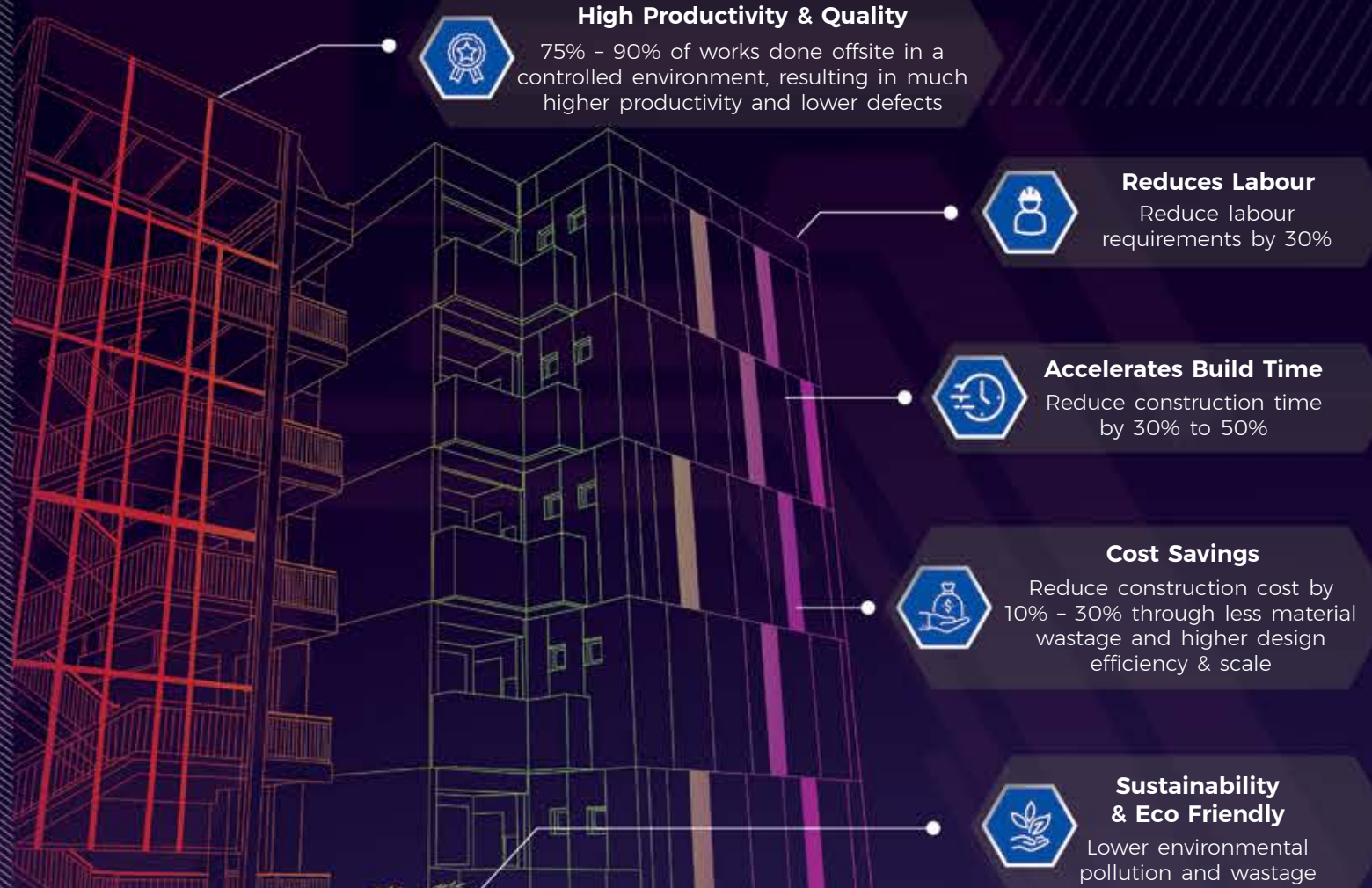


INNOVATION @WORK

MRCB has innovated the MRCB Building System (MBS), which combines a Prefabricated Prefinished Volumetric Construction (PPVC) system with our patented and unique Candle-Loc Connection System, allowing up to 90% of a project utilising this technology to be constructed offsite, then transported and installed into position at site.



POSITIVE IMPACT TO STAKEHOLDERS



ISSUES IN THE MALAYSIAN CONSTRUCTION INDUSTRY



| Challenges | | | | | |
|---|--|---|---|---|--|
| 3D work is unappealing for local labour participation | Dependence on manual work and unskilled foreign labour results in inconsistent product quality | Extended exposure to harsh outdoor weather conditions | Conventional construction activities affect the surrounding environment (i.e. traffic disruption, noise and dust) | Inefficient material planning and inventory management | Managing extensive changes throughout the construction process (i.e. drawing revision, material and labour planning) |
| Labour shortages | | Long working hours with high physical demands | Site cleanliness and potential breeding ground for Aedes mosquitoes | Manual processes and unskilled labour lead to higher material wastage | |
| Foreign labour is unskilled | | Compliance with HSE standards | | Material pilferage | |
| Additional, upfront regulatory costs | | High worker turnover | | | |
| Potential social issues | | | | | |

| Impact | | | | | |
|---|---------------------------------------|---|--|--|--|
| Currency outflow to origin countries | High costs to resolve product defects | Increases the probability of HSE related incidents | Risks of compliance related costs and delays | Higher project costs | Extended project duration with high risk of financial loss i.e. Liquidated Damages (LAD), additional resource deployment |
| Low productivity | | Extensive fines and stop work orders for HSE violations | Reputational risk | Higher waste disposal costs | |
| Minimal/no skill retention within the local economy | | | | Higher risks of breach in environmental laws | |
| High industry defect rate | | | | | |

ADVANTAGES OF MRCB BUILDING SYSTEM



| Advantages | | | | | |
|---|---|--|---|--|---|
| Less dependency on unskilled foreign labour | Higher quality control at the point of construction | More conducive working conditions | Less noise, dust, truck and other heavy equipment movements at site | Shift towards manufacturing approach with streamlined processes and effective, "just in time" inventory management | Fabrication of building components offsite run concurrently with onsite activities, reducing construction time by up to 50% |
| Upgraded labour skill levels and value add | | All work conducted at ground level, reducing risk of injuries from working at height | Higher level of cleanliness in a factory environment | | |
| Better communication skills | | | | | |

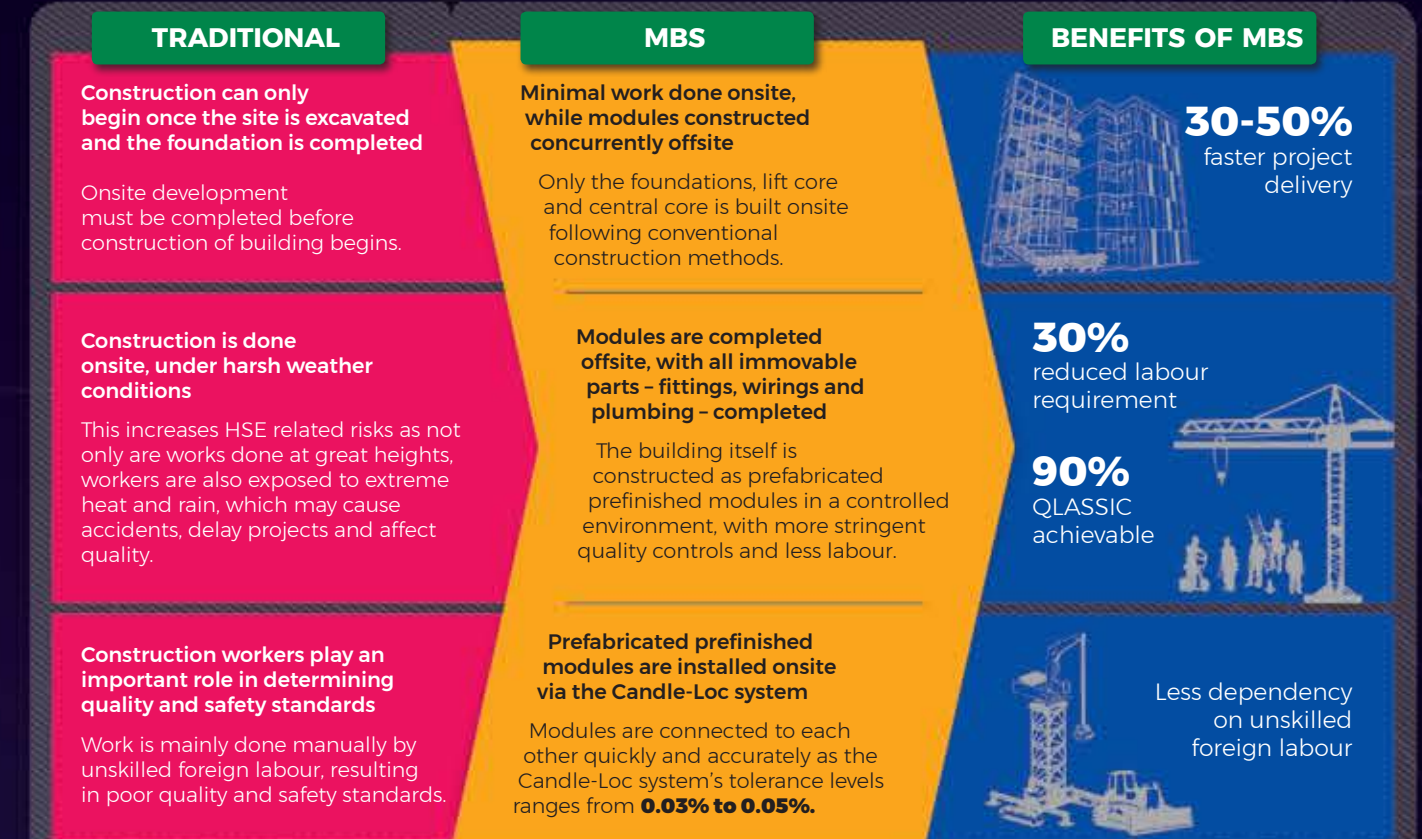
| Impact | | | | | |
|--|--|---|--|---|--|
| Higher participation and improved wages for local workforce | Good reputation for higher quality products | Lower worker turnover | Minimal disruption to the public and community | Improved accuracy of material planning and usage | Faster cash generation and reduced funding costs |
| Higher workforce skill levels facilitate continuous technology adoption and innovation | Lower cost and higher margins resulting from lower defects | Lower costs due to reduced fines and stop work orders | Improved HSE standards | Lower costs due to energy and resource efficiency | |
| | | | Aligned to sustainable practices | Reduced risk of pilferage | |

HOW DOES MBS WORK?



The Candle-Loc system is MRCB's proprietary joint connection system, which consists of a stainless-steel pin and a cast iron lateral tie plate used in between each module to set and lock each module in place both vertically and horizontally.

KEY DIFFERENCES BETWEEN TRADITIONAL CONSTRUCTION AND MBS



THE MBS PROCESS

