide by the stringent health and safety measures that we implemented during the pandemic. These practices now form our new baseline in health and safety standards, which we have integrated into our standard operating procedures (SOPs) at all our workplaces. We are continuously working to enhance these SOPs.

We conduct an evaluation of vital safety controls and processes annually to assess gaps and institute improvements. In 2023, we enhanced our health and safety SOPs to prevent our workers from being exposed to heat stress while working outdoors in heatwaves, which have become more frequent with climate change. Our leadership-driven safety culture aims to provide a secure work environment for everyone.

Quality, Environmental, Safety, and Health (QESH) Policy

We strive to deliver world-class products and services by focusing on exceptional quality for our clients. We work with independent consultants to verify the health and safety aspects of our designs, as well as adhere to various established systems:

- ISO 9001:2015 – Quality Management System (QMS)
- ISO 14001:2015 – Environmental Management System (EMS)
- ISO 45001:2018 – Occupational Health and Safety (OH&S) Management System

We have implemented a Quality, Environmental, Safety, and Health (QESH) Policy that outlines our commitment and QESH strategies to minimise the environmental impact of our activities and protect the safety and health of our employees, contractors, and the general public. We also acknowledge that occupational health and safety is a legal requirement, and any non-compliance will expose the Company to legal, financial, and reputational damage.

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 in 2023

QESH Strategies

We review and strengthen our QESH Policy from time to time, which demonstrates our commitment to minimising the environmental impact of our activities and protecting the safety and health of our employees, contractors, and the public. Our QESH objective sets performance benchmarks that are aligned with industry standards:

- Occupational Safety and Health Act (Amendment) 2022
- Factories and Machinery Act (Repeal) 2022
- Construction Industry Development Board Act 1994
- MRCB’s Construction Safety Requirements for Contractors

QESH Objective Target and Performance in 2023

QESH Objective Target	Annual Target	2023 Performance
ESH Rating/SHASSIC CIDB Rating	More than 80%	93%
Non-Conformance Reports (NCR)*	85% closed in less than 7 days	100%
Incident Rate	Less than 2.5	0
Stop Work Order (by clients or relevant authorities)	0	0
Fatality	0	0

* i.e. ESH Inspection and ESH Intern

Safety and Health Assessment System in Construction (SHASSIC)

MRCB has adopted SHASSIC, an independent assessment developed by Malaysia’s Construction Industry Development Board (CIDB), to assess safety and health practices at construction sites. The system consists of document checks (20%), physical site inspections (60%), and employee interviews (20%). SHASSIC scores from 90% to 100% signify an excellent Occupational Safety and Health (OSH) management system planned and implemented with a proactive commitment from top management to always manage Occupational Safety and Health (OSH). Scores of 80% to 89.9% mean exceptionally good OSH management systems planned and implemented with evidence of good commitment from top management to manage OSH at all times. In 2023, MRCB’s PRIMA was assessed and achieved SHASSIC certification with a score of 93%, equivalent to a 5-star rating.

	2022	2022	2023
ESH Rating/SHASSIC			
CIDB Rating	72%	87%	93%
	<i>Sentral</i>		
<i>Project Sites</i>	<i>Suites</i>	<i>Alstonia</i>	<i>PRIMA</i>

Environment, Safety, and Health Governance

The Executive Vice President (EVP) of Security, Group Chief Operating Officer (GCOO), and Group Managing Director (GMD) oversee health and safety. The Board monitors these matters, receiving an Environmental, Safety, and Health Report as a standard agenda item at all quarterly Board Meetings.

Environment, Safety, and Health (ESH) Committee

We have also established an ESH Committee at MRCB’s headquarters. This committee includes an advisor, a chairperson, a secretary, and management representatives from each department.

We also have ESH Committees at our operational sites, as required by the Occupational Safety and Health (Safety and Health Committee) Regulations 1996 and have developed committees at five development locations – Lot 349, TRIA 9 Seputeh, KWASA C8 Plot 2, PRIMA Brickfields, and SUKE CA2. Monthly meetings were held by the ESH Committees, chaired by the Heads of Projects, including representatives from sub-contractors.

To achieve improvements in our overall occupational health and safety performance, the Board reviews detailed data across the following areas:

- Accidents/incidents that have occurred
- Notice of Improvement/Prohibition (NOI/NOP)
- Number of Stop Work Orders (SWO) issued, ESH Audits, ESH inspections & inductions, and ESH Training (in-house and external)

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
- To establish a two-way communication channel
- To motivate discussion and raise awareness on issues pertaining to Safety and Health (S&H)

MANAGING SAFETY AT THE WORKPLACE

Hazard Identification, Risk and Opportunity Assessment, and Determining Control (HIRADC)

MRCB has an established HIRADC SOP for its headquarters, buildings, and infrastructure projects. HIRADC applies to all activities and personnel, including sub-contractors and visitors. HIRADC analysis is reviewed at least once annually at the headquarters and half-yearly at project construction sites. HIRADC is 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 are designed to bring together all the means and procedures for a rapid response in case of emergency situations, such as falling from a height, fires, explosions, landslides, chemical spills, and floods. These measures also include actions to be observed by every employee to act safely, for example, the issuance of a Stop Work Order (SWO) immediately for serious emergencies involving fatalities, structural collapses, or transmission line accidents. This is to prevent any further escalation, prevent additional injuries, and ensure the safety of everyone in dangerous situations.

In an emergency, many people and authorities are mobilised, including the Royal Malaysian Police (RMP), Fire & Rescue Department (BOMBA), and ambulance service. Effective communication is essential, as is following the chain of communication when an event activates the Emergency Response Plan. The Emergency Communication Flowchart starts from the person who discovered the emergency event and extends to all internal and external stakeholders required for assistance and onward action.

Occupational and Non-Occupational Health Services

MRCB prioritises the health and well-being of its employees. We offer occupational and non-occupational health/medical services to address significant non-work-related health concerns, including facilitating services to promote mental health and well-being. We promote involvement by communicating services and initiatives to employees via email and our Human Resources portal.

These activities are detailed in the Employee Engagement and Well-being section of this report on pages 140 to 149.

Environmental, Safety & Health (ESH) Training

In 2023, a total of 873 employees, site workers, and contractors participated in 36 training sessions and courses across ten different modules which had an emphasis on safety.

	2021	2022	2023
Number of employees, site workers, and contractors trained on health and safety standards and other ESH-related matters	794	507	873

- Training Modules:**
- Permit to Work
 - Working at Height
 - ESH training - risk management and HIRADC
 - Site Machinery Inspection Training (excavator, dump truck)
 - You See You Act Campaign
 - Lifting Awareness
 - Barge Crawler Crane Inspection Training
 - BOBCAT Tele Handler Training
 - Mobile Crane Inspection Training
 - Chemical Awareness

Auxiliary Police and Security Personnel Training

We provide a safe and secure environment for our employees, tenants, and visitors. Our Auxiliary Police and Security Guards are trained and dedicated to protecting people and property, and intervening in situations involving violence, aggression, or other inappropriate behaviour.

We also conducted Disability Equality Training (DET) and Disability-Related Service Training (DRST) for 160 Auxiliary Police officers and Security Guards in March 2023. This initiative aimed to increase their awareness and responsiveness to the needs of visitors and commuters with disabilities, fostering a safer and more inclusive environment.



Auxiliary Police being trained to assist a person in a wheelchair



Auxiliary Police being trained to assist the visually impaired



Instructor teaching Auxiliary Police the sign language

Health & Safety Culture

HEALTH AND SAFETY ACTIVITIES IN 2023

<p>10 induction programmes conducted by ESH representatives, attended by 247 new employees, including the Heads of Departments</p>	<p>Engineers and main contractor representatives conducted 2,355 pre-task talk briefings before commencement of work</p>	<p>ESH officers, site supervisors, and subcontractors conducted 398 Toolbox Session Briefings</p>
<p>459 employees participated in ESH surveys</p>	<p>181 of our workforce, including 97 foreign labourers, participated in training on specific work-related hazards such as Working at Height and Waste Management</p>	<p>35 of our workforce participated in the You See You Act Campaign</p>

Safety Incidents

In 2023, we recorded one first-aid case and two near miss cases, summarised in the table below. Our total manhours decreased by 52% as more projects were completed in 2023 (TRIA 9 Seputeh, Sentral Suites, and PRIMA). We achieved five out of five QESH objectives in 2023, with PRIMA Brickfields achieving over 1 million man-hours without Lost Time Injury (LTI).

With effective prevention and preparedness, MRCB was not affected by any incidents of injury or non-compliance with regulations concerning the environment in the reporting period. Our safety and health performance has been assured by an independent party, BSI Services Malaysia (disclosed on pages 280 to 284 of this report).

Man Hours	2021	2022	2023
Engineering, Construction & Environment (ECE)	8,450,077	8,258,636	2,976,648
Property Development & Investment (PDI)	269,030	674,162	1,280,925
Total	8,719,107	8,932,798	4,257,573

Type of Incidents	2021	2022	2023
Ill Health	0	0	0
Near Miss	0	2	2
First-aid Cases	1	0	1
Medical Treatment	0	0	0
Minor Injuries	4	0	0
Major Injuries	1	1	0

Type of Incidents	2021	2022	2023
Fatality	2	0	0
Lost Time Injury (LTI)	3	1	0
Environmental Incident	0	0	0
Property Damage	1	1	0
Dangerous Occurrences	1	0	0
Fire	0	0	0
Stop Work Order (SWO) Received from Authorities	1	1	0
Notice of Prohibition (NOP) Received from Authorities	7	0	0

Incident	Project	Remarks
Near Miss	Kuala Pahang	A rock boulder fell from a trailer when the driver swerved to avoid a pothole. We communicated stricter height requirements for trailer fences, addressed safe rock loading procedures with the transporter, and conducted awareness training on safety measures to prevent future incidents. No injury was reported.
Near Miss	Kuala Pahang	A small rock fell off a lorry. Investigation on root cause was conducted and communicated to the transporter to avoid a recurrence. No injury was reported.
First-aid Cases	Kuala Pahang	A diver was stung by a jellyfish during the laying of geotextile activity. After topical first aid treatment, no further treatment was necessary.

Safety Matrix

Safety matrixes allow us to enhance our safety protocols, minimising the risk of accidents and incidents. This tool is used to assess and prioritise risks at the project sites and help us to evaluate the potential impact of risks and the likelihood of the risks occurring. In our efforts to reduce injuries and accidents at our project construction sites, we continue conducting various checks by our internal safety audit and inspection teams.

Corrective actions are taken to prevent the recurrence of any incident, such as providing refresher training courses on safe lifting, properly inspecting lifting gear before work commences, and ensuring full supervision of the lifting plan by the supervisor. We encourage workers or employees to report any incidents that have occurred without fear of repercussions for reporting the incident, to ensure the well-being of everyone at our project sites.

Safety performance at our project sites:

Safety Matrix	2021	2022	2023
Incident Rate* (Incidents per thousand workers)	1.83	1.63	0
Rate of Recordable Work-Related Injuries (Injury Rate) (Injuries per million man-hours worked)	1.18	0.12	0.34
Lost Time Incident Rate (LTIR) (Incident per million man-hours worked)	0.36	0.12	0
Fatality Rate	0.24	0	0

- * Reporting period follows the Management Review Meeting (September of the previous year to August of the subsequent year)
- The safety and health performance data applies to our ECE segment (MRCB Builders) unless otherwise stated
- LTIR includes employees and contractors at project sites

Key definitions:

Health and Safety Indicators	Health and Safety Definition
Ill Health	Identifiable, adverse physical, or mental condition arising from and/or made worse by a work activity and/or work related situation
Near Miss	Any accident at place of work which has potential to cause injury to any person or damage to any property
First-aid Cases	Cases in which first aid is delivered at the workplace, and where no further medical treatment is required by medical practitioners
Medical Treatment	Cases where medical treatment by medical practitioners is given but no medical leave and/or admission to the ward is required
Minor Injuries	Injuries causing incapacity for 4 days or less, with no hospitalisation is required
Major Injuries	Injuries causing incapacity for more than 4 days and/or any injury that requires hospitalisation
Fatality	Injury leading to immediate death or death within 1 year of the accident
Environmental Incident	<ul style="list-style-type: none"> Minor: Simple contamination with localised effects for short duration Major: Simple contamination with widespread effects to heavy contamination with localised effect for extended durations Catastrophic: Very heavy contamination with widespread effects for extended durations
Property Damage	<ul style="list-style-type: none"> Minor: Incident with damage to properties with estimated cost below RM150,000 Major: Incident with damage to properties with estimated cost from RM150,000 to RM500,000 Fatal/Catastrophic: Incident with damage to properties with estimated cost of above RM500,000
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)



Employee Engagement and Well-being

Our Workforce

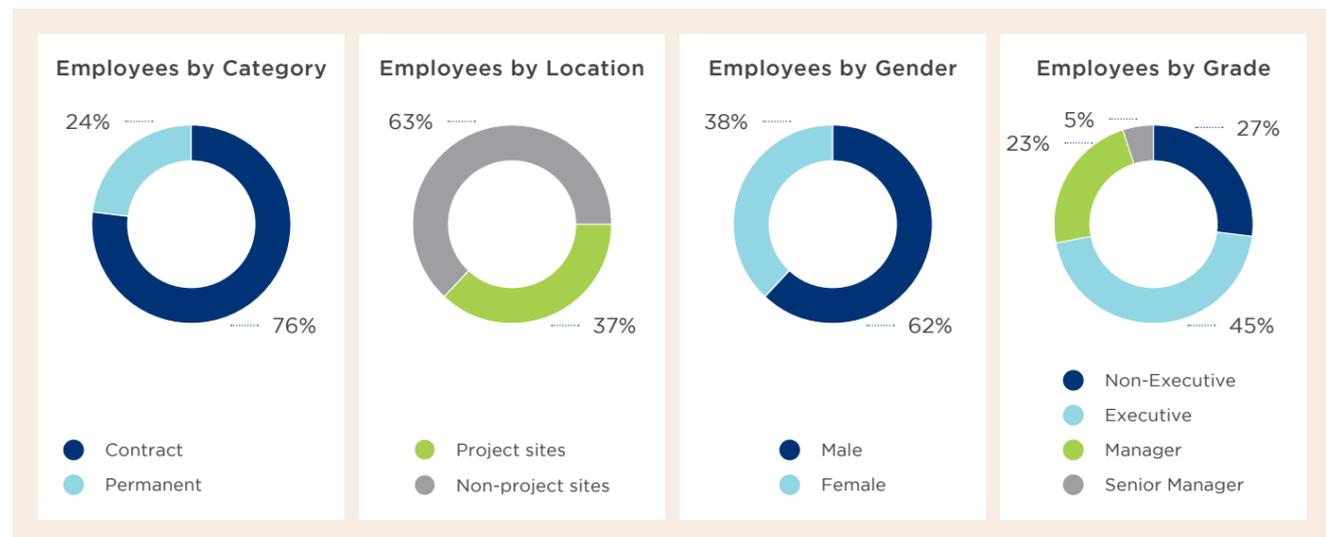
Our workplace management strategy focuses on fostering a stable and skilled workforce, essential for our value creation process and crucial in achieving our strategic goals. On average in 2023, MRCB had 1,669 employees working across the various business operations and locations in Malaysia. The increase in the employee count from 2022 to 2023 reflects the assimilation of employees of the Setia Utama LRT 3 Sdn Bhd (SULRT), after it became a 100% owned MRCB subsidiary company.

	2021	2022	2023
Average number of employees for the year	1,587*	1,401*	1,669

* excluding SULRT employees

Employees by Age Group	2021	%	2022	%	2023	%
<30	461	29%	275	20%	253	15%
30-50	969	61%	965	69%	1178	71%
>50	159	10%	161	11%	238	14%

Employees by Gender	2021	%	2022	%	2023	%
Male	984	62%	786	56%	1,039	62%
Female	603	38%	615	44%	630	38%



Quality Hires and Employee Turnover

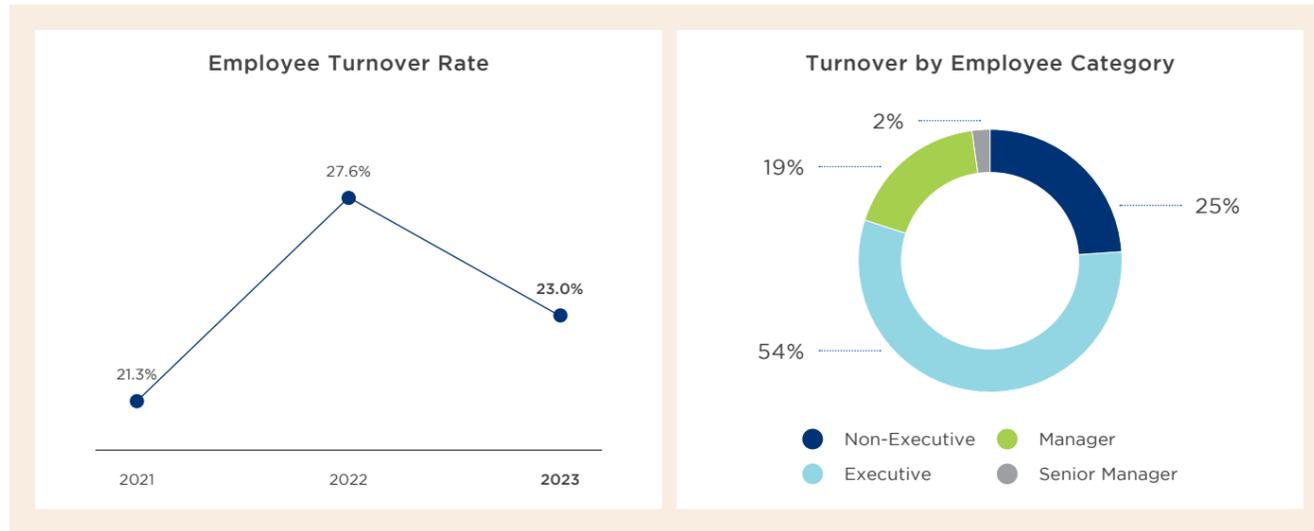
We adopt a strategic and forward-thinking approach to hiring talent, carefully evaluating candidates based on how well they meet our work needs and align with our strategy for growth. This approach allows us to allocate the relevant time and resources needed to efficiently attract competent candidates without causing downtime for the company. The recruitment plan clearly defines the objectives and requirements for each specific job role to support targeted hiring.

MRCB hired 270 new employees in 2023, up 12% from 2022. The hiring pattern is typical of our project-based business structure, with staff often hired for the duration of a project and leaving once their role or function in the project is completed. The Property Development & Investment and Engineering, Construction & Environment business divisions accounted for 76% of these new hires.

We ensure equal opportunities for growth and advancement for male and female employees. Our approach, based on merit, allows us to acknowledge and reward individuals based on their contributions, skills, and abilities rather than gender.



In 2023, MRCB's staff turnover rate improved from 27.6% in 2022 to 23% in 2023.



Graduate Employability Programme (GEP)

We focus on hiring and nurturing local talent to support Malaysia's employment sector, including fresh graduates. We continuously enhance our Graduate Employability Programme (GEP) to support graduates from local and international universities and focus on developing their practical and managerial skills. The GEP aims to support them with the relevant knowledge and skills particular to the property development and construction industry so that they will be future assets in this sector.

In 2023, we accepted 45 fresh graduates from various local and foreign universities into the GEP to provide them with training and exposure and help improve their employability. The graduates are given paid training and work experience for a period of 8 months to 1 year. Additionally, they are also put through a 10-day soft-skills training programme which includes modules on grooming and etiquette, communication and networking skills, values, organisational adaptability, critical and creative thinking, sustainability, and entrepreneurship.

Our GEP initiative is also in line with the Ministry of Entrepreneur Development and Cooperatives' Professional Training and Education for Growing Entrepreneurs (Protege) Development Programme. This initiative aims to improve the employability of fresh graduates and allows us to cherry-pick the best graduates in the programme for our own talent development needs.

Employee Benefits and Welfare

MRCB strives to adopt best industry practices regarding employee benefits and wellness. This includes offering annual leave, medical insurance coverage, and various allowances based on the employee's role. We continuously review and update our benefit packages to keep them competitive and suitable for our employees.

Key benefits provided to MRCB's full-time employees

Leave	Medical	Others
<ul style="list-style-type: none"> Annual Leave Medical Leave Emergency Leave Compassionate Leave Exam Leave Marriage Leave Prolonged Illness Leave Maternity Leave Paternity Leave Pilgrimage Leave Replacement Leave Family Care Leave 	<ul style="list-style-type: none"> Outpatient Treatment Hospitalisation Benefit Maternity Benefit Executive Health Screening Dental Benefit 	<ul style="list-style-type: none"> Mileage Claims Hotel Accommodation and Air Travel Transfer Allowance Flexible Working Hours Mobile Phone Bill Parking Subsidy Broadband Subsidy Car Allowance and Petrol Card Professional Membership Fee Educational Assistance

Pro-family benefits

MRCB offers pro-family benefits, ensuring a supportive work environment that balances professional responsibilities with family commitments. We comply with the recent updates in Malaysia's Employment Act (Amendment) 2022, which now mandates paternity leave in addition to maternity leave. In 2023, 100% of our female employees and 95% of male employees returned to work and remained employed 12 months after their parental leave concluded.

Parental Leave

Parental Leave	2021	2022	2023
Total number of employees entitled to parental leave, by gender			
Male	96	574	811
Female	39	330	401
Total number of employees that took parental leave, by gender			
Male	74	31	42
Female	37	24	27



Family Care Leave

We offer Family Care Leave, allowing staff who are primary caregivers for a terminally ill family member to take paid or unpaid leave. In 2023, no employees took family care leave. However, five employees did request arrangements to work from home (WFH) to care for terminally ill immediate family members.

Employee Well-Being

Lower Pricing for Long-term Medication

For employees who regularly purchase long-term medication for particular ailments, we leverage our resources to secure the best possible pricing for them, so that they are able to manage their healthcare costs more effectively.

Mid-Month Payout and Earned Wage Access

As part of our ongoing efforts to improve the well-being of employees, we introduced two pay-roll-related services in September 2023 to help manage monthly expenses, emergencies, or any unplanned expenditures between paydays for employees earning below RM5,000 per month. The first is the Mid-Month Payout (MMP) service which automatically advances 15% to 20% of an employee's salary in the middle of the month. This benefits about 800 employees.

The second payroll-related service is the Earned Wage Access (EWA) service, which is open to all employees regardless of basic salary. This service allows employees to access and withdraw a portion of their earned salaries between scheduled paydays by using the Mulaaa application on their personal devices. Employees can withdraw up to a maximum of RM2,000 or 50% of their basic salary, whichever is lower, with each transaction incurring a very small fee payable to the application service provider. To date, approximately 6% of our employees are using this service to help manage monthly commitments and other unforeseen expenses.

Employee Engagement Programme

Effective communication is key to shaping the right workplace culture and enhancing employee satisfaction. We value an engaged workforce and use various communication tools, including staff newsletters, emails, digital and print signages, video displays in office areas, an HR portal, WhatsApp, and Microsoft Teams, to keep our team connected and informed.

We also organise regular talks, health and sports events, as well as social gatherings to keep our employees engaged and connected. These activities strengthen team bonds and promote a healthy balance between work and leisure.



In November, our former Non-Executive Chairman, Datuk Seri Amir Hamzah Azizan, presented certificates to honour the dedication of 106 staff who participated in the National Day Parade 2023 in Putrajaya. During the appreciation ceremony, he praised the commitment, enthusiasm, and teamwork displayed by the 106 staff, emphasising the importance of unity and the company's spirit in presenting its strength to the nation during the parade.

Leadership Talk -

STRENGTHENING RELATIONSHIPS WITH LEADERS

We organised Skip-Level Employee Engagement sessions with Senior Management aimed at providing a platform for our employees to connect with them, promoting open communication and encouraging feedback.

Six separate sessions were conducted with our C-Suites (Chief Corporate Officer, Group Chief Operating Officer, and Group Chief Finance Officer) involving 162 selected employees from the middle management and executive categories. It was an opportunity to get insights on the company's strategy, understand the outlook and future plans, as well as a chance to get career and self-development advice from our top leadership.



1. Chat with Group Chief Financial Officer, Ann Wan Tee
2. Chat with Group Chief Operating Officer, Kwan Joon Hoe
3. Chat with Chief Corporate Officer, Amarjit Singh Chhina

Building Well-being and Community: MRCB'S EMPLOYEE ASSOCIATIONS

The Kelab Kebajikan dan Rekreasi MRCB (KKRM) is an independent employee association dedicated to enriching the lives of MRCB's staff by promoting a healthy lifestyle and fostering team building.

It organises events and initiatives that encourage employees to prioritise a healthier lifestyle and build strong teamwork through activities such as sporting events and tournaments, and treasure hunt competitions. KKRM helps employees reduce stress, develop healthy lifestyles, and maintain a positive outlook, ultimately benefiting both the individual and the Company.



MRCB employees exploring a forest skywalk adventure



Group shot of MRCB team during a guided nature trekking activity



Aid contribution to low-income residents of Kuala Pahang



MRCB employees taking part in a Zumba exercise class

Pertubuhan Khairat's purpose is to unite members in mutual support, promoting virtues, unity, and ethical behaviour. The organisation focuses on assisting members with welfare and organising social activities based on Islamic values. Pertubuhan Khairat provides financial assistance in the event of a member's or their dependents' death, supporting the deceased's family with funeral expenses during their bereavement. These activities aim to unite members through shared religious experiences and provide support. In 2023, Pertubuhan Khairat sponsored Badal Haji for seven members' deceased dependents, totalling RM21,000.

Employee Engagement Survey

In May 2023, we launched a new Group-wide employee survey, focusing on engagement metrics such as inter-colleague connections, supervisor-employee communication, and workplace purpose.

The Online Employee Survey Covered Ten Key Areas

- Trust and Confidence in our Leadership, Authority, Empowerment, and Employee Enablement
- Relationship with Immediate Superior
- Collaboration with Colleagues
- Opportunities for Learning and Development
- Performance Management, Talent Pool, and Employee Retention
- Pay and Benefits
- Respect and Recognition
- Employer Branding
- Sustainability



We conducted pre-survey focus groups with 30 non-desk employees, including our Auxiliary Police, security guards, parking attendants, and office support staff, to test and refine the Bahasa Malaysia survey version for better inclusion. As up to 20% of our workforce in front-line roles do not have access to emails or computers, we provided laptops and in-person support for approximately 300 employees during 10 survey sessions across Kuala Lumpur, Klang, and Penang.

The three-week survey achieved a 93% response rate from our employees. Results showed high engagement scores in Authority, Empowerment and Employee Enablement, Relationship with Immediate Superior, and Collaboration with Colleagues. Recognising the survey as a perception gauge, we have developed plans to improve our communication and engagement in areas where the scores could be improved.

Training and Development

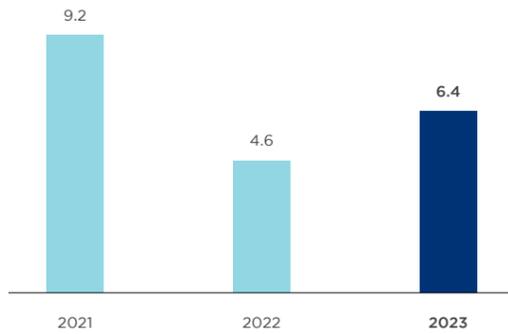
In 2023, we conducted training totalling 8,884 hours.

Our training hours decreased from 15,338 in 2022 to 8,884 in 2023, a reduction of 42%. This decrease was primarily attributed to the successful completion of the MRCB People Transformation Accelerator Programme (PTAP) in 2022.

The PTAP was a comprehensive Group-wide training initiative designed to equip employees with critical skills and knowledge. Given its extensive nature, the programme accounted for a significant portion of the training hours logged in 2022.

	2021	2022	2023
Total training hours, including for interns, GEP, and consultants (hours)	11,229	15,338	8,884
Total training hours by employee category (hours)	Non-Executive	2736	628
	Executive	3,517	8,644
	Manager	5,748	3,041
	Senior Manager	1,565	917
Total training development cost (RM)	1,353,652	905,651	568,516
Average training and development expenditure per full time employee (RM/employee)	1,106	272.21	411.67

Average training hours per employee



3-year average training hours by gender



3-year average training hours by grade



Sustainability Programmes

As part of MRCB's strategic focus in embedding sustainability as a core aspect of business and operations, we offer programmes to equip our employees with relevant sustainability-related knowledge and skills.

Introduction to Sustainability

Course covers various facets of sustainability, including Diversity, Equity, and Inclusion (DEI), and human rights.

UNGC Academy Learning Portal

Offers employees access to 50 sustainability-focused courses. Topics include climate change and environment, Sustainable Development Goals, gender equality, human rights, and decent work.

Succession Planning Programme

Learning and Development Centre (LDC)

We focus on growing our talent bench to strengthen our leadership and talent pipeline. Our LDC offers e-learning with in-house developed modules designed by experienced employees and subject matter experts, that can be accessed anytime for their self-paced learning, giving employees the flexibility to manage their time and learning obligations.

Identifying the right talent for succession planning is important to prepare skilled and compatible leaders of the future. In 2023, we initiated a new selection process to identify potential candidates suitable for succession planning for 27 key leadership positions in MRCB. The candidates were assessed using psychometric testing tools developed by Saville Assessment to evaluate their personality, working styles and preferences, and behavioural tendencies. These tools are widely considered one of the strongest indicators of a candidate's future performance and culture fit.

To understand the specific needs of these positions, we conducted job profiling of the 27 positions, which included discussions with Heads of Departments (HODs) about the requirements of successors. After a filtering process based on employees with the best Saville Assessment ratings, we engaged in a nomination process with the HODs to select talents that fit the requirements we were looking for in future leaders of the identified job roles.

Succession Planning Programme (cont.)

In 2024, the identified talents shortlisted will be enrolled in a talent development programme designed to prepare them for these future leadership roles. The six to 10 months development programme will focus on enhancing their leadership skills and effectiveness, navigating through changes, strategic communications and management, and how to demonstrate and spearhead collaboration across the organisation. The programme will also include intervention modules with a mixture of business games, classroom learning, project presentations, and coaching.

Regular Performance and Career Development Reviews

MRCB conducts an annual performance review of all employees against their Key Performance Indicators (KPIs) set at the beginning of the year. In 2023, 100% of our employees had their performance reviewed.

We align the performance evaluations of our Senior Management with financial goals, and MRCB's ESG material matters to ensure that our organisational goals are fully integrated with our sustainability aspirations. These priorities are cascaded down to all employees and are tracked to ensure a cohesive and accountable performance.



CE

Customer Engagement

Producing Quality Products to Ensure Customer Satisfaction

Quality is important to MRCB as it not only reflects our commitment to excellence, but also ensures the longevity, safety, and customer satisfaction of all our construction and development projects. We adhere to CIDB’s construction industry standard Quality Assessment System in Construction (QLASSIC). The QLASSIC is a standardised system designed to measure and evaluate the workmanship quality of building construction projects. This system follows the Construction Industry Standard (CIS 7:2006), setting benchmarks for various construction elements. The evaluation process involves site inspections to ensure construction practices meet these established standards. QLASSIC’s approach encourages contractors to adopt a philosophy of ‘Do Things Right the First Time and Every Time’.

MRCB targets achieving a QLASSIC score between 70-75%, with a score of 70% being recognised as good. This goal reflects MRCB’s commitment to maintaining high standards in construction quality, which aligns with the QLASSIC criteria to ensure that its projects not only meet but exceed the minimum quality expectations.

QLASSIC Scores for MRCB’s projects:

Project Sites	2023
Residential – Sentral Suites	71%
Residential – TRIA Residences @ 9 Seputeh	81%

Apart from the QLASSIC assessment, MRCB has implemented the Pre-Delivery Inspection (PDI) process, where our internal staff conduct thorough inspections of properties before they are handed over to purchasers, clients, and customers. This process mandates that our team ensures adherence to the best industry practices, including allocating at least two months to conduct any required rectification work prior to handover. We proactively learn from past project defects to ensure these errors are not repeated in future designs.

Customer Relationships

Building strong, enduring customer relationships is integral to our business strategy. We see every interaction as an opportunity to connect, understand their needs, and work together to develop solutions that meet their requirements.

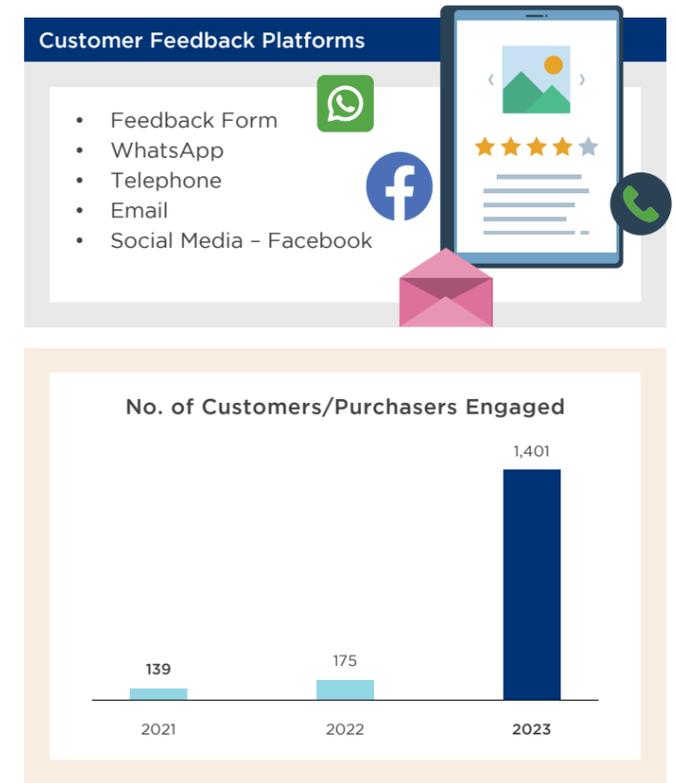
We prioritise direct engagement with our customers and adhere to policies and guidelines that ensure a response to any customer feedback or complaint within three working days. Our customers are able to reach out to us through multiple feedback platforms, including WhatsApp, telephone, email, and social media channels. In 2023, we received zero substantiated complaints concerning breaches of customer privacy and losses of customer data, which has been assured by BSI Services Malaysia Sdn Bhd, our independent third party sustainability data assurer.

Customer Experience

We also leverage strategic collection and analysis of data to measure customer satisfaction so that we can improve and drive positive changes. We engage with our customers regularly, tracking progress and making necessary adjustments to our strategies. This includes developing actionable plans tailored to the insights gathered from our customers.

We conduct targeted surveys to further our understanding of customer expectations and satisfaction. These surveys are designed to gather valuable feedback on various areas, including the facilities and offerings at the malls we manage, as well as the performance of our appointed solicitors, agents, and in-house sales staff. This feedback is crucial in allowing us to meet and exceed customer expectations.

In 2023, our team expanded their reach and engaged with 1,401 customers, including 432 purchasers of the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia residential projects. The number of customers engaged increased by seven fold, reflecting our Customer Service Excellence strategies to better understand, meet expectations, and address concerns from customers.



Customer Satisfaction Survey Scores

Customer Satisfaction Survey	2021	2022	2023
Overall Purchasers	Achieved 95% for 1060 Carnegie in Melbourne, Australia	Achieved 85% for 1060 Carnegie in Melbourne, Australia	Achieved 80% for the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects
Call Centre	100% Satisfied	100% Satisfied	100% Satisfied

Increasing Brand Awareness

Brand awareness is crucial in improving marketability, influencing consumer behaviour, and business success. Good branding creates a distinct identity, builds trust, provides a competitive advantage, increases customer loyalty, and influences customer purchase decisions. Brands with high awareness are perceived as more valuable and trustworthy, leading to higher pricing power and increased profitability.

At MRCB, we do our best to showcase best practices and increase brand awareness and quality. The awards we won for our property development projects in 2023 demonstrate our efforts in this direction and can be viewed on pages 12 and 13.



Diversity, Equity, and Inclusion

We value the benefits of a diverse workforce, where employees bring various perspectives shaped by their distinct backgrounds and experiences. We focus on equitable employment practices, ensuring employee engagement, fair compensation, and abundant opportunities for skills development and competency enhancement.

Our Diverse Workforce

MRCB upholds Diversity, Equity, and Inclusion in the workplace, as stated in our Employee Handbook. Our workforce is diverse, including employees from various ethnic groups such as Malays, Chinese, Indians, and others. Currently, there are no employees at MRCB who are classified as disabled.

	2021*	2022*	2023
Employees by Gender			
Male	62%	56%	62%
Female	38%	44%	38%
Employees by Ethnicity			
Malay	79%	78%	78%
Chinese	11%	11%	12%
Indian	7%	7%	7%
Others	3%	3%	3%
Employees by Age Group			
<30	29%	20%	15%
30-50	61%	69%	71%
>50	10%	11%	14%

* Average data for the year; excludes SULRT employees

Way Forward to Attract and Retain More Diverse Talent

In the engineering and construction industry, the gender disparity is skewed towards a higher ratio of male employees, primarily attributable to the nature of the work involved. A considerable part of the industry's activities centres around demanding physical work at our construction sites, which gets labelled as a 'dirty, dangerous, and difficult' (3D) sector. These roles have traditionally been male-dominated.

MRCB's investment in modular construction technology through its MRCB Building System (MBS) helps to transform the image of the industry, as construction is undertaken under cover in a controlled manufacturing environment, creating a much safer and more conducive working environment. This encourages individuals who might not have otherwise considered a career in construction, including women.

More information of our MBS technology can be found on page 195 of this Integrated Annual Report

Gender Parity Workshops

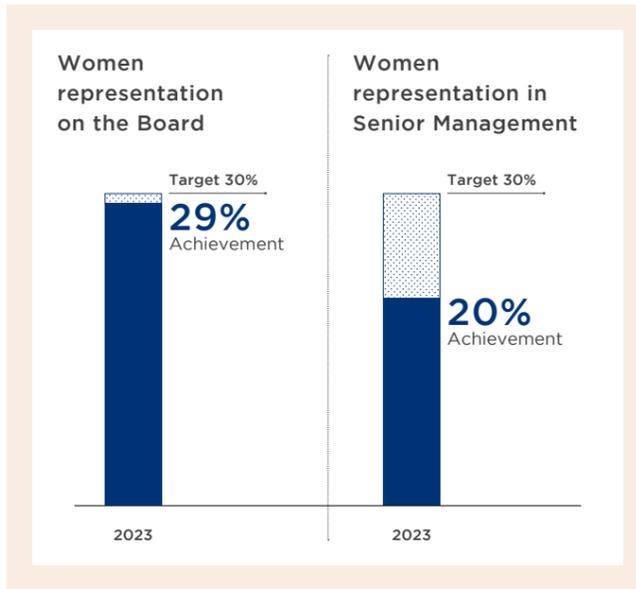
MRCB co-leads the CAN DEI workstream that collaborates to formulate guidelines for diversity, equity, and inclusion among its member organisations. This initiative supports UN SDG 5, which aims for gender equality, empowering women and girls, and ending discrimination against women and girls by 2030.

In 2023, we organised a Gender Parity Programme comprising three separate but related workshops for all General Managers to improve awareness and encourage self-generated initiatives to improve female representation within their spheres of influence.

1 st Workshop	2 nd Workshop	3 rd Workshop
Unconscious Bias	Gender Equality and Equity	Male Allyship
Participants 70% of General Managers	Participants 70% of General Managers	Participants 60% of Male General Managers
Objective To help participants understand and be aware of unintentional biases, predisposed perspectives, and subsequently premature or unfair decision-making	Objective To explain how efforts to improve equality would not be adequate without understanding and improving equity	Objective Specifically designed to encourage male General Managers to mitigate, if not counter, micro-aggression and other now non-acceptable behaviours among traditional male leadership



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. We have implemented a Succession Planning Programme that identifies and nurtures female talent for leadership positions.

Supporting Women's Well-being in the Workplace

Women comprise 38% of our workforce, and we recognise that most of the household burden often falls on the shoulders of women. By encouraging working mothers to continue participating in the workforce, MRCB believes that this is aligned with improving the well-being of children. As stated in the Convention on the Rights of the Child, children have the right to 'life survival and development'. We, at MRCB, equip working mothers with the tools required to raise their children. Our initiatives and benefits for working mothers ensure that as a responsible employer, we support working parents.

Benefits to Support Women at Work

<p>Three months of paid maternity leave</p> <ul style="list-style-type: none"> Female employees are entitled to up to 98 days of paid maternity leave 	<p>Designated Mother's Room</p> <ul style="list-style-type: none"> Rooms are provided at the Headquarters for nursing mothers returning to work 	<p>Financial support for labour delivery</p> <ul style="list-style-type: none"> Employees who have just given birth may claim up to RM6,250 to assist with their delivery bills Newborns receive cash gifts 	<p>Staggered and shortened work hours</p> <ul style="list-style-type: none"> 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 	<p>Safe and Respectful Workplace Conduct</p> <ul style="list-style-type: none"> 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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Taking Care of our Employees' Mental Health

We recognise the daily challenges our employees face, which may include marital or financial problems, difficulties at home, work stress, career setbacks, and other personal issues. To support our employees' overall well-being, we offer confidential counselling services conducted by professional counsellors, aligned with SDG 3: Good Health and Well-Being.

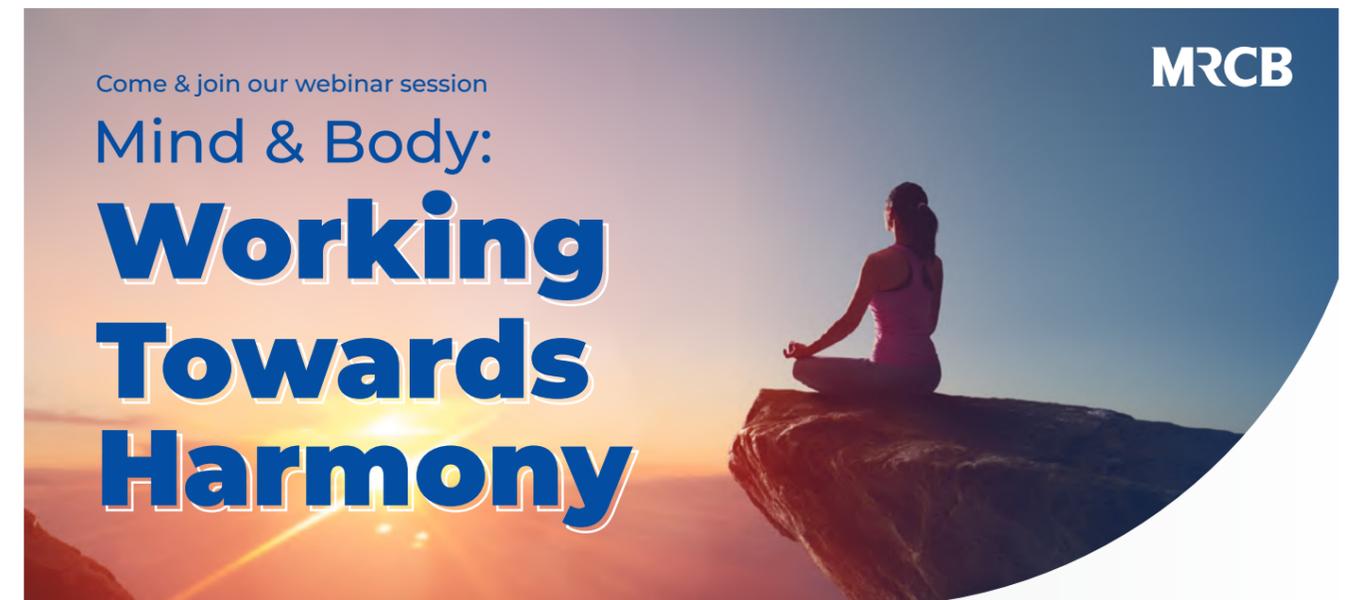


32 HOURS

of counselling were given to 29 employees from December 2023 to February 2024

Building on the success of this programme since 2019, and based on positive and anonymous feedback, MRCB will continue to engage with registered counsellors to provide counselling services to employees throughout 2024.

In November 2023, we also conducted a webinar for our staff called 'Mind & Body: Working Towards Harmony'. More than 100 employees learned tips and strategies for healing mind and body and achieving harmony from a clinical psychologist.



An example of an internal poster on a mental health and wellbeing event communicated to employees

Building a More Inclusive and Equitable MRCB



MRCB is committed to Diversity, Equity, and Inclusion (DEI) and has taken steps to advance it within the Group and the broader Malaysian business community.

In March 2023, MRCB conducted Disability Equality Training and Disability Related Service Training for 160 Auxiliary Police officers and Security Guards at Kuala Lumpur Sentral Station (SSKL). This training helped the officers and security guards to be more aware, alert, and attentive to visitors and commuters with disabilities, making SSKL a more inclusive space for everyone.

MRCB also joined the 30% Club Malaysia in July 2023, which is a global business-led campaign advocating gender parity in boardrooms and senior leadership, whereby MRCB is committed to gender equality and is working with other leading companies to drive this change in Malaysia.

In August 2023, MRCB was appointed to be Co-Lead for the CEO Action Network's (CAN) DEI workstream to jointly lead members to discuss and formulate DEI guidelines that recognise various readiness levels and abilities to implement DEI programmes and targets among its member organisations.

IN AUGUST 2023, MRCB APPOINTED

CO-LEAD FOR THE CEO ACTION NETWORK (CAN) DIVERSITY, EQUITY AND INCLUSION WORKSTREAM

IN OCTOBER AND NOVEMBER 2023, MRCB CONDUCTED

GENDER PARITY WORKSHOPS FOR GENERAL MANAGERS

TO IMPROVE GENDER EQUITY IN THEIR RESPECTIVE AREAS

1. Security Guards at Kuala Lumpur Sentral Station learning to help wheelchair users to navigate a single step up
2. MRCB staff with members of CAN - sharing best practices for building a more inclusive workplace
3. Senior male General Managers attending the Male Allyship Workshop
4. Building a culture of inclusion at a Gender Equality and Equity Workshop



Throughout October and November 2023, MRCB conducted Gender Parity Workshops for General Managers, helping its managers understand how unconscious bias affects their perspectives and actions, appreciate gender equality and equity, and learn about male allyship. These workshops help provide them with the necessary tools to come up with ways and means to improve gender equity in their respective areas of influence, leveraging on the opportunity for MRCB to 'Set the Standard' in the Malaysian property and construction industry.

From empowering our employees through comprehensive training programmes and Gender Parity Workshops, to advocating for broader industry-wide change through initiatives like the 30% Club Malaysia and the CAN DEI workstream, MRCB's ongoing efforts to build a more inclusive and equitable future not only strengthens our business, but also creates positive changes throughout the Malaysian community.

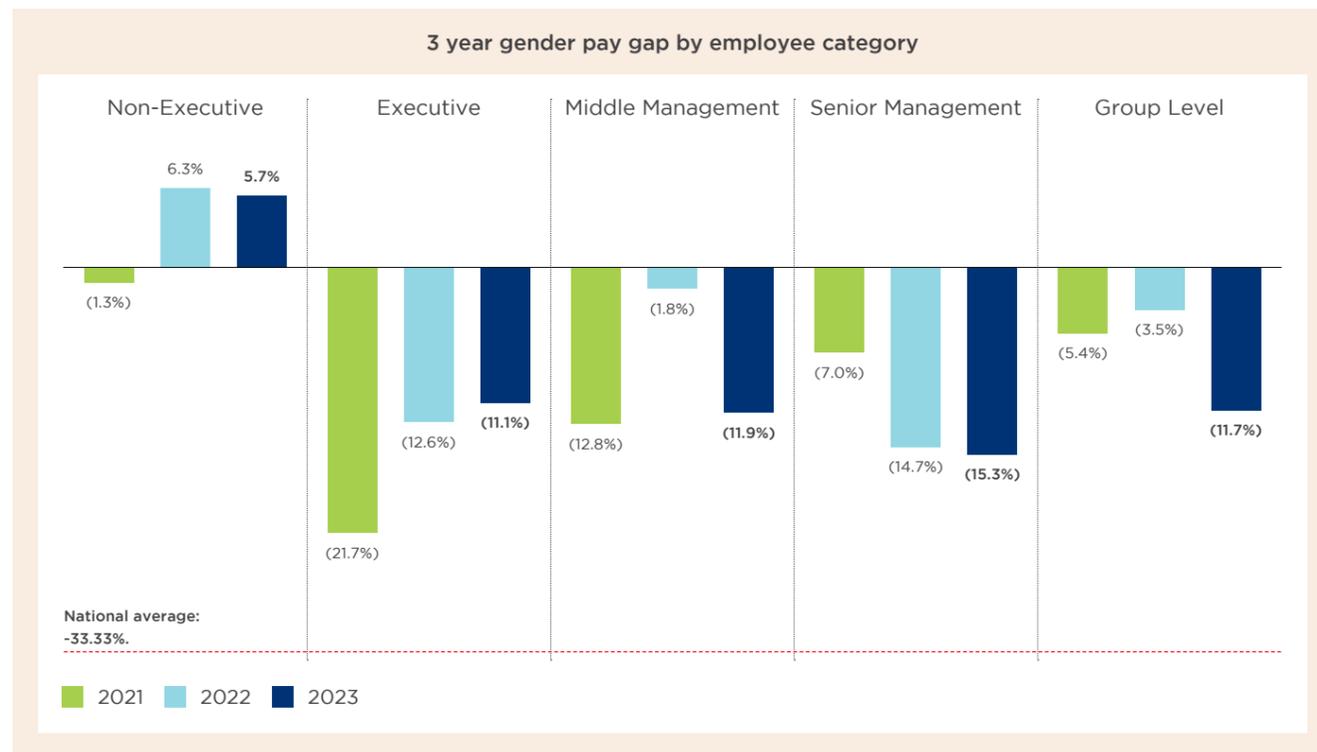
“We tend to overestimate ourselves, thinking that we leaders do not have a shred of bias in our bones,” said an MRCB general manager. “But we all do. We must identify, recognise, and manage these biases so we can all be even better leaders.”

Taking Action: Driving Gender Pay Equality

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, going beyond just adhering to local regulations. Our approach currently involves measuring the unadjusted pay gap, which looks at the average pay differences between female and male employees without taking into account factors such as job type, education, or experience that can affect the gap.

The salary and benefits paid to women compared to men in MRCB is 0.88:1, significantly better than the national average of 0.67:1 reported by the Department of Statistics Malaysia (DOSM). Furthermore, the national gender pay gap is -33.33%. This means that despite the increase in our gender pay gap, MRCB still provides a more equitable pay structure compared to the national average.

The nature of our business in the construction sector typically attracts male employees due to the physical demands and the technical skill sets often associated with construction work. This industry has historically seen a higher concentration of male employees, especially in skilled and technical roles, where specific expertise and physical requirements are perceived as a prerequisite. Consequently, the wide gender pay gap reflects these sector-specific trends and the challenges in attracting a more gender-diverse workforce to roles traditionally dominated by men.



LP Labour Practices

Compliance with Laws, Rules, and Regulations

We are committed to respecting labour rights and following ethical employment practices, ensuring fair treatment and proper compensation for our employees. We ensure that our labour practices continue to protect our employees' health, safety, and well-being as enshrined in our Code of Conduct and Human Rights Policy.

These documents and others related to human resources and ethics, such as our Quality, Environmental, Health, and Safety Policy (QESH Policy), are designed to support our social performance responsibilities to our customers, vendors, and suppliers/contractors.

MRCB strictly abides by the Malaysian Employment Act 1955, which prohibits exploitative labour practices, and the Children and Young Persons (Employment) Act 1966, which forbids the employment of children under the age of 14 or young persons under the age of 16.

This commitment extends to our external stakeholders including customers and suppliers/contractors, especially when entering into new commercial agreements with us.

Fair and Lawful Employment Practices

In support of SDG 8: Decent Work and Economic Growth, MRCB does not tolerate discrimination against race, gender, age, religion, or nationality and any form of harassment or bullying in our work environment. Any individual who would like to report incidents of bullying and harassment can refer to our Whistleblowing Policy and use the whistleblowing e-form available on our website. We comply with fair and lawful employment practices throughout the company and our supply chain. We provide equal opportunities and protect our employees from discrimination, bullying, sexual harassment, intimidation, threats, retention of identity documents, wage garnishment, debt bondage, and abusive working and living conditions. At a minimum, we adhere to national wage and working hour requirements in all of our locations. We also adhere to the International Labour Organisation's standards for child labour and the minimum working age. We respect our employees' freedom of association and right to collective bargaining.

Hiring skilled foreign workers involves conducting interviews and selections in the source country, a task arranged by the subcontractor. Once they arrive, foreign workers undergo a six-month probationary period before becoming skilled workers.

Currently, we have
31 DIRECTLY EMPLOYED FOREIGN WORKERS
 working across our project sites

Foreign Labour Living and Working Conditions

We are committed to the well-being of our labour and ensure that they are provided with adequate accommodation and comfortable living conditions. Where possible, we offer Centralised Labour Quarters (CLQs) equipped with various welfare amenities such as a management office building, guard house, surau, and recreational sports facilities.

All our CLQs meet the local authorities' standards for water supply and fire safety regulations. To maintain these standards, we regularly conduct spot checks and audits on our CLQs to ensure they comply with all regulations. In 2023, assessments were conducted on identified site to evaluate labour and working conditions of workers at these locations.

Sexual Harassment Campaign

MRCB is against all forms of harassment in the workplace, including sexual harassment. Section 81H of the Employment Act Amendment 2022 also requires employers to display a notice raising awareness of sexual harassment in the workplace. We promote our campaign through posters that are prominently displayed at all times.

The campaign aimed to educate our people on how to recognise it and the proper channels for reporting and addressing it.



An example of an internal poster on sexual harassment communicated to employees

A Sexual Harassment Policy and a formal complaint process is in place and all complaints are promptly investigated in a strictly confidential and fair manner. Necessary and appropriate actions are taken to remedy any form of harassment that is reported.

Providing Access to Remedy

Our Code of Business Ethics (COBE) commits to creating an inclusive workplace, valuing each individual's contributions and ensuring a safe space for self-expression. We have a zero-tolerance policy towards discrimination and harassment of any kind, including race, gender, age, religion, disability, or nationality. Employees and the public are encouraged to report any workplace issues, including misconduct, through established channels. Our COBE is publicly available on our corporate website.

No discrimination against any individual or group because of their race, religion, gender, or disability, or any violations of labour rights was reported in 2023.

Investigation and Action

We take a stringent stance on all forms of non-compliance, including breaches of anti-bribery regulations, company policies, human rights, and our Code of Business Ethics (COBE). For external parties, non-compliance may result in actions such as contract termination. Legal action may be pursued if MRCB's interests are harmed due to such non-compliance by individuals or organisations.

A dedicated team investigates all reported grievances and concerns, keeping the whistleblower informed of progress and actions taken. Based on the investigation findings on employees, disciplinary action, if necessary, follows the Limits of Authority and relevant policies/procedures on disciplinary measures, which may include termination of employment contracts.

In cases involving suspected corruption, legal breaches, or other criminal activities, the Company will report the matter to the appropriate authorities and cooperate fully with any investigation.

Addressing the impact on suppliers, MRCB's Human Rights Policy outlines remedial actions for violations. Concerns about suppliers are addressed through supplier performance management. We encourage business partners to utilise their own grievance processes for remediation. Confirmed violations may lead to actions such as contract termination or dismissal.

Transparency plays a crucial role in MRCB's corporate governance. We ensure that the Audit and Risk Management Committee and the Board are promptly notified of disclosures, investigation outcomes, and actions taken.

Grievance Mechanism

MRCB provides a range of grievance mechanisms and reporting channels across operational and company-wide levels. These channels facilitate the identification and prompt investigation of potential and actual human rights impacts, ensuring timely and appropriate actions. These grievance mechanisms are detailed on the Group's intranet and offer a clear and transparent framework for addressing workplace-related grievances. This process is typically managed through an internal complaint system. Reports submitted through our grievance mechanism will be handled confidentially and without reprisal.

Whistleblowing Mechanism

Reporting of any improper conduct can be made through the following channel:
 Email: whistleblowing@mrcb.com
 e-Form: [whistleblowing e-form](#)

Incidents of bullying and harassment can be reported using the whistleblowing e-form available on our website, in line with our Whistleblowing Policy.

LCE Local Community Engagement

We are deeply committed to actively supporting the communities in which we operate. We do this through stakeholder engagement strategies, various initiatives, and partnerships with NGOs to create sustainable and inclusive environments, foster education and skills development, and promote health and well-being.

Our outreach to the local community continued in 2023 under Yayasan MRCB, MRCB's foundation that was established to increase the quality of life for the underprivileged through education and financial assistance. Founded in 2015, Yayasan MRCB has organised numerous impactful programmes covering various aspects, including health care, skills empowerment, community well-being for physically challenged individuals, and uplifting the Orang Asli community.

EDUCATION



Pustaka Digital DBKL	RM4.7 million was invested in a fully digital library for the local community in Bandar Sri Permaisuri, Cheras, Kuala Lumpur, benefitting 9,600 members of all levels of society
Malaysian Student Leaders' Summit (MSLS) XVII 2023	RM7,500 was contributed to developing future leaders and benefitted around 16,000 students
MRCB-adopted schools and Kuala Lumpur City Hall (DBKL)	RM11,250 was contributed towards 150 books titled 'The Sultan Nazrin Muizzuddin Shah's Titah Book Series II', purchased and distributed to MRCB Foundation's adopted schools and the one Wilayah Library managed by DBKL, which benefitted 1,200 students and members of the public
Pusat Kreatif Tuanku Bainun (PKK)	RM15,000 was invested in 160 primary and secondary school students from underprivileged backgrounds to join 'ArtSpire' a programme to develop culinary, visual arts, drama, speech, and music skills
UiTM Cawangan Perak Property Management Department	RM500 was contributed to support a Property Talk 2023 Roadshow, where 300 members of the community were exposed to the property sector
Maahad Tahfiz Dhiya'ul Islah (MTDI)	RM5,000 was contributed to refurbish a building that benefitted 50 students
Sekolah Jenis Kebangsaan (Tamil) Ladang Midlands, Shah Alam, Selangor	RM20,775 was contributed to 173 qualified students from underprivileged and B40 income group for their 'back-to-school' supplies
Apartment Abdullah Hukum, Bangsar, Kuala Lumpur	RM9,750 was allocated to 150 students qualifying for 'back-to-school' supplies
Persatuan Tuisyen Anak Malaysia	RM39,990 was spent on B40 children
Hospital Permai, Johor Bharu, Johor	RM5,000 was donated for Deepavali and Christmas celebrations for 650 psychiatric patients
Sekolah Kebangsaan Desa Setapak, Kuala Lumpur	RM2,670 was invested in a mushroom cultivation project that will create opportunities for 89 disabled students to become self-sustaining entrepreneurs

COMMUNITY DEVELOPMENT AND WELL-BEING



Pahang State Government's Pesta Kuantan	RM50,000 was spent to aid 15,000 local SMEs and the local community in participating in the tourism industry programme, Pesta Kuantan
Low-income Residents of Kuala Pahang	RM10,000 was contributed to increase the quality of life for 50 low-income families with household equipment and necessities, including food supplies, through Kelab Kebajikan dan Rekreasi MRCB
Unit Latihan Vokasional St Nicholas' Home Penang's White Cane Day 2023	RM6,630 was contributed to raise awareness and advocate for the rights of people with visual disabilities , attended by 150 people
Akaun Amanah Kemanusiaan Rakyat Palestine by the Prime Minister's Office	RM150,000 was donated for Palestinian refugees
Transit Gelandangan Kuala Lumpur	RM6,042 was donated for 100 homeless individuals under the 'We Care We Share' Programme
Persatuan Pusat Jagaan Kasih Sayang, Kampar, Perak	RM3,000 was donated for six beneficiaries
Pusat Pemulihan Dalam Komuniti Kasih Templer (Autisma)	RM2,872 was spent to aid 40 autistic persons
Persatuan Dakwah & Kebajikan Disa Mahabbah	RM25,000 was channelled towards six months of food baskets for 67 B40 families
KRT Taman Sri Langat, Kajang Selangor	RM1,677 was contributed towards food baskets for 20 B40 families
Pusat Jagaan Beribuan Kasih	RM2,535 was contributed for the supply, delivery, and installation of a shelving rack at the centre, benefitting 42 residents
Padang Townhouse, Taman Kajang Utama, Kajang, Selangor	RM5,000 was donated to improve public facilities, benefitting 503 residents
Pusat Jagaan Al-Fikrah Malaysia	RM5,000 was donated to support activities for 70 residents at the centre

HEALTHCARE



Medical Treatments	RM10,000 was donated for medical procedures at the Institut Jantung Negara (IJN), benefitting 15 B40 cardiology patients
	RM10,000 was contributed towards medical treatment for a Spinal Muscular Atrophy infant patient
	RM5,000 was donated for 12 months of financial assistance for medical expenses for B40 patients worth RM5,000

Building Inclusivity Through Our Projects

We centre our projects around creating inclusive spaces, ensuring everyone, especially individuals with disabilities, experience comfort and ease of access. In our building designs, we consider the ease of access and navigation, following disability access standards to provide equitable access for all.

In our upcoming redevelopment projects of Stadium Shah Alam and KL Sentral Station, we are committed to enhancing accessibility. These improvements are designed not only to benefit individuals with disabilities, but also to cultivate an inclusive environment for everyone who visits or utilises these spaces.

Creating Social Spaces

As part of our social responsibility to foster learning and access to information, MRCB constructed Kuala Lumpur's first fully digital library, Kuala Lumpur Digital Library in Bandar Tun Razak, which opened to the public in 2023. This cutting-edge facility, managed by Kuala Lumpur City Hall (DBKL), offers over 4,400 electronic books. It features 28 desktop computers, 10 iPads, an interactive children's section, and several private meeting rooms for group studies or project discussions.



MRCB's CSR Initiatives

EMPOWERING COMMUNITIES THROUGH DIGITAL LITERACY

Our steadfast commitment to community development and education forms the bedrock of our Corporate Social Responsibility (CSR), rooted in the belief that our actions today should foster positive change and build enduring, sustainable value.

RM4.7 million

was invested to foster learning and access to information for our local community in the Klang Valley through the first fully digital library

MRCB, as part of its CSR initiative for Dewan Bandaraya Kuala Lumpur, developed and handed over two libraries, namely Pustaka KL@Lembah Pantai in 2015 and Pustaka KL@Medan Idaman in 2017. On 31 October 2023, a third library, Pustaka KL Digital Madani@Bandar Sri Permaisuri, was inaugurated by the Prime Minister's wife and Member of Parliament for Bandar Tun Razak, Dato' Seri Dr. Wan Azizah Wan Ismail.

Situated in the heart of Bandar Sri Permaisuri, this pioneering Digital Library in Kuala Lumpur goes beyond offering access to books, but serves as a platform for community empowerment, engagement, and social interaction while fostering a vibrant reading culture in the community. With the addition of digital

recreational facilities such as gaming areas, interactive visual projections, iPads, iMacs, and PC stations, it reflects our forward-thinking approach to engage users, particularly the younger generation. This design makes the library a dynamic, interactive, and appealing space for individuals of all ages.

As we continue to pursue our CSR efforts, we hope that our dedication to Build Meaningful Places for a Better Tomorrow will benefit the community and create a long-lasting impact. By reaching out to underprivileged communities and providing them with equal access to learning from the wealth of information and resources housed within the library, MRCB tackles the issue of digital inequity head-on.



Beyond ebooks, MRCB's first fully digital library offers access to online courses, research tools, and expert help, benefitting members of all levels of society



>4,400
electronic books



28
desktop computers



10
iPads

Community Engagement with Orang Asli

Yayasan MRCB, in collaboration with the Malaysian Relief Agency Perak, undertook an engagement with the Orang Asli community in Royal Belum, Gerik, Perak. This community engagement involved setting up a mobile clinic that provided health screenings, health awareness, and educational sessions for approximately 600 Orang Asli residents of Kampung Sungai Kejar. MRCB employees volunteered their time to make this programme successful, taking part in educational activities for children, leading knowledge-sharing sessions, organising sports activities, and preparing meals for families.

MRCB'S SUPPORT FOR THE ORANG ASLI COMMUNITY

ORANG ASLI BENEFICIARIES

600 INDIVIDUALS

2022: 200 individuals

MRCB VOLUNTEERS

35 VOLUNTEERS

2022: 27 volunteers



Village children received donations of educational materials, toys, and snacks

On New Year's Eve, in partnership with the Malaysian Relief Agency Perak, Yayasan MRCB organised a meaningful initiative with the Orang Asli community residing in Royal Belum State Park, Perak. Our endeavour reached out to more than 150 indigenous families in Bongor Village and delivered essential household provisions, healthcare examinations, and vital hygiene education to the community.

Recognising the importance of recreation and enjoyment, fun and engaging sports activities were held for the children, keeping them active and entertained. To bring smiles and shared laughter, MRCB also hosted an indoor movie screening, providing a welcome dose of entertainment for the whole community.

Investing in the future of the Orang Asli children, donations of educational materials and toys were given to the villager's kindergarten, fostering a love for learning and equipping them with valuable tools. In regard to the importance of proper nutrition, warm and nutritional meals were cooked and served to over 150

families, ensuring everyone had a satisfying and celebratory New Year's Eve.

Bongor Village, located at the furthest reaches of Royal Belum State Park and lacking basic amenities such as electricity, holds a special significance for us. Past collaborations, from 2018 onwards have forged a connection with the Orang Asli community, making this outreach a continuation of a shared journey, marked by familiar faces and a renewed commitment to their well-being. Our fundamental goal was to connect with them, uplift their spirits, and try to make a positive impact on their lives.

Over a period of three days, our MRCB staff volunteers not only provided necessary aid and contributions, but also dedicated quality time to educate, participate in activities, and share meals with the community members.

By reaching out to the Orang Asli community, MRCB hopes to build a more inclusive and equitable society, to ensure that no one is left behind in the journey towards progress.

Building on the momentum of the past year, it is important not to forget those who require our support

Upskilling Workforce in the Construction Industry

As part of our commitment to sustainable construction, we actively advocate for it across the construction industry. In 2023, we collaborated with the Construction Industry Development Board and Akademi Binaan Malaysia to improve Technical and Vocational Education and Training (TVET) construction programmes and develop custom upskilling opportunities for young Malaysians. The initiative focused on modular construction and MRCB Building System (MBS), MRCB's patented modular construction method that significantly reduces waste and carbon emissions, and the industry's dependence on foreign labour reliance.

Our investment in enhancing these TVET programmes brings economic and social advantages, equipping young Malaysians with essential skills to reduce youth unemployment. These programmes will help to create a skilled, market-ready workforce that supports innovative and sustainable construction methods.

We also provide simulation-based training that is conducted in a safe and controlled environment for learners that mirrors real-world conditions without the associated risks. Our tower crane training which will commence in 2024, will provide hands-on experience using real cranes installed at the ground level to ensure easy accessibility and safety. This facility is installed at the Bandar Saujana Putra fabrication yard and is the only such facility in central Malaysia under the Akademi Binaan Malaysia.

Partnering on the Advancing Industrial Collaboration Programme (ICP)

MRCB's ICP is an initiative guided by the National ICP established by the Ministry of Finance (MoF) in 2014. It is designed to align business endeavours with Malaysia's economic objectives. It connects overarching macroeconomic frameworks, such as Malaysia's Five-Year National Development Plans and the Malaysian Industrial Masterplan, with the nation's economic goals.

Through the ICP, MRCB has been a key player since 2019, particularly in the LRT3 rail project, by providing RM20 million in grants, and overseeing, advising, and providing consultations with the ICP Project Providers (IPPs). To qualify for the ICP, IPPs must introduce a unique product or service that has never been executed in Malaysia and conduct a feasibility study on its impact. The selection process is rigorous, with a panel of approvers that includes representatives from MoF, Prasarana Malaysia Berhad (the LRT3 project owner), and the Technology Depository Agency (TDA).

The programme aims to foster economic growth and create job opportunities, while also developing a knowledge-based economy. MRCB has awarded a total of 64 contracts to the IPPs, with an average value of between RM250,000 to RM500,000 per project.

One 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.

Other projects include a medical artificial intelligence augmentation software now being used in the Sungai Buloh Hospital. It is a device used to assist therapists in improving movements in autistic children and a digital project management and data sharing platform. All 64 ICP projects awarded by MRCB are targeted to be completed by August 2024.

HR

Human Rights

We also adhere to all international agreements preventing child labour and are committed to human rights and anti-slavery principles, regulations, laws, as well as best industry practices. In upholding human rights, MRCB's Whistleblowing Policy is also applicable to individuals and communities whose rights are impacted by our business activities (please refer to page 220 for details on our Whistleblowing Policy). In 2023, MRCB is pleased to report no incidents related to non-compliance of human rights principles and labour standards.

Adhering to Policies, Guidelines, and Frameworks

Our commitment to human rights is enshrined in our Code of Business Ethics and Human Rights Policy. These documents and others related to human resources and ethics, such as the Health and Safety Policy, are designed to support and respect basic human rights. This commitment extends to our external stakeholders including customers, vendors, and suppliers. When entering into new commercial agreements with us, they are required to acknowledge and adhere to our code, ensuring the fundamentals of human rights are respected and upheld throughout our value chain. Our MRCB Human Rights Policy is published on our website and guides our human rights journey, reinforcing our commitment to global guidelines and frameworks such as:

- United Nations Global Compact (UNGC) Ten Principles
- United Nations Guiding Principles (UNGPs) on Business and Human Rights
- International Labour Organisation (ILO) 8 Core Conventions
- United Nations Convention on the Rights of the Child (UNCRC)

We respect the rights of our employees, workers employed by others in our operations, and our communities through our commitments which include, but are not limited to the following:

- Child Labour and Promoting Access to Education
- Forced Labour, Adopting Responsible Recruitment, and Fair Living Wage

- Freedom of Association and Collective Bargaining
- Equality of Opportunity and Treatment, Non-Discrimination, and Non-Harassment
- Human Capital Development
- Safety and Health at Work
- Indigenous People and Local Communities' Land Rights

The following policies and programmes have been established to support us in our human rights journey:

- Human Rights Commitment
- Human Rights Policy
- Code of Business Ethics
- MRCB Employee Handbook
- Quality, Environmental, Safety, and Health Policy
- UNGC's 'ESG Start' assessment for suppliers

This commitment extends to our external stakeholders including customers and suppliers/contractors, especially when entering into new commercial agreements with us. They are required to acknowledge and adhere to our code, ensuring the fundamentals of human rights are respected and upheld throughout our value chain.

Strengthening Supply Chain

In 2023, we initiated a supply chain management programme in alignment with the United Nations Global Compact (UNGC) to promote sustainable business practices to suppliers. This programme includes screening all new vendors and suppliers against social criteria outlined in our human rights policy, including forced and child labour.

Additionally, clauses outlining MRCB's expectations regarding human rights are integrated into our standard supply chain contracts. Non-compliance with these expectations, if unremedied, will lead to the termination of supplier contracts.

**PEKA@MRCB Programme:
Promoting
a Second
Chance
Society**

The PEKA@MRCB programme, launched on 26 November 2019, is a collaboration with the Malaysian Prison Department and MRCB. Since its inception, there have been a total of 460 prisoners/offenders who have enrolled in the programme, and 120 of them have gone on to become employed by MRCB.

As part of our inclusivity initiatives, our PEKA@ MRCB programme launched in 2019 is still ongoing to support selected prisoners/offenders by providing upskilling and employment opportunities. The programme is part of the Yellow Ribbon initiative spearheaded by the Ministry of Youth and Sports in collaboration with the Malaysian Prison Department and MRCB. Due to the connection between poverty, incarceration, and inequality, we believe that the programme provides those from underprivileged backgrounds with positive opportunities. This initiative is crucial for reducing poverty, fighting discrimination in the labour market, and lowering the risk of re-offending by helping these individuals re-enter, obtain jobs, and re-integrate into society.

Our Human Rights Policy ensures that they are treated with respect and without discrimination. Participants are provided proper accommodation, transportation, and four meals daily. They are also provided with a minimum basic salary, annual and medical leave benefits, and insurance coverage. Since its inception in 2019, 460 prisoners/offenders have participated in this programme.

The programme's effectiveness is evident in the numerous awards and recognitions it has received.



Prisoners/Offenders being enrolled on the PEKA@MRCB Programme

PEKA, WHICH STANDS FOR ‘PELUANG KEDUA ANDA’, PROVIDES UPSKILLING AND EMPLOYMENT OPPORTUNITIES FOR SELECTED OFFENDERS WHO ARE NEARING THE END OF THEIR PRISON SENTENCE AND ARE PLACED AT THE INMATE REINTEGRATION CENTRES THROUGHOUT THE COUNTRY

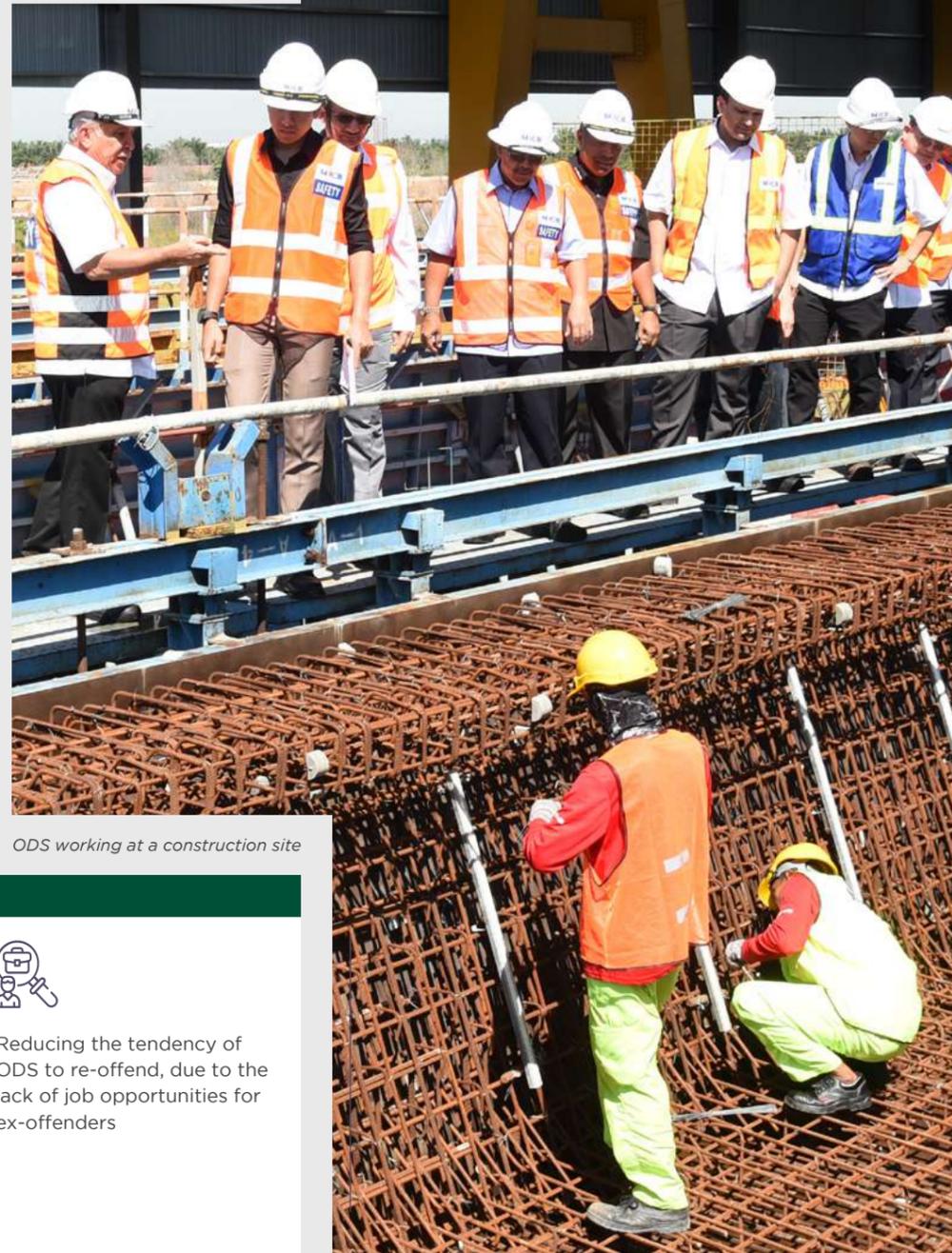
PEKA, which stands for ‘Peluang Kedua Anda’, provides upskilling and employment opportunities for selected offenders who are nearing the end of their sentence period, which is at least 24 months, and are placed at the Inmate Reintegration Centres throughout the country.

These offenders, called ‘Orang DiSelia’ (ODS), which translates to “supervised person” and refers to current detainees or persons under supervision who are undergoing a rehabilitation programme as part of their sentence, instead of serving their entire sentence in prison. They are selected to participate in this voluntary programme after a thorough screening process.

The programme helps to reduce poverty by providing income-generating opportunities for the ODS, who face discrimination and stigma in the labour market. By upskilling and giving them a chance to earn a decent living, the programme also reduces the risk of them re-offending and ending

up back in prison, due to their inability to secure gainful employment.

Recognising the challenges ex-offenders face, the PEKA@MRCB programme embraces a multi-faceted approach. Firstly, it strives to bridge the gap between society and those who have been incarcerated, aiming to dispel negative stereotypes and cultivate understanding. Secondly, it empowers ex-offenders with valuable skills and practical training, offering them a path to gainful employment and financial stability. This, in turn, fosters renewed confidence and self-belief, laying a foundation for successful reintegration into society. Lastly, the programme carves out a dedicated space within the construction industry for ex-offenders, unlocking valuable job opportunities and facilitating their return to the workforce. Through these interwoven objectives, PEKA@MRCB seeks to create a holistic support system that grants ex-offenders a genuine second chance and empowers them to build brighter futures.



ODS working at a construction site

Benefits received by the ODS who participate in this programme



Real work experience at the construction site to enhance their experience and employability when their sentence ends



Producing competent skilled workers following training accredited by the Construction Industry Development Board to increase their employability and fill the shortage of skilled workers in the construction industry



Reducing the unemployment rate among ODS who have been released



Reducing the tendency of ODS to re-offend, due to the lack of job opportunities for ex-offenders

In recognition of its success in helping ex-offenders reintegrate into society, the PEKA@MRCB programme has won numerous awards and certifications:

NOVEMBER 2021

SECOND CHANCES AND OPPORTUNITIES FOR PEOPLE TO EXCEL (SCOPE) AWARD

by Human Resource Development Corporation (HRDF)

SEPTEMBER 2022

BEST EMPLOYER AWARD AT THE PAROLE & COMMUNITY SERVICE AWARDS

by Social Security Organisation (PERKESO) and the Malaysia Productivity Corporation

SEPTEMBER 2023

CERTIFICATE OF APPRECIATION

from the Ministry of Human Resources and Malaysian Prison Department for Civilised Humane Culture Development Centre

BEST EMPLOYER AWARD 2022 BY THE PAROLE AND COMMUNITY SERVICE AWARDS

held during the Corporate Smart Internship (CSI) Appreciation Night by the Malaysian Prison Department

NOVEMBER 2023

PARTNERSHIP FOR THE GOALS RECOGNITION AWARD

by the UN Global Compact Network Malaysia & Brunei's (UNGCMYB) Forward Faster Sustainability Awards

The PEKA@MRCB programme has helped countless ex-offenders reintegrate into society and find meaningful employment. These ex-offenders are paving the way for successful reintegration, proving that second chances can be a reality.

In a world where labels stick and opportunities are scarce, the PEKA@MRCB Programme offers a practical path for ex-offenders, often burdened by stigma and a lack of job prospects, to find a chance to break free from the vicious cycle of unemployment and recidivism. The programme provides real work, real wages, and a real opportunity to contribute. They earn not just a paycheck, but a chance to rebuild their lives, having repaid their debt to society, and step out from under the label of ‘ex-offender’.

	2021	2022	2023
Cumulative number of inmates who participated in the PEKA@MRCB programme	231	345	460

Our Performance
Environmental

MRCB is firmly committed to driving a greener future in the course of its business. We adopt a comprehensive and pragmatic approach towards achieving Net Zero Carbon by 2050 in alignment with the Paris Agreement and in support of Malaysia's national target of achieving Net Zero for Scope 1, 2, and 3 by 2050. This goal involves an integrated strategy to optimise resource utilisation, reduce greenhouse gas emissions, enhance energy efficiency, and transition towards a cleaner and more sustainable future. Our approach to environmental sustainability aligns with our aim to build a more resilient future, drive positive change within the industry and bring to life our purpose to 'Build Meaningful Places for a Better Tomorrow'.



Artist's impression of Alstonia Garden Heights

OUR ENVIRONMENTAL PERFORMANCE

CARBON EMISSIONS INTENSITY REDUCTION AGAINST 2020 BASELINE



CARBON EMISSIONS ABSOLUTE INCREASE AGAINST 2020 BASELINE



Driving a Greener Future			
MRCB Material Matters: Environmental			
Climate Change and Emissions	CTR	PCR	GHGE
Resource Management	MM	SC	W
Ecological Impact	BIO		

A COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

A PRIMARY DRIVER OF MRCB'S ENVIRONMENTAL STRATEGY IS OUR RESPONSE TO CLIMATE CHANGE, WHICH HAS BEEN A MAJOR FOCUS IN RECENT YEARS. AS A KEY PLAYER IN THE CONSTRUCTION INDUSTRY, WE RECOGNISE THE IMPACT OF OUR BUSINESS ON THE ENVIRONMENT AND OUR INFLUENCING ROLE IN DRIVING SUSTAINABILITY EFFORTS WITHIN THE INDUSTRY. WE HAVE MADE PROGRESSIVE STRIDES IN IMPLEMENTING STRATEGIES TO REDUCE THE IMPACT OF OUR OPERATIONS ON THE ENVIRONMENT. OUR GOAL TO ACHIEVE NET ZERO CARBON BY 2050 UNDERSCORES THIS COMMITMENT TO ENVIRONMENTAL STEWARDSHIP.

CLIMATE CHANGE AND EMISSIONS

We address the impact of our business on the environment through our Climate Strategy Framework, which is aligned with Malaysia's commitment to the Paris Agreement, national goals, and climate change policies. We aim to achieve Net Zero Carbon for Scopes 1 and 2 by 2040 by reducing our greenhouse gas (GHG) emissions and exploring waste-to-energy and clean energy solutions. We recognise the challenges in addressing Scope 3 emissions, which are beyond our direct control, particularly operating in an industry that utilises cement and steel, materials that emit some of the highest emissions in their manufacturing processes. Therefore, we aim to reduce 25% of our Scope 3 emissions by 2030, working with our business partners and the vendors in our supply chain. Our short, medium, and long-term emissions reduction targets are set out on page 177. MRCB complies with applicable laws and guidelines, such as the Environmental Quality Act 1974. In 2023, we received zero environmental fines or penalties and zero incidents of non-compliance related to environmental laws and regulations.

CTR PCR Climate Transition Risk / Physical Climate Risk

MRCB'S CLIMATE RISKS & OPPORTUNITIES ALIGNED TO TCFD FRAMEWORK

We recognise the need to accelerate actions to address the climate crisis and to contribute to global efforts and Malaysia's commitment to the Paris Agreement to limit the global temperature increase to below 1.5°C, which in the long run, helps improve the Company's resilience to potential climate impacts. Managing climate-related risks, as well as maximising the opportunities from climate change, will be important to help ensure a sustainable long-term future for our operations.

Our climate journey started in 2019, by expanding the boundaries of GHG emissions accounting and reporting and organising workshops with our employees and management to discuss climate-related risks and opportunities, to develop a climate strategy based on the best international practices and expectations.

Here we aim to present a holistic picture of how we identify, manage, and respond to the financial implications of climate-related risks and opportunities according to the TCFD recommendations. This is the third disclosure of climate-related financial risks and opportunities aligned to TCFD recommendations. We are committed to continually improving our disclosures and climate performance by providing annual updates according to TCFD requirements, ensuring transparency to our stakeholders.

TCFD disclosure recommendations are structured around four core elements of organisational operations: governance, strategy, risk management, and metrics and targets.



TCFD Disclosure: Governance

Our Board has oversight of our sustainability agenda including climate-related matters (risks and opportunities). Climate-related risks are embedded into the Group’s Key Enterprise Risks (KER), which are approved by the Audit & Risk Management Committee (ARMC) and the Board, and are specifically monitored under KER5: Environmental, Social, and Governance Risk.

We have also embedded sustainability-related risks into our risk registers as part of our Enterprise Risk Management Framework under KER 5 Environmental, Social, and Governance Risk to ensure that environmental, social, and governance matters are fully integrated into our business operations and day-to-day activities across the organisation.

For further details, refer to pages 71 to 72

The Chief Corporate Officer (CCO) has been identified by the Board to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group. To assist the CCO in executing this mandate, the Sustainability Management Committee (SMC) was established with the approval of the Board to address our climate-related risks and opportunities, support strategic planning for sustainable development, and manage overall risks. The SMC comprises Heads of Divisions/Departments for all of MRCB’s core operations and corporate functions. The CCO is designated as its Chairman and manages the material sustainability matters and ensures the Board stays abreast with and understands the sustainability issues, including climate-related risks and opportunities. Outcomes arising from the SMC meetings and other updates on sustainability matters are provided at all quarterly Board meetings as a permanent agenda item, where they are discussed and deliberated by the Board.

To identify, manage, and report on material sustainability risks within the MRCB group, we have set up a structure for sustainability governance, prepare the annual sustainability report and reporting to relevant sustainability indexes (e.g.: FTSE4Good, MSCI, GRI), and report on sustainability progress quarterly through our ESG brief published on our website.

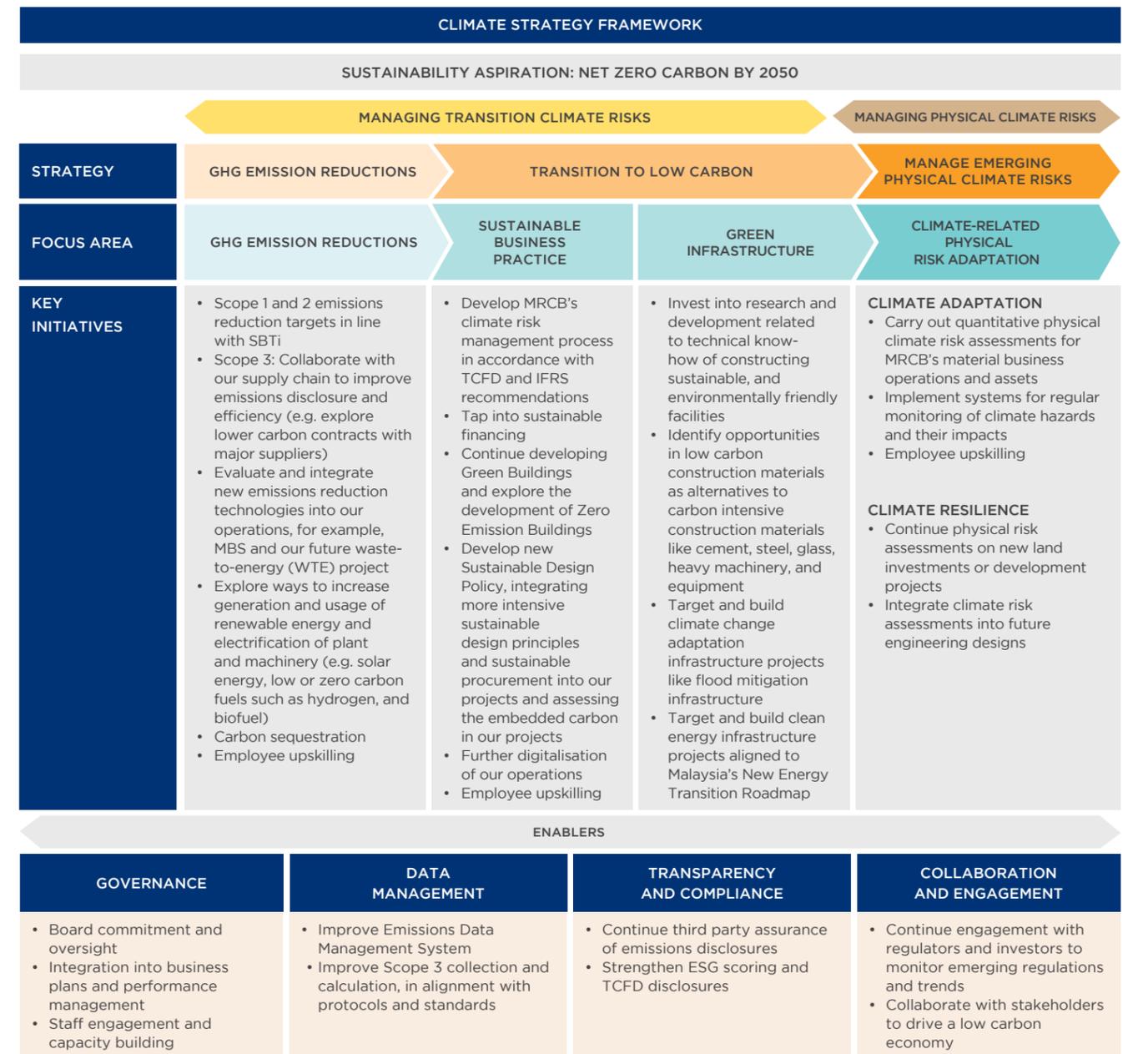
Sustainability performance has also been embedded into the Senior Management’s Key Performance Indicators (KPIs), which are linked to their remuneration. These climate-related targets are also cascaded to employees within the Group and reviewed annually.

For more details on our Sustainability Governance, refer to page 130

TCFD Disclosure: Strategy

MRCB has established a Climate Strategy Framework aimed at addressing environmental and climate challenges while ensuring sustainable business growth. We aim to reach Net Zero Carbon by 2050 and are developing strategies to improve our operational eco-efficiency in energy, water, resource use, and waste management. These strategies include initiatives to decrease both direct and indirect emissions, support the transition to a low-carbon economy, and adapt to climate change.

Our framework is aligned with global climate frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD), Science-Based Targets initiative (SBTi), and the Greenhouse Gas (GHG) Protocol. We aim to significantly reduce our GHG emissions from the 2020 baseline levels. By 2025, we target a 21% decrease in Scope 1 and 2 emissions. Our mid-term goal for 2030 includes a 42% reduction in Scope 1 and 2 emissions and a 25% cut in Scope 3 emissions. By 2040, our ambition is to achieve a 90% reduction in our Scope 1 and Scope 2 emissions and a 50% reduction in our Scope 3 emissions.



MRCB has a history of sustainable development, notably through Green Buildings and TODs. Through our proposed Sustainable Design and Planning Policy, we aim to integrate sustainable design aspects, explore incorporating Zero Energy Building concepts, and expand our proprietary low-waste modular construction technology, MBS. We intend to perform Embedded Carbon Assessments on new projects to reduce emissions from construction materials and their production processes.

Since 2011, we have been implementing and managing District Cooling Systems (DCS) to supply air conditioning across a network of buildings. To date, we have successfully launched four DCS plants within our projects. The advantages of using DCS are considerable, including significant energy savings, reduced overall lifecycle expenses, and a decrease in carbon emissions.

TCFD Disclosure: Risk Management

We recognise that TCFD recommends organisations to describe the resilience of their business strategies to climate-related risks and opportunities, taking into consideration the physical impacts of climate change and a transition to a lower-carbon economy. We conducted a qualitative assessment of the Group’s physical and transition risks after undertaking a climate scenario analysis in 2022 (detailed on page 178, 179 & 183) and a quantitative analysis of the most material physical climate risks on our most material assets.

The results are detailed on pages 180 to 182

Climate-related risks are embedded into the Group’s Key Enterprise Risks (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.

In addition, we have expanded our material matters to include more climate-related matters, which are now expanded into Climate Transition Risk, Physical Climate Risk, and GHG Emissions.

For more details on our material matters, refer to pages 48 to 54

Climate change risks are managed under the Group’s Enterprise Risk Management framework and embedded into our risk registers. 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. These are reviewed by the operating units every quarter.

Our climate change risk controls include the quarterly reporting of our GHG emissions to the Board.

TCFD Disclosure: Metrics and Targets

We recognise the crucial role the business community can play in minimising the risk climate change poses to the future of our planet. In 2023, our GHG emissions calculation was in accordance with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute’s (WRI) GHG Protocol.

MRCB has also committed to setting science-based targets and has established a yet-to-be-validated target to reduce Scope 1 and Scope 2 carbon emissions by 4.2% annually, against our 2020 baseline. Our targets are aligned with the 1.5°C scenario and Malaysia’s commitment to the Paris Agreement.

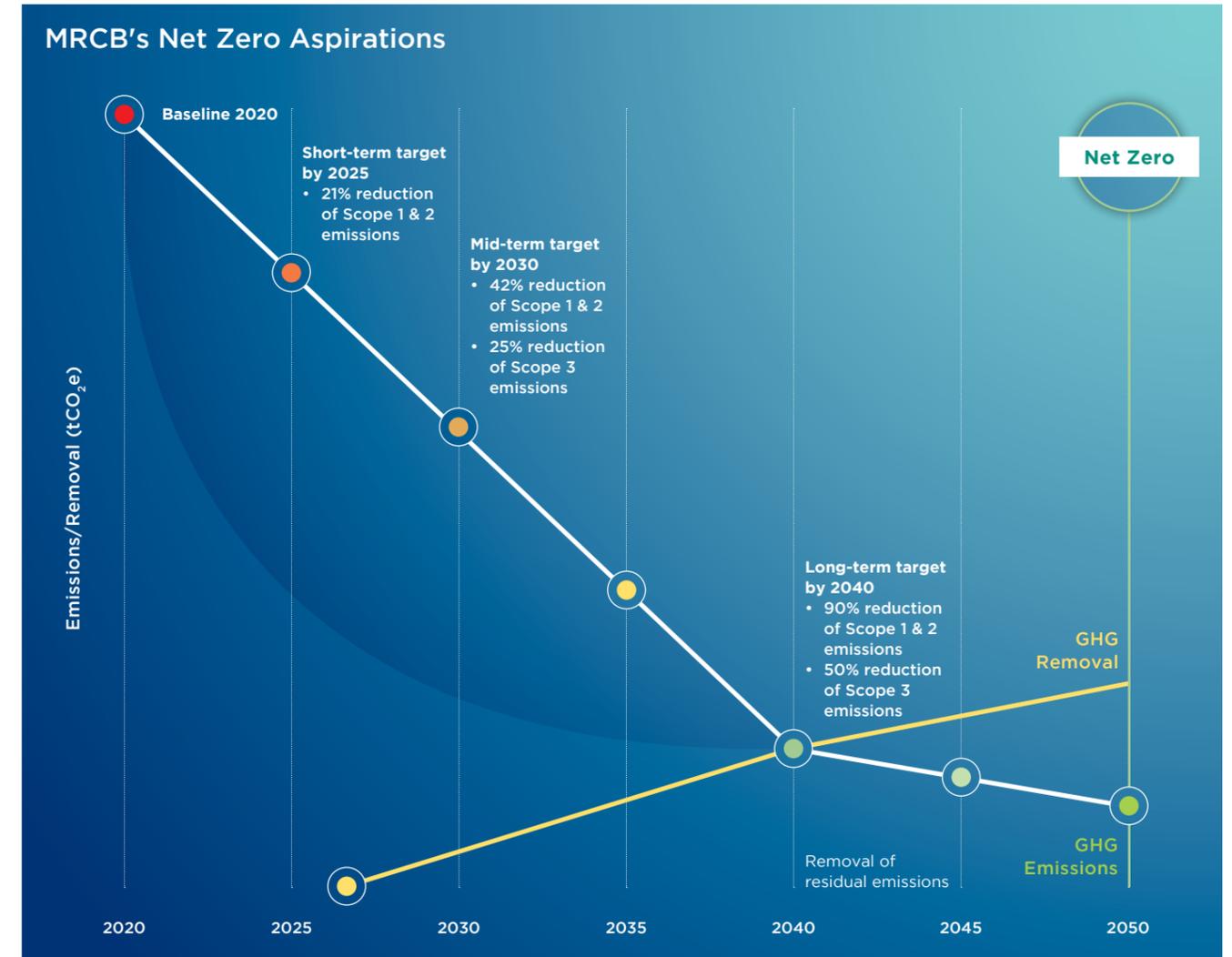
We aspire to achieve Net Zero emissions by 2050. We have also set interim emissions reduction targets as follows:

- Short-term target by 2025: 21% reduction of our Scope 1 and 2 emissions
- Mid-term target by 2030: 42% reduction of Scope 1 and 2 emissions, and 25% reduction of Scope 3 emissions
- Long-term target by 2040: 90% reduction of Scope 1 and 2 emissions, and 50% reduction of Scope 3 emissions
- Net Zero in Scope 1, Scope 2, and Scope 3 by 2050

We calculate our carbon emissions in accordance with the World Business Council for Sustainable Development and World Resources Institute’s (WBCSD/ WRI) GHG Protocol. Our environmental performance data is measured and reported quarterly in our ESG brief which is published on our website.

We also manage the eco-efficiency of our energy, water, and waste through ISO 14001 Environmental Management System and our QESH Policy. 100% of ongoing construction sites operated by the Engineering, Construction & Environment (ECE) Division are ISO 14001:2015 certified.

The disclosure of our Scope 1, 2, and 3 carbon emissions reduction performance against our 2020 baseline and other environmental performance data can be found on pages 184 to 191, and 196 to 199 of this report.



TCFD/IFRS S2 Journey: Next Steps

We intend to continue expanding our disclosures of our climate related risks and opportunities annually, as per TCFD/IFRS S2 recommendations to ensure full transparency to all our stakeholders. To further strengthen our understanding and reporting, we also plan to conduct a financial quantification of our risks and opportunities related to our transition risks. We will also select priority Scope 3 GHG emissions categories to establish a Scope 3 GHG baseline. This will be complemented by a gap analysis to identify areas for improvement to comply with IFRS S2 sustainability reporting framework, should it be introduced in Malaysia.

CLIMATE RELATED RISKS AND OPPORTUNITIES ASSESSMENT

Physical Risk Assessment

A physical risk assessment of the natural hazards of our assets was conducted to better understand the identified physical climate risks and to strengthen our strategic resilience against the impacts of climate change under different climate scenarios. This assessment was conducted for the following scenarios over the time horizons of 2030 and 2050:

- Representative Concentration Pathway (RCP) 4.5 was selected as it is comparable to Malaysia’s Nationally Determined Contributions (NDC), and
- RCP 8.5 was selected to represent the Business as Usual (BAU) scenario, which is considered as the worst-case scenario where no efforts are actively taken to reduce GHG emissions.

The following methodology was adopted for screening high level physical risks:

- A review of the regional and country level data and literature to identify the key risks our businesses may be exposed to, as well as those that may require further validation in the respective areas of interests.
- The key hazards and risks identified were then evaluated in further detail with respect to the specific locations of MRCB’s assets. Baseline natural hazard data and climate change projections for key climate indicators were extracted using geospatial information for each asset location. The baseline natural hazards were then defined into High, Medium, and Low categories, with the climate change projection data evaluated and qualitatively superimposed on the baseline hazard data to estimate future hazards under RCP 4.5 and 8.5, with respect to our business units. Following that, high level implications of each natural hazard on our business units were identified along with feasible mitigation measures for adaptation.

Preliminary Physical Risk Assessment Results

Physical risks are multidimensional and complex, requiring assessment of each component – hazards, exposure, and vulnerability. In our initial approach, our assessment was conducted qualitatively, assessing selected hazards for the discovery of acute and chronic risks that are likely to affect the location of our assets. The results of the qualitative assessment provided us with a basis to understand the broad risks that may impact our assets and will require a detailed quantitative analysis to determine asset-specific risks and their financial impact on MRCB.

Criteria or Identification of Physical Risks	
1. Acute	2. Chronic
<p>Under the baseline scenario, many of the selected hazards were found to be event-driven, including increased severity of extreme weather events:</p> <ul style="list-style-type: none"> • Urban Floods 0-5 years (high risk baseline and future scenarios) • Riverine Floods 0-5 years (high risk baseline and future scenarios) • Landslides 0-5 years (based on average number of precipitations triggered landslides per year per square kilometre during 1980-2018) • Water Stress 5-10 years (low water stress at present, however high water stress is projected by 2030) • Cyclones >10 years (although cyclones are seldom reported in this region, BAU climate change projections indicate an increase in intensity and frequency of cyclones in the Pacific Ocean basin, therefore some of the asset locations may be affected in the future) 	<p>Longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves:</p> <ul style="list-style-type: none"> • Coastal Floods >10 years (low risk of cyclones leading to storm surge at present) • Heat Waves >10 years (hazard classification is based on the daily maximum Wet Bulb Globe Temperature, which is provided as frequency-severity data in the raster format)

A summary of the qualitative assessment of the 30 assets assessed is disclosed below and shows the possible hazard category for each of our assets under the RCP 4.5 and 8.5 scenarios for the baseline year (BSL), as well as in the medium (2030) and long (2050) term.

		MRCB'S ASSETS									
		01, 04, 05, 07, 08, 14, 15, 16, 17, 18, 19, 21, 24	02	03	06, 10, 12, 13, 25, 26, 27	09, 11	20	22, 23	28, 30	29	
WATER STRESS	BSL	Low	Low	Low	Low	Low	Low	Low	Low	Low	
	2030	High	High	Low	High	Medium	High	High	Medium	High	
	2050	High	High	Low	High	Medium	High	High	Medium	High	
RIVERINE FLOODS	BSL	No Hazard	Medium	No Hazard	No Hazard	No Hazard	No Hazard	High	No Hazard	No Hazard	
	2030	No Hazard	Medium	No Hazard	No Hazard	No Hazard	No Hazard	High	No Hazard	No Hazard	
	2050	No Hazard	Medium	No Hazard	No Hazard	No Hazard	No Hazard	High	No Hazard	No Hazard	
URBAN FLOODS	BSL	High	High	High	High	High	High	High	High	High	
	2030	High	High	High	High	High	High	High	High	High	
	2050	High	High	High	High	High	High	High	High	High	
COASTAL FLOODS	BSL	N/A	N/A	Low	N/A	N/A	N/A	Low	N/A	N/A	
	2030	N/A	N/A	Low	N/A	N/A	N/A	Low	N/A	N/A	
	2050	N/A	N/A	Low	N/A	N/A	N/A	Medium	N/A	N/A	
LANDSLIDES	BSL	No Hazard	No Hazard	High	Low	No Hazard	High	No Hazard	High	Low	
	2030	No Hazard	No Hazard	High	Low	No Hazard	High	No Hazard	High	Low	
	2050	No Hazard	No Hazard	High	Medium	No Hazard	High	No Hazard	High	Low	
EXTREME HEAT	BSL	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	
	2030	High	High	High	High	High	High	High	High	High	
	2050	High	High	High	High	High	High	High	High	High	
CYCLONE AND WIND	BSL	Low	Low	High	Low	Low	Low	Low	Low	Low	
	2030	Low	Low	High	Low	Low	Low	Low	Low	Low	
	2050	Low	Low	High	Low	Low	Low	Medium	Low	Low	

Legend for Hazard Category ● High ● Medium ● Low ● No Hazard ● N/A

With regards to extreme heat, there is a moderate risk of increased financial costs due to resource availability and damage caused to assets. Damage includes an increased rate of deterioration of construction materials and existing assets requiring frequent maintenance. Water scarcity, which was also identified as a risk, may lead to increases in expenditure on water efficient technologies and water treatment systems; while properties in water stressed areas may experience a loss of value.

Our assessment under the baseline and future scenarios demonstrates that the exposure of the built environment to climate-related disturbances increases over time. All assets will experience some vulnerability to climate hazards particularly due to their dependence on infrastructure such as electricity, water, communications, road connectivity, and other essential services. Under the baseline scenario, urban floods and landslides pose a high-risk hazard, while extreme heat and water stress are categorised as medium risk and low risk respectively.

We considered cyclones, coastal and riverine floods as non-material hazards at this point of time, as these events are difficult to forecast with limited historical evidence locally. Given that climate science is evolving, we will continuously build-up our capacity to monitor and update the projections for all hazards within major climate models.

Physical Risk Financial Quantification

Urban flood, water stress, and drought were identified as the material climate-related physical risks to MRCB’s assets. As a result, further analysis was conducted to quantify the financial impacts of flood, water stress, and drought on land values in 2030 (medium-term time horizon) and 2050 (long-term time horizon) against Shared Socioeconomic Pathways (SSPs) 1-2.6 and SSP 5-8.5 scenarios. SSP1 represents a low carbon scenario where the world is gradually shifting to a more sustainable path and there are low challenges to mitigation and adaptation. SSP5 represents the worst-case scenario where there are challenges to mitigation and adaptation measures are not being implemented. Water stress and drought analysis considers data derived from the World Resources Institute (WRI) and variables from other sources. Flood depth data and flood damage curves have been derived from Fathom and the EU Joint Research Centre (JRC), respectively.

To determine the climate-related financial impacts to MRCB, a discount to the forecast compound annual growth rate (CAGR) of our landbank was imputed to account for the impact of extreme weather events which were extrapolated to 2030 and 2050.

Water Stress and Drought

Climate change and associated water security concerns have cost consequences on property values and business losses across Malaysia. This is exacerbated by factors such as rapid urbanisation, unsustainable water management practices, and intensifying competition for limited water resources, driving socio-economic vulnerabilities in the region.

The financial impact of water stress and drought for MRCB’s selected assets were calculated to determine the anticipated diminution of land values. The higher the water stress, the more significant 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 the years 2030 and 2050 are calculated by considering the CAGR and adjusted CAGR, and finally taking the difference between the two resultant values.

Modelling results for water scarcity represent the additional financial impact relative to baseline conditions (i.e., present day), and show a lower increase of 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 table below:

Scenario	Impact on Land Value	
	2030	2050
SSP 1-2.6 (Low emissions)	-0.16%	-0.71%
SSP 5-8.5 (High emissions)	-0.16%	-0.71%

Floods

Floods in Malaysia are one of the most prominent disasters affecting the country every year, and this includes urban flooding. This natural disaster is exacerbated by factors such as deforestation, urbanisation, and climate change which can significantly impact land value by causing damage to property, infrastructure, and agricultural land, while also increasing insurance costs and reducing investor confidence in the affected areas.

The financial impact of flooding for MRCB’s selected assets was calculated to determine 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 in this assessment: 1-in-20 years flood return (high probability), 1-in-100 years flood return (medium probability), and 1-in-500 years flood return (medium probability). Using probabilistic flood projections, we assessed the possible impact on MRCB’s assets if flooding of a particular magnitude or frequency were to occur, and the findings are set out below:

Scenario	Probability in Flood Return Period	Impact on Land Value		
		Baseline	2030	2050
SSP 1-2.6 (Low emissions)	1-in-20 Years	-7%	-7%	-16%
	1-in-100 Years	-8%	-11%	-17%
	1-in-500 Years	-8%	-11%	-17%
SSP 5-8.5 (High emissions)	1-in-20 Years	-7%	-7%	-16%
	1-in-100 Years	-8%	-11%	-17%
	1-in-500 Years	-8%	-11%	-17%

Mitigation and Adaptation Measures to Physical Climate Risks

Risks	Impact	Adaptation Measures
Flooding	<p>Higher risk of increased financial losses due to damages caused to asset, resource availability, reduced comfort levels, and health and safety as described below:</p> <ul style="list-style-type: none"> • Permanent loss of coastal land due to sea level rise and coastal erosion • Intensification of coastal flooding due to sea level rise makes coastal land unsuitable for development • Existing assets may get impacted due to intensified flooding affecting the stability of structures due to erosion and other associated infrastructure such as roads utilities due to intrusion of salt water • Reduced demand for assets in locations which are perceived as susceptible to flooding hazards 	<ul style="list-style-type: none"> • Site level flood risk assessment to be conducted to estimate the high flood level across the site and develop mitigation and adaptation measures • Project may implement early warning systems against floods • Liaising and coordinating with local authorities/municipal agencies for ensuring preparedness and response for storm water management and flood related emergencies, which may in turn directly or indirectly affect MRCB assets • Floods as one of the hazards in the general emergency preparedness and response plan

Risks	Impact	Adaptation Measures
Water Scarcity	<ul style="list-style-type: none"> Reduced availability of water over various phases of a project, such as construction and operation Increased cost of sourcing water from alternate sources Increased expenditure on water efficient technologies, water treatment systems, and other infrastructure Properties in water stressed areas may have a lower value 	<ul style="list-style-type: none"> Water risk assessment and water auditing may be conducted Explore opportunities for rainwater harvesting Water saving fixtures may be installed at the facilities Opportunities for the use of recycled water for non-contact purposes (e.g. flushing, cleaning, etc.) may be explored Explore opportunities for adopting and implementing water stewardship

Preliminary Transition Risk Assessment

We have conducted qualitative transition risk assessments based on analysis of emerging trends. We conducted scenario analysis for transition risks and opportunities against two scenarios from the World Energy Outlook 2021, published by the International Energy Agency - Annual Pledge Scenario (APS) and Sustainable Development Scenario (SDS). Our methodology assigned each identified climate risk and opportunity to a 'scenario indicator' to allow for the evolution of risks to be tracked under the base case (APS -2.1°C) and low carbon (SDS -1.8°C) scenarios, over a long-term time horizon. The analysis covered our 3 - three core business activities, namely Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), Facilities Management (FM), and Parking Services (PS). These scenarios represent the range of events that are reasonably foreseeable and which are common across the segments. The identified transition risks and opportunities are as set out on the next page.

Category	Preliminary Scenario	Likelihood			Impact		
		PDI	ECE	FMP	PDI	ECE	FMP
POLICY & LEGAL	<ul style="list-style-type: none"> SHORT TERM - GREEN BUILDING INDEX: Growing interest and adoption of Green Building practices in Malaysia could affect MRCB's costs and demand Financial Impact: CAPEX, OPEX 	High	High	Medium	Positive	Positive	Positive
	<ul style="list-style-type: none"> MEDIUM TERM - EMISSIONS REDUCTIONS AND ENERGY EFFICIENCY POLICY: Possibility of increased capital and operational costs due to new infrastructure and technology adoption due to related regulatory compliance Financial Impact: CAPEX, OPEX 	High	High	High	Adverse	Adverse	Adverse
	<ul style="list-style-type: none"> MEDIUM TERM - CARBON PRICING: Malaysia will be likely to apply the carbon pricing mechanism which will affect MRCB's operational costs Financial Impact: CAPEX, OPEX 	High	High	High	Adverse	Adverse	Adverse
MARKET	<ul style="list-style-type: none"> SHORT TERM - NICHE MARKET: Increasing corporate and consumer demand for sustainable products and services Financial Impact: CAPEX, OPEX 	High	High	High	Positive	Positive	Positive
	<ul style="list-style-type: none"> LONG TERM: STRANDED ASSETS: Real estate assets may lose their value prematurely due to transition to low carbon economy Financial Impact: OPEX, REVENUE 	High	High	Medium	Adverse	Adverse	Adverse
TECHNOLOGY	<ul style="list-style-type: none"> SHORT TERM - RENEWABLE ENERGY IMPLEMENTATION: The steady decline of renewable energy implementation costs and improvements in efficiency will create external pressure on MRCB to adopt RE infrastructure in its projects Financial Impact: CAPEX 	High	High	Medium	Adverse	Adverse	Adverse
	<ul style="list-style-type: none"> MEDIUM TERM - GREEN CONSTRUCTION MATERIALS: Requirements for the use of low carbon building materials will continue to grow, which will increase capital costs Financial Impact: CAPEX 	High	High	Medium	Adverse	Adverse	Adverse
	<ul style="list-style-type: none"> LONG TERM: ELECTRIC VEHICLE (EV) AND INFRASTRUCTURE: Expected growth for EVs in Malaysia require supporting infrastructure to be established in real assets which will affect MRCB's strategy to mitigate the risk and capture this as an opportunity Financial Impact: CAPEX 	Medium	Medium	High	Adverse	Adverse	Adverse

PDI - Property Development & Investment
ECE - Engineering, Construction & Environment
FMP - Facilities Management & Parking Services

Scale for Likelihood

● Low ● Medium ● High

Scale for Impact

● Positive ● Adverse

The initial findings of our assessment indicated that regulations driven by the transition to low carbon economy may pose a higher risk to our businesses, resulting in either an increase in operating costs from taxes, raw material costs, R&D costs, labour costs, or an increase in capital expenditure for deploying lower energy technologies/options. Contrarily, our MBS is a proprietary modular construction system, which we believe has significant potential for our businesses to profit from due to the low carbon economy transition. Due to the rising demand in Green Buildings and infrastructure, we are strongly positioned to differentiate ourselves from the other carbon intensive products and services currently offered in the market, which will further improve our market share and influence over our targeted business sectors.

GHGE GHG Emissions

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 Climate Strategy Framework, detailed on page 175, states our reduction targets. Our aim is to accurately measure, monitor, and report our emissions to set and achieve reduction targets. We limit our GHG emissions calculations to our operations in Malaysia, including subsidiaries, using the operational control approach to only account for emissions where we can apply our policies.

Our calculation methodology is in accordance with the WBCSD and WRI's GHG Protocol. An organisational boundary was set to include our operations in Malaysia only and also using the operational control approach. In line with this approach, it is necessary to account for the emissions of those sources over which 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 6th Assessment Report, utilising the latest local emissions factors and data which are the 2020 National Energy Balance Report and the Energy Commission's Grid Emission Factor (GEF) for 2017-2021.

	Emissions Reported in 2022	Additional Emissions Reported in 2023
Scope 1	Emissions related to fuel consumption from: - Project sites (stationary combustion of petrol and diesel) - Company vehicles (mobile combustion - assumed all are petrol based)	Emissions from company vehicles (mobile combustion) is broken down by petrol and diesel consumption
Scope 2	Emissions from purchased energy and electricity consumed - by our project sites (ECE), buildings (FM), parking sites (PS), and offices	-
Scope 3	Emissions from the following categories: - Downstream Leased Assets - Employee Commuting (assume all are petrol based) - Business Travel (air and land) - Purchased Goods and Services** (accounting for 64% of our supply chain by value* in 2022)	Emissions from the following categories: - Fuel- and Energy-Related Activities - Employee Commuting (broken down by petrol and diesel consumption) - Purchased Goods and Services (accounting for 88% of our supply chain by value* in 2023)

Note: Our GHG inventory excludes operations outside of Malaysia.

- ECE - Engineering, Construction & Environment
- PDI - Property Development & Investment
- FM - Facilities Management
- PS - Parking Services
- Offices - Headquarters, Sales Gallery, SULRT3 Offices, and Offices at VIVO 9 Seputeh

* Refers to the amount of certified work undertaken by our contractors/sub-contractors

** Re-categorised - To be in line with GHG Protocol Standards (previously disclosed as fuel- and energy-related activities)

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, our Scope 3 emissions were assured for four categories, namely Downstream Leased Assets, Business Travel, Employee Commuting, and Fuel- and Energy-Related Activities.

In 2023, our GHG profile showed that Scope 1, 2, and 3 accounted for 9.6%, 46.7%, and 43.7% 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. This disclosure is expected to rise as we work closely with our supply chain to increase disclosures.

GHG Emissions Summary

Absolute Emissions	Unit	2020	2021	2022	2023	Variance against 2020 (%)
Scope 1	tCO ₂ e	1,983	1,838	2,061	3,851	↑ 94.2%
<u>Breakdown by activity</u>						
Fuel consumption from site activity	tCO ₂ e	1,436	1,237	1,478	3,420	↑ 138%
Fuel consumption from company vehicles ^(a)	tCO ₂ e	547	601	582	431	↓ 21.2%
<u>Breakdown by Greenhouse Gases</u>						
Carbon Dioxide (CO ₂)	tCO ₂	1,963	1,818	2,040	3,831	↑ 95.2%
Methane (CH ₄)	kgCH ₄	9,284	9,792	9,825	6,625	↓ 28.6%
Nitrous Oxide (N ₂ O)	kgN ₂ O	9,877	10,103	10,406	13,352	↑ 35.2%
Hydrofluorocarbons (HFCs)	tHFCs	-	-	-	-	-
Perfluorocarbons (PFCs)	tPFCs	-	-	-	-	-
Sulphur Hexafluoride (SF ₆)	tSF ₆	-	-	-	-	-
Nitrogen Trifluoride (NF ₃)	tNF ₃	-	-	-	-	-
Scope 2	tCO ₂ e	18,920	16,144	17,396*	18,751	↓ 0.9%
Purchased electricity	tCO ₂ e	18,920	16,144	17,396*	18,751	↓ 0.9%
Scope 1 + 2	tCO ₂ e	20,903	17,982	19,457*	22,602	↑ 8.1%
Scope 3	tCO ₂ e	241	6,045	13,590	17,520	-
<u>Breakdown by category</u>						
Downstream Leased Assets ^(b)	tCO ₂ e	-	5,097	5,247	6,030	-
Employee Commuting ^(c)	tCO ₂ e	-	773	988	472	-
Business Travels ^(d)	tCO ₂ e	-	-	190	127	-
Purchased Goods and Services**	tCO ₂ e	241	156	7,165	6,877	-
Fuel- and Energy-Related Activities	tCO ₂ e	-	-	-	4,014	-
Cumulative Emissions (Scope 1 + 2 + 3)	tCO ₂ e	21,144	24,007	32,932	40,121	-

Notes:

Note - Sum figures may not match due to decimal points

* Changes due to late billing received for one of the parking services site

** Category correction: previously disclosed as fuel- and energy-related activities

^(a) Assumed all company vehicles are petrol-based from the year 2020 to 2022

^(b) Leased assets of 4 buildings managed by MRCB, namely CelcomDigi Tower, Plaza Alam Sentral, Stesen Sentral Kuala Lumpur (SSKL), and Penang Sentral

^(c) Based on employee fuel card consumption. Assumed all vehicles are petrol-based for the year 2021 and 2022

^(d) Business travel includes both air and land travels, calculated using the passenger distance and emission factors from UK Department for Environment Food and Rural Affairs (DEFRA) 2023

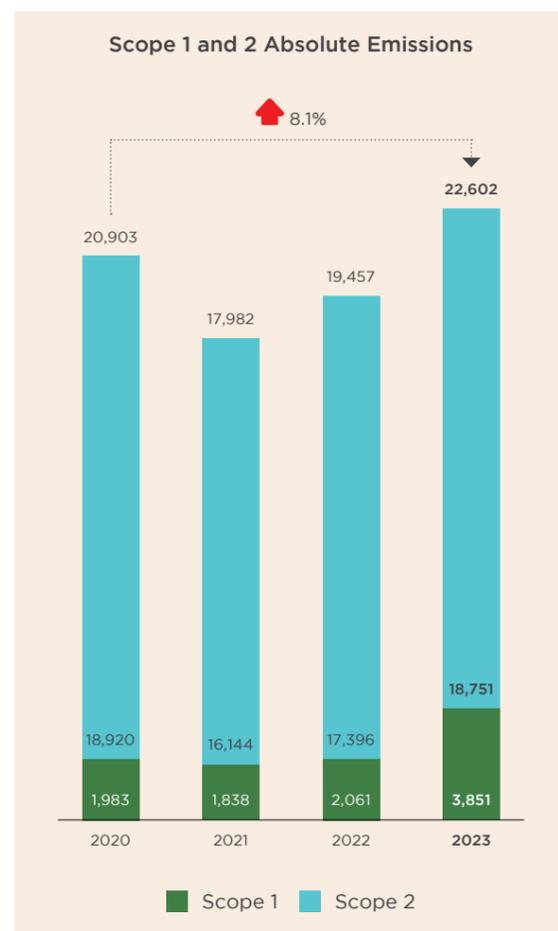
Higher Scope 1 and 2 Absolute Emissions

Our total Scopes 1 and 2 emissions for 2023 amounted to 22,602 tCO₂e, which is an increase of 16.2% compared to 2022, and an 8.1% rise compared to the 2020 baseline. The majority (78.4%) of our Scope 2 emissions come from the Facilities Management (FM) segment, followed by the Parking Services (PS) segment (11.7%). The operation of Stesen Sentral Kuala Lumpur (SSKL) contributed 38.8% of FM's emissions.

The higher emissions in 2023 can be attributed to several factors. In the FM segment, the return to full operations and working from the office saw the SSKL chillers running back at full capacity in 2023 to accommodate the demands of a daily pedestrian footfall that returned back to pre-pandemic numbers. The chillers at Penang Sentral also operated at higher levels, due to an increased footprint following the opening of the new KTM linkway.

PS experienced an increase in emissions as two of its sites, namely PJ Sentral and VIVO 9 Seputeh, reported full-year emissions for the first time. The previous year saw these sites beginning their operations only in the latter half of the year, with PJ Sentral starting in July 2023 and VIVO 9 Seputeh in September 2023, which inevitably led to a rise in absolute emissions.

The Sungai Pahang Rehabilitation Project started in early 2023 and the emissions from this project were significantly higher compared to any of our other projects due to the nature of the project. This project is located at the mouth of Sungai Pahang, which is in the South China Sea, and almost all of the site activities use machinery that is fueled by diesel. The work progress is very much dependent on diesel-powered land machinery and marine vessels. This project contributed 3,132 tCO₂e or 81.3% and 91.6% of the Scope 1 emissions for the Group (3,851 tCO₂e) and the ECE division (3,420 tCO₂e).



Lower Scope 1 and 2 Emissions Intensity

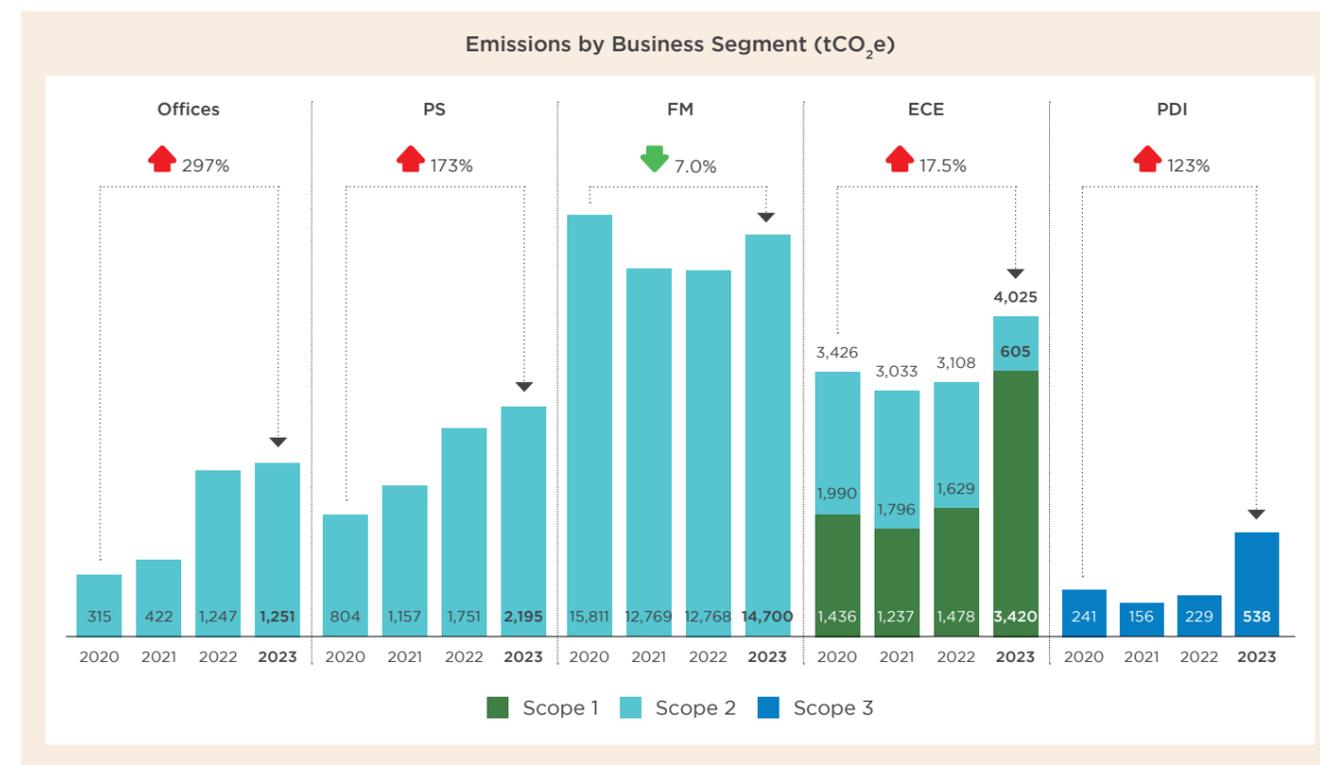
We are making progress towards our Net Zero Carbon Emissions by 2050 aspiration as our GHG emissions intensity reduced by 48.9% compared to our 2020 baseline. The lower reduction in emissions intensity compared to 2022 was due to increased energy use by the FM division, which returned to full operational capacity in 2023 as described earlier. This included utilising all its chillers as KL Sentral Station normalised to its pre-pandemic foot traffic levels. While this operational ramp-up contributed to higher energy use, our overall reduction in emissions intensity signifies effective measures and strategies in place towards our Net Zero aspiration. In addition, our revenue in 2023 was lower than the previous year due to large projects completed in late 2022 and in the first half of 2023, resulting in lower revenue for the Group for the calculation of the Group's emissions intensity.

	2020	2021	2022	2023	Variance against 2020 (%)
Scope 1 and 2 emissions (tCO ₂ e)	20,903	17,982	19,457	22,602	↑ 8.1%
Revenue (RM Million)	1,199*	1,448*	3,205*	2,537	↓ 111.6%
Emissions Intensity	17.4*	12.4*	6.1	8.9	↓ 48.9%

* Updated emission intensity calculation to account revenue from all business segments (including 'Others'). This change provides a more accurate picture of the Group's overall emissions intensity. The updated figures variance less than 1% compared to the figures reported in IAR2022

Emissions by Business Segments

The following chart shows the absolute carbon emission (tCO₂e) by business segments (excluding company vehicles) in the last four years.

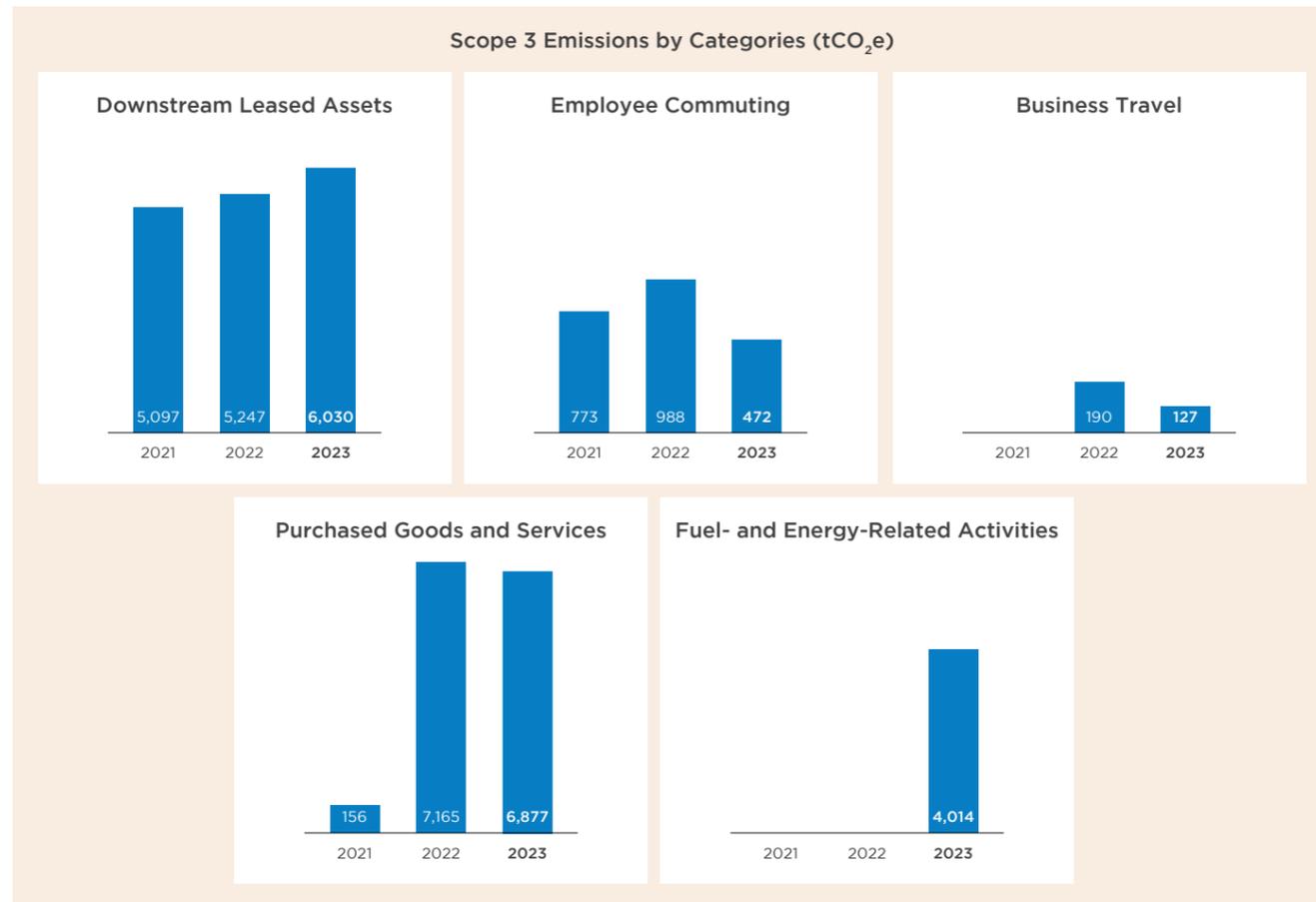


Scope 3 Emissions

Scope 3 emissions, which are emissions associated with activities not within our operational control from our supply chain, constitute our biggest GHG impact. MRCB adopts the Corporate Value Chain (Scope 3) Standards of the GHG Protocol to identify GHG reduction opportunities, track performance, and engage with suppliers at the corporate level. MRCB has initiated reporting on five categories of Scope 3 emissions that cover Downstream Leased Assets, Employee Commuting, Business Travel, Purchased Goods and Services, and Fuel- and Energy-Related Activities. We face challenges with poor definitions of Scope 3 emissions boundaries, which is a common issue, and are not able to rely on them with a high degree of confidence. However, we acknowledge the importance of reporting on Scope 3 emissions and will continue to explore avenues to influence reductions, focusing on where we can have the most impact.

Employee Commuting refers to emissions generated by employees travelling to and from work. We adopt the fuel-based method, which involves determining the amount of fuel consumed and applying the appropriate emission factor for that fuel. The coverage for employee travel applies only to middle management and above, based on their fuel card entitlement and usage.

Downstream Leased Assets refer to emissions from the operation of assets that are owned by MRCB and leased to other entities that are not already included in Scope 1 and Scope 2 reporting. The assets refer to our tenanted buildings in 2023, namely CelcomDigi Tower, Plaza Alam Sentral, Penang Sentral, and SSKL. The emissions are determined based on the total electricity consumption attributed to the leased entities.



Energy Consumption

We continued to implement energy reduction initiatives across the organisation, including continuing to install LED lighting in buildings managed by the FM Division.

In 2023, our FM Division also conducted an Energy Audit to provide visibility on our energy use. We launched an Energy Savings Programme focused on voltage optimisation, which enhances the efficiency of electrical equipment. By optimising a building’s electrical supply, we are able to reduce energy consumption, costs, and its carbon footprint.

The Division also installed High Volume Low Speed (HVLS) fans to improve cooling and air circulation in large open spaces such as the KL Sentral Station concourse and Penang Sentral. This significantly lowers energy consumption compared to traditional air conditioning and Mechanical Ventilation (ACMV) systems.

MRCB also embarked on the installation of solar photovoltaic (PV) panels on the rooftop of Penang Sentral. We adhered to the allowable maximum capacity of 75% of the maximum demand or 60% of the current transformer rating and rooftop size.

We began purchasing Renewable Energy Certificates (REC) through the Green Electricity Tariff (GET) programme offered by Tenaga Nasional Berhad in February 2022. This programme enables users to both support and utilise electricity generated from renewable sources. Up until the end of July 2023, we consistently utilised renewable energy sources for three of our managed buildings which were the CelcomDigi Tower, Plaza Alam Sentral, and Penang Sentral.

We subscribed to a monthly allocation of 1,206,000 kilowatt-hours of electricity generated sustainably for these three properties. From August 2023 onwards, we opted back to the Imbalance Cost Pass Through (ICPT) system as the surcharge rate for the ICPT was significantly lower than GET. Moreover, our primary strategy is to reduce our energy consumption and improve our energy efficiency through internal organic actions and we do not use RECs to offset our carbon emissions.

	2022	2023
GET Purchased	12,881,689 kWh	8,192,369 kWh
GET Attributable to MRCB	10,833,912 kWh	6,742,998 kWh

Fuel Consumption

Fuel sources for our operations come from generators or equipment at project sites, company vehicles, and employee fuel cards. Although fuel use within our control comes to just 17% of total emissions, we are actively seeking reduction strategies. This includes looking at options such as switching to biofuel or using power grid electricity instead of diesel generators.

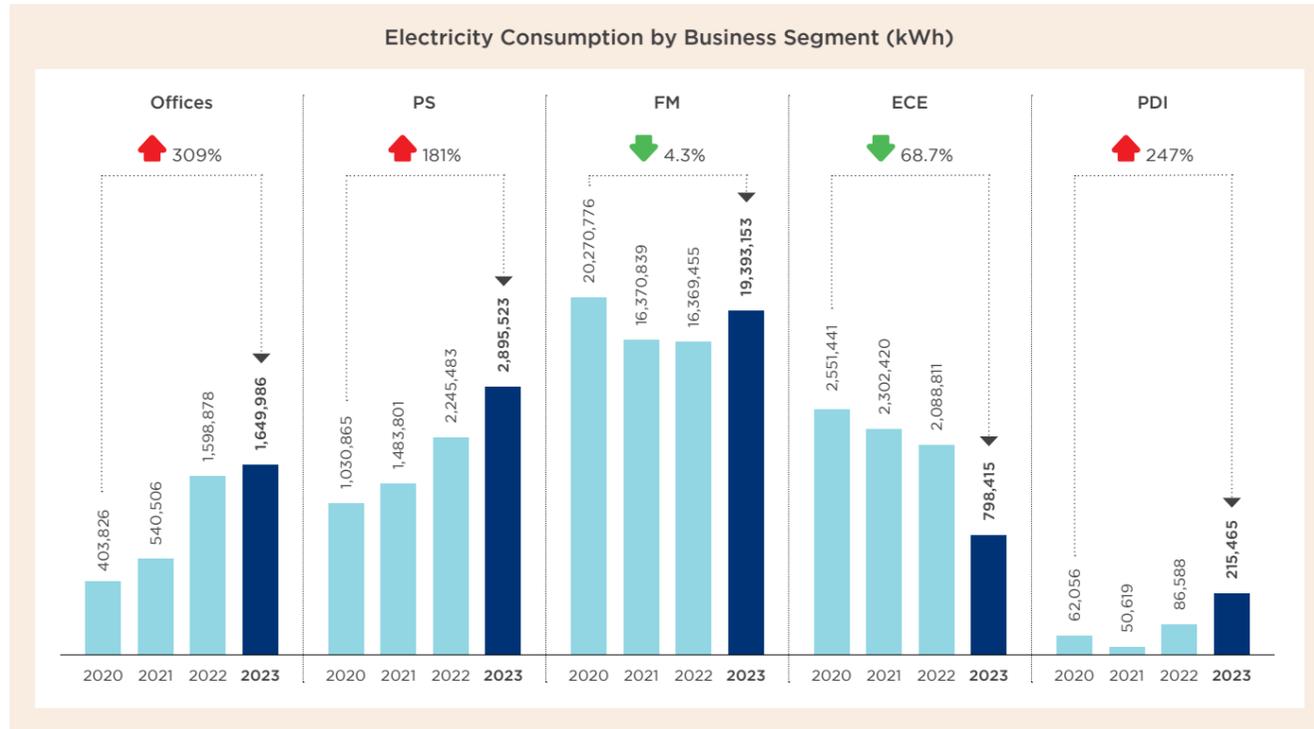
The significant increase in diesel consumption this year is mainly due to the nature of the Sungai Pahang Project. Since this project is located at the mouth of Sungai Pahang which is in the South China Sea, almost all of the site activities use machineries that is fuelled by diesel as they are very much dependent on diesel powered land machineries and marine vessels. We have also improved our reporting in 2023 by breaking down the fuel consumption by diesel and petrol for registered vehicles and employee commuting.

Source		Diesel (L)				Petrol (L)			
		2020	2021	2022	2023	2020	2021	2022	2023
Machineries at	ECE	521,790	447,283	536,198	1,239,504	377	3,463	2,019	5,822
Project Sites	PDI	69,100	42,028	58,107	135,550	1,542	289	1,103	757
Company Vehicles		-	-	-	100,818	277,970	305,436	295,964	76,461
Employee Commuting		-	-	-	9,087	-	392,695	502,323	227,293
Total Fuel Consumption (L)		590,890	489,311	594,305	1,484,959	279,889	701,883	801,408	310,333

Note: Employee commuting was first reported in 2021 and was based on employee fuel card consumption

Absolute Electricity Consumption

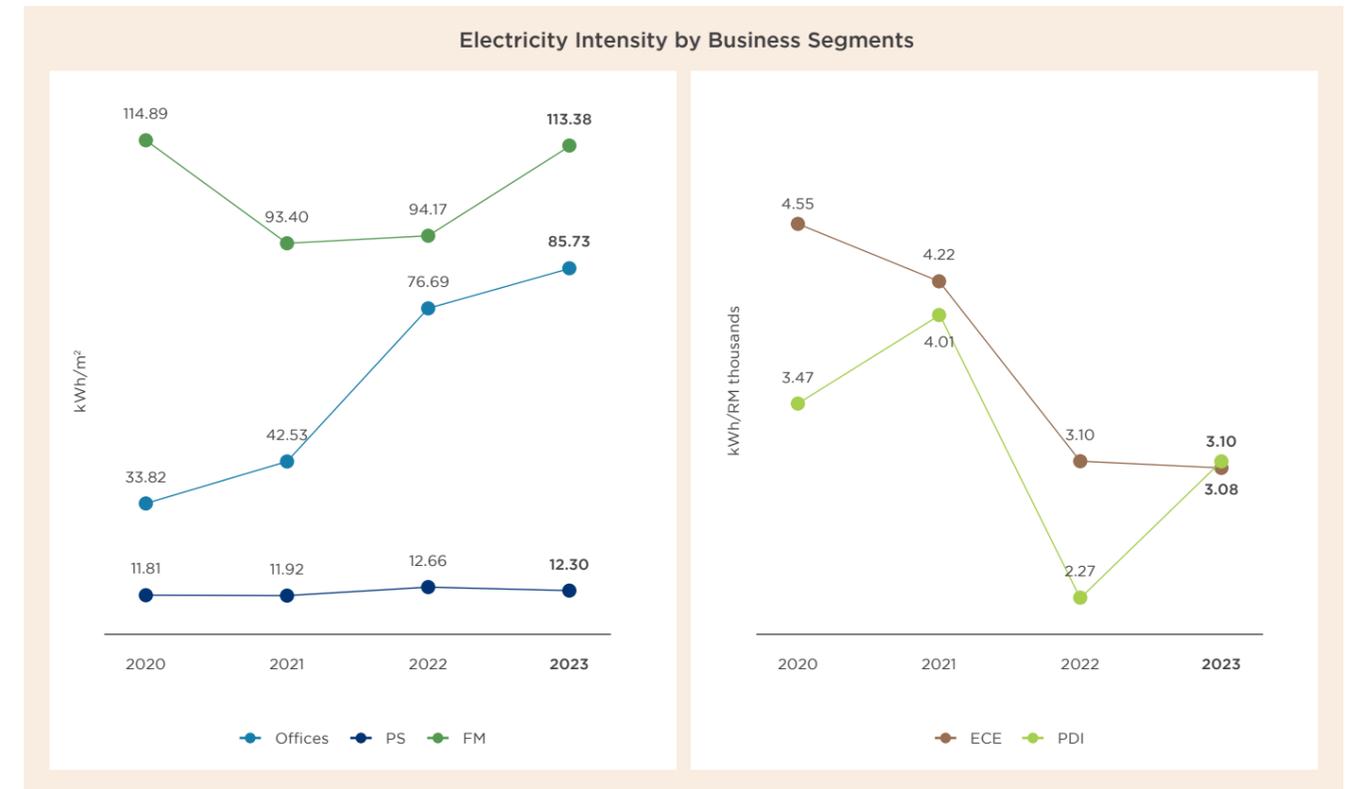
Electricity consumption increased by 11.3% in 2023 over 2022 due to a return to full-scale operations for the first time since the baseline year of 2020, which happened to be the year of the pandemic. During this period, widespread remote work led to reduced on-site energy use. However, the broadening of the category for 'Offices' since the publication of our 2021 Integrated Annual Report to include our Sales Gallery, and in 2022 for our offices at VIVO 9 Seputeh and the SULRT3 offices, dramatically increased the absolute electricity consumption, with levels tripling compared to 2020. The expansion of PS, which now manages more sites than before, has also played a crucial role in the increased electricity demand and consequently its consumption.



	Offices	PS	FM	ECE	PDI	Total
2020	403,826	1,030,865	20,270,776	2,551,441	62,056	24,318,964
2021	540,506	1,483,801	16,370,839	2,302,420	50,619	20,748,184
2022	1,598,878	2,245,483	16,369,455	2,088,811	86,588	22,389,214
2023	1,649,986	2,895,523	19,393,153	798,415	215,465	24,952,541
Variance against 2020 (%)	309%	181%	4.3%	68.7%	247%	2.6%

Electricity Intensity

The electricity intensity, particularly in FM, has increased over the last two years, however in comparison to the 2020 baseline, the electricity intensity was lower due to the energy-saving initiatives we have implemented over the years. Recognising that FM is a significant consumer of electricity, primarily to ensure the comfort of customers and the public at our facilities, these measures have been crucial in reducing our energy footprint. In contrast, the expansion of our office locations and the return-to-work movement in 2022 led to an increase in the use of air conditioning systems and lighting during office hours.



	2020	2021	2022	2023	Variance against 2020 (%)
Offices (kWh/m²)	33.818	*42.531	*76.688	85.732	153.5%
PS (kWh/m²)	*11.812	11.924	12.660	12.297	4.1%
FM (kWh/m²)	114.885	93.396	94.172	113.379	1.3%
ECE (kWh/RM' Thousand)	4.545	4.222	3.097	3.084	32.1%
PDI (kWh/RM' Thousand)	3.473	4.005	2.272	3.096	10.9%

Note: Revenues for ECE and PDI Intensity refer to the amount of certified work done/undertaken in the business segments
 * The intensity figure has been revised to reflect the improvement in accuracy of the floor area

RESOURCE MANAGEMENT

As a construction company, our operations demand intensive resource use. We actively manage resources to address the needs of our large-scale projects sustainably. Our approach includes optimising energy and water consumption during construction and in our operations management. We also focus on minimising landfill impact through effective waste management, and emphasise the principles of reduce, reuse, and recycle across the organisation.

MM Materials Management

We engage in responsible sourcing and usage of raw materials, with a focus on supply chain traceability and certification to avoid negative impacts on the environment and human rights. In 2023, we drafted a new Sustainable Design and Planning Policy, which sets specific requirements for materials in our property development projects and promotes local sourcing to ensure we minimise embodied carbon and the carbon emissions resulting from transportation.

This policy aims to incorporate sustainability throughout the design and development stages of our projects. We prioritise eco-friendly materials that minimise resource use, enhance reusability, and improve cost-efficiency. Our teams will need to assess the embedded carbon in our projects during the design stage and work to reduce it. We will also monitor the quantities of materials used in each project to ensure sustainable sourcing without compromising quality or durability.

We are committed to promoting sustainable practices in our supply chain. To achieve this, we partnered with the United Nations Global Compact (UNGC) to conduct sustainability readiness assessments across our supply chain. This inclusive approach, which includes our SME suppliers, allows us to assess their readiness and develop strategies to help enhance their sustainability progress. Ultimately, our goal is to foster a sustainable construction ecosystem for the benefit of all.

SCM Sustainable Construction Materials

Green Building

We recognise the built environment’s impact on energy and water consumption, as well as GHG. To mitigate these effects, we adopt the Green Building approach, which involves constructing and managing buildings in a way that reduces their environmental impact and enhances sustainability. This includes efficient use of resources such as energy and water, utilising sustainable building materials, and incorporating design elements that reduce carbon emissions and waste. We ensure adherence to Green Building Certifications in our property development projects. The five Green Building rating systems are:



Project	Sustainability Accreditation	Building Management System (BMS)	Smart Metering	Installation of Solar PV*
PLATINUM SENTRAL	GBI NRNC DA Certified and BCA Green Mark Platinum	Yes	Yes	Yes – Solar PV panel (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 Photovoltaic (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		
DA	Design Assessment		
NRNC	Non-Residential New Construction		
RNC	Residential New Construction	MyCREST	Malaysian Carbon Reduction and Environmental Sustainability Tool (Malaysia)
CVA	Certification and Verification Assessment		
GBI	Green Building Index (Malaysia)		
	For details on assessment criteria and rating scale: https://new.greenbuildingindex.org/how/assessment		
GreenRE	A green rating tool set up to promote sustainability in the property industry (Malaysia)	BCA Green Mark	Building and Construction Authority (Singapore)
	For details on assessment criteria and rating scale: https://greenre.org/index.html		
		Smart Metering	Smart metering refers to separate sub-meter for internal energy monitoring

Green Infrastructure

Where possible, we integrate sustainability principles into our infrastructure designs. The Construction Industry Development Board (CIDB) of Malaysia awarded our LRT3 project with a 5-Star Sustainable INFRASTAR Rating (Design). This rating evaluates infrastructure projects based on critical sustainability factors, including land use, equipment impact, resource, and waste management at construction sites.

Building Information Modelling (BIM)

We utilise BIM, which executes software for clash detection, in our construction processes. This technology allows us to address constructability issues and synchronise various construction disciplines before beginning the actual building process. As a result, we can achieve reductions in construction costs, waste, and energy usage. In line with our commitment to sustainable construction materials, we have shifted from using timber formwork to system formwork. This change not only increases efficiency, but also shortens the construction time.

Industrialised Building Systems (IBS)

Our adoption of Industrialised Building Systems (IBS) at project sites aligns with the criteria set by CIDB. Through IBS, we aim to meet the CIDB IBS assessment score for our projects. The CIDB IBS assessment’s goal is to offer a structured and systematic method to consistently measure IBS usage. CIDB is promoting IBS in private sector projects, particularly targeting new developments in the Klang Valley with a value of RM50 million or more 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

MRCB Building System (MBS)

We developed the MRCB Building System (MBS), which is an innovative approach to sustainable construction. The MBS combines Prefabricated Prefinished Volumetric Construction (PPVC) with a unique Candle-Lock Connection System, allowing most building components to be prefabricated off-site. This method is expected to significantly reduce on-site construction activities, thereby minimising waste and energy consumption. MBS will also enhance project efficiency by shortening construction timelines by up to 50% and its controlled off-site fabrication will improve overall building quality. MBS will not only deliver higher-quality buildings more efficiently, but also significantly cut waste, energy use, and carbon emissions during construction.

MRCB’s proprietary MBS system aligns with five UNSDGs

MBS WILL MAKE CONSTRUCTION FASTER

CONSTRUCTION USING MBS

PLANNING & DESIGNING | SITE DEVELOPMENT & FOUNDATION WORKS | MODULES CONSTRUCTION AT MANUFACTURING FACILITY | MODULE INSTALLATION & SITE RESTORATION | TIME SAVINGS UP TO 30%-50%

CONSTRUCTION USING CONVENTIONAL METHOD

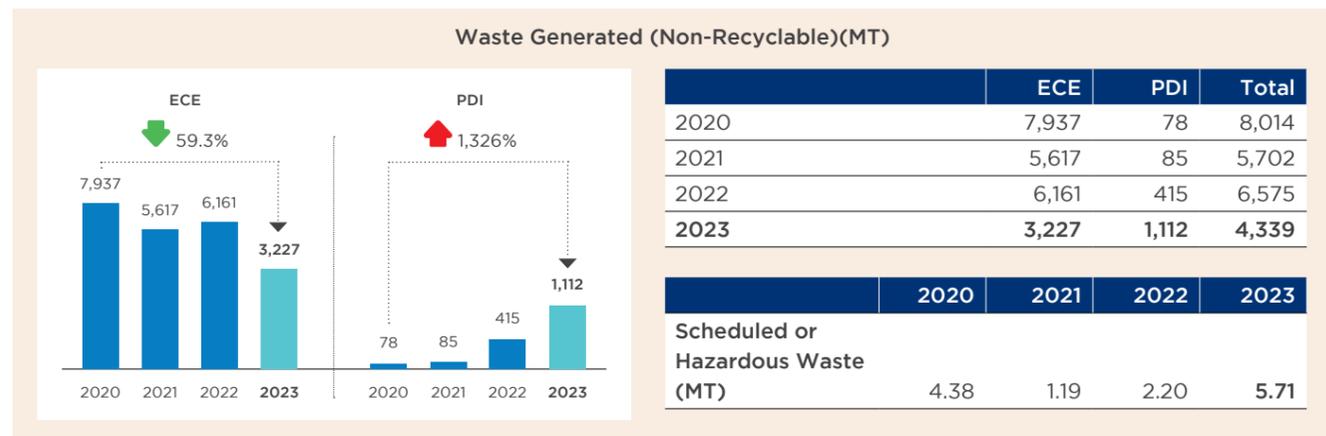
PLANNING & DESIGNING | SITE DEVELOPMENT & FOUNDATION WORKS | BUILDING CONSTRUCTION AT SITE | SITE RESTORATION

- 3 GOOD HEALTH AND WELL-BEING** **Enhanced Site Safety**
 - 85% of construction work done off-site at ground level, significantly reducing injury risks associated with working at heights
- 8 DECENT WORK AND ECONOMIC GROWTH** **Skilled Local Labour**
 - Reduces reliance on unskilled foreign labour and attracts skilled local workers to the industry
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** **Efficient Construction Time**
 - Concurrent off-site component fabrication and on-site activities halve construction time
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** **High-Quality Assurance & Control**
 - Off-site construction in a controlled environment ensures higher quality control
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION** **Reduced Material Waste**
 - Adopting a manufacturing approach with streamlined processes and effective inventory management cuts down landfill waste
- 13 CLIMATE ACTION** **Lower Environmental and Energy Impact**
 - Decreases noise, dust, and truck movements on-site, leading to a more efficient construction that consumes less energy than traditional methods

W Waste

MRCB's operations, primarily from construction, produce domestic and construction waste that is disposed in landfills. We engage a third-party waste management vendor to handle all our non-recyclable waste, which is disposed in accordance with local waste regulations. In line with SDG12 on waste management, we strive to reduce resource use and construction waste generation. We recycle materials such as scrap metal, timber, and other recyclables to cut down on the use of virgin resources. Concrete waste is repurposed as crusher runs for access roads and filling potholes on-site to reduce hazards and accidents. Unsuitable concrete waste is sent to licensed landfills for disposal. We also store and return wooden pallets from brick supplies to suppliers for reuse.

Apart from domestic and construction waste, our projects produce scheduled waste, which is managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. This waste is appropriately stored, labelled, and disposed of by the Department of Environment's (DOE) licensed contractors. The contractors will safely carry out the waste treatment process before disposal, once it accumulates to a certain amount or over time. Under our ISO 14001-compliant 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.



Waste Recycled/Diverted from Landfills

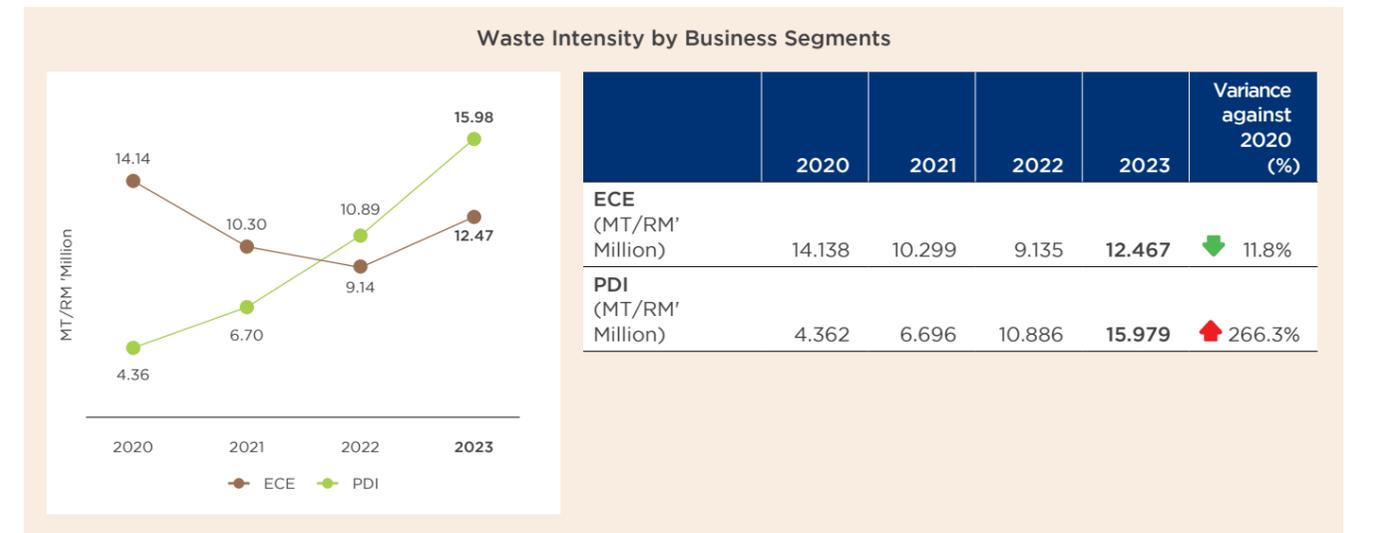
We adopt the 3Rs (Reduce, Reuse, and Recycle) strategy at our construction sites, segregating recyclables and reusable waste. This practice has significantly reduced the amount of waste sent to inert waste landfills. We sell off scrap materials such as aluminium, power cables, scrap reinforcement bars, plastic barriers, galvanised pipes, and lighting fixtures to other companies, further diverting waste from landfills. We are improving our recycling initiatives by heightening waste awareness and efficiency.

	2021	2022	2023
Scrap Materials	97 tonnes	558 tonnes	383 tonnes
Others	1 portable cabin	• 16 portable cabins • 17,208 m ² of scrap formwork	7 portable cabins

While we have effectively diverted waste from landfills, our primary goal is to reduce the total amount of waste produced. We are committed to enhancing our waste tracking and monitoring system across all project sites to further our commitment to waste minimisation.

Waste Intensity

The significant increase in waste intensity for the PDI Division is due to the increase in development projects for the year. In 2023, the waste consumption associated with the FINAS project had been accounted for under the PDI Division, which was previously included in the ECE Division's metrics. The following table and chart show waste intensity by business segments in the last four years.



Water Management

Our construction activities are heavily reliant on a consistent and effective water supply. Given that the majority of our operations are mainly in Selangor and the Federal Territory, we source our water from a third-party water supplier predominantly from Air Selangor Sdn Bhd, a key municipal provider responsible for the collection, production, distribution, and water reclamation services in Selangor and the Federal Territory. Air Selangor draws 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.

Our primary water risk is supply disruption, particularly in Selangor, which is known for the occasional unscheduled interruptions. A preliminary analysis using the WRI Aqueduct Water Risk Tool indicates that 83% of MRCB's assessed assets may face high water stress between 2030 and 2050. Future water availability assessments in these areas will consider local consumption patterns and expected changes. Following the TCFD framework, our climate risk assessment identifies water stress as a long-term critical risk. However, as MRCB neither operates nor owns assets in water-stressed regions at present, we have not established specific targets for these areas.

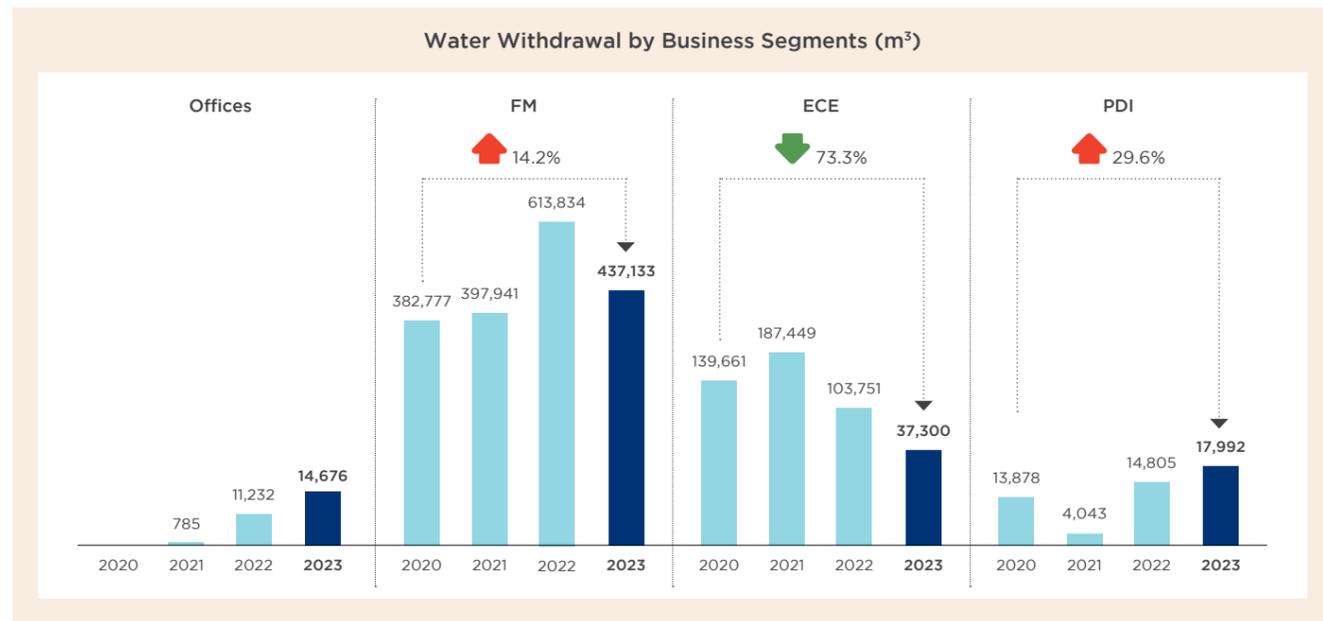
We continuously monitor and manage wastewater quality to protect our water sources. Our control measures include temporary drainage systems, silt traps and grease traps to handle surface or stormwater runoff and effluent at our project sites. Grease traps, are also utilised to manage effluent discharge from the canteens at our sites. We strictly prohibit direct discharge of untreated sewage into drains or waterways, and regularly maintain and desilt our systems to ensure their effectiveness.

We regularly monitor and test water quality at discharge points to ensure compliance with regulatory standards and maintain water quality from our construction activities. Our compliance with local environmental laws is reflected in zero fines or penalties for water-related non-compliance in 2023.

Our QESH Policy underlines our commitment to minimising resource consumption, including water. Implementing water recycling at our project sites involves thoroughly understanding water sources and demands, and selecting suitable treatment and reuse options to ensure the recycled water meets quality standards and is used safely and appropriately. We use recycled water safely and appropriately, primarily for washing vehicles at wash troughs at our project sites to help keep the roads and surrounding areas of our projects clean and safe for all users.

The ECE Division experienced a decrease in water consumption over the year. This reduction can be attributed primarily to the completion of several large-scale projects, which naturally led to a lower need for water in construction activities.

The PDI Division, on the other hand, saw an increase in water consumption due to the initiation of more development projects throughout the year. Water consumption associated with the FINAS project has been accounted for under the PDI Division for 2023, which was previously included in the ECE Division's metrics.

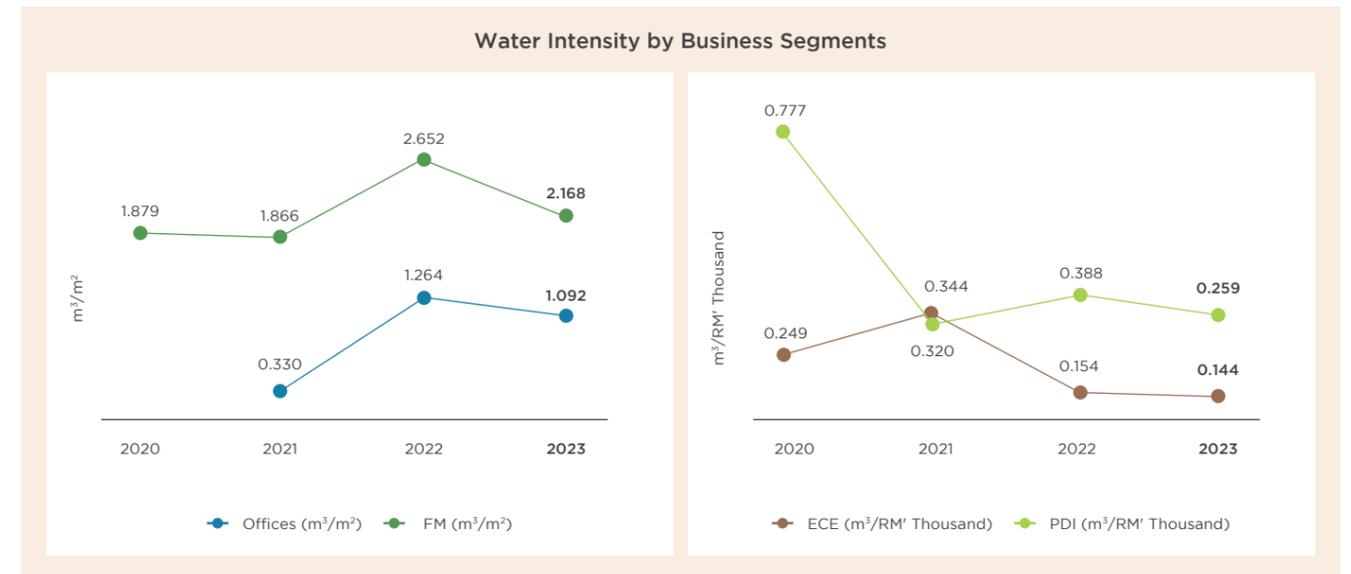


	Offices	FM	ECE	PDI	Total
2020	-	382,777	139,661	13,878	536,316
2021	*785	397,941	187,449	4,043	590,218
2022	**11,232	613,834	103,751	14,805	743,622
2023	***14,676	437,133	37,300	17,992	507,101
Variance against 2020 (%)	-	↑ 14.2%	↓ 73.3%	↑ 29.6%	↓ 5.4%

* Sales Gallery only
 ** Sales Gallery and SULRT3 Offices only
 *** Sales Gallery, SULRT3 Offices, and Offices at VIVO 9 Seputeh

Water Intensity

The following table and chart show water intensity by business segments in the last four years.



	2020	2021	2022	2023	Variance against 2020 (%)
Offices (m³/m²)	-	0.330	1.264	1.092	-
FM (m³/m²)	1.879	1.866	2.652	2.168	↑ 15.4%
ECE (m³/RM' Thousand)	0.249	0.344	0.154	0.144	↓ 42.2%
PDI (m³/RM' Thousand)	0.777	0.320	0.388	0.259	↓ 66.7%

ECOLOGICAL IMPACT

BIO Biodiversity

Our Biodiversity Statement which is available to view on our website, expresses our commitment to minimising environmental harm and protecting biodiversity in our urban development projects. We adhere to the Ramsar Convention and Malaysia's National Policy on Biological Diversity, which prioritises sustainable management. Our approach includes conducting Environmental Impact Assessments (EIA) on our projects in high biodiversity areas. We are continuously improving our practices, developing action plans, and updating policies to bridge any gaps in biodiversity conservation.

Corporate Information



ALSTONIA

Poolside of the Alstonia Hilltop Homes, a low-density residential development in Bukit Rahman Putra, with a 4-star rating from the Construction Industry Development Board (CIDB), which is the regulator of the construction industry in Malaysia.

Board of Directors

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

DATO' DR JUNAIDAH KAMARRUDDIN

Independent Director

LIM FEN NEE

Independent 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

LONG-TERM INCENTIVE PLAN COMMITTEE

Lim Fen Nee (*Chairman*)
Datuk Imran Salim
Dato' Dr Junaidah Kamarruddin

COMPANY SECRETARY

Mohd Noor Rahim Yahaya
(MAICSA 0866820)
(SSM PC No. 202008002339)

REGISTERED OFFICE

Level 33A, Menara NU 2
No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2786 8080
Fax : +603-2780 7668

FORM OF LEGAL ENTITY

Incorporated on 21 August 1968 as a private company limited by shares. Converted into a public company on 28 June 1969.

AUDITORS

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

SHARE REGISTRAR

Boardroom Share Registrars
Sdn Bhd
[Registration No. 199601006647
(378993-D)]
11th 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

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

to be reconstituted

Board of Directors

From left to right:

DATO' DR JUNAIDAH KAMARRUDDIN
Independent Director

MOHAMAD HAFIZ KASSIM
Non-Independent Non-Executive Director

DATO' MOHAMAD NASIR AB LATIF
Non-Independent Non-Executive Chairman

DATUK IMRAN SALIM
Group Managing Director

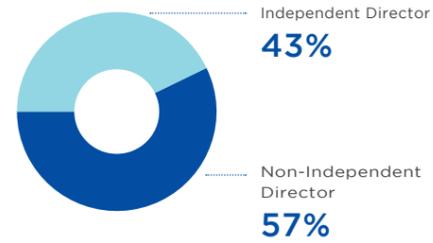
TAN SRI MOHAMAD SALIM FATEH DIN
Executive Vice Chairman

DATO' WAN KAMARUZAMAN WAN AHMAD
Senior Independent Director

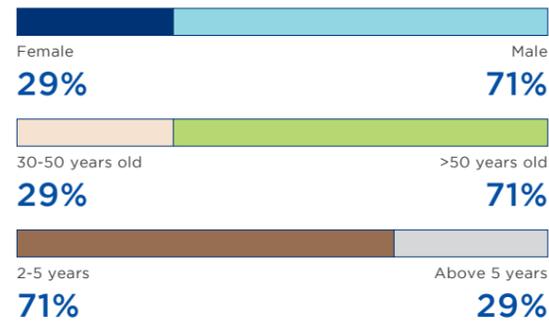
LIM FEN NEE
Independent Director

BOARD AT A GLANCE

Board Composition



Diversity



Board Of Directors' Key Capabilities



Board of Directors' Profile

DATO' MOHAMAD NASIR AB LATIF

Non-Independent Non-Executive Chairman

Aged 66 | Male | Malaysian

Nominee of Employees Provident Fund, a major shareholder of MRCB

Date Appointed To The Board

- 24 August 2018
(Redesignated as Chairman on 1 March 2024)

Board Committee Membership

Nil

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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 Officer of the Investment Division, Employees Provident Fund ("EPF") until his retirement on 31 December 2019. He started his career with EPF in 1982 and held several positions in EPF which includes State Enforcement Officer, Senior Research Officer, Senior Manager in the Investment and Economic Research Department and General Manager of the International Equity Department.

Other Directorship(s)/ Membership

Listed Entities

- Director, United Plantations Berhad
- Director, RHB Bank Berhad
- Director, Yinson Holdings Berhad

Others

- Chairman, PLUS Malaysia Berhad
- Chairman, RHB Islamic Bank Berhad
- Chairman, Investment Panel of Kumpulan Wang Persaraan (Diperbadankan)
- Member, Investment Panel of LADA

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.

TAN SRI MOHAMAD SALIM FATEH DIN

Executive Vice Chairman

Aged 66 | Male | Malaysian

Nominee of Gapurna Sdn Bhd, a major shareholder of MRCB

Date Appointed To The Board

- 1 September 2021

Board Committee Membership

- Nil

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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 award-winning 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 and on 1 March 2023, was appointed as the Chairman of MCMC.

Other Directorship(s)/ Membership

Listed Entities

- Nil

Others

- Chairman, Malaysian Communications and Multimedia Commission
- 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 a 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 of page 144 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.

DATUK IMRAN SALIM*Group Managing Director*

Aged 42 | Male | Malaysian

*Nominee of Gapurna Sdn Bhd, a major shareholder of MRCB***Date Appointed To The Board**

- 1 March 2015

Board Committee Membership

- Member of the Long-Term Incentive Plan (LTIP) Committee
- Member of the Executive Committee

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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 Kingdom
- 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, 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.

Other Directorship(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. Tan Sri Mohamad Salim is a substantial shareholder of Gapurna Sdn Bhd, which in turn holds a 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 144 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.

MOHAMAD HAFIZ KASSIM*Non-Independent Non-Executive Director*

Aged 49 | Male | Malaysian

*Nominee of Employees Provident Fund, a major shareholder of MRCB***Date Appointed To The Board**

- 1 September 2021

Board Committee Membership

- Member of the Nomination & Remuneration Committee
- Chairman of the Executive Committee

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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

- Director, Projek Lebuhraya Usahasama Berhad
- Director, PLUS Malaysia Berhad

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.

DATO' WAN KAMARUZAMAN WAN AHMAD*Senior Independent Director*

Aged 64 | Male | Malaysian

Date Appointed To The Board

- 15 April 2021

Board Committee Membership

- Chairman of the Audit & Risk Management Committee
- Chairman of the Nomination & Remuneration Committee
- Member of the Executive Committee

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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, mostly in 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.

Other Directorship(s)/ Membership**Listed Entities**

- Chairman, 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

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.

DATO' DR JUNAIDAH KAMARRUDDIN*Independent Director*

Aged 63 | Female | Malaysian

Date Appointed To The Board

- 1 July 2021

Board Committee Membership

- 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

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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 currently the Assistant Vice Chancellor/ Principal Fellow at 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.

Key Senior Management

LIM FEN NEE

Independent Director

Aged 51 | Female | Malaysian

Date Appointed To The Board

- 1 November 2021

Board Committee Membership

- Chairman of the Long-Term Incentive Plan (LTIP) Committee
- Member of the Audit & Risk Management Committee

Board Meetings Attended in 2023

- Attended all 9 Board Meetings held in 2023

Qualifications

- 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

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.

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.

From left to right:

KWAN JOON HOE

Group Chief Operating Officer

ANN WAN TEE

Group Chief Financial Officer

AMARJIT SINGH CHHINA

Chief Corporate Officer



ANN WAN TEE*Group Chief Financial Officer*

Aged 53 | Male | Malaysian

Qualifications

- 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 REIT

Others

- MRCB Southern Link Berhad

Working Experience

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.

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.

KWAN JOON HOE*Group Chief Operating Officer*

Aged 42 | Male | Malaysian

Qualifications

- Bachelor of Commerce (Accounting and Finance) from University of Melbourne, Australia
- Member of the Certified Public Accountant (CPA), Australia

Other Directorship(s)/Membership(s)**Listed Entity**

- Sentral REIT

Others

- MRCB Southern Link Berhad

Working Experience

Kwan Joon Hoe is currently the Group Chief Operating Officer of the Company.

He joined MRCB as Senior Vice President of the Group's Property Division in January 2014. Kwan Joon Hoe was appointed as the Chief Operating Officer of the Company on 1 March 2015 and was promoted to his current position on 1 June 2017.

He joined Gapurna in 2008 as the Group's Financial Controller, spearheading the RM1 billion Lot 348 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 two (2) accounting firms in their respective audit and advisory functions.

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.

AMARJIT SINGH CHHINA*Chief Corporate Officer*

Aged 56 | Male | British

Qualifications

- Fellow of the Institute of Corporate Directors Malaysia
- SIDC, Capital Markets 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, United Nations Global Compact Network Malaysia & Brunei

Working Experience

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 PLC.

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 Materials & Construction Sector Analyst at Barclays de Zoete Wedd Securities Limited (later 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.

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.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

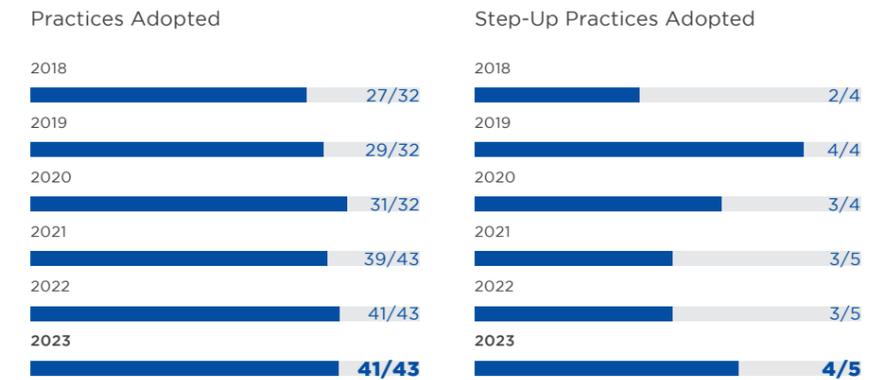


Our unwavering commitment to the highest standards of corporate governance serves as the cornerstone of MRCB's vision of sustainable business performance, in line with our core values of being accountable, customer-centric, courageous, creative, and driven. Our adoption of the UN Sustainable Development Goal 16: Peace, Justice & Strong Institutions furthers our pledge of good governance as we are confident this will create long-term, meaningful, and sustainable value for all our stakeholders. This is holistically integrated within the Group's policies and procedures, with a focus on inculcating the best practices in governance, ethics, accountability, integrity, and transparency within our diverse workforce.

Dato' Mohamad Nasir AB Latif
Non-Independent Non-Executive Chairman

MRCB has successfully implemented and applied 41 out of the 43 Practices prescribed in the Malaysian Code on Corporate Governance 2021 (MCCG 2021), together with 4 out of the 5 optional Step-Up Practices that aim to raise the bar well beyond existing regulatory requirements. The Group's Corporate Governance Report (CG Report), which can be viewed at www.mrcb.com.my/corporate-governance.html, details the application or departure of each MCCG 2021 Practice.

MRCB's Compliance with MCCG Over the Years



MRCB recognises that sustaining a robust quality, environment, safety, and health management framework is essential to our value creation journey and a fundamental driver of our long-term business growth. In line with our commitment to sound corporate governance, we have established a Quality, Environment, Safety, and Health (QESH) policy to serve as our foundation in QESH management through the adoption of best practices and international ISO standard requirements, namely, ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (Occupational Health & Safety). This enables the Group to provide customers with high-quality, reliable, safe, and environmentally friendly products and services. In 2023, MRCB successfully obtained certification of ISO 14001:2015 (Environmental) and ISO 45001:2018 (Occupational Health & Safety) and re-certification of ISO 9001:2015 (Quality) for Transmission Technology Sdn Bhd (TTSB). All three (3) management systems were re-certified for MRCB Builders Sdn Bhd (MBSB), while ISO 9001:2015 (Quality) re-certification and surveillance audits

were completed for Semasa Parking Sdn Bhd (SPSB) and MRCB Environmental Services Sdn Bhd (MESSB) respectively - underscoring our commitment to quality, environment, safety, and health in our business.

The continued implementation of MRCB's Anti-Bribery Management System (ABMS), which is now in its 5th year of ISO 37001:2016 certification by an international certification body, serves to assure our stakeholders of our continued compliance with all applicable laws, regulations, and operational policies and procedures in effectively addressing bribery and corruption. In 2023, we have undertaken various ABMS-related initiatives to continue to communicate internally and externally the Group's strong stance against all forms of bribery and corruption and equip all employees, through upskilling, with the necessary tools and knowledge to identify, prevent, and respond to bribery risks.

For a full list of all the initiatives undertaken in 2023, please refer to page 263

We are committed to continuously strengthening our governance practices to ensure continued adherence to guiding principles and achieving best practices. The accolades and high rankings we achieved during the reviewed year are a testament to our dedication to governance, integrity, and transparency in corporate reporting.

EXTERNAL RECOGNITION OF MRCB'S CORPORATE GOVERNANCE ECOSYSTEM

<p>GOLD AWARD for MRCB's Integrated Annual Report 2021 at the Australasian Reporting Awards 2023</p>	<p>RECEIVED OUTSTANDING OVERSEAS PROJECT AWARD for the 1060 Carnegie development at The Edge Malaysia Property Excellence Award 2023</p>
<p>GOLD AWARD for Governance, Reporting & Transparency in the large corporation category at the ESG Positive Impact Awards 2022, arranged by The Star and backed by organisations like EY and the Malaysian Institute of Corporate Governance</p>	<p>RECEIVED PARTNERSHIP FOR THE GOALS RECOGNITION AWARD for our PEKA@MRCB Programme at the UN Global Compact Network Malaysia & Brunei's (UNGCMYB) Sustainability Celebration Night 2023</p>
<p>RANKED 4TH PLACE at the Top-of-the-Chart Award at the Star Malaysia Developer Awards</p>	<p>CONSTITUENT OF THE FTSE4GOOD BURSA MALAYSIA INDEX since 2014 increasing our overall Index score to 3.6 in 2023 (from 3.2 in 2022) and our score in the climate change segment of the assessment to 4.0</p>
<p>SILVER AWARD for the Most Consistent Performer Over Five Years at The Edge ESG Awards 2023</p>	<p>UPGRADED MRCB'S MSCI ESG RATING from 'BBB' to 'A'</p>

Further details on our corporate governance achievements, future plans, and aspirations are set out in the ensuing sections of this Corporate Governance Overview Statement

CORPORATE GOVERNANCE PHILOSOPHY

MRCB remains steadfast in its resolve to uphold the highest standards of governance, integrity, and ethics in the conduct of its business operations. The Board adopts a structured approach using purposeful and systematic processes, advocating value-creating governance that aligns with our core values as a Group.

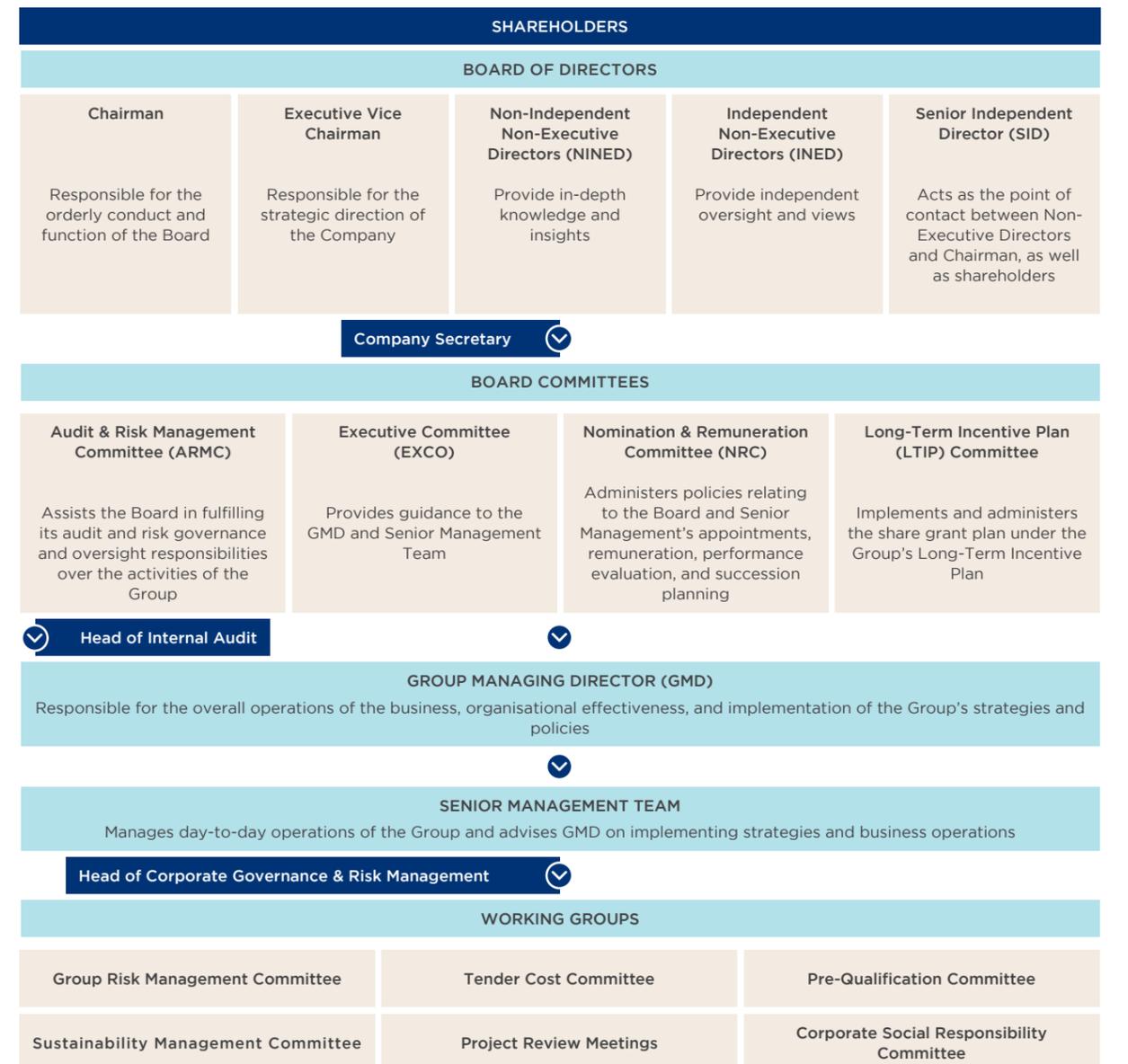
Led by our Vision, *'Setting the Standard'*, we strive to conduct our operations in a sustainable manner that is environmentally and socially responsible while delivering on our financial objectives. This is accomplished by incorporating robust governance practices and globally recognised sustainable business standards. All these practices are periodically reviewed, mindful of the ever-changing operating and regulatory landscape, to ensure that we continue to act in the best interest of all our stakeholders.

We maximise value by assiduously delivering on our purpose and ensuring the relevance and sustainability of our business model. Accordingly, our commitment to sustainability is reflected in the way we do our business. We instil sustainability into our operations to create value by providing property and infrastructure development solutions that seek to positively impact every facet of society and shape a better, healthier, and more equitable world for all.

CORPORATE GOVERNANCE FRAMEWORK

The Board is resolute in ensuring the establishment of a strong and effective system of corporate governance to support and facilitate the successful execution of the Group's strategy. This is achieved via a delegated authority framework, which enhances standards of accountability and responsibility in decision-making up to the Board.

The diagram below shows MRCB's governance structure and provides an overview of the key Committees of the Board and various Management Working Groups that provide governance oversight:



CORPORATE GOVERNANCE PRACTICES

In this Statement, we provide an overview of the approach in which the Group has adopted and applied the statutory requirements, principles, and best practices as set out 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.

This Corporate Governance Overview Statement should be read in conjunction with the Corporate Governance Report (CG Report), prepared based on a prescribed format as stipulated in Paragraph 15.25(2) of the MMLR, to substantiate the Group's implementation of and departures from the MCCG 2021 Practices. The Group has successfully adopted 41 out of the 43 Practices in the MCCG 2021 and 4 out of the 5 optional Step-Up Practices. Explanations for the departed Practices are supplemented with descriptions of the measures the Company intends to adopt and the timeframe required to achieve the application of the Practices. The three (3) departures are outlined below:

Practice	Practice	Step-Up Practice
5.2 Practice	5.9 Practice	8.3 Step-Up Practice
<p>For Large Companies, the Board comprises a majority of independent Directors.</p> <p>The Board presently consists of seven (7) members, of which three (3) or 42.9% are Independent Directors.</p> <p>The Company, however, complies with Paragraph 15.02(1) of the MMLR, which states that at least two (2) directors or one-third (1/3) of the Board members of a listed issuer are independent directors.</p> <p>Although there is no majority of Independent Directors on the Board, its decisions are made objectively in the best interest of the Company, considering the diverse perspectives and insights of its members. Generally, the decisions of the Board are made unanimously.</p> <p>The Board is looking for appropriate candidates who can enhance the diversity, skillsets, and quality of the Board to maximise the effectiveness of the Board.</p>	<p>The Board comprises at least 30% women Directors.</p> <p>We currently have two (2) women Directors: Dato' Dr Junaidah Kamarruddin and Ms Lim Fen Nee, who together account for 28.5% of the Board members.</p> <p>The Board is looking for appropriate candidates who can enhance the diversity, skillsets, and quality of the Board.</p>	<p>Companies fully disclose the detailed remuneration of each member of senior management on a named basis.</p> <p>The top five (5) Senior Management's total remunerations have been disclosed in bands of RM50,000. Their remunerations have been benchmarked against the industry and are aligned with the market, ensuring that they are externally competitive and internally equitable.</p> <p>This disclosure approach strikes a balance between respecting personal privacy rights and providing sufficiently precise data points that facilitate stakeholder scrutiny.</p>

 Please peruse our Corporate Governance Report 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:



**MCCG PRINCIPLE A
Board Leadership & Effectiveness**

 Go to pages 219 - 248



**MCCG PRINCIPLE B
Effective Audit & Risk Management**

 Go to page 249



**MCCG PRINCIPLE C
Integrity In Corporate Reporting And Meaningful Relationship With Stakeholders**

 Go to pages 250 - 254



**MCCG PRINCIPLE A
BOARD LEADERSHIP & EFFECTIVENESS**

BOARD LEADERSHIP

MRCB is led by its Board. The Board is collectively responsible for the overall stewardship of the business and all affairs of the Group in the pursuit of fulfilling its objectives, goals, and long-term sustainability on behalf of our shareholders and all other stakeholders.

The Board, therefore, plays a crucial role in ensuring that appropriate governance control systems and parameters are instituted within the Group. This is primarily accomplished through the formulation and implementation of internal controls and guidelines such as, but not limited to, the Board Charter, Code of Business Ethics, Whistleblowing, and Conflict of Interest policies.

 Further details on these and other governance-related policies can be found at www.mrcb.com.my/corporate-governance.html

BOARD OPERATIONS

Board Charter

The Board operates under the guidance of a Board Charter that 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 established this document to ensure that Directors are aware of their fiduciary duties and responsibilities, particularly their obligation to act in the best interests of the Company and shareholders and the necessity to always exercise good judgement and adhere to the highest ethical standards.

The Board Charter is reviewed and updated occasionally, with the last revision being made on 27 November 2023 to align the Audit and Risk Management Committee's (ARMC) Terms of Reference in the Board Charter with the amendments made to Bursa Malaysia's Main Market Listing Requirements (MMLR) in relation to the ARMC's responsibilities

and expanded oversight in relation to conflicts of interest. This document can be viewed at www.mrcb.com.my/corporate-governance.html.

Code of Business Ethics (Code)

Our Directors are expected to hold themselves to the highest standards of ethics and professional conduct, consistent with the Group's core values. They are expected to always behave and act virtuously 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 comprehension of the Code. Compliance with the provisions in these documents is deemed part of the terms and conditions of their service.

The Code promotes good business conduct with the highest principles of moral behaviour and integrity. It also outlines the expected standards of conduct and behaviour when



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

dealing with external parties, managing conflicts of interest, preventing abuses 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 and can be viewed at www.mrcb.com.my/corporate-governance.html.

Whistleblowing

The Group's Whistleblowing Policy allows individuals to report potential malpractice or misconduct involving anyone associated with the Company, including members of the Board. The Policy also outlines the process for submitting confidential whistleblowing reports. We have established a proprietary Whistleblowing e-form intended to streamline the reporting format and improve data handling and analysis. All submissions are automatically sent electronically to the Group Managing Director, Head of the Integrity & Discipline Department (IDD), and the Chairman of the Board, as well as the Chairman of the Audit & Risk Management Committee (ARMC), who is also the Senior Independent Director, for their further action.

The policy reinforces the Group's commitment to nurturing a culture of openness, accountability, and transparency, whereby an individual who is aware of potential malpractice or misconduct is encouraged to disclose and report such matters in good faith. It is also designed to safeguard such whistleblowers against any potential reprisal, discrimination, or harassment, regardless of whether they are employees of the Group.

The Whistleblowing Policy has been an effective tool for identifying and addressing instances of misconduct within the Group. During 2023, we received three (3) reports through our whistleblowing channels that have been reviewed, investigated, and actioned accordingly. All whistleblowing cases and investigation results are presented to the Board during Anti-Bribery & Corruption Updates, which is a permanent agenda item at the Quarterly Board Meetings. The policy is reviewed and updated periodically and can be viewed at www.mrcb.com.my/corporate-governance.html.

Conflicts of Interest

Directors have a fiduciary duty to always act in the best interest of the Group and an obligation to disclose any conflict of interest or potential conflict of interest in performing their duties. The Directors also have a duty of confidentiality in relation to the Group's information.

When a conflict of interest arises, potentially undermining the impartiality of the Director, they are immediately required to disclose the following to the Audit and Risk Management Committee (ARMC) 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 interest, potential conflict of interest, or the perception of a conflict of interest.

Such disclosures must be made as soon as practicable upon the Director becoming aware of their interest. Details of such disclosures must be recorded in the minutes of the meeting at which the disclosure is made or the next meeting held following the disclosure, as well as in the disclosure form for Directors, Senior Management, and Legal Representatives, available from the Company Secretary. Directors should also abstain from all Board deliberations and voting that relate to matters in which they have an interest.

A Conflict of Interest Policy has been in place since 2019 with the goal of ensuring that the nature and extent of any actual, potential, and perceived conflicts of interest, including interests in any competing businesses, are identified and managed effectively. It offers guidance on dealing with such situations as they arise, persist, or may arise within the Group, and the measures to be taken to resolve, eliminate, or mitigate such conflicts to minimise risks of bribery and corruption. This Policy applies to all Directors and employees of the Group, including those on internship or secondment and consultants engaged by the Group on a full-time basis. The policy was recently updated to align it to Bursa Malaysia's Main Market Listing Requirements (MMLR) 2023 amendments in relation to conflicts of interest. It can be viewed at www.mrcb.com.my/corporate-governance.html.



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

Apart from the Group's policy, 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.

Sustainability

MRCB is deeply committed to sustainability, aligning its growth opportunities with social and environmental considerations, in line with the Sustainable Development Goals (SDGs). Climate change is a central focus, with thorough analysis, monitoring, and reporting of associated risks and mitigations. The Group has expanded its sustainability assessment to include emerging issues such as human rights, diversity, equality and inclusion, and assessing the ESG readiness of its supply chain. Notably, it has become an early adopter of the Centralised Sustainability Intelligence (CSI) Platform in collaboration with Bursa Malaysia and the London Stock Exchange, emphasising high-quality sustainability disclosures.

As a signatory of various initiatives, including the UN Global Compact, CEO Action Network, 30% Club Malaysia, and Climate Governance Malaysia, the Group embeds sustainability in its business strategy. The Chief Corporate Officer (CCO) has been designated to strategically manage sustainability. The commitment to Net Zero in Scope 1 and Scope 2 emissions and a 50% reduction in Scope 3 by 2040 is tied to remuneration-linked Key Performance Indicators (KPIs) of the Senior Management, which are cascaded down to the Group's middle management and employees. The Sustainability Management Committee (SMC) works alongside the Board to integrate climate risks and opportunities into the Group's operations, implementing strategies, and risk management for sustainable development. This collective approach demonstrates a clear commitment to responsible growth for long-term value creation, underlining the organisation's dedication to a sustainable future.

In 2023, through our tone-from-the-top approach, the following initiatives were conducted:

Sustainable Supply Chain

- Initiated awareness of sustainability among suppliers and contractors;
- Collaborated with Bursa Malaysia on sustainability disclosures;
- Addressed challenges in a project-based model with a dynamic supplier base and adapting to a continuously changing supplier and contractor landscape;
- Expanded our measurement and disclosure of Scope 3 emissions; and,
- Collaborated with the UN Global Compact on rolling out an ESG readiness assessment framework for our supply chain.

Task Force on Climate-Related Financial Disclosure (TCFD)

- Expanded TCFD-aligned reporting;
- Conducted a quantitative assessment of the Group's most material climate-related physical risks, including water stress and flooding; and,
- Made plans to conduct a quantitative assessment of the Group's transition risks in the shift towards a low-carbon economy.

Diversity, Equity & Inclusion (DEI) Initiatives & Sustainability Upskilling

- Empowered employees through comprehensive sustainability training and Gender Parity Workshops;
- Advocated for industry-wide change through initiatives like the 30% Club Malaysia; and,
- Appointed Co-Chair of the CEO Action Network Diversity, Equity & Inclusion workstream.



Details of the Group's sustainability initiatives and efforts are reflected in *Our Approach to Sustainability* on pages 120 - 131 of this report



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

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 sustainability through appropriate environmental, economic, social, and governance considerations in the Group's business strategies, which include the following, amongst others:
 - i. Establishing and overseeing the implementation of a sustainability framework in support of the Group's vision, with clear strategies, priorities, and targets;
 - ii. Incorporating sustainability considerations when exercising its duties, including the development and implementation of business plans, major plans of action, and risk management, among others;
 - iii. Reviewing and approving sustainability policies and procedures in support of the Group's sustainability framework and strategy; and,
 - iv. Overseeing the institutionalisation of sustainability within the Group.
 - To take climate change risks and opportunities into account in the delivery of the Group's sustainable business growth, ensuring compliance with all laws, regulations, and other disclosure requirements 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 together with the Management, implement policies and procedures on whistleblowing;
 - 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 MRCB 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.

Further details on the roles, responsibilities, and reserved matters are clearly set out in the Board Charter



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 Committees of the Board. This is to safeguard the impartiality of the Chairman and provide a strong check and balance on the Board when deliberating on observations and recommendations put forward by the Committees of the Board.

Furthermore, the Board exercises a clear demarcation of duties and responsibilities between the Chairman, the Executive Vice Chairman, and the Group Managing Director to ensure an appropriate balance 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 convey any concerns or queries on the affairs of the Company.



**DATO' MOHAMAD
NASIR AB LATIF**
Chairman

The Chairman of MRCB is a Non-Independent, Non-Executive Director. The Chairman is responsible for the overall leadership and efficient functioning of the Board.

- **Roles & Responsibilities of the Chairman**

- Providing leadership to the Board to ensure that the Board functions effectively, cohesively, and independently of 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;
- Promoting constructive and respectful relations between Board members and managing the interface between Board members and Management;
- Ensuring that appropriate steps are taken to provide effective communication with stakeholders and that views are communicated to the Board as a whole; and,
- Leading efforts to address the Board's developmental needs.

For more information on the Chairman's profile, please refer to page 204 of this Integrated Annual Report



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 (EVC)**

- 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 205 of this Integrated Annual Report



MCCG PRINCIPLE A

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.**

• **Roles & Responsibilities of the Group Managing Director (GMD)**

- Overseeing the implementation of the Group's long-term strategy and ensuring consistent and timely progress towards achieving its mission;
- Ensuring that the Company and/or the Group's business is properly and efficiently managed by ensuring that 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;
- Ensuring there is an effective Management team below the level of the Group Managing Director and developing an appropriate succession plan;
- Ensuring that the objectives and standards of performance are understood by the Management and employees;
- Ensuring that the necessary operational planning, sustainability, health & safety, risk management, and other control 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;
- Fostering a corporate culture that promotes sustainable and ethical practices, encourages individual integrity, health & safety, and fulfils MRCB's corporate social responsibilities;
- Maintaining a positive and ethical working environment that is conducive to attracting, retaining, and motivating a diverse workforce;
- Overseeing the recruitment, employment, and release of all personnel;
- Ensuring continuous improvements in the quality, 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 206 of this Integrated Annual Report



**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 (SID)

- 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 chair a formal annual session of the Nomination & Remuneration Committee (NRC) 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 where this is required to help them to challenge and contribute effectively.

The SID 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 SID'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.

For more information on the Senior Independent Director's profile, please refer to page 208 of this Integrated Annual Report

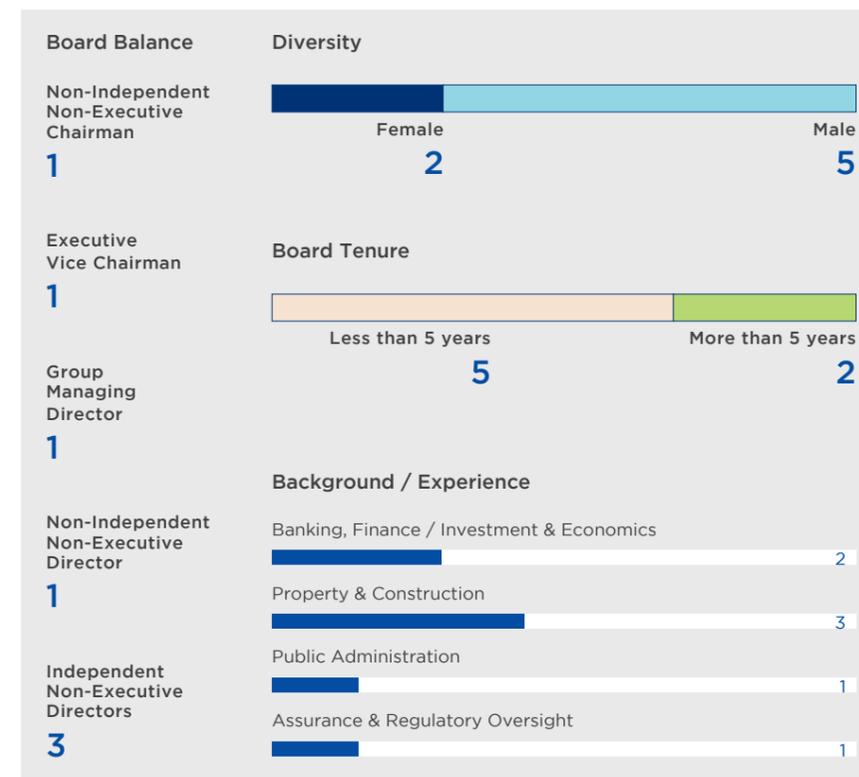


**MCCG PRINCIPLE A
BOARD LEADERSHIP & EFFECTIVENESS**

BOARD DIVERSITY & COMPOSITION

The composition of a Board remains a key factor in shaping the way a Board functions and the dynamics between its members. Diversity allows the Board to capitalise on the differences in background, industry experience, knowledge, and skills to collectively provide oversight and help the Group retain its competitive advantage. An effective Board should be composed of members with a suitable mix of skills, knowledge, experiences, and perspectives that fit the Company's purpose, objectives, and strategic goals. This fosters an environment conducive to constructive dialogue and enables the Board to be cognisant to the demands of a wide range of stakeholder interests.

MRCB's Board is composed of a strong seven-member team that possesses 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 present composition and size enable it to discharge its duties and responsibilities effectively and competently, with adequate diversity and inclusion being present in terms of board balance, board tenure, gender, age, and related experience.



Directors' Key Capabilities





MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

BOARD INDEPENDENCE

All Directors, regardless of their independent status, are required to always act in the best interests of MRCB and exercise unfettered and independent discretion and judgement. The Board recognises the pertinent contributions that Independent Directors make in terms of good corporate governance, particularly in the area of related party transactions where they safeguard the interests of minority shareholders.

The Board undertakes to assess the independence of its Independent Directors upon their appointment and annually thereafter or upon any new interests that materialise and are brought to its attention. The Nomination & Remuneration Committee (NRC), chaired by the Senior Independent Director, takes responsibility for such assessments, as well as the identification and recommendation to the Board of new suitable Board candidates.

To date, all our Independent Directors meet the following criteria:

- 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.
- 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.
- 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 long tenures could lead to the development of a sense of familiarity with Management and sympathy for their interests, which may impair and erode an Independent Director's objectivity.

After the changes to the Board at the end of 2023, the Independent Directors form a minority with three (3) members on the current seven-member Board. The Board is keen to restore its previous majority independent Board 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 grant Directors ample time to plan and incorporate the meeting dates into their respective schedules, and to ensure total attendance at meetings. Scheduled Board meetings are typically held immediately following the finalisation of the Company's quarterly and annual results for the Board to review and approve prior to announcing to Bursa Malaysia. The viability of other business propositions and corporate proposals are also evaluated and deliberated, with relevant members of 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 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. The Board further participates in an annual offsite Strategy Meeting organised for the Board to consult Management, deliberate and formulate the Group's business direction, strategic plans, and priorities, and understand the competitive landscape in which the business operates in an informal setting. 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.



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

Directors are expected to devote sufficient time to allow the proper and effective discharge of their various duties and obligations. If physical attendance is not possible for any reason, Directors are provided with a convenient alternative to join meetings remotely via video conferencing solutions. Moreover, Directors may also express their views and opinions to the other Directors and the Company Secretary via secured collaborative software. In all cases, Directors are expected to attend to Board matters personally and must not appoint another person to participate on their behalf.

Directors are further required to notify the Chairman before accepting any new directorships on the Boards of other listed or non-listed entities and to specify the time expected to be spent on such new appointments. In any given circumstances, Directors are limited to holding not more than five (5) directorships in listed issuers, in accordance with Bursa Malaysia's Main Market Listing Requirements (MMLR).

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 2023

Meeting	Q1	Q2	Q3	Q4
Annual General Meeting / Extraordinary General Meeting	-	7 June	-	24 October
Executive Committee	30 January 24 March	17 April 20 June	22 July 21 September	5 December
Audit & Risk Management Committee	17 February 23 March	26 May	25 July 29 August	23 November
Nomination & Remuneration Committee	23 March	13 April	21 September	-
Long-Term Incentive Plan Committee	-	-	-	-
Board of Directors	4 February 20 February 27 March	17 April 29 May	25 July 30 August	3 October 27 November
Strategy Meeting	4 February	-	-	18 December



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

Directors' Attendance at Meetings in 2023

Board Member	Attendance					AGM & EGM
	Board	Committees				
		EXCO	ARMC	NRC	LTIP	
Non-Independent Non-Executive Chairman						
1. Datuk Seri Amir Hamzah Azizan ¹	9/9	-	-	-	-	2/2
Executive Vice Chairman						
2. Tan Sri Mohamad Salim Fateh Din	9/9	-	-	-	-	2/2
Group Managing Director						
3. Datuk Imran Salim	9/9	7/7	-	-	-	2/2
Non-Independent Non-Executive Directors						
4. Dato' Mohamad Nasir Ab Latif ²	9/9	7/7	-	-	-	2/2
5. Mohamad Hafiz Kassim ³	9/9	4/4	2/2	3/3	-	2/2
Independent Directors						
6. Dato' Wan Kamaruzaman Wan Ahmad	9/9	7/7	6/6	3/3	-	2/2
7. Dato' Dr Junaidah Kamarruddin	9/9	-	6/6	3/3	-	2/2
8. Lim Fen Nee	9/9	-	6/6	-	-	2/2
Overall attendance	100%	100%	100%	100%	-	100%

Notes:

¹ On 12 December 2023, Datuk Seri Amir Hamzah Azizan resigned as Non-Independent Non-Executive Chairman

² On 14 December 2023, Dato' Mohamad Nasir Ab Latif was redesignated as Acting Non-Independent Non-Executive Chairman

³ On 2 May 2023, Mohamad Hafiz Kassim resigned as a member of the Audit and Risk Management Committee (ARMC) and was appointed as a member of the Executive Committee (EXCO)



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

HIGHLIGHTS OF BOARD ACTIVITIES IN 2023

Performance & Strategy

- Strategy deliberation and formulation
- Updates on operational progress
- Updates on HR strategies, such as compensation & benefits, succession planning, and learning & development
- Updates on digitalisation & automation implementation

Governance, Risk & Compliance

- Board Committee updates
- Updates to the Limits of Authority
- Key enterprise risks, risk registers, and risk mitigation plans
- Quarterly audit status reports
- Compliance with Bursa Malaysia's Enhanced Conflict of Interest Requirements
- Updates to MRCB's Board Charter, Directors' Fit and Proper Policy, Whistleblowing Policy, and Conflict of Interest Policy
- 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
- IT and Cybersecurity updates
- Quarterly Health & Safety data updates

Sustainability

- Progress on Scope 1 and Scope 2 emissions reductions, science-based targets and expanding collection and disclosure of Scope 3 emissions
- Climate Risks and Opportunities, and expanding Task Force on Climate-Related Financial Disclosures (TCFD) aligned disclosures and a quantitative assessment on climate-related physical risks to the Group's most material assets
- Sustainable procurement strategies and managing Scope 3 emissions disclosure
- External communications and Stakeholder engagement on ESG
- Supply chain ESG readiness assessments
- Improving the Group's FTSE4Good Index scoring through better disclosures in our environment pillar
- Compliance with EPF's Sustainable Investment Policy
- Sustainability Training and Upskilling
- Diversity, Equity, and Inclusion (DEI) training and development
- Compliance with Bursa Malaysia's Enhanced Sustainability Disclosure Requirements
- Memorandum of Co-Operation with Bursa Malaysia to be an early adopter of its Centralised Sustainability Intelligence (CSI) platform

Financial

- Annual business plan and budget
- Annual Audited Financial Statements
- Quarterly financial results
- Annual dividend for FY2022
- Deliberation on acquisitions, disposals, and tender proposals
- Cost Reduction initiatives
- Sukuk issuance
- Sustainable Finance
- Related Party Transactions (RPT) Corporate Exercises

People & Culture

- Succession Planning
- Talent management initiatives
- Learning & development initiatives
- Annual staff bonus and increments
- Workforce planning
- Corporate Social Responsibility (CSR) initiatives
- Employee Engagement Survey



MCCG PRINCIPLE A

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:

- 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.
- Unrestricted access to the advice and services of the Company Secretary and Senior Management.
- 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

MOHAMED NOOR RAHIM BIN 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.

- Roles & Responsibilities of the Company Secretary in relation to the Board**

- Attending all Board meetings and ensuring that all deliberations are properly documented and recorded;
- 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.	MAICSA Annual Conference 2023	4 & 5 October	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
2.	Provision of Financial Assistance and RPT	16 & 17 October	MRCB / CKM Advisory Sdn Bhd
3.	Developing an Integrated Health, Environment, and Climate Strategy for your Company	13 December	UN Global Compact
4.	Taking Collective Action for Anti-Corruption	13 December	UN Global Compact

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. Premiums for such additional insurance are to be paid by the Directors themselves.



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

BOARD DELEGATION

Board Committees

The Board, from time to time, establishes committees as it considers appropriate to assist in carrying out its duties and responsibilities. Throughout the year under review, the following four (4) Board Committees have been in operation:

Board Committee	Core Function
Executive Committee	Provides organisational direction to the Group Managing Director and the Senior Management team
Audit & Risk Management Committee	Assists the Board in fulfilling its audit and risk governance and oversight responsibilities over the activities of the Group, including reviewing and reporting to the Board, any conflict of interest situation that arose, persists, or may arise together with the measures taken to resolve, eliminate, or mitigate such conflicts
Nomination & Remuneration Committee	Assists the Board in developing and administering a fair and transparent policy for the nomination, selection, compensation, and succession planning of Directors and Senior Management, setting Key Performance Indicators of Senior Management, aligning the Group's human capital with the strategic objectives of the organisation to encourage a positive corporate culture, in addition to overseeing learning and development initiatives
Long-Term Incentive Plan Committee	Implements and administers the share grant plan under the Group's LTIP

Each Committee is empowered by the Board to address and deliberate on matters delegated to them as defined within the Committee's Terms of Reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings during and the quarterly Board meetings. The confirmed minutes of the Committee meetings are included in the Board Papers for the Board's notification.

Descriptions of the key functions and responsibilities of the respective Committees and their composition are set out on pages 268 - 275 of this Integrated Annual Report.

[Further details on the Terms of Reference for the various Board Committees can be found at www.mrcb.com.my/corporate-governance.html](http://www.mrcb.com.my/corporate-governance.html)

Powers delegated to Management

The Board grants the Group Managing Director specified levels and limits of authority, and power to oversee the Company and its operations. The Group Managing Director may further delegate aspects of his authority and power to the Management team as required; however, the Group Managing Director always remains accountable to the Board for the Group's performance. 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.



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

Limits of Authority

In order to ensure the accountability of the Group Managing Director and Senior Management, the Group has implemented Limits of Authority, which governs the limits of transactions that each level of Management can approve or commit the Group to, and specifies transactions that require to be escalated and approved by the Board or Board Committees. Both financial and operational commitments are addressed by the Limits of Authority; for example, the approval of project and departmental budgets, signing of contracts or agreements, and the recruitment of staff.

All changes to the Limits of Authority are 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.

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 within the industries MRCB operates in, with a particular focus on sustainability and technological advancements. Furthermore, the Board is aware of the continuous changes to all applicable statutory and regulatory requirements and is committed to keeping pace with them.

Alongside the Mandatory Accreditation Programme (MAP) required by Bursa Malaysia, the Directors continue to enhance their knowledge and skills through appropriate continuing education programmes, conferences, and seminars. These opportunities enable the Directors to effectively discharge their duties and actively participate in Board deliberations.

The Board evaluates the training needs of the Directors on a regular basis and ensures that Directors have access to continuing education programmes. The training programmes and seminars attended by the Directors throughout 2023 were as follows:

- DATO' MOHAMAD NASIR AB LATIF**

No.	Training / Seminar Attended	Date	Organiser
1.	Can America Stop China's Rise? Will ASEAN be Damaged?	12 January	FIDE Forum - Asia School of Business
2.	Integrity, Governance, and Anti-Corruption Training for Board, Investment Panel, and KWEST Board Members	13 January	Retirement Fund Incorporated (KWAP)
3.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
4.	Anti-Money Laundering and Countering Financing of Terrorism	7 March	RHB Compliance
5.	SRI Taxonomy: Insights and Implementation	10 March	Securities Industry Development Corporation (SIDC)
6.	Synergy Inclusive Transition	14 June	Yinson Holdings Berhad
7.	Sustainability	9 August	Retirement Fund Incorporated (KWAP)
8.	KWAP Sustainability Retreat 2023	1 - 3 September	Retirement Fund Incorporated (KWAP)



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

No.	Training / Seminar Attended	Date	Organiser
9.	Net Zero Within Financial Institution – Approach & Recommendations on Net Zero Strategy for RHB	5 September	RHB / Ernst & Young (EY)
10.	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	19 & 20 September	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)
11.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
12.	INSEAD Business Sustainability Programme	30 October – 3 November	INSEAD Business School
13.	Cybersecurity Awareness Training	30 November	Yinson Holdings Berhad

• TAN SRI MOHAMAD SALIM FATEH DIN

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	World Summit on the Information Society Forum 2023	13 – 17 March	ITU, UNESCO, UNDP, and UNCTAD, in close collaboration with all WSIS Action Line co-/facilitators and other UN organisations
3.	Mandatory Accreditation Programme (MAP)	22 & 23 August	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)
4.	Ericsson Imagine Live – Accelerating a Digital Malaysia with 5G	25 September	Ericsson Malaysia
5.	Malaysia ICT Summit 2023 – Digital Malaysia, Green Growth	26 & 27 September	Huawei Technologies Malaysia
6.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia

• DATO' WAN KAMARUZAMAN WAN AHMAD

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia

• DATUK IMRAN SALIM

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Sustainability Series: (Re)Building the Board for Innovation	29 February	Institute of Corporate Directors Malaysia (ICDM)
3.	ICDM & IBM Business Value Webcast	27 June	Institute of Corporate Directors Malaysia (ICDM)
4.	International Social Wellbeing Conference	6 July	Employees Provident Fund (EPF)



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

No.	Training / Seminar Attended	Date	Organiser
5.	Sustainability Governance and Reporting	19 September	Minority Shareholders Watch Group (MSWG)
6.	Management of Cyber Risks	23 October	Bursa Malaysia Berhad
7.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
8.	GLIC Integrity Event	7 November	Permodalan Nasional Berhad (PNB)

• MOHAMAD HAFIZ KASSIM

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Cybersecurity Oversight in the Boardroom	22 June	Institute of Enterprise Risk Practitioners (IERP)
3.	International Social Wellbeing Conference (ISWC) 2023	5 & 6 July	Employees Provident Fund (EPF)
4.	Finance Seminar 2023	31 July & 1 August	Employees Provident Fund (EPF)
5.	Industrial Relations Legal Conference	8 & 9 August	Employees Provident Fund (EPF)
6.	What Amounts to a Conflict of Interest by Directors?	6 October	Asia School of Business
7.	“The Path Towards Greater Prosperity for Malaysia” Symposium	18 October	Employees Provident Fund (EPF)
8.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
9.	Private Markets Summit	1 & 2 November	Employees Provident Fund (EPF)
10.	Integrity Day with Ministry of Finance and Agencies under the Ministry of Finance	23 November	Employees Provident Fund (EPF)

• DATO' DR JUNAIDAH KAMARRUDDIN

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
3.	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	11 & 12 December	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

• LIM FEN NEE

No.	Training / Seminar Attended	Date	Organiser
1.	Can America Stop China's Rise? Will ASEAN be Damaged?	12 January	FIDE Forum – Asia School of Business
2.	2023 Investment Market Outlook Webinar: Parallel Worlds	16 January	HSBC
3.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
4.	Capability Building Workshop	14 February	Allianz Malaysia Berhad
5.	Ethical Leadership in Digital Era	16 February	Malaysia Institute of Accountants (MIA)
6.	The Role of Accountants in Managing Cybersecurity Risks	23 February	Malaysia Institute of Accountants (MIA)
7.	The Winning Approach to Finance Transformation and The Race for Relevance Technology Opportunities for the Finance Function	1 March	Malaysia Institute of Accountants (MIA)
8.	Digital Signature: Understanding its Principles and Applications	7 March	Malaysia Institute of Accountants (MIA)
9.	Digital Accountant: Digital Skills in a Transformed World	8 March	Malaysia Institute of Accountants (MIA)
10.	MIA AccTech Conference 2023	14 & 15 March	Malaysia Institute of Accountants (MIA)
11.	2023 Investment Market Outlook Webinar: Exploring Sustainability of Asia Performance	22 March	HSBC
12.	Fair Treatment of Financial Consumers	13 April	Allianz Malaysia Berhad
13.	Artificial Intelligence (AI) with a Human Face	24 May	Chartered Accountants Australia and New Zealand (CAANZ)
14.	Advancing Cyber Resilience: Board's Top 3 Must-Knows	25 May	Institute of Corporate Directors Malaysia (ICDM)
15.	MIA International Accountants Conference 2023 – ChatGPT: A Game Changer for Accountancy Profession	13 & 14 June	Malaysia Institute of Accountants (MIA)
16.	Generative AI – An Opportunity or Risk?	20 July	Institute of Corporate Directors Malaysia (ICDM)
17.	Conflict of Interest and Governance of Conflict of Interest	15 August	Bursa Malaysia Berhad
18.	Bursa Advocacy Session for Directors and CEOs	17 August	Bursa Malaysia Berhad
19.	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	4 – 7 September	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)
20.	The Cooler Earth Summit: Board Session and Accountants Role	12 September	CIMB
21.	Beyond the Ledger: Elevating Accountants as Strategic Decision-Makers	13 September	Association of Chartered Certified Accountants (ACCA) / LeadWomen
22.	Transfer Pricing and E-Invoicing	14 September	Allianz Malaysia Berhad
23.	Directors Guide to Dealing with Opportunity in Risk	14 September	Institute of Enterprise Risk Practitioners (IERP)
24.	ACCA Technical Symposium 2023	21 September	Association of Chartered Certified Accountants (ACCA)



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

No.	Training / Seminar Attended	Date	Organiser
25.	Khazanah Megatrends Forum 2023	2 & 3 October	Khazanah Nasional Berhad
26.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
27.	Cloud and Cybersecurity Awareness Training	25 October	Allianz Malaysia Berhad
28.	Ethics Webinar	3 November	Malaysia Institute of Accountants (MIA)

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 (NRC) and Board meetings.

• Scope of Evaluation

Board
as a wholeAll Board
CommitteesContribution of
Individual Directors

MRCB is cognisant that periodic evaluations present an opportunity to gain valuable shared insights into the operation 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.

Deloitte Business Advisory Sdn Bhd (Deloitte) was appointed by MRCB to formulate questionnaires for an internally facilitated evaluation exercise undertaken by the Company Secretarial Department. As part of the evaluation process, the questionnaires were distributed to Board members to assess the effectiveness of the Board, its Committees, and the performance and contribution of each Director for the purpose of identifying areas of strength and improvement considerations which the Board can leverage 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
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	All Board Members
Board Processes and Infrastructure	
Board Capabilities Assessment	
Self and Peer Assessment	
Fit and Proper Assessment	
Independence Assessment	Independent Directors Only
Audit and Risk Management Committee (ARMC) Assessment	Respective Board Committee Members
Nomination and Remuneration Committee (NRC) Assessment	
Executive Committee (EXCO) Assessment	

The criteria assessed within each assessment topic were as follows:

Assessment Topic	Criteria
Board Governance and Oversight <ul style="list-style-type: none"> Evaluates the efficacy, alignment, and collaborative dynamics of the Board of Directors in relation to governance and oversight. 	<ul style="list-style-type: none"> Corporate Purpose and Alignment; Board-Management Dynamics; and, Boardroom Activities and Performance Oversight.
Board Processes and Infrastructure <ul style="list-style-type: none"> Delves into the mechanics of the Board’s operations and the underlying infrastructure that governs the Board’s activities. 	<ul style="list-style-type: none"> Board Structure; Board Meetings and Stewardship; Board Papers and Information Flow; Board Policies and Procedures; Succession Planning; and, Secretarial Support.
Board Capabilities Assessment <ul style="list-style-type: none"> Evaluates the technical proficiencies of Directors based on their education and work experience as well as their respective behavioural attributes. 	<ul style="list-style-type: none"> Behavioural Competencies; and, Technical Competencies.
Self and Peer Assessment <ul style="list-style-type: none"> Facilitates an introspective reflection on each Director’s contribution and performance, enabling respective Board members to evaluate their own contribution in relation to their peers. 	<ul style="list-style-type: none"> Board of Directors; and, Group Managing Director.
Fit and Proper Assessment <ul style="list-style-type: none"> Serves to corroborate the Director’s qualifications and suitability in fulfilling their fiduciary duties to MRCB. It ensures that there are no adverse issues during the review period and upholds the organisation’s standards of professionalism, ethics, and expertise. 	<ul style="list-style-type: none"> Probity; Personal Integrity; Financial Integrity; Experience and Competence; and, Time Commitment.



**MCCG PRINCIPLE A
BOARD LEADERSHIP & EFFECTIVENESS**

Assessment Topic	Criteria
Independence Assessment <ul style="list-style-type: none"> Evaluates Independent Directors in their role of bringing objectivity to the Board’s oversight function. Their unbiased perspective allows for meaningful debates and effective challenges to Management. 	<ul style="list-style-type: none"> Background; Economic Relationship; Family Relationship; Tenure; and, Time Commitment.
Audit and Risk Management Committee (ARMC) Assessment <ul style="list-style-type: none"> Ascertains the contributions and areas for potential enhancement of the ARMC. 	<ul style="list-style-type: none"> Skills and Composition; and, Functionalities and Oversight Responsibilities.
Nomination and Remuneration Committee (NRC) Assessment <ul style="list-style-type: none"> Ascertains the contributions and areas for potential enhancement of the NRC. 	
Executive Committee (EXCO) Assessment <ul style="list-style-type: none"> Ascertains the contributions and areas for potential enhancement of the EXCO. 	

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 early February 2024, 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 NRC on 28 February 2024 and subsequently presented to the Board on 29 February 2024.

Based on the findings of the BEE, the Board is satisfied with its performance, effectiveness, and composition, and that of the Board Committees.



**MCCG PRINCIPLE A
BOARD LEADERSHIP & EFFECTIVENESS**

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Appointment of Directors

Pursuant to Paragraphs 15.01A and 15.08A(3) of Bursa Malaysia’s Main Market Listing Requirements (MMLR), MRCB has developed a comprehensive Directors’ Fit and Proper Policy that sets out the approach and procedures to ensure a formal, rigorous, and transparent screening process is being adhered for the appointment and re-election of the Directors. The policy can be viewed at www.mrcb.com.my/corporate-governance.html.

The nomination of Non-Independent Non-Executive Directors (NINED) to the Board is the prerogative of the major shareholders of the Company, as defined within Bursa Malaysia’s MMLR. The nomination of Independent Non-Executive Directors (INED) to the Board may be made through the recommendations from existing Board members, Management, or major shareholders and/or via the engagement of professional recruiters or advisory bodies to identify suitable candidates for any vacant positions. If the former approach is solely relied upon, the Nomination & Remuneration Committee (NRC) provides appropriate justification outlining why this was deemed sufficient.

The NRC plays a pivotal role in the screening and selection of high-quality candidates who will be well-suited for the Board. The responsibility to develop and deliberate on the selection criteria based on competencies and attributes necessary for the position lies with the NRC. All nominees are initially vetted by the NRC, taking into consideration:

- Their qualifications, skills, experience, relevant past performance, track record, and competencies necessary 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.

In addition, the NRC also considers each nominee’s ability to allocate sufficient time to effectively meet the demands and expectations of the role. This includes considering all existing Board positions currently held by the nominee, including on Boards of non-listed companies and other organisations. Any nominees holding positions that have the potential to cast doubt on the integrity and governance of the Company, such as active politicians or individuals with direct links to those with executive powers, shall be avoided.

Once shortlisted, all potential candidates undergo comprehensive reference checks conducted by the Company Secretary, particularly in terms of their financial and character integrity. This includes background checks with credit agencies, local authorities, industry regulators, and enforcement agencies to ensure that the candidate is indeed qualified to serve as a Director. The candidates are also required to make the Fit and Proper Declaration. The NRC assesses all the findings and makes recommendations to the Board for its final approval.

The Company Secretary further coordinates with the NRC to organise orientation sessions for newly appointed Directors to ease their onboarding process. Such sessions typically include an introduction to the Company’s key activities, governance structures, key governance documentation (such as the Code of Business Ethics (Code)), ESG performance, recent financial performance, and strategy. Additional deep dive sessions on specific topics of interest are arranged if required by the incoming Director.



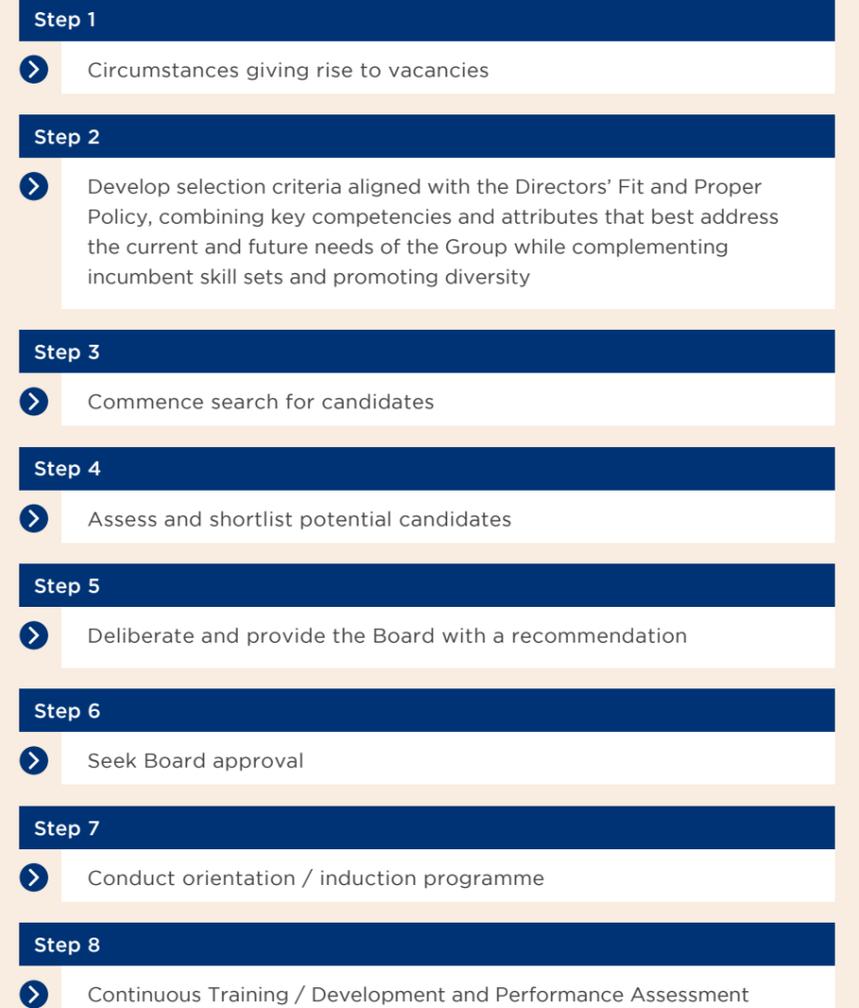
**MCCG PRINCIPLE A
BOARD LEADERSHIP & EFFECTIVENESS**

Following appointment / re-election, the Company Secretary is required to conduct an assessment of the Directors if a triggering event occurs (e.g., MRCB becoming aware of information that may materially compromise a Director’s fitness to serve) and document the findings and results on each of them, addressing the following:

- Whether the Director has at any time failed to comply with the requirements under MRCB’s Directors’ Fit and Proper Policy;
- Whether the Director has had any convictions; and,
- Whether the Director has any conflict of interest or potential conflict of interest, including an interest in a competing business.

Similarly, the NRC also identifies and recommends 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





MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

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	Article 103	Article 106
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.	If still eligible and willing, the retiring Directors may be re-elected at an AGM by way of Ordinary Resolution.	Directors appointed as additions to the existing Board shall hold office only until the next AGM and shall then be eligible for re-election.

Further details on the relevant Articles can be found within MRCB's Constitution at www.mrcb.com.my/corporate-governance.html

The Directors' rotation list is presented to the Board for review and, thereafter, recommended to the shareholders for approval. The Board ensures that the notes accompanying the Notice of the General Meeting to shareholders are complete with all information necessary to support their informed decision-making on the matter. This includes:

- An assessment of the candidates' continued eligibility for re-election based on their competencies, commitment, and performance track record, in line with MRCB's Directors' Fit and Proper Policy;
- Details of any interest, position, or relationship that might influence the candidates' capacity to function effectively; and,
- A clear statement outlining the Board's justification for recommending the re-election of the candidate.

• **Directors retiring by rotation in 2023 pursuant to Articles 101 and 102**

Datuk Imran Salim	During the Board meeting held on 27 March 2023, the Board gave its endorsement for all three (3) directors to be considered for re-election at MRCB's 52 nd AGM.
Dato' Wan Kamaruzaman Wan Ahmad	
Dato' Dr Junaidah Kamarruddin	All of them 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:

- 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.



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

- Based on the recommendation of the Nomination & Remuneration Committee, the Board was satisfied with the performance and contributions of the following Directors and supported the re-elections based on the following justifications:

- Datuk Imran Salim**

- Datuk Imran Salim has been the Group Managing Director (GMD) of MRCB since 2 July 2018. Due to his experience and knowledge related to the real estate industry, he has the ability to make appropriate decisions that safeguard stakeholders' interests and is familiar with the Group's business operations to steer the Group forward.
- He has contributed tremendously to the Group and carried out his duties professionally and proficiently during his tenure as the GMD.

- Dato' Wan Kamaruzaman Wan Ahmad**

- Dato' Wan Kamaruzaman Wan Ahmad fulfils the requirement of independence set out in the MMLR of Bursa Malaysia as well as the prescribed criteria under MCCG 2021.
- As Chairman of the ARMC, he demonstrated sound leadership in assisting the Board in fulfilling its fiduciary duties and responsibilities on the integrity of the Group's financial reporting and its audit processes. He has also demonstrated sound leadership as the Chairman of the NRC in assisting the Board in overseeing the nomination and remuneration process for the Board and Board Committees, as well as for critical management positions within the Group.
- He has demonstrated his independence through his engagement in the Board and Board Committee meetings by providing constructive feedback to the Management in developing the Group's business strategies. He also exercised due care and carried out his duties professionally and proficiently during his tenure as the Senior Independent Director of the Company.

- Dato' Dr Junaidah Kamarruddin**

- Dato' Dr Junaidah Kamarruddin fulfils the requirement of independence set out in the MMLR of Bursa Malaysia as well as the prescribed criteria under MCCG 2021.
- She has demonstrated her independence through her engagement in the Board and Board Committee meetings and has also exercised due care and carried out her duties professionally and proficiently during her tenure as an Independent Director of the Company.

Succession Planning

The Board has established a framework for succession planning to govern human capital development within the Group. As outlined within the Board Charter, the NRC has the responsibility to ensure adequate and appropriate succession planning is conducted to ensure the orderly identification and selection of new Independent Directors in the event of any vacancies on the Board, whether such openings exist by reason of an anticipated retirement, the expansion of the size of the Board, or otherwise.

The Group's Policy and Guidelines Statement on Succession Planning for the Board and Senior Management outlines our commitment to implementing an effective succession planning programme that serves as a platform for the systematic 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. This document can be viewed at www.mrcb.com.my/corporate-governance.html.



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

REMUNERATION

Directors' Remuneration

Directors' remuneration is governed by the Group's Remuneration Policy for the Board of Directors and Senior Management. In line with Practice 7.1 of MCG 2021, the Policy appropriately portrays the different roles and responsibilities of Non-Executive Directors (NED), Executive Directors (ED), and Senior Management. It also outlines the Company's policies in preparing competitive remuneration packages for NEDs, EDs, 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 and can be viewed on the Company's website, www.mrcb.com.my/corporate-governance.html.

MRCB's remuneration packages are designed to be commensurate with the level of responsibility, accountability, technical skills, and experience required while also incentivising value creation for the Company and its stakeholders.

The Nomination & Remuneration Committee (NRC) conducts a review of the remuneration packages of the NEDs at least once in every three-year period based on industry and market rates and, thereafter, makes a recommendation to the Board for endorsement prior to tabling to the Company's shareholders for their approval at the Annual General Meeting. All NEDs receive a fixed base fee, plus meeting allowances and other benefits-in-kind as consideration for their Board duties. The aggregate total of Directors' fees to be paid to NEDs is subject to the approval of the shareholders at the General Meeting. Remuneration of NEDs is not linked to individual performance.

The Company provides fair and reasonable remuneration to its Group Managing Director to ensure that the Company attracts and retains a high-calibre Group Managing Director with the skills, experience, and knowledge necessary to create value for the benefit of all shareholders. The remuneration is based on the Group Managing Director's 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 NRC.



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BOARD LEADERSHIP & EFFECTIVENESS

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 2023.

Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits -in-Kind (RM)	Other Emoluments (RM)	Total (RM)
Independent Chairman							
The Late Tan Sri Azlan Mohd Zainol	6,575	10,000	-	-	11,011	-	27,586
Non-Independent Non-Executive Chairman							
Datuk Seri Amir Hamzah Azizan*	187,208	144,935	-	-	-	-	332,143
Executive Vice Chairman							
Tan Sri Mohamad Salim Fateh Din	-	-	1,690,500	560,000	20,542	275,563	2,546,605
Group Managing Director							
Datuk Imran Salim	-	-	1,328,250	412,500	78,158	531,141	2,350,049
Non-Independent Non-Executive Directors							
Dato' Mohamad Nasir Ab Latif	152,446	175,000	-	-	2,144	-	329,590
Mohamad Hafiz Kassim*	150,000	72,000	-	-	-	-	222,000
Independent Directors							
Dato' Wan Kamaruzaman Wan Ahmad	150,000	108,000	-	-	-	-	258,000
Dato' Dr Junaidah Kamarruddin	150,000	72,000	-	-	1,207	-	223,207
Lim Fen Nee	150,000	64,000	-	-	-	-	214,000
Total	946,229	645,935	3,018,750	972,500	113,062	806,704	6,503,180

* 50% of the Directors' fees for EPF nominees on the Board of the Company are paid directly to EPF

Senior Management's Remuneration and Shareholdings

The remuneration of the Senior Management is composed of several components linked to their individual performance against annual Key Performance Indicators, such as achieving operational targets and addressing material sustainability risks and opportunities facing the Company. The pre-determined Key Performance Indicators are approved by the NRC. Remuneration packages of key Senior Management are reviewed when contracts come up for renewal by the NRC. If applicable, any changes required are subsequently recommended to the Board. It is the responsibility of the Board to collectively assess these changes and, if deemed fair, to approve the remuneration packages.

In compliance with Practice 8.2 of the MCG 2021, a summary of the top five (5) Senior Management members' remuneration for the financial year ended 31 December 2023 is shown below, which includes basic salary, bonuses, benefits-in-kind, statutory contributions, and other emoluments.


**MCCG PRINCIPLE A
BOARD LEADERSHIP & EFFECTIVENESS**

Senior Management	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments (RM)	Total (RM)
Group Chief Financial Officer						
Ann Wan Tee	1,300,001 - 1,350,000	50,001 - 100,000	350,001 - 400,000	50,001 - 100,000	350,001 - 400,000	2,150,001 - 2,200,000
Group Chief Operating Officer						
Kwan Joon Hoe	1,250,001 - 1,300,000	50,001 - 100,000	350,001 - 400,000	50,001 - 100,000	300,001 - 350,000	2,100,001 - 2,150,000
Chief Corporate Officer						
Amarjit Singh Chhina	900,001 - 950,000	50,001 - 100,000	250,001 - 300,000	50,001 - 100,000	250,001 - 300,000	1,550,001 - 1,600,000
Executive Vice Presidents						
Dato' Haji Ishak Bin Haji Mohamed	1,050,001 - 1,100,000	50,001 - 100,000	250,001 - 300,000	0 - 50,000	50,001 - 100,000	1,500,001 - 1,550,000
Datuk Dell Akbar Khan Bin Hyder Khan	850,001 - 900,000	50,001 - 100,000	200,001 - 250,000	0 - 50,000	0 - 50,000	1,200,001 - 1,250,000

Details of the Senior Management's shareholdings in the Company and any changes during the financial year are set out below:

Senior Management	Number of ordinary shares			
	Balance as at 01.01.2023	Acquisition during the year	Disposal during the year	Balance as at 31.12.2023
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 in fulfilling its audit and risk governance and oversight responsibilities over the activities of the Group. Dato' Wan Kamaruzaman Wan Ahmad chairs the ARMC (further details of his profile can be found on page 208), where he is supported by two (2) other suitably qualified independent members, enabling MRCB to successfully comply with the requirements of Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (MCCG) 2021 and Paragraph 15.09 of the Bursa Malaysia's Main Market Listing Requirements (MMLR).

For the financial year ended 31 December 2023, the Board agreed that the ARMC 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 ARMC has discharged its functions, duties, and responsibilities in accordance with the ARMC's Terms of Reference.

Further details on the structure and activities of the ARMC are disclosed in the Audit & Risk Management Committee Report on pages 268 - 271

Financial Reporting

The Board is fully committed to providing a fair, objective, and meaningful assessment of the financial position and prospects of the Group in all its reports. The Statement by Directors regarding the preparation of the annual audited financial statements is set out on page 9 of the 2023 Financial Report.

All financial results and financial statements are reviewed by the ARMC prior to being recommended to the Board for approval.

Regular meetings between the ARMC and the external auditors are held to deliberate and review any audit findings highlighted by the external auditor for the Committee's attention. The ARMC further relies on written assurances from the external auditors affirming their continued

objectivity, impartiality, and independence throughout the audit engagement, in accordance with the terms of all pertinent professional and regulatory requirements.

Further details can be viewed in the Audit & Risk Management Committee Report on pages 268 - 271

Risk Management and Internal Control

The Board has delegated primary responsibility for the operation of the Group's risk management and internal control framework, which includes corporate, financial, and operational risk, to the ARMC and the Management. A systematic approach is in place to identify, assess, respond, monitor, and report significant risks that may impact the achievement of the Group's business objectives.

Further details on the features of the Group's risk management and internal control framework, the adequacy and effectiveness of said framework, and the role of the Corporate Governance and Risk Management (CGRM) Department are disclosed in the Statement on Risk Management & Internal Control on pages 256 - 267

The Group has an internal audit function performed by Group Internal Audit, which reports functionally to the ARMC and administratively to the Group Managing Director to ensure impartiality and independence in executing their duties. The ARMC also holds sole approval authority over the appointment, renewal, or removal of the Head of Internal Audit, further ensuring 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 undertake audits and reviews to evaluate the effectiveness of internal controls, governance, and risk management processes to provide an independent and objective assurance to the Board and Management on the adequacy and integrity of the Group's internal control systems.

As the Board is ultimately accountable for the oversight of the Company, it is consistently kept informed by the ARMC of its activities. In this regard, the ARMC meeting is always scheduled before a Board meeting to ensure that all critical issues, significant findings, and irregularities can be communicated to the Board on a timely basis.

Further information on the Group Internal Audit function is disclosed in the Audit & Risk Management Committee Report on pages 268 - 271



MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND 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, and engagement forums and meetings. A table detailing how we engage and address the concerns of various stakeholders can be found on pages 37 - 47 of this Integrated Annual Report.

CORPORATE INTEGRITY & ETHICS

Corporate Liability

The Corporate Liability provision within 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 approach to all forms of bribery and corruption. The Group’s Anti-Bribery and Corruption Policy (ABC Policy) has been established to comply with the stringent standards and requirements specified within MRCB’s Anti-Bribery Management System (ABMS), which is now in its 5th year of ISO 37001 certification by an international certification body. The policy is reviewed and updated periodically.

The Board remains confident that our ABMS, supported by clear internal communications and training programmes, as well as external stakeholder communications initiatives, will adequately protect 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.

 Further information on our ABC Policy can be viewed 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 dealings of securities by persons, whether directly or indirectly, on the basis of material non-public information about a company as well as the disclosure of such information to others who then trade in the company’s securities.

The Company Secretary issues a Notice of Closed Period to Directors and Senior Management on a quarterly basis, highlighting the requirements with regards to dealing in the Company’s shares during the “Closed Period” / “Outside Closed Period” as they may be in possession of price-sensitive information relating to MRCB.

During the year under review, neither the Board nor the Principal Officers of the Company conducted any trading activity within the closed period.



MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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.

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 2023, our one-on-one and group meetings were conducted using various virtual meeting platforms and became the primary avenue 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. As part of our physical engagements, MRCB organised two (2) visits in 2023. Firstly, to the MRCB booth during the engagement session for the development of the Shah Alam Sports Complex Development Project (KSSA) at the SACC Mall Atrium and secondly, to the LRT3 Depot in Johan Setia in Klang. Press conferences were also conducted in 2023 and were managed by the Corporate Communications Department. A list of media-related events can be found on page 45.

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.

• **Key IR Activities in 2023**

INVESTMENT PROFESSIONALS MET

78

INVESTMENT CONFERENCES / CORPORATE DAYS

2

MEETING SESSIONS

4

SITE VISITS

2

QUARTERLY ANALYSTS’ BRIEFINGS

4

RESEARCH ANALYSTS COVERING MRCB

6



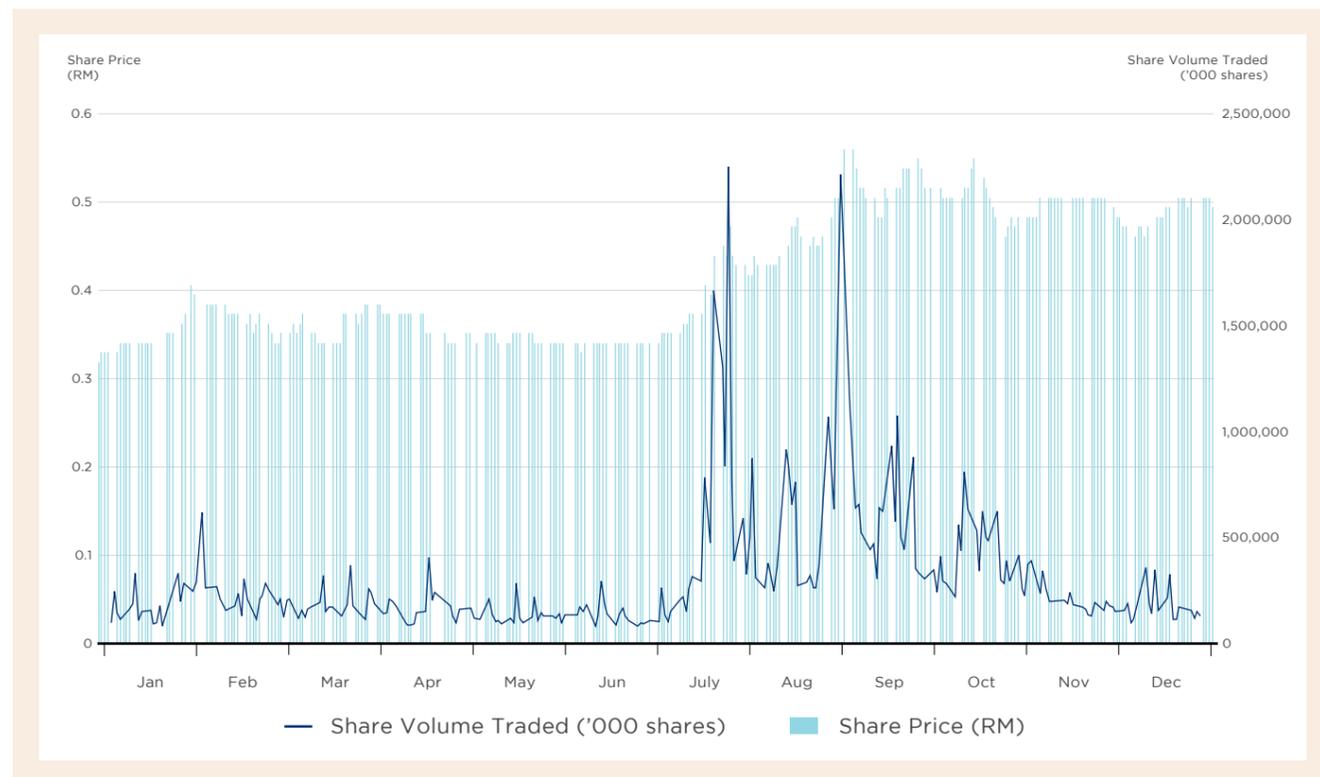
MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Target Price Forecasts (RM) by Analysts in 2023

Research House	Target Price (RM)			
	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Affin Hwang	0.33	0.43	0.44	0.55
HLIB	0.36	0.55	0.54	0.67
KAF	0.36	0.42	0.68	0.73
MIDF	0.42	0.42	0.42	0.63
RHB	0.40	0.55	0.52	0.70
UOB Kay Hian	0.37	0.41	0.40	0.37

MRCB Share Price Movement and Volume Traded Chart



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 2023, 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

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 52nd Annual General Meeting (AGM) in a virtual manner on 7 June 2023 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.

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 five (5) 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 103 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.

Material Contracts



MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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 eight (8) business days of the AGM on 19 June 2023. The minutes of the AGM were similarly published 20 business days later – on 10 July 2023. Both documents can be accessed at www.mrcb.com.my/investor-relations/shareholder.html.

The Board is encouraged that virtual General Meetings offer shareholders greater flexibility and accessibility. It is pleased with the improved technical solutions and administrative procedures for conducting virtual General Meetings. The Board is, therefore, prepared to maintain the same approach for all future General Meetings, if necessary.

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 29 February 2024.

1. SALES AND PURCHASE AGREEMENT FOR THE ACQUISITION OF TOWER 2 IN PJ SENTRAL DEVELOPMENT (PJSD) BY PERBADANAN KEMAJUAN NEGERI SELANGOR (PKNS)

PJSD had on 22 December 2023 entered into a sale and purchase agreement with PKNS in relation to the acquisition and of the rights to carry out the development of an office tower known as ‘Tower 2’ in PJSD from PKNS for a consideration of RM270,000,000.

2. SALES AND PURCHASE AGREEMENT FOR THE DISPOSAL OF PLAZA ALAM SENTRAL MALL AND THE ADJOINING LAND BETWEEN MRCB SENTRAL PROPERTIES SDN BHD (MSP) AND PERBADANAN KEMAJUAN NEGERI SELANGOR (PKNS)

MSP had on 22 December 2023 entered into a sale and purchase agreement with PKNS in relation to the Mall Disposal for a consideration of RM178,000,000.

3. SALES AND PURCHASE AGREEMENTS FOR SEVERAL RESIDENTIAL UNITS DISPOSAL BETWEEN MRCB SEPUTEHLAND SDN BHD (MSL), PERBADANAN KEMAJUAN NEGERI SELANGOR (PKNS), AND EXCELLENT BONANZA SDN BHD (EBSB)

MSL and EBSB had respectively entered into several sale and purchase agreements, all dated 22 December 2023, with PKNS in relation to the Residential Units Disposal (Residential Units Disposal SPA) for a total consideration of RM79,926,000. The Acquisition SPA, Mall Disposal SPA and Residential Units Disposal SPA are interdependent with each other, and the transactions were completed on 22 December 2023.

4. SALE AND PURCHASE AGREEMENT DATED 25 JULY 2023 BETWEEN PUNCAK WANGI SDN. BHD. AND MAYBANK TRUSTEE BERHAD, ACTING SOLELY IN THE CAPACITY AS TRUSTEE FOR SENTRAL REIT

Puncak Wangi Sdn. Bhd., a wholly owned subsidiary of MRCB, had on 25 July 2023 entered into a sale and purchase agreement with Maybank Trustees Berhad (MTB), acting solely in the capacity as trustee for and on behalf of Sentral Real Estate Investment Trust (Sentral REIT), for the disposal of an office tower known as “Menara CelcomDigi” erected on all that piece of leasehold land held under H.S.(D) 277413, PT 11 Seksyen 52, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor to MTB, for a total consideration of RM450,000,000. The transaction was completed on 11 December 2023.

5. CHILLED WATER SUPPLY AGREEMENT DATED 10 FEBRUARY 2023 BETWEEN PJ SENTRAL DCS SDN. BHD. AND PERBADANAN HARTA INTELEK MALAYSIA (MyIPO)

PJ Sentral DCS Sdn. Bhd., a wholly owned subsidiary of MRCB DCS Holding Sdn. Bhd., which in turn is a wholly owned subsidiary of MRCB, had on 10 February 2023 entered into a Chilled Water Supply Agreement with Perbadanan Harta Intelek Malaysia (MyIPO), to supply chilled water to Menara MyIPO, PJ Sentral erected on part of Lot 12, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor Darul Ehsan for a period of 20 years with an estimated total consideration of RM66,347,886.

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 Group’s (the Group) 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 2023.

ROLES AND RESPONSIBILITIES

1 At Board Level

The Board

- Affirms its overall responsibility to set the “tone-at-the-top” 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 (RMPF) 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 (ARMC)

- Assists the Board in the oversight of adequate, efficient, and effective risk management and internal control functions for the Group.

2 At Management Level

The Group Risk Management Committee (GRMC)

- 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 (KER) together with the Key Risk Indicator (KRI) status and escalates to the ARMC 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 ARMC and the Board.

3 At Operational Level

Risk Owners

- Identify and assess risks, including implementation of mitigation action plans.
- Maintain the highest alert on both internal and external activities or circumstances that may have adverse risk impacts and consequences.

Risk Coordinators

- Act as a focal point coordinating the implementation of all aspects of the risk function.
- Monitor, report, and maintain the risk database.

All Employees

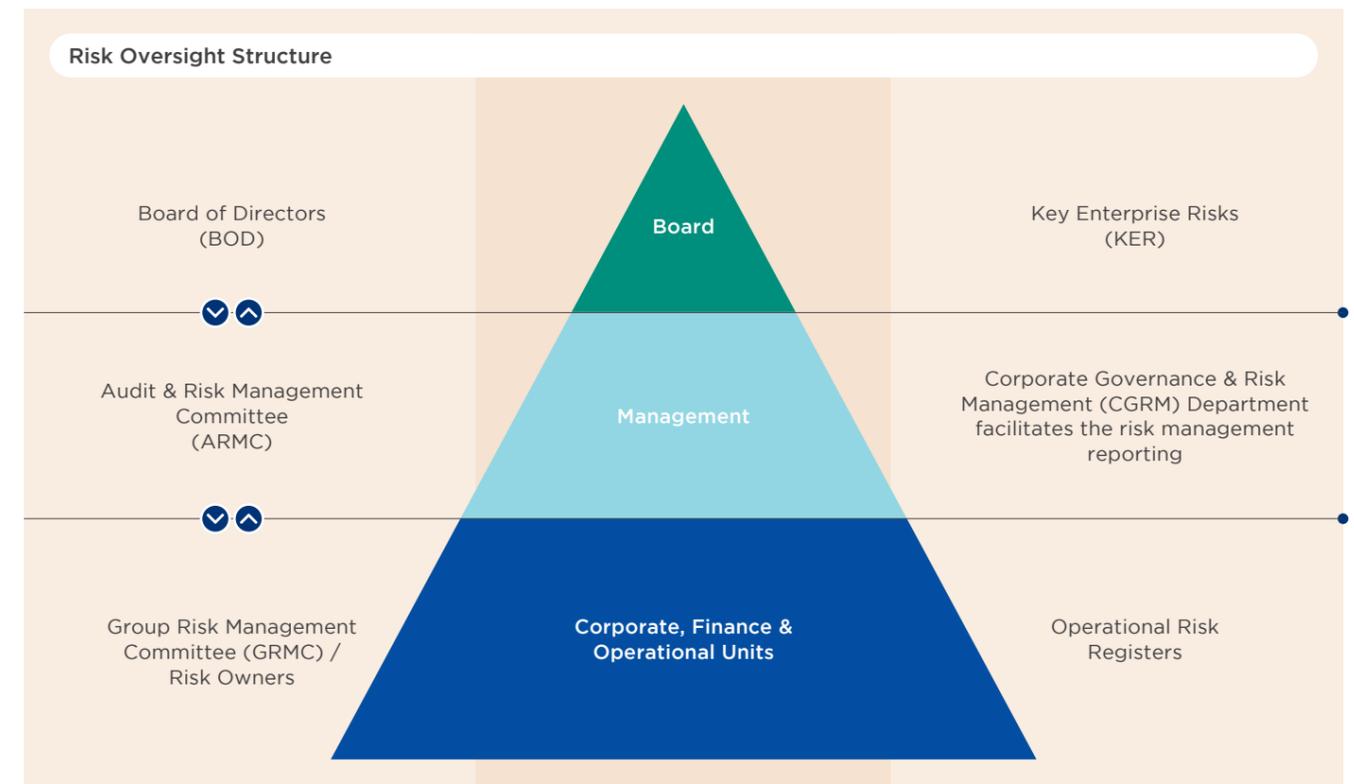
- General duty to assess risks and responsibility to comply with policies and procedures.
- Highlight and engage with risk owners on internal and external activities that may contribute to new risks or impact the effectiveness of the existing controls.

The Corporate Governance and Risk Management (CGRM) 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 (KER) to the GRMC and the ARMC for effective and efficient risk management governance.

RISK MANAGEMENT GOVERNANCE

Risk Management Governance consists of a Risk Oversight Structure, Risk Management Policy and Framework (RMPF), and an Enterprise Risk Management (ERM) process to ensure the efficiency and effectiveness of the Group’s risk management function.



- 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 (ARMC) to oversee the establishment and implementation of the risk management process.
- At Management level, the Group Risk Management Committee (GRMC) assists the ARMC and 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 (OR), which are consolidated, and the significant risks are escalated to the Group Risk Management Committee (GRMC). On a quarterly basis, the ARMC is updated on the overall risk management status and initiatives by the Corporate Governance and Risk Management (CGRM) Department.

Risk Management Policy and Framework

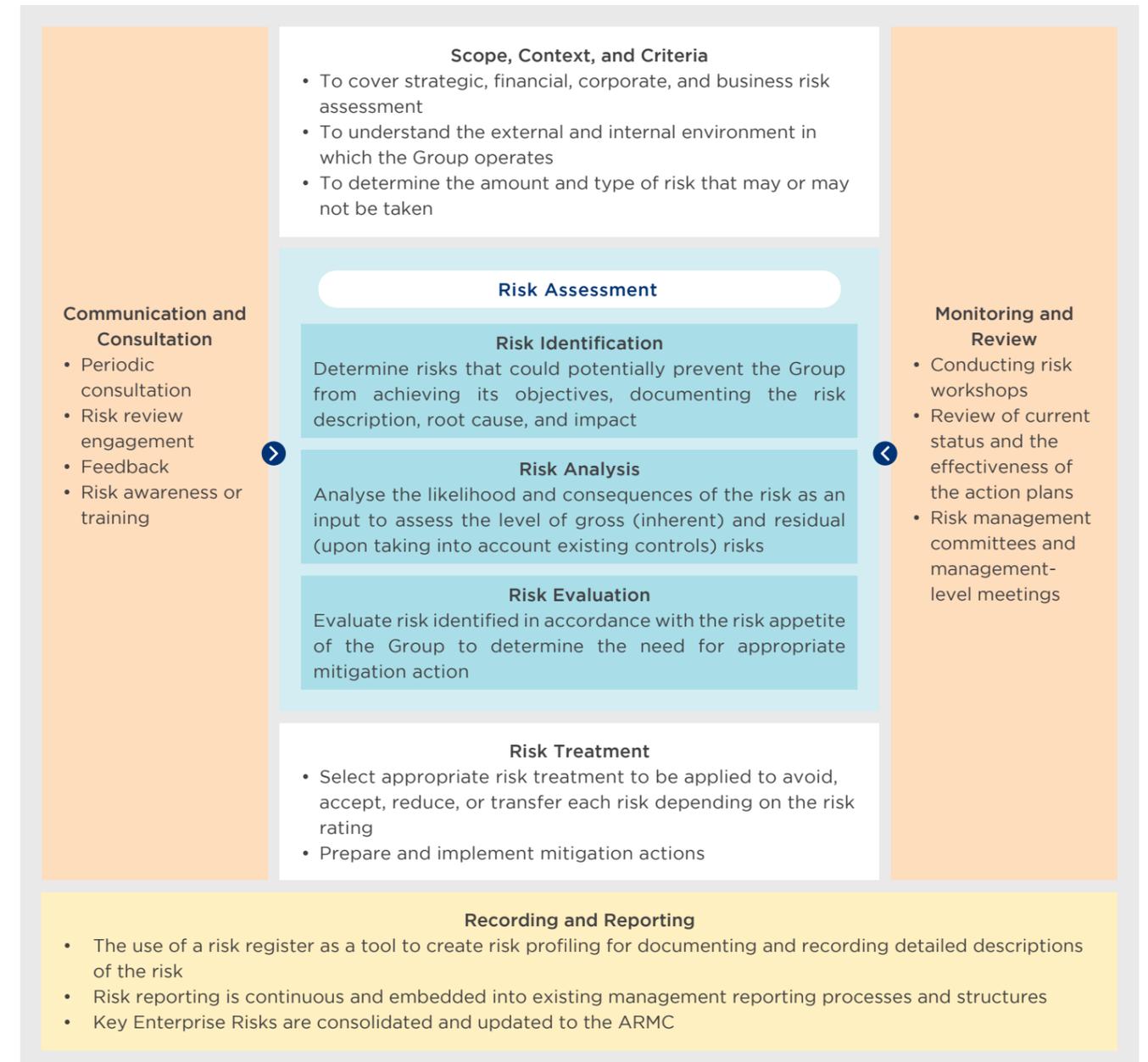
The Risk Management Framework provides the foundations, components, and arrangements that embed an effective risk management process within the Group:



- 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 (ERM) PROCESS

The Group has adopted an ERM 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 adoption of the ISO 31000:2018 guidelines, which has 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.



CLIMATE CHANGE

The Group is increasingly committed to climate action and continues to identify, assess, and manage the key climate change risks and opportunities in the organisation and integrate them within our Enterprise Risk Management (ERM), which is currently monitored under KER005: Environmental, Social, and Governance (ESG) Risk.

Our Climate Strategy Framework is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) that represent core elements of climate management, governance, strategy, risk management, metrics, and targets. This framework helps us build capabilities to manage and minimise complex climate changes and adopt transitions across economies, industries, and society.

The following four (4) key areas are initiatives associated with climate change risk management, which cover physical, transitional, and liability risks:

- Scopes 1, 2, and 3**

 - Establishment of a Net Zero Carbon reduction target in Scope 1 and Scope 2 emissions by 2040, which includes activities such as reviewing suitable methodologies to measure our carbon footprint, establishing a baseline for carbon reduction, and embedding low carbon strategies in our operations and the design and construction of buildings and infrastructure.
 - Setting a 4.2% annual Scope 1 and Scope 2 emissions reduction target.
- Sustainable Business Practices**

 - Embarking on the Task Force on Climate-Related Financial Disclosures (TCFD) reporting framework, which includes identifying 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. A preliminary report on our TCFD assessment can be read on page 183.
 - Identify new business markets, such as the renewable energy segment and waste-to-energy in particular, to benefit from market opportunities in transitioning to a low-carbon economy.
- Green Infrastructure**

 - Identify opportunities toward using low-carbon construction materials as an alternative to carbon-intensive construction materials like cement, steel, glass, heavy machinery, and equipment.
- Climate-Related Physical Adaptation**

 - Development of departmental operational risk registers and project risk registers based on the project’s strategy and service delivery importance.

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 lines of defence plays a distinct role within the Group’s governance, as depicted in the following table.

1 st Line of Defence	2 nd Line of Defence	3 rd Line of Defence
<p>Business Operations & Companies</p> <ul style="list-style-type: none"> • 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 risk-based and controlled business processes. 	<p>Risk Oversight Function</p> <ul style="list-style-type: none"> • The risk oversight function forms the second line of defence through the assessment and mitigation of emerging risks. • The risk owners, who are also process owners, are responsible for overseeing risk management alongside their day-to-day duties. • The Corporate Governance and Risk Management (CGRM) Department is entrusted to facilitate, coordinate, and monitor the implementation and escalation of the risk management process. 	<p>Audit Oversight Function</p> <ul style="list-style-type: none"> • 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.

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	Control Activities
<ul style="list-style-type: none"> • 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 Management set the tone at the top regarding the importance of internal control. • The Management reinforces control at various levels of the organisation. 	<ul style="list-style-type: none"> • Actions taken to minimise risk through various mediums such as policies, procedures, techniques, and mechanisms. • Ensure the execution of Management’s directives to mitigate risks pursuant to achieving the targeted objectives.
Risk Assessment	Information & Communication
<ul style="list-style-type: none"> • Process for identifying, analysing, and evaluating risks pursuant to achieving the targeted objectives. 	<ul style="list-style-type: none"> • Discharge responsibilities to support the achievement of objectives.
	Monitoring Activities
	<ul style="list-style-type: none"> • Ongoing evaluations to ascertain whether each of the five components of internal controls are present and functioning.

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 organisation structure to facilitate the supervision and monitoring of the conduct and operations of individual business units and Group support service departments.
- All employees and directors 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 MRCB's 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 to 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.

• People Management

Anti-Bribery Management System (ABMS) ISO 37001:2016

- MRCB Group has implemented an Anti-Bribery Management System (ABMS), which complies with the ISO 37001:2016 standard requirements, to prevent, detect, and respond to bribery risks and demonstrate a culture of integrity, transparency, openness, and compliance.
- Following a successful surveillance audit in 2023, MRCB's Anti-Bribery Management System is now in its 5th year of ISO 37001:2016 certification by an international certification body.
- All contracts entered into 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 agents(s) is/are involved in any corruption or illegal activities, the contract may be terminated. Legal action may also be taken in the event that MRCB's interests or reputation have been affected as a consequence of non-compliance by any individuals and organisations.
- All employees have signed a Corruption-Free Pledge to reinforce the Group's commitment to preventing bribery and corruption risk.
- Continuous ABMS initiatives to increase anti-corruption awareness were conducted throughout 2023. These initiatives provided employees and external parties with the necessary tools and knowledge to prevent, detect, and respond to bribery risks. Key initiatives and efforts undertaken during the year included:
 - 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 monitoring.
 - An "Integrity Begins with Us" Awareness Campaign to all employees, Auxiliary Police, and Security Guards employed under the Group.
 - Continuous digital communications of anti-bribery policies and education to all staff via computer sign-on screens, Electronic Direct Mail marketing, and LED video display panels.
 - Anti-Bribery awareness sessions for all new staff, Graduate Employability Programme (GEP) trainees, and Business Associates.
 - ABMS coaching sessions with Heads of Divisions / Departments.
 - The dissemination of an "Integrity in Action" newsletter to all employees.
 - Raising staff awareness on Corporate Liability provisions within Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 via internal communication.
 - Integrity Knowledge Sharing Session with government stakeholders.
 - Annual Mandatory Anti-Fraud, Anti-Bribery, and Anti-Corruption online assessment for all staff.
 - Establishment of an Anti-Bribery Regulatory Compliance Assessment (RCA) to evaluate the state of regulatory compliance annually.
 - Development of Organisational Anti-Corruption Plan (OACP).
- The key achievements of the ABMS initiatives and efforts above include the following:
 - 98.4% of employees received training on anti-bribery and anti-corruption;
 - 100% of MRCB's operations were assessed for bribery and corruption-related risks; and,
 - No confirmed incidents of bribery and corruption.
- The implementation of the ABMS is aligned with the UN Sustainable Development Goal 16: Peace, Justice, and Strong Institutions.

• People Management

Gift, Hospitality, Donations & Similar Benefits Policy

- The Policy prohibits giving and accepting any kind of gifts from external parties to safeguard the Group from:
 - 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.
- The management of conflicts of interest situations ensures business decisions are made in the best interests of the Group.
- Appropriate steps are taken to manage the conflict and mitigate its impact on the decision-making process, ranging from abstaining from any involvement in the conflict matter to relinquishing an interest that gives rise 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 (IDD), as well as the Chairman of the Audit & Risk Management Committee (ARMC) who is also the Senior Independent Director – for their further action.
- This process has been proven to be a very effective tool for 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 quarter.
- 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 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

- 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 Management and the Executive Committee before being recommended to the Board for approval.
- Performance against the budget is tracked by conducting budget variance analysis on a quarterly basis.

Environment, Safety, and Health (ESH) Management

- The ESH 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 monitors compliance to all relevant regulations and best practices.
- 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 carried out.
- The key achievements and initiatives undertaken during the year by the ESH department included:
 - Safety and Health Assessment System in Construction (SHASSIC) / ESH Audit Rating; Target: 80%; Achieved: 93%;
 - 100% of quarterly Internal Audit's Non-Conformance report closure rate;
 - Zero incidents and fatalities on construction sites;
 - Conducted the "You See You Act" campaign, which emphasises the importance of observing the workplace and identifying potential hazards that could lead to accidents or injuries, at the Kuala Pahang, TTSB Gemas, and Kwasa Damansara construction sites;
 - Conducted a total of 62 Internal and External Training on ESH modules for all relevant MRCB personnel, contractors, sub-contractors, and consultants;
 - Successfully obtained certification of ISO 45001:2018 (Health & Safety) and ISO 14001:2015 (Environmental) for Transmission Technology Sdn Bhd (TTSB); and,
 - Successfully recertified and completed surveillance audits for our ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (Health & Safety) for various subsidiaries under the Group.

Limits of Authority (LOA)

- The Limits of Authority document has been established 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 and aspects of the Group's operations.
- 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 ARMC, with the last revision being on 27 March 2023.

• Process Management

Business Operation & 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 implemented an Enterprise Resource Planning (ERP) platform to integrate, digitalise, and automate the management of the main business processes across the Group. The User Acceptance Test was completed in June and signed off in July. The Group's Engineering, Construction & Environment Division and Property Development & Investment Division went progressively live onto the platform in December 2023. This will enhance process efficiency, eliminate redundant manual processes, as well as provide Management with timely and accurate information on the Group's performance to aid in making effective operational decisions.

Communications Management

- Comprehensive information is provided by the 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 37 - 47.

• 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.

• Technology Management

IT and Data Management

- The Group has rolled out an extensive staff communication plan, which includes continuous communication and information dissemination to all employees on new cybersecurity risks through multimedia notifications.
- The Group continued its efforts towards combating cyber threats via the use of advanced tools to mitigate against the increased risks as a result of remote working and to ensure optimal business continuity by using:
 - 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; and,
 - 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. In 2023, the Group has:
 - Detected and blocked suspicious data activity;
 - Monitored data access and usage; and,
 - Improved visibility and control.
- In 2023, there were no security breaches or data leakages as MRCB's cyber defence and system monitoring managed 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.

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.



Dato' Wan Kamaruzaman Wan Ahmad
Chairman

MEMBERSHIP OF THE ARMC

The ARMC comprises the following members:

Dato' Wan Kamaruzaman Wan Ahmad
Senior Independent Director
(Chairman)

Dato' Dr Junaidah Kamarruddin
Independent Director

Lim Fen Nee
Independent Director

Mohamad Hafiz Kassim
(resigned on 2 May 2023)
Non-Independent Non-Executive 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 204 to 210.

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 six (6) ARMC meetings were held during the financial year ended 31 December 2023, of which were 4 quarterly meetings and 2 special meetings. All meetings had a 100% attendance.

The dates of the meetings held were as follows:

17 February 2023	23 March 2023	26 May 2023
25 July 2023	29 August 2023	23 November 2023

■ Quarterly Meetings ■ Special Meetings

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 quarterly 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>

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 2023, 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 2023 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.

- 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 risk management development activities throughout the year, which include the development of the Key Enterprise Risks (KERs) and the Key Risk Indicators (KRIs), monitoring of the Operational Risk Registers, and other Risk Management initiatives.
- ii. Reviewed the updated Group Risk Management Committee (GRMC)'s Terms of Reference to deliberate on risks at the management level and further escalation to the ARMC and the Board.
- iii. 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

- i. 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.
- ii. 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. Kailash 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-the-job 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.

The GIA has direct access to the ARMC Chairman on all internal control and audit issues. The GIA also communicates with the external auditors to assist in clarifying matters raised by the external auditors where necessary.

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 2023, the GIA completed a total of seven (7) audit assignments, comprising audits of key property development and construction projects, and other operating units and corporate functions of the Group. Continuous follow-up 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 their review at each quarterly meeting. Moreover, the GIA also performed observations on tender openings to ensure that appropriate internal controls and processes, as set out in the Group's Policies and Procedures, were complied with.

The total cost incurred by the GIA in discharging its functions and responsibilities during the financial year was RM1,545,681.

RISK MANAGEMENT FUNCTION

The ARMC is responsible for assisting the Board in the oversight of an adequate, efficient, and effective risk management and internal control functions for the Group. The ARMC is supported by the Corporate Governance and Risk Management Department to spearhead the development and implementation of the risk oversight function.

The ARMC discharged its roles and responsibilities with regard to the Group's risk management and internal control functions, and their implementation by ensuring adequate and systematic risk assessment processes were integrated into the management system, business operations and decision-making process. This includes the process of identifying, analysing and evaluating the level of risk exposure, risk treatment, risk escalation, reporting and communication of significant risks.

The Statement of Risk Management and Internal Control, as set out on pages 256 to 267 of this Integrated Annual Report, provides an overview of the governance, framework and process of risk management and internal controls within the Group.

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.

As part of the requirements of ISA 300 "Planning an Audit of Financial Statements" and the Malaysian Institute of Accountants (MIA) By-Laws on Professional Conduct and Ethics, the external auditors make representations on their independence as auditors. The external auditors confirmed that for the audit of the financial statements of the Group and Company for the financial year ended 31 December 2023, they have maintained their independence in accordance with their firm's requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code). They have also reviewed the non-audit services provided to the Group during the year in accordance with the independence requirements and are not aware of any non-audit services that have compromised their independence as external auditors of the Group. They also reaffirmed their independence at the completion of their audit.

Executive Committee Report



MOHAMAD HAFIZ KASSIM
Chairman

7 Total meetings held in 2023

All members attended all meetings in 2023

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 seven (7) EXCO meetings were held during the financial year ended 31 December 2023 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2023	30 Jan	24 Mar	17 Apr	20 Jun	22 Jul	21 Sep	5 Dec
Dato' Mohamad Nasir Ab Latif*	√	√	√	√	√	√	√
Datuk Imran Salim	√	√	√	√	√	√	√
Dato' Wan Kamaruzaman Wan Ahmad	√	√	√	√	√	√	√
Mohamad Hafiz Kassim [#]				√	√	√	√
Dato' Dr Junaidah Kamarruddin [^]	-	-	-	-	-	-	-

Notes:

* Dato' Mohamad Nasir Ab Latif resigned as the Chairman of EXCO on 29 March 2024

[#] Mohamad Hafiz Kassim was appointed as a member of the EXCO on 2 May 2023 and redesignated as Chairman on 29 March 2024

[^] Dato' Dr Junaidah Kamarruddin was appointed as a member of the EXCO on 29 March 2024

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.

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:

- To review and recommend the annual business plan and budget of the Group to the Board for approval;
- To consider and review significant and/or major issues relating to the business direction of the Group; and
- 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.my>.

OUR FOCUS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

During the Financial Year Ended 31 December 2023, 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.

Nomination & Remuneration Committee Report



DATO' WAN KAMARUZAMAN WAN AHMAD
Chairman

3 Total meetings held in 2023

All members attended all meetings in 2023

COMPOSITION OF THE COMMITTEE

The Nomination & Remuneration Committee (NRC) comprises the following members:

1. Dato' Wan Kamaruzaman Wan Ahmad (Senior Independent Director) – Chairman
2. Dato' Dr Junaidah Kamarruddin (Independent Director)
3. Mohamad Hafiz Kassim (Non-Independent Non-Executive Director)

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 three (3) NRC meetings were held during the financial year ended 31 December 2023 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2023	23 Mar	13 Apr	21 Sep
Dato' Wan Kamaruzaman Wan Ahmad	√	√	√
Dato' Dr Junaidah Kamarruddin	√	√	√
Mohamad Hafiz Kassim	√	√	√

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.

ROLES OF THE COMMITTEE

The NRC assists the Board in reviewing the size and balance of the Board for appropriate mix of skills, experience and knowledge of directors, succession planning, human capital development and the remuneration framework for the Directors, Senior Management and employees.

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 2023

During the Financial Year Ended 31 December 2023, the NRC undertook the following key activities:

1. Nomination Function
 - Recommended the re-election of Directors retiring at the 2023 Annual General Meeting (AGM)
 - Recommended on the contract renewal for the Chief Corporate Officer
 - Monitored the conduct of the Board Effectiveness Evaluation (BEE) for 2022
 - Recommended the appointment of Encik Mohamad Hafiz Kassim as an additional member of the Executive Committee

Long-Term Incentive Plan Committee Report

2. Remuneration Function

- Deliberated the 2023 key performance indicator targets for the Group Managing Director and C-suites
- Deliberated on 2023 Annual Salary Increment
- Deliberated on the Policy and Guidelines on Remuneration for the Board of Directors and Senior Management
- Deliberated on 2022 Performance Rating Distribution & Bonus Factors
- Deliberated on 2022 bonus for Executive Vice Chairman and Group Managing Director
- Deliberated on 2022 bonus for C-suites
- Deliberated on 2022 bonus allocation for eligible employees

APPOINTMENT OF DIRECTORS

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.

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 2023.

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 53rd AGM of the Company to be held on 24 May 2024. 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 53rd AGM are:

- Dato' Mohamad Nasir Ab Latif
- Tan Sri Mohamad Salim Fateh Din

The retiring Directors have expressed their intention to seek re-election at the 53rd AGM of the Company. Their profiles are provided on pages 204 to 210.

For the purpose of determining the eligibility of the Directors for re-election at the 53rd AGM, the Board through the NRC, has assessed each of the retiring Directors, and considered the following:

- the findings of Board Effectiveness Assessment 2023 on the Director's performance and contribution for the financial year as well as fulfilment of the fit and proper criteria;
- 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 Company in decision-making.



LIM FEN NEE
Chairman



Total meetings held in 2023

COMPOSITION OF THE COMMITTEE

The Long-Term Incentive Plan (LTIP) Committee comprises the following members:

1. Lim Fen Nee (Independent Director) – Chairman (Appointed as the Chairman of LTIP Committee on 29 March 2024)
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 2023.

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 2023

During the Financial Year Ended 31 December 2023, there is 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	Proposed utilisation of proceeds (RM'000)	Amount utilised as at 31.12.2023 (RM'000)
1	Prepayment of term loans	209,611	150,000
2	Working Capital	210,229	32,845
3	Proposed Subscription	29,000	25,927
4	Estimated expenses in relation to the Proposals	1,160	702
Total		450,000	209,474

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 2023 were RM1,364,000 and RM302,000 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 2023 were RM665,000 and RM275,000 respectively, detail as follows:

Description	Group (RM'000)	Company (RM'000)
(i) Provision of Taxation Services by PricewaterhouseCoopers Taxation Sdn Bhd (PwC Tax)	242	22
(ii) Provision of consultation and advisory services by PwC Tax and PricewaterhouseCoopers Risk Services Sdn Bhd in relation to the corporate tax matters and agree-upon procedures	423	253
Total	665	275

III) MATERIAL CONTRACTS INVOLVING INTEREST OF DIRECTORS OR MAJOR SHAREHOLDERS

Other than the disclosure below, there were no other material contracts entered into by the Group involving the Interest of Directors and major shareholders in 2023:

Puncak Wangi Sdn Bhd, a wholly owned subsidiary of MRCB, had on 25 July 2023 entered into a sale and purchase agreement with Maybank Trustee Berhad ("MTB"), acting solely in the capacity as trustee for and on behalf of Sentral REIT, for the disposal of an office tower known as "Menara CelcomDigi" erected on all that piece of leasehold land held under H.S.(D) 277413, PT 11 Seksyen 52, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor to MTB for a total cash consideration of RM450 million. The transaction was completed on 11 December 2023.

EPF is a major shareholder of MRCB and is also a major unitholder of Sentral REIT.

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. On 8 November 2022, the Board of Directors had approved the extension of the LTIP 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 2023 are as follows:

Description	Number of LTIP units	
	Grand Total	Directors and Chief Executives
Granted	41,093,700	2,795,300
Vested	(27,012,300)	(2,316,300)
Cancelled	(14,081,400)	(479,000)
Outstanding	-	-

The Board had agreed that no RSP Grants be awarded for the Year 2020, 2021, 2022 and 2023.

As at 31 December 2023, the actual percentage of LTIP units granted in aggregate to Senior Management of the Company is 14% since the commencement of the LTIP.

GRI Content Index

DISCLOSURE	LOCATION	NOTES & OMISSION
GRI 2: General Disclosures 2021		
2-1	Organizational details	4-5 ,11, 201
2-2	Entities included in the organization's sustainability reporting	2, 11
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	140, 152, 184-186, 191
2-5	External assurance	283-286
2-6	Activities, value chain and other business relationships	6-9, 11 3, 148-155 of Financial Report
2-7	Employees	140
2-8	Workers who are not employees	142, 159, 168-171
2-9	Governance structure and composition	202-210, 217
2-10	Nomination and selection of the highest governance body	242-248 https://www.mrcb.com.my/corporate-governance.html
2-11	Chair of the highest governance body	204
2-12	Role of the highest governance body in overseeing the management of impacts	220-226, 231, 249-254
2-13	Delegation of responsibility for managing impacts	211-213, 234-235
2-14	Role of the highest governance body in sustainability reporting	130, 220-221
2-15	Conflicts of interest	204-213, 220, 228, 263 https://www.mrcb.com.my/corporate-governance.html
2-16	Communication of critical concerns	151, 160, 220, 264
2-17	Collective knowledge of the highest governance body	235-239
2-18	Evaluation of the performance of the highest governance body	239-241 https://www.mrcb.com.my/corporate-governance.html
2-19	Remuneration policies	246, 308
2-20	Process to determine remuneration	246-247, 273-274, 308
2-21	Annual total compensation ratio	247
2-22	Statement on sustainable development strategy	16-28, 126-129

DISCLOSURE	LOCATION	NOTES & OMISSION
GRI 2: General Disclosures 2021		
2-23	Policy commitments	159-160, 167, 219-221, 261-267 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	159-160, 167, 219-221, 261-267
2-25	Processes to remediate negative impacts	160, 220
2-26	Mechanisms for seeking advice and raising concerns	151, 160, 220, 264
2-27	Compliance with laws and regulations	159, 167, 173, 199
2-28	Membership associations	46-47
2-29	Approach to stakeholder engagement	37-45
2-30	Collective bargaining agreements	159, 167
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	48, 52
3-2	List of material topics	49-50
3-3	Management of material topics	120-199, 214-277
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	58-59, 91, 133
201-2	Financial implications and other risks and opportunities due to climate change	178-183
201-3	Defined benefit plan obligations and other retirement plans	130-131 of the Financial Report
201-4	Financial assistance received from government	141-142 of the Financial Report
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	161-166, 168-171
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	46, 58-59
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	73-74, 263
205-2	Communication and training about anti-corruption policies and procedures	60, 74, 84, 263
205-3	Confirmed incidents of corruption and actions taken	263

DISCLOSURE	LOCATION	NOTES & OMISSION
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	188-190	
302-2 Energy consumption outside of the organization	187-188	
302-3 Energy intensity	191	
302-4 Reduction of energy consumption	190-191	
GRI 303: Water and Effluents 2018		
303-1 Interactions with water as a shared resource	196-198	
303-2 Management of water discharge-related impacts	196-198	
303-3 Water withdrawal	198	
303-5 Water consumption	198	
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	Not applicable	No project located in high biodiversity value outside protected areas
304-2 Significant impacts of activities, products and services on biodiversity	Not applicable	
304-3 Habitats protected or restored	Not applicable	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	185-187	
305-2 Energy indirect (Scope 2) GHG emissions	185-187	
305-3 Other indirect (Scope 3) GHG emissions	187-188	
305-4 GHG emissions intensity	186	
305-5 Reduction of GHG emissions	185-187	
305-6 Emissions of ozone-depleting substances (ODS)	Not applicable	Shall improve the disclosures in the future
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	185	
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts	196-197	
306-2 Management of significant waste-related impacts	196-197	
306-3 Waste generated	196-197	
306-4 Waste diverted from disposal	196	
306-5 Waste directed to disposal	196	

DISCLOSURE	LOCATION	NOTES & OMISSION
GRI 308: Supplier Environmental Assessment 2016		
308-1 New suppliers that were screened using environmental criteria	Not applicable	Developing environmental criteria in our pre-qualification process
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	141-142	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	143-144	
401-3 Parental leave	143	
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	131-134	
403-2 Hazard identification, risk assessment, and incident investigation	135, 138	
403-3 Occupational health services	136	
403-4 Worker participation, consultation, and communication on occupational health and safety	136-137	
403-5 Worker training on occupational health and safety	136	
403-6 Promotion of worker health	136	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	133	
403-8 Workers covered by an occupational health and safety management system	137-139	
403-9 Work-related injuries	137-139	
403-10 Work-related ill health	137-139	
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	147-148	
404-2 Programs for upgrading employee skills and transition assistance programs	148-149	
404-3 Percentage of employees receiving regular performance and career development reviews	149	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	202	
405-2 Ratio of basic salary and remuneration of women to men	158	

Independent Assurance Opinion Statement

For Malaysian Resources Corporation Berhad

DISCLOSURE	LOCATION	NOTES & OMISSION
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	159-160	
GRI 408: Child Labor 2016		
408-1 Operations and suppliers at significant risk for incidents of child labor	159	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	159	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	136	
GRI 413: Local Communities 2016		
413-1 Operations with local community engagement, impact assessments, and development programs	161-166, 168-171	
GRI 414: Supplier Social Assessment 2016		
414-1 New suppliers that were screened using social criteria	Not applicable	Developing social criteria in our pre-qualification process
GRI 416: Customer Health and Safety 2016		
416-1 Assessment of the health and safety impacts of product and service categories	150	
GRI 418: Customer Privacy 2016		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	133, 150	



Malaysian Resources Corporation Berhad (MRCB) Integrated Annual Report 2023

The British Standards Institution is independent of Malaysian Resources Corporation Berhad (hereafter referred to as “MRCB” in this statement) and has no financial interest in the operation of MRCB other than for the assessment and verification 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, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by MRCB. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to MRCB only.

Scope

The scope of engagement agreed upon with MRCB includes the following:

1. The assurance covers part of the report and focuses on systems and activities of MRCB and its subsidiaries during the period from 1st January 2023 to 31st December 2023 (the “Reporting Year”), for the following sustainability subject matter.

- Scope 1 Emission:
 - Fuel consumption from stationary combustion
 - Fuel consumption from mobile combustion i.e., company-owned vehicle
- Scope 2 Emission: Electricity consumption (owned and managed assets)
- Scope 3 Emission:
 - Category 2 – Fuel and energy related activities
 - Category 6 – Business Travel
 - Category 7 – Employee Commuting
 - Category 13 – Downstream leased assets
- Health and Safety Data
 - Safety Matrix / Performance – Incident Rate, Rate of Recordable Work-Related Injuries
 - Lost Time Incident Rate and Fatality Rate
 - Number of employees trained on health and safety

- Employment
- Diversity and Equal Opportunity
- Total hours of training by employee category
- Anti-corruption
- Water Consumption
- Customer Privacy

2. The evaluation of the nature and extent of the MRCB's adherence to all four reporting principles: Inclusivity, Materiality, Responsiveness and Impact and the reliability of specified sustainability performance information in this report as conducted in accordance with type Type 1 Moderate Level of Assurance engagement.

Opinion Statement

We conclude that the sustainability subject matter of the Report provides a fair view of MRCB's sustainability programmes and performance in the Reporting Year. We believe that the economic, social and environment performance indicators are accurate and are supported by internal verification processes.

Our work was carried out by a team of sustainability report assurors. We planned and performed this part of our work to obtain the necessary information and explanations. We considered MRCB has provided sufficient evidence during the assurance processes.

Methodology

Our objective was to gather evidence that forms the basis of our conclusion. We conducted the following activities:

- Conducted a top-level review of issues raised by external parties that could be pertinent to MRCB's policies to ensure the accuracy of statements in the Report.
- Engaged in discussions with managers and staff regarding MRCB's approach to stakeholder engagement. Direct contact with external stakeholders was not established.
- Conducted interviews with staff involved in sustainability management, report preparation, and provision of report information.
- Reviewed key organizational developments.
- Reviewed supporting evidence for claims made in the reports.
- Assessed MRCB's reporting and management processes concerning the principles of Inclusivity, Materiality, Responsiveness, and Impact.

Conclusions

A detailed review against the Principles of Inclusivity, Materiality, Responsiveness, and Impact is set out below.

Inclusivity

Inclusivity is demonstrated in the Report through MRCB's engagement with significant stakeholders via various channels. These include procedures for handling complaints, grievances, and consultations; negotiations and interactions with stakeholders prior to any land development or acquisition, stakeholder meetings, community engagement processes, self-assessment questionnaires, supplier audits and onsite verifications among others.

MRCB's operations involve ongoing engagement with stakeholders through diverse methods. The Report provides comprehensive coverage of economic, social, and environmental aspects relevant to stakeholders, demonstrating a fair level of disclosure. In our professional assessment, MRCB upholds the principle of Inclusivity. Moreover, areas for improving the Report were addressed by MRCB prior to the issuance of this opinion statement.

Materiality

MRCB publishes sustainability information that enables its stakeholders to make informed judgments about MRCB's management and performance. In our professional opinion, the report adheres to the principle of Materiality and identifies MRCB's material aspects by using appropriate methods of materiality analysis and demonstrating material issues in a matrix form. Areas for enhancement of the Report were adopted by MRCB before the issuance of this statement.

Responsiveness

MRCB has implemented practices that respond to the expectations and perceptions of its stakeholders. These include sustainability reporting for both internal and external stakeholders. In our professional opinion, MRCB adheres to the principle of Responsiveness. Areas for enhancement of the Report were adopted by MRCB before the issuance of this statement.

Impact

MRCB has demonstrated a process on identify impacts that encompass a range of environmental, social and governance topics, and fairly represented the impacts in the report. These processes enable MRCB to assess its impact and disclose them in the sustainability subject matter of the Report. In our professional opinion, MRCB adheres to the principle of Impact. Areas for enhancement of the Report were adopted by MRCB before the issuance of this statement.

Assurance Level

The Type 1 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this opinion statement.

Performance Data Table

From Bursa ESG Reporting Platform

Responsibility & Limitations

This Integrated Report is the responsibility of the MRCB’s management as declared in the responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead Auditors and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, ISO 45001, ISO14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901.

For and on behalf of BSI: Verifier of the Report:



Ms Evelyn Chye Managing Director



Mr. Shaiful Rahman Lead Assessor

2nd April 2024

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Total employee	Percentage	98.40
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	873
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	882
Middle Management	Hours	2,498
Executive	Hours	4,876
Non-Executive	Hours	628
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	76.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	9
Middle Management	Number	71
Executive	Number	206
Non-Executive	Number	96
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	24,952.54
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.60
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
Senior Management Between 30-50	Percentage	48.00
Senior Management Above 50	Percentage	52.00
Middle Management Under 30	Percentage	0.00
Middle Management Between 30-50	Percentage	76.00
Middle Management Above 50	Percentage	24.00
Executive Under 30	Percentage	15.00
Executive Between 30-50	Percentage	78.00
Executive Above 50	Percentage	7.00
Non-Executive Under 30	Percentage	32.00
Non-Executive Between 30-50	Percentage	58.00
Non-Executive Above 50	Percentage	10.00

Internal assurance External assurance No assurance (*)Restated

Analysis of Shareholdings

As At 18 March 2024

Indicator	Measurement Unit	2023
Bursa (Diversity)		
Gender Group by Employee Category		
Senior Management Male	Percentage	80.00
Senior Management Female	Percentage	20.00
Middle Management Male	Percentage	66.00
Middle Management Female	Percentage	34.00
Executive Male	Percentage	48.00
Executive Female	Percentage	52.00
Non-Executive Male	Percentage	79.00
Non-Executive Female	Percentage	21.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.00
Female	Percentage	29.00
Under 30	Percentage	0.00
Between 30-50	Percentage	29.00
Above 50	Percentage	71.00
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
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	102,044
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.507101
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Total Number of Issued Shares: 4,467,509,508
 Class of Shares : Ordinary shares
 No. of Shareholders : 41,102
 Voting Rights : One vote for every share

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

NAME	SHAREHOLDINGS	%
1. EMPLOYEES PROVIDENT FUND BOARD	1,617,485,447	36.21
2. GAPURNA SDN BHD	691,624,394	15.48
3. LEMBAGA TABUNG HAJI	248,660,246	5.57

INFORMATION ON DIRECTORS SHAREHOLDINGS

NOS.	NAMES OF DIRECTORS	DESIGNATION	SHAREHOLDINGS	%
1.	DATO' MOHAMAD NASIR AB LATIF	CHAIRMAN	0	0.00
2.	TAN SRI MOHAMAD SALIM FATEH DIN	EXECUTIVE VICE CHAIRMAN	1,388,800	0.03
			*691,624,394	15.48
3.	DATUK IMRAN SALIM	GROUP MANAGING DIRECTOR	468,200	0.01
4.	MOHAMAD HAFIZ KASSIM	DIRECTOR	0	0.00
5.	DATO' WAN KAMARUZAMAN WAN AHMAD	DIRECTOR	286,875	0.01
6.	DATO' DR JUNAIDAH KAMARRUDDIN	DIRECTOR	0	0.00
7.	LIM FEN NEE	DIRECTOR	0	0.00

* Held through Gapurna Sdn Bhd

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders Shareholders	Percentage of Shareholders (%)	No. of Share	Percentage of Share Capital (%)
less than 100	4,378	10.65	158,854	0.00
100 to 1,000	7,611	18.52	4,252,673	0.09
1,001 to 10,000	17,109	41.63	85,310,734	1.91
10,001 to 100,000	10,150	24.69	346,221,193	7.75
100,001 to less than 5% of issued shares	1,851	4.50	1,473,795,967	32.99
5% and above of issued shares	3	0.01	2,557,770,087	57.26
TOTAL	41,102	100.00	4,467,509,508	100.00

Top 30 Largest Shareholders

As At 18 March 2024

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	241,274,446	5.401
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	133,612,226	2.991
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	45,116,000	1.010
7	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	42,305,250	0.947
8	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	32,671,100	0.731
9	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	32,175,601	0.720
10	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	29,404,100	0.658
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	20,599,056	0.461
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1 ACB FUND)	20,000,000	0.448
13	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	18,755,859	0.420
14	HSBC NOMINEES (ASING) SDN BHD TNTC FOR EAM EMERGING MARKETS SMALL CAP FUND, LP	18,499,322	0.414
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	17,962,800	0.402
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR AHMAD JOHARI BIN ABDUL RAZAK (PB)	16,750,000	0.375

NO.	NAME	HOLDINGS	%
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)	15,901,102	0.356
18	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
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	14,668,213	0.328
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	13,951,227	0.312
21	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	13,294,900	0.298
22	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	12,567,657	0.281
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	11,030,600	0.247
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	10,482,600	0.235
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	10,376,700	0.232
26	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	9,629,347	0.216
27	LIM SOO KIOW	9,616,100	0.215
28	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	9,029,680	0.202
29	LIM GAIK BWAY @ LIM CHIEW AH	9,001,295	0.201
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (MAYBANK 2)	8,706,900	0.195
	Total	3,141,845,422	70.327

Analysis of Warrant B Holdings

As At 18 March 2024

Number of Outstanding Warrants	:	438,518,157
Exercise Price of Warrants	:	RM1.25
Exercise Period of Warrants	:	30 October 2017 - 29 October 2027
Voting Rights at Meeting of Warrant Holders	:	One vote per Warrant B

LIST OF SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE)

NAME	WARRANT HOLDINGS	%
1. GAPURNA SDN BHD	71,309,149	16.26
2. CHEE SZE HSIEN @ CHEE AH KOW (029)	35,300,000	8.05

INFORMATION ON DIRECTORS WARRANT HOLDINGS

NOS.	NAMES OF DIRECTORS	DESIGNATION	WARRANT HOLDINGS	%
1.	DATO' MOHAMAD NASIR AB LATIF	CHAIRMAN	0	0.00
2.	TAN SRI MOHAMAD SALIM FATEH DIN	EXECUTIVE VICE CHAIRMAN	0	0.00
			*71,309,149	16.26
3.	DATUK IMRAN SALIM	GROUP MANAGING DIRECTOR	0	0.00
4.	MOHAMAD HAFIZ KASSIM	DIRECTOR	0	0.00
5.	DATO' WAN KAMARUZAMAN WAN AHMAD	DIRECTOR	0	0.00
6.	DATO' DR JUNAIDAH KAMARRUDDIN	DIRECTOR	0	0.00
7.	LIM FEN NEE	DIRECTOR	0	0.00

* Held through Gapurna Sdn Bhd

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Holders Warrant Holders	Percentage of Warrant Holders (%)	No. of Warrant	Percentage of Warrant Capital (%)
less than 100	824	10.01	32,297	0.01
100 to 1,000	3,226	39.19	1,565,028	0.36
1,001 to 10,000	2,371	28.81	9,062,286	2.07
10,001 to 100,000	1,333	16.20	53,039,501	12.09
100,001 to less than 5% of issued warrant	475	5.77	268,209,896	61.16
5% and above of issued warrant	2	0.02	106,609,149	24.31
TOTAL	8,231	100.00	438,518,157	100.00

Top 30 Largest Warrant B Holdings

As At 18 March 2024

NO.	NAME	HOLDINGS	%
1	GAPURNA SDN BHD	71,309,149	16.261
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SZE HSIEN @ CHEE AH KOW (029)	35,300,000	8.050
3	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LUQMAN BIN MOHAMED JAKEL (MI0072)	15,304,200	3.490
4	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL (MI0077)	12,190,700	2.780
5	ER SOON PUAY	10,734,900	2.448
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE WOON	4,000,000	0.912
7	WONG CHOW YANG	4,000,000	0.912
8	FUNG HUI QI	3,908,400	0.891
9	LIM POH HOCK	3,665,000	0.836
10	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,624,441	0.827
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE YEN CHUAN	3,456,600	0.788
12	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR SOH CHIN TIONG	3,350,000	0.764
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK KAH HOONG (E-SJA)	3,198,200	0.729
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHAI CHUIN FOOK	3,083,600	0.703
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW CHEE LAP (E-SPG)	2,800,000	0.639
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHAIRUL ANSOR BIN SAMSI	2,688,100	0.613

Properties of The Group

31 December 2023

NO.	NAME	HOLDINGS	%
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	2,674,660	0.610
18	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,634,201	0.601
19	HARMONY GLOBAL VENTURES SDN BHD	2,550,000	0.582
20	CHEE CHUNG YEN	2,300,000	0.524
21	CHEE SZE HSIEN @ CHEE AH KOW	2,251,000	0.513
22	MANIVANNAN A/L RAMASAMY	2,250,000	0.513
23	ALLIANCEGROUP NOMINEES (ASING) SDN BHD TAN KONG HENG (8102918)	2,238,581	0.510
24	QUAH TI HUI	2,200,000	0.502
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG MEE FAH @ FEDERICK CHONG	2,000,000	0.456
26	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOO KUAN KIONG (MF00409)	2,000,000	0.456
27	DOMINIC ONG SHENG YEW	2,000,000	0.456
28	LEE BON LONG	1,811,700	0.413
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MADHARAN A/L KUPI NAMBIA	1,750,000	0.399
30	YEONG CHEE KONG	1,681,000	0.383
	Total	212,954,432	48.562

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2023 (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	21,042	1982	Leasehold 47 years expiring on 2.10.2044	41	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 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
Land for proposed commercial development	Lot 74 Sek. 70 Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	23,080	514,390	1998	Freehold	-	Yes
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
2-storey shop office	No. 55 & 55A, Persiaran Dataran 4, Iskandar Perdana, 32610 Seri Iskandar, Perak Darul Ridzuan.	156	140	2005	Leasehold 99 years expiring on 18.3.2102	21	Nil
Land for proposed commercial development	Lot 20006, Seksyen 72, Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	1,533	3,345	2016	Freehold	-	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2023 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
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	46,443	2001, 2002, 2009, 2010, 2019	Leasehold 33-99 years expiring between 13.3.2031 to 22.12.2118	-	Nil
Plaza Sentral Tower – Office Units	Unit 1B-G-1, Unit 1B-O3-1, Unit 1B-O3-2, Block A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Wilayah Persekutuan.	759	2,081	2008	Freehold	16	Nil
Ascott Sentral - 21-storey block of service residence apartments	No. 211, Jalan Tun Sambanthan, 50470 Kuala Lumpur, Wilayah Persekutuan.	23,121	70,396	2007	Freehold	10	Yes
Land for proposed mixed development	Lot 20031 & Lot 481117, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	18,993	49,696	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	7,582	2016	Freehold	-	Nil
Land for proposed mixed development	Lot 12 Section 26, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	31,205	587,620	2010, 2023	Leasehold 99 years expiring on 9.2.2108	-	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2023 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
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	52,031	2014	Freehold	-	Yes
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 Pulau, 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	755	2014	Freehold	10	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 Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.	72,495	304,821	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	194,631	2013/2014	Freehold	6	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2023 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
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, H.S.(D) 322525 PT 51712, H.S.(D) 322526 PT 51713, H.S.(D) 322527 PT 51714, H.S.(D) 322528 PT 51715, H.S.(D) 322529 PT 51716, H.S.(D) 322530 PT 51717 Mukim Sungai Buloh, Daerah Petaling, Selangor	214,451	1,154,629	2017	Leasehold 96 years expiring on 12.5.2115	-	Nil
Land for proposed mixed development	H.S.(D) 39260, PT 184, Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	20,492	380,825	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		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
Land for proposed commercial development	Lot 20007, Section 70, Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	3,805	-	1998	Freehold	-	Nil

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2023 (RM'000)	Year of Acquisition /Valuation	Tenure	Age of Building (Years)	Encumbrance
Several parcels of land for proposed mixed development	Lot 311987 - 311997, Lot 311999 - 312000, Lot 312008 - 312011, Lot 312014, Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	89,135	32,556	2021	Leasehold 99 years expiring on 10.10.2106	-	Nil
Several parcels of land for proposed mixed development	Lot 312363 - 312365, Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	2,676,212	123,767	2021	Leasehold 99 years expiring on 23.09.2107	-	Nil
Several parcels of land for proposed mixed development	Lot 312366, Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	394,240	18,474	2022	Leasehold 99 years expiring on 26.05.2121	-	Nil
Several parcels of land for proposed mixed development	PT 26998 & PT26999, Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	120,691	13,731	2022	Leasehold 99 years expiring on 31.05.2121	-	Nil
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	61,377	2022	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
Land for proposed factory development	PT 10756, PT 10757, PT 10758, PT 10759, Mukim Titi Tinggi, Lembah Chuping, Perlis.	39,914	14,481	2023	Leasehold 60 years expiring on 13.06.2083	1	Yes

Note - "0" denotes as amount less than RM1,000

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

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MRCB BUILDERS SDN BHD

Lot B-L1-12, Level 1, Block B
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Fax: +603 2780 7988

FACILITIES MANAGEMENT & PARKING

SEMASA SENTRAL SDN BHD

Level 2, Stesen Sentral Kuala Lumpur,
50470 Kuala Lumpur.

Tel: +603 2786 8080
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SEMASA PARKING SDN BHD

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ASSOCIATES

SENTRAL REIT MANAGEMENT SDN BHD

G27A, Level 3A,
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50470 Kuala Lumpur

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OVERSEAS

MRCB AUSTRALIA HOLDING COMPANY PTY LTD

MRCB PROJECT CARNEGIE PTY LTD
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

• Property Galleries

9 SEPUTEH

A-L1-07, Komersial VIVO 9 Seputeh,
No. 29, Jalan Telok Datok,
Off Jalan Klang Lama,
58000 Kuala Lumpur.

Tel: +603 7971 9983

PJ SENTRAL

Level 30, Menara Allianz Sentral,
No. 203, Jalan Tun Sambanthan,
Kuala Lumpur Sentral,
50470 Kuala Lumpur.

Tel: +603 2786 8080

ALSTONIA HILLTOP HOMES

Lot 27759, Jalan BRP 4/1,
Bukit Rahman Putra, Seksyen U20,
40160 Shah Alam, Selangor.

Tel: +603 2718 1771

CYBERJAYA CITY CENTRE

Level 30, Menara Allianz Sentral,
No. 203, Jalan Tun Sambanthan,
Kuala Lumpur Sentral,
50470 Kuala Lumpur.

Tel: +603 2786 8080

SENTRAL SUITES

Lot 74, Jalan Tun Sambanthan,
Seksyen 70,
50470 Kuala Lumpur.

Tel: +603 2727 7510

KALISTA PARK HOMES

Lot 27759, Jalan BRP 4/1,
Bukit Rahman Putra,
Seksyen U20,
40160 Shah Alam, Selangor.

Tel: +603 2718 1771

KWASA DAMANSARA CITY CENTRE

KDCC Property Gallery
PT 51710, Persiaran Kwasa Utama,
Seksyen U4,
40150 Shah Alam, Selangor.

Tel: +603 2718 1733

PENANG SENTRAL

5130 Terminal Pengangkutan,
Penang Sentral,
Jalan Bagan Dalam,
12100 Butterworth, Pulau Pinang.

Tel: +603 2786 8080
(Sales & Marketing)
+604 313 9888 (Leasing)

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NOTICE IS HEREBY GIVEN THAT the 53rd Annual General Meeting (“AGM”) of Malaysian Resources Corporation Berhad (“MRCB” or “the Company”) will be held virtually on **Friday, 24 May 2024** at **9.00 a.m.** through live streaming from the **Broadcast Venue at KL Sentral Room, Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur** for the following purposes:

AGENDA

Ordinary Business

- To receive the Statutory Financial Statements of the Company for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.
Refer to Explanatory Note 1
- To re-elect the following Directors who retire pursuant to Articles 101 and 102 of the Constitution of the Company and being eligible have offered themselves for re-election:
 - Dato’ Mohamad Nasir Ab Latif **Resolution 1**
 - Tan Sri Mohamad Salim Fateh Din **Resolution 2***Refer to Explanatory Note 2*
- To approve the payment of RM2,466 to Dato’ Mohamad Nasir Ab Latif being the additional Directors’ Fee for the financial year ended 31 December 2023
Refer to Explanatory Note 3 **Resolution 3**
- To approve the payment of Directors’ Fees to the following Directors for the financial year ending 31 December 2024
 - RM200,000 for Dato’ Mohamad Nasir Ab Latif **Resolution 4**
 - RM150,000 for Mohamad Hafiz Kassim **Resolution 5**
 - RM150,000 for Dato’ Wan Kamaruzaman Wan Ahmad **Resolution 6**
 - RM150,000 for Dato’ Dr Junaidah Kamarruddin **Resolution 7**
 - RM150,000 for Lim Fen Nee **Resolution 8***Refer to Explanatory Note 4*
- To approve the benefits extended to the Non-Executive Directors of the Company as detailed out in Note 5 of the explanatory notes, from 25 May 2024 until the next AGM of the Company.
Refer to Explanatory Note 5 **Resolution 9**
- To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration.
Refer to Explanatory Note 6 **Resolution 10**

Special Business

- To consider and if thought fit, to pass with or without any modification, the following Ordinary Resolution:

Proposed Gratuity Payment to the Late Tan Sri Azlan Zainol **Resolution 11**

“THAT approval be and is hereby given for the Company to pay RM908,000 to the late Tan Sri Azlan Zainol as a token of appreciation in recognition of his contribution during his tenure as a Director and Chairman of the Company AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution.”

Refer to Explanatory Note 7

8. To transact any other ordinary 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
 25 April 2024

Notes:

1. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members and proxies WILL NOT BE ALLOWED to attend this AGM in person at the broadcast venue on the day of the AGM. Members and proxies are advised to participate and vote remotely at this AGM through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") Facility provided by the Company's Share Registrar, Boardroom Share Registrar Sdn Bhd. Members are advised to read the Administrative Notes carefully and follow the procedures in the Administrative Notes for this AGM in order to participate remotely.*
2. *Only members whose names appear in the Record of Depositors on 13 May 2024 ("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.*
3. *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.*
4. *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.*
5. *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.*
6. *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.*
7. *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.*
8. *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, 11th 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 not less than 48 hours before the time set for holding the meeting.*

EXPLANATORY NOTES:

A. FOR ORDINARY RESOLUTION

1. Statutory Financial Statements for the financial year ended 31 December 2023

The Statutory Financial Statements laid in accordance with Section 340(1)(a) of the Companies Act 2016 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 and 2 - Re-election of Directors

Articles 101 and 102 of the Company's Constitution, inter alia, provides that at least one-third 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 longest in office since their last appointment or election.

The Directors who are subject to re-election at the 53rd AGM of the Company are Dato' Mohamad Nasir Ab Latif and Tan Sri Mohamad Salim Fateh Din. Both directors, being eligible, have offered themselves for re-election at the 53rd AGM.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 53rd AGM, the Board through its Nomination & Remuneration Committee ("NRC"), had assessed each of the retiring Directors and considered the following:

- (i) *satisfactory performance and have met the Board's expectation in discharging their duties and responsibilities;*
- (ii) *level of contribution to Board discussion through his skill, experience and expertise;*
- (iii) *evaluation of Director's character, integrity, competence and experience as well as fit and properness to discharge his role effectively; and*
- (iv) *the director's commitment and time allocation to ensure effective fulfillment of his responsibilities.*

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 204 and 205 of the Integrated Annual Report 2023.

3. Ordinary Resolution 3 - Payment of RM2,466 to Dato' Mohamad Nasir Ab Latif being additional Directors' Fee for the financial year ended 31 December 2023

At the 52nd AGM held on 7 June 2023, the shareholders of the Company had given approval for the Company to pay a Director's Fee of RM150,000 to Dato' Mohamad Nasir Ab Latif for the financial year ending 31 December 2023. Dato' Mohamad Nasir was redesignated as Acting Chairman of MRCB on 14 December 2023 following the resignation of Datuk Seri Amir Hamzah Azizan on 12 December 2023. Accordingly, Director's Fee for Dato' Mohamad Nasir for the financial year ended 31 December 2023 should be apportioned accordingly which worked out to be more than RM150,000 approved by the shareholders earlier. The Director's Fee for Dato' Mohamad Nasir for the financial year ended 31 December 2023 is RM152,466.

4. Ordinary Resolutions 4, 5, 6, 7 and 8 - Payment of Directors' Fees to Non-Executive Directors' ("NED") For The Financial Year Ending 31 December 2024

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 2024 based on the rate of RM200,000 per year for the Chairman and RM150,000 per year for other NEDs.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

5. Ordinary Resolution 9 - Benefits Payable to NEDs

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 Allowance*	Chairman of the Board	RM10,000 per month
	Chairman of the Executive Committee	RM10,000 per month
	Chairman of the Audit & Risk Management Committee	RM2,000 per month
	Chairman of the NRC	RM2,000 per month
	Chairman of the Long-Term Incentive Plan Committee	RM2,000 per month
	Members of the Board/Committees of the Board	RM1,500 per month
* 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	
	Insurance coverage for Medical, Group Personal Accident and Group Term Life	
	Staff discount of 7% for purchase of properties developed by MRCB Group	
	Other claimable benefits	

6. Ordinary Resolution 10 - Re-appointment of Auditors

The Board has at the meeting held on 29 March 2024 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.

7. Ordinary Resolution 11 - Proposed Gratuity Payment to the late Tan Sri Azlan Zainol

The proposed gratuity is in recognition of the late Tan Sri Azlan Zainol's commitment, dedication and contribution to MRCB and as a gesture of appreciation for his 18 years of service as Director and Chairman of the Company. The proposed payment is in line with the Company's Remuneration Policy where the Company will pay as a gratuity to past Non-Executive Chairman upon their resignation or retirement or demise.

The proposed gratuity payment is tabled for the approval of the shareholders in compliance with Section 230(1) of the Companies Act 2016 and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which require that benefits payable to the director or former director of a listed company be approved at a general meeting.

The profile of the Directors who are standing for re-election are as follows:

Resolution 1

Dato' Mohamad Nasir Ab Latif

Non-Executive Non-Independent Chairman | Nominee of Employees Provident Fund, a major shareholder of MRCB Malaysian | 66 | Male

Date of Appointment: 24 August 2018 (Redesignated as Chairman on 1 March 2024)

Length of Tenure: 5 years and 8 Months

Qualifications

- 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

Directorship/Relevant Appointment

Listed Entities

- Director, United Plantations Berhad
- Director, RHB Bank Berhad
- Director, Yinson Holdings Berhad

Others

- Chairman, PLUS Malaysia Berhad
- Chairman, RHB Islamic Bank Berhad
- Chairman, Investment Panel of Kumpulan Wang Persaraan (Diperbadankan)
- Member, Investment Panel of LADA

Relevant Experience

Dato' Mohamad Nasir was previously the Deputy Chief Executive Officer of the Investment Division, Employees Provident Fund ("EPF") until his retirement on 31 December 2019. He started his career with EPF in 1982 and held several positions in EPF which includes State Enforcement Officer, Senior Research Officer, Senior Manager in the Investment and Economic Research Department and General Manager of the International Equity Department.

Note:

Dato' Mohamad Nasir 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 in 2023.

PROXY FORM

(Please see the notes below before completing the form)

Resolution 2

Tan Sri Mohamad Salim Fateh Din

Executive Vice Chairman | Nominee of Gapurna Sdn Bhd, a major shareholder of MRCB
 Malaysian | 66 | Male

Date of Appointment: 1 September 2021

Length of Tenure: 2 years and 7 Months

Qualifications

- Malaysian Cambridge Examination (“MCE”)

Directorship/Relevant Appointment

Listed Entities

- Nil

Others

- Chairman, Malaysian Communications and Multimedia Commission
- Agile Member of National Council of Digital Economy and Fourth Industrial Revolution

Relevant 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 award-winning 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 and on 1 March 2023, was appointed as the Chairman of MCMC.

Notes:

- Tan Sri Mohamad Salim is the Group Managing Director and substantial shareholder of Gapurna Sdn Bhd, which in turn holds a 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.
- Save as disclosed, and in Note No. 39 of page 144 of the accompanying Financial Report, he has no conflict of interest 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 in 2023.
- He holds 1,388,800 Ordinary Shares in MRCB. He is also deemed to have an interest in 691,624,394 Ordinary Shares and 71,309,149 Warrants B in MRCB by virtue of his shareholdings in Gapurna Sdn Bhd.

Number of Ordinary Share(s) held				CDS Account No.										
			-											

I/We (FULL NAME IN CAPITAL LETTERS) _____
 NRIC No./Passport No./Company No. _____
 of (FULL ADDRESS) _____

Tel. No. _____ / email address _____ being a member/members of Malaysian Resources Corporation Berhad hereby appoint:

Name of Proxy in capital letters		Proportion of Shareholding to be represented by the proxies:	
		Number of shares	Percentage (%)
Proxy 1	Name:		
	NRIC No./Passport No.:		
	Tel. No.:		
	Email address:		
<i>And/or failing him/her</i>			
Proxy 2	Name:		
	NRIC No./Passport No.:		
	Tel. No.:		
	Email address:		

Total _____

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 53rd Annual General Meeting of the Company to be held virtually through live streaming from the broadcast venue at KL Sentral Room, Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur on Friday, 24 May 2024 at 9.00 a.m.

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
To re-elect the following Directors, who retire pursuant to Articles 101 and 102:			
1	Dato’ Mohamad Nasir Ab Latif		
2	Tan Sri Mohamad Salim Fateh Din		
3	To approve the payment of RM2,466 to Dato’ Mohamad Nasir Ab Latif being the additional Director’s Fee for the financial year ended 31 December 2023		
To approve the payment of the Directors’ Fees to the following Directors for the financial year ending 2024:			
4	RM200,000 for Dato’ Mohamad Nasir Ab Latif		
5	RM150,000 for Mohamad Hafiz Kassim		
6	RM150,000 for Dato’ Wan Kamaruzaman Wan Ahmad		
7	RM150,000 for Dato’ Dr Junaidah Kamarruddin		
8	RM150,000 for Lim Fen Nee		
9	To approve the benefits extended to the Non-Executive Directors of the Company, as detailed out in Note 5 of the explanatory notes, from 25 May 2024 until the next AGM of the Company.		
10	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
11	To approve the proposal Gratuity Payment to the late Tan Sri Azlan Zainol		

Dated this _____ day of _____ 2024

 Signature of Shareholders
 * DELETE IF NOT APPLICABLE

Fold this flap for sealing

Notes:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members and proxies WILL NOT BE ALLOWED to attend this AGM in person at the broadcast venue on the day of the AGM. Members and proxies are advised to participate and vote remotely at this AGM through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") Facility provided by the Company's Share Registrar, Boardroom Share Registrar Sdn Bhd. Members are advised to read the Administrative Notes carefully and follow the procedures in the Administrative Notes for this AGM in order to participate remotely.
2. Only members whose names appear in the Record of Depositors on 13 May 2024 ("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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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, 11th 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 not less than 48 hours before the time set for holding the meeting.

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Stamp

Boardroom Share Registrars Sdn. Bhd.

(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor, Malaysia

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PERSONAL DATA PRIVACY NOTICE

By submitting an instrument appointing a proxy(ies), attorney(s) and/or representative(s) to attend and vote at the 53rd 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 53rd AGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the 53rd 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)

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