

The logo for MRCB, consisting of the letters 'MRCB' in a bold, sans-serif font. The 'M' and 'C' are dark blue, the 'R' is red, and the 'B' is dark blue. The logo is centered within a white circle.

MRCB

SHAPING A BETTER WORLD

I N T E G R A T E D A N N U A L R E P O R T 2 0 2 2

WHAT YOU WILL FIND IN THIS REPORT..

This report is supplemented by our full suite of online publications, which caters for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting. These can be accessed at mrcb.com.my.



Scan QR code
for more
information

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Cover Rationale

At MRCB, we truly believe that what we do today will bring positive change and create long-term, sustainable value for generations. This philosophy is clearly evident in our role of shaping green infrastructure and transforming urban spaces in Malaysia, creating a ripple effect that not only positively impacts our shareholders but also our customers, communities, and the nation's economy.

We believe that Shaping A Better World starts with us, and that changes, no matter how small, will lead to big differences.

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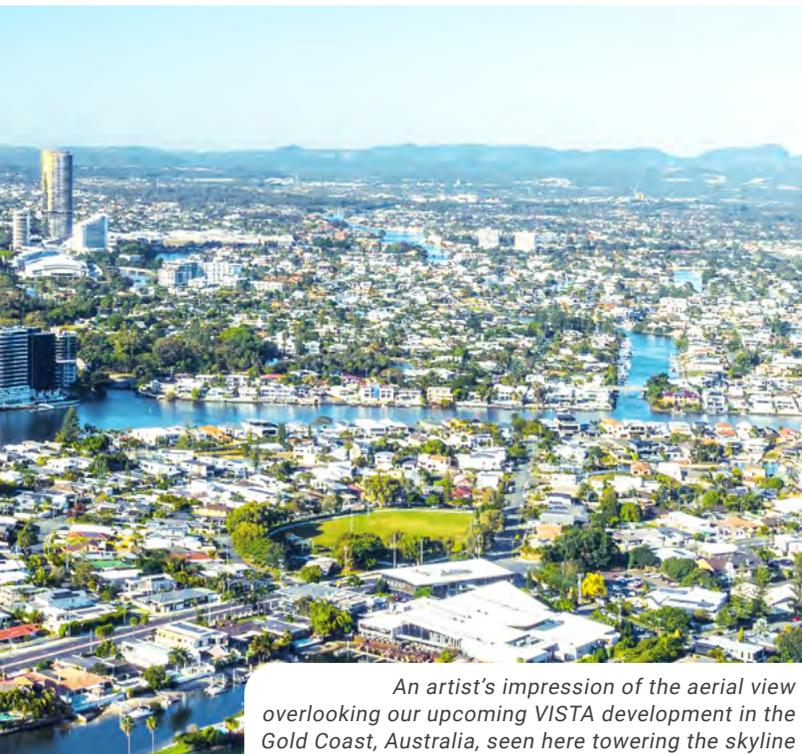
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An artist's impression of the aerial view overlooking our upcoming VISTA development in the Gold Coast, Australia, seen here towering the skyline

ABOUT 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 2022 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 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 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 2022 and ending 31 December 2022.

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 overseen by the IFRS Foundation. 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 232 - 234. MRCB’s accompanying Financial Report is audited by an independent third party, PricewaterhouseCoopers PLT, who have audited our financial statements and whose audit opinion can be viewed on pages 10 - 15 of the 2022 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; hence, readers are advised not to rely on these statements with absolute certainty.

FEEDBACK

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

Yazmin Islahudin
Senior Manager, Chief Corporate Officer’s Office
Email: yazmin.islahudin@mrcb.com

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs) ADOPTED



NAVIGATING THIS REPORT

MATERIAL MATTERS

Governance



Economic



Social



Environment



GROWTH PRINCIPLES & KEY ACTION PLANS



STAKEHOLDERS



Our Six Capitals

MC MANUFACTURED CAPITAL

The Group's physical assets are located in strategic areas of growth. As a Transit Oriented Development (TOD) developer, 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 methods and new technologies, which enables the Group to deliver high-quality products in an efficient, timely and ethical manner.

FC 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.

NC 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, reduce material consumption and our carbon footprint. Additionally, we own urban land banks within strategic development areas critical to our success.

HC 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.

IC INTELLECTUAL CAPITAL

MRCB has created a strong brand of innovative excellence. Our Intellectual Capital is vital in solidifying our market position and competitive strengths. 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.

SRC 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 each and every one of them.

WHO WE ARE

As one of the country's leading property development 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 of Green buildings and Transit Oriented Developments (TODs) and a leading infrastructure construction company to drive long-term growth. Our aim is to provide vibrant and sustainable city-within-a-city developments through our TODs that focus on pedestrian-oriented communities living and working around high-quality mass transport systems.

In competing for large infrastructure projects, we use our skills, expertise and track record to develop 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

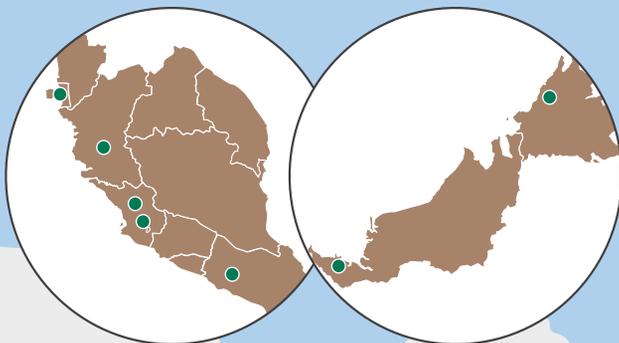
- **Courageous**
We are courageous in our actions. We take responsibility, challenge and question.
- **Creative**
We are forward thinkers. We encourage new ideas to help us enhance value and stay ahead.
- **Driven**
We are a high performance organisation determined to deliver the best to our customers.
- **Customer Centric**
Every decision must ultimately contribute to improving our customers' experience.
- **Accountable**
We are committed to what we do, standing accountable for every decision we make.



WHO
WE ARE



Our Presence



Malaysia

Our property projects are predominantly in Kuala Lumpur and Selangor, with presence in Penang, Perak, Johor, Sabah and Sarawak. Our infrastructure construction projects are in Selangor.



Australia

We have undertaken two property development projects in Melbourne and acquired prime land in Gold Coast.



New Zealand

We were awarded a TOD project and acquired a heritage building for development in Auckland.

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 TODs in Malaysia through its ongoing flagship and award-winning Kuala Lumpur Sentral 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 Cyberjaya City Centre – will also feature excellent transportation connectivity and integration at their core. MRCB, through its 810.57-acre Ipoh Raya Integrated Park, also has presence in the industrial property/logistics market, as well as 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 nine buildings valued at RM2.1 billion as at 31 December 2022.

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



Revenue

RM914.6
Million

Urban Land Bank

1,153
Acres

RM33
Billion GDV

Property Sales

RM478.1
Million

Property Unbilled Sales

RM533.5
Million



FACILITIES MANAGEMENT & PARKING

MRCB's Facilities Management & Parking operation has successfully established its own brand as a major player in managing, maintaining and 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 TODs
- Value-added services include security and an Emergency Response Team

WHAT WE DO: OUR EXPERTISE



**ENGINEERING,
CONSTRUCTION
& ENVIRONMENT**

Designing, building and contracting gives MRCB complete control over its own property development projects, helping the Group ensure that the project's vision is fully realised in terms of quality, budget and timeliness. In addition to constructing world-class commercial and residential buildings, MRCB's Engineering, Construction & Environment Division has an enviable track record as an infrastructure developer, including constructing rail and road transportation infrastructure, large complex structures such as 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.

- The largest Bumiputera construction company in Malaysia
- Successfully won and completed key national infrastructure and construction projects
- Certified with Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015 and Occupational Health & Safety ISO 45001:2018

Revenue

RM2.2
Billion

Open Tenders

RM30
Billion

External Client
Construction Order Book

RM26.3
Billion

Unbilled Order Book

RM17.4
Billion

Revenue

RM46.4
Million

Manages Over

17,000
Carpark bays



OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)

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

Our interests in 1,153 acres of urban development land with an estimated RM33 billion 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

RM18
Billion

Total
72
Acres

PJ SENTRAL GARDEN CITY

RM2.7
Billion

Total
12
Acres

PENANG SENTRAL

RM2.7
Billion

Total
22
Acres

KWASA SENTRAL

RM10.9
Billion

Total
64
Acres

THE SYMPHONY CENTRE

NZD0.5
Billion

Total
1
Acre



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

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 15 years.

KL Sentral CBD is an exclusive urban centre built around Malaysia’s largest transit hub. KL Sentral, with its nine 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 check-in facilities, enabling quick access to the airport and various destinations around the world. More than 200,000 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, will be a welcomed change from Petaling Jaya’s ageing and decaying 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) Neighborhood and Township Development Gold rating for the overall development.



OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)



PENANG SENTRAL

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

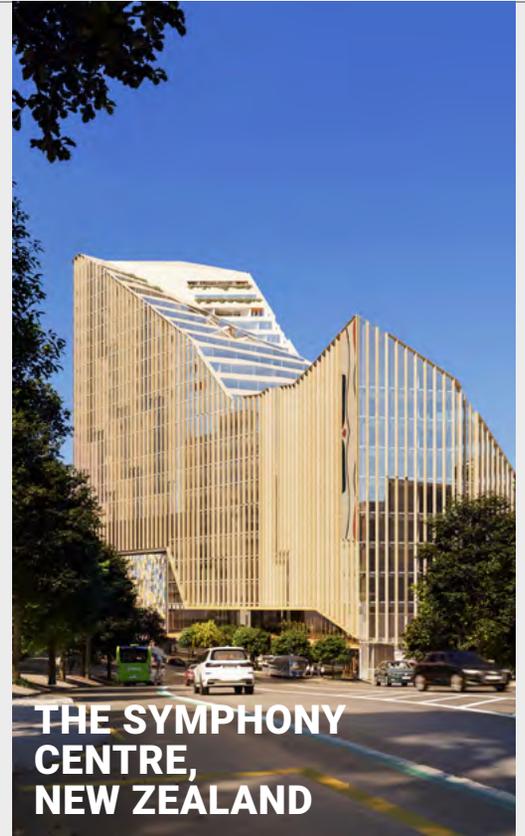
Situated in Butterworth, it is conceptualised as a mixed development around an integrated multimodal transport hub encompassing the KTMB rail network, the Penang ferry service and intercity buses and taxis, and will be an economic catalyst for the Northern Region (Penang, Kedah, Perlis and Perak). The activation of this transportation hub, which emphasises safety, security and convenience for all users, will enhance 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 enterprise players as well as renowned local and international brands.

Its 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 is a liveable commercial development.



KWASA SENTRAL



THE SYMPHONY CENTRE, NEW ZEALAND

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

Located at the intersection of Mayoral Drive and Wellesley Street at 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.

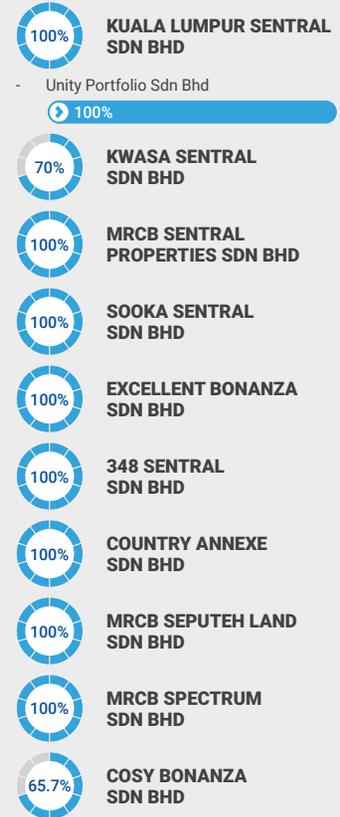
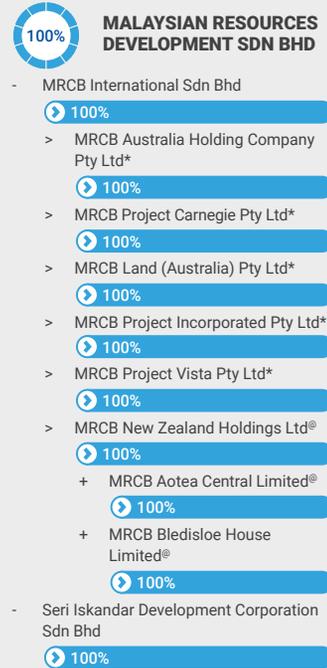
This iconic and prestigious project will benefit more than 40,000 residents and the 130,000 people who live and work in the area.

2022 KEY HIGHLIGHTS

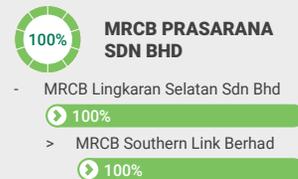
FINANCIAL HIGHLIGHTS	BUSINESS HIGHLIGHTS		
<p>GROUP REVENUE</p> <p>RM3.2 billion</p>	<p>GROSS DEVELOPMENT VALUE OF LAND BANK</p> <p>RM33 billion</p>	<p>TOTAL LAND BANK</p> <p>1,153 acres</p>	<p>EXTERNAL CLIENT CONSTRUCTION ORDER BOOK</p> <p>RM26.3 billion</p>
<p>PROFIT BEFORE TAX</p> <p>RM154 million</p>	ESG HIGHLIGHTS		
<p>DIVIDEND</p> <p>1.00 sen</p>	<p>GENDER PAY GAP BETWEEN FEMALE & MALE EMPLOYEES NARROWED BY</p> <p>35% 2021: -5.4% 2022: -3.5%</p>	<p>PROCURED</p> <p>12 GWh WORTH OF RENEWABLE ENERGY CERTIFICATES (RECs)</p>	<p>65% REDUCTION IN SCOPE 1 & SCOPE 2 CARBON EMISSIONS INTENSITY</p>
<p>NET GEARING</p> <p>0.32 times</p>	<p>CONTRIBUTION TO THE COMMUNITY</p> <p>RM0.7 million</p>	<p>F4GBM INDEX SCORE OF 3.2</p> <p> FTSE4Good A Constituent Since 2014</p>	<p>ACHIEVED</p> <p>ISO 37001: 2016 Anti-Bribery Management System (ABMS)</p> <p>RE-CERTIFICATION</p>
<p>SHAREHOLDERS' FUNDS</p> <p>RM4.5 billion</p>	<p>COMPLIED WITH MALAYSIAN CODE ON CORPORATE GOVERNANCE</p> <p>41 out of 43 Practices</p>	<p>3 out of 5 Step-Ups</p>	<p>ZERO CYBERSECURITY & CUSTOMER DATA BREACHES</p>
<p>NET ASSETS PER SHARE</p> <p>RM1.01</p>			
		<p>RANKED 2ND & AWARDED EXCELLENCE AWARD</p> <p>2021 MSWG-ASEAN Corporate Governance Awards <i>(out of 864 companies assessed)</i></p>	<p>RANKED 1ST IN THE INDUSTRY EXCELLENCE AWARD FOR THE PROPERTY SECTOR</p> <p>2021 MSWG-ASEAN Corporate Governance Awards</p>
		<p>PLATINUM AWARD FOR COMPANIES WITH LESS THAN RM2 BILLION IN MARKET CAPITALISATION</p> <p>Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2022</p>	

HOW WE ARE STRUCTURED

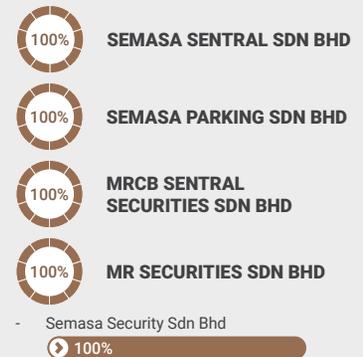
PROPERTY DEVELOPMENT & INVESTMENT



ENGINEERING, CONSTRUCTION & ENVIRONMENT



FACILITIES MANAGEMENT & PARKING



For a complete list of companies in the Group, please turn to pages 144 - 151 (Note 42) of the accompanying Financial Report.

(*) denotes that the company operates in Australia
 (#) denotes that the company operates in Hong Kong
 (°) denotes that the company operates in New Zealand
 (^) denotes that the company operates in Singapore
 All other companies operate in Malaysia.

AWARDS AND RECOGNITION



MALAYSIAN INSTITUTE OF ACCOUNTANTS NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2022

Platinum, Excellence Awards:
Companies With Less than RM2 Billion
in Market Capitalisation



THE STAR/FIABCI MALAYSIA DEVELOPER AWARDS (MDA) 2022

Ranked 1st for Transparency



MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS AWARD (M100)

Most Popular Graduate Employer of 2022:
Property & Development Category



MINORITY SHAREHOLDERS WATCH GROUP-ASEAN CORPORATE GOVERNANCE AWARDS 2021

Ranked 1st: Industry Excellence Award for
the Property Sector
Ranked 2nd: Excellence Award
for Corporate Governance Disclosure
(out of 864 companies assessed)



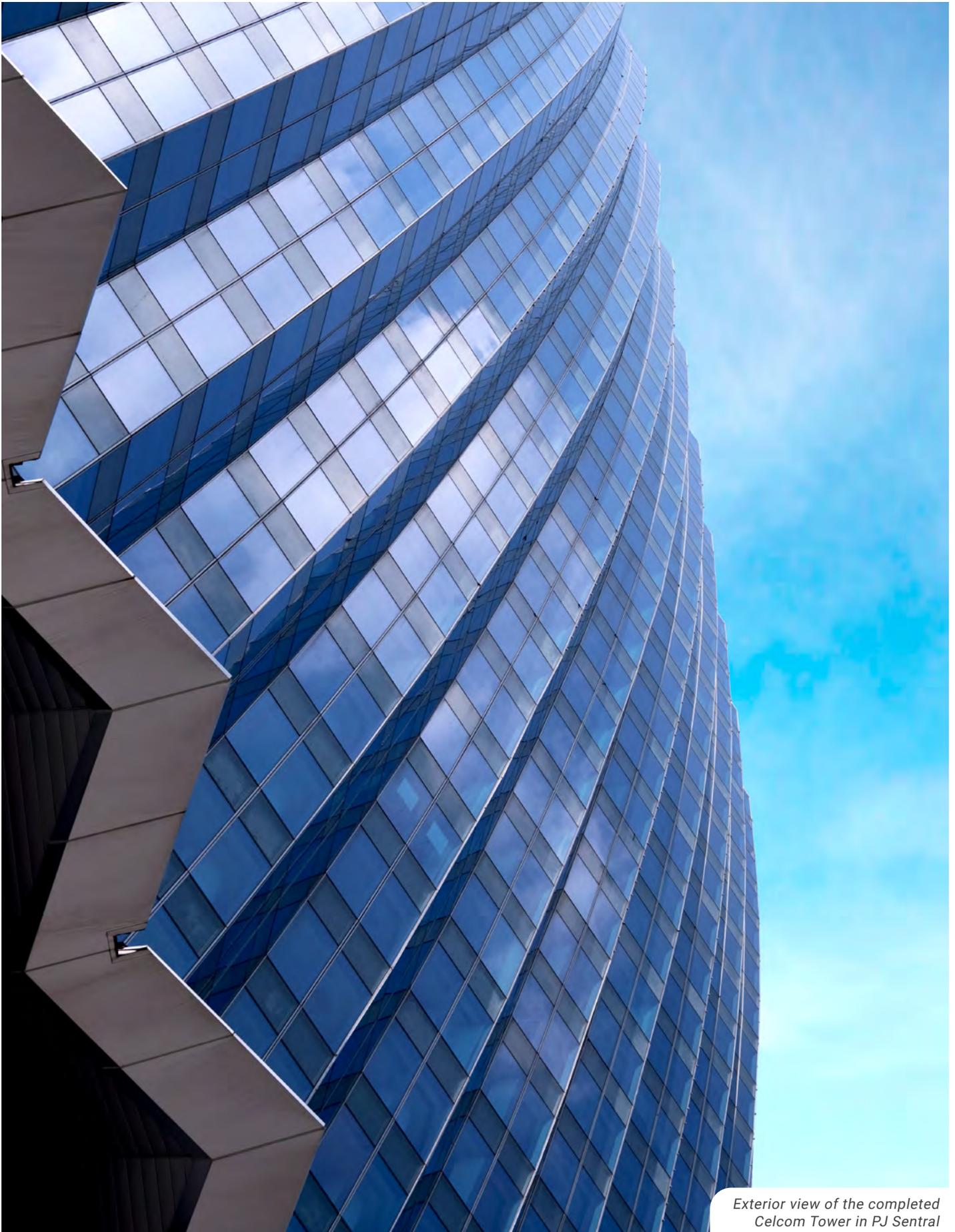
UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI SUSTAINABILITY PERFORMANCE AWARD 2022

Climate Action Fellow - Amarjit Singh
Chhina, Chief Corporate Officer



AUSTRALASIAN REPORTING AWARDS (ARA) 2022

Gold Award



*Exterior view of the completed
Celcom Tower in PJ Sentral*

KEY MILESTONES

Over the years, Malaysian Resources Corporation Berhad (MRCB) has only grown from strength to strength – proof that the Group has been resilient through ever-changing landscapes.

Cognisant of the fact that change is a constant, we have always emphasised on the importance of sound values and fundamentals, as well as the need to innovate in order to provide meaningful value to our stakeholders.

2001 to 2006

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

2006 to 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

2014

- Launched first project in Australia, the Easton Burwood

2016

- Kwasa Damansara infrastructure PDP for RM112.3 million
- Private Placement raising RM408.0 million
- No-Gift Policy introduced

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 RM11.0 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

▶▶▶ From 2001...

- Completed first Green Office Campus, Platinum Sentral

2012

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

2013

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

2015

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

2017



KEY MILESTONES

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

2021

- Completed the acquisition of George Kent (Malaysia) Berhad's 50% equity interest in the LRT3 project joint venture company, Setia Utama LRT3 Sdn Bhd (SULSB) (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
- 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

...to

2022

- 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

2020

- 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, which will contribute towards benefitting 533,000 riders a day
- 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
- 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

OUR APPROACH TO SUSTAINABILITY



A WORD ON OUR SUSTAINABILITY PHILOSOPHY

MRCB has played a significant part in shaping infrastructure and transforming urban spaces in Malaysia. Our business is built on the philosophy that what we do today should bring positive change and create long-term sustainable value for generations.

OUR APPROACH
TO SUSTAINABILITY

This philosophy challenges us to think beyond the requirements of today and consider how our projects will be resilient to the needs of tomorrow.

When we first started in 1968, the term 'sustainability' did not feature in our strategies and business plans. Nevertheless, we had always intrinsically moved towards incorporating tenets of sustainability from the onset - in the planning, designing and development of our projects.

Our approach and how we conduct our business have been our *raison d'être*, which is to build meaningful places for a better tomorrow. This means contributing to a sustainable future of economic prosperity, social progress, and environmental protection. Today, this approach has been institutionalised as part of our core business strategy.

OUR APPROACH TO SUSTAINABILITY

INFLUENCING SUSTAINABLE PROGRESS

When we were first tasked in 1996 to develop Kuala Lumpur's central intercity railway station and the surrounding spaces in the suburbs of Brickfields, we approached the project the way we always have - by asking how can what we do have a positive and resilient impact on generations to come.

The KL Sentral development had to be purpose-built to be future-ready by incorporating innovation and smart-and-green concepts.

More than building Transit Oriented Developments (TODs), we knew that we wanted our project to connect communities, foster commerce, invigorate social integration, and be a thriving, inclusive hub for integrated urban living and working.

Today, KL Sentral connects the nation via the country's only integrated transportation hub, Stesen Sentral, and serves as the city's next-generation Central Business District. It incorporates MRCB's Green Initiative, which embeds environmentally sustainable resource management for energy and water efficiency, leverages smart technologies and solutions, and integrates green features and innovations. In fact, KL Sentral is known to have the highest number of green buildings in the country.

But more than that, the KL Sentral development spurred urban regeneration, contributing towards a better quality of life in the area, and carving a reputation as a sought-after commercial and residential hub. The value of properties in the surrounding area has risen over the past two decades, benefiting from

new high-end developments, connectivity and prime commercial development. A key spillover effect of KL Sentral's progress has been catalysing economic activities for businesses of all scales, from multinationals to mom-and-pop shops, and wealth generation for the community.

This, in part, also demonstrates our role as a nation builder. Building connectivity and transforming communities, empowering economies and driving social integration. As the pioneer of TODs in Malaysia, we have exerted influence to sustainably progress the neighbourhoods in our TODs, which include Petaling Jaya (PJ) Sentral Garden City, Penang Sentral and Kwasa Sentral, so that they too can transform into thriving communities.

PUSHING BOUNDARIES TO FUEL EXCELLENCE

Looking back, two words play an important role in charting our sustainability journey from when we started to where we are today. They are the 'why' and the 'not'.

While the 'why' is essential to understand the motivations behind doing certain things, the 'why not' pushes us to think further than the proverbial box. We have constantly challenged ourselves to go further and ask 'why not'. Our sense of purpose and direction determines what we do and why we do it, but our ability to ask ourselves, 'why not' pushes our determination to greater heights of achievements.

We landed the contract in 2017 to upgrade and refurbish the Bukit Jalil National Sports Complex, now known as Kuala Lumpur Sports City, just 18 months before the 29th Southeast Asian (SEA) Games, a project that would ordinarily take 36 months to complete. We took the opportunity to incorporate cutting-edge innovative architecture that leveraged sustainability into redesigning and redeveloping the sports hub that aims to bring people together for sport, live entertainment and community events.



But we also asked ourselves, why not do this monumental project in a shorter-than-expected timeline while ensuring we upheld the highest quality expected of MRCB?

Taking sustainable actions for us means constantly taking a hard look at our processes and value chain, and evaluating whether we can do better. In construction project management, different trades are usually brought to the site separately according to the project sequentially. However, to deliver this project ahead of time, we worked on various trades in different parts of the site in tandem, which saved time immensely.

We also cut down on time drastically by expanding the breadth of the team working on the project. For instance, design engineering usually takes half a year to

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An artist's impression of The Symphony Centre in Auckland, New Zealand – our first TOD overseas

complete but we did it within two and a half months. There were 23 contractors, 20 consultants, and 1,800 construction workers, all working closely and in tightly scheduled shifts to complete the project.

We not only delivered the rejuvenated KL Sports City in time for the 29th SEA Games, but we did it to many notable international awards and accolades. Also, an excellent reflection of our firm commitment to responsible business operations was receiving the CIDB 5-Star Award for Safety. This Award recognised our emphasis on health and safety, which resulted in zero on-site accidents. We were also conferred the ISO Standards Awards for adhering to stringent standards throughout our project – a mark of MRCB's culture of complying with crucial safety and quality standards.

By asking 'why not', we continue to inculcate a culture that pushes the envelope to deliver excellence and sustainability in all that we do. In 2023, we will be institutionalising this approach in our Design Policy, which will guide us to embed sustainability considerations at every design stage. This will include considering where materials are sourced from, what materials we use to ensure sustainability and reduce the impact to global warming, whom we work with that share our sustainability mindset, and what types of innovations we embed that uphold sustainability, among others.

A JOURNEY OF CONTINUOUS LEARNING

Through the ups and downs since we started in 1968, we remain driven by our philosophy to build meaningful, sustainable

places. To be a catalyst that connects communities, facilitates urban mobility, and spurs commerce, thereby helping to foster greater socioeconomic activity and social integration. We have an important role to play in contributing to a sustainable future for all.

For these past 54 years, we have continued to learn and adapt, pushing boundaries and pioneering innovations. Many of our innovations come from the need to solve pain points and drive towards a more sustainable way of operation.

In addressing the challenges of manpower constraints, meeting tight project delivery times, reducing material wastage, and safety and quality requirements, we developed a proprietary modular construction building system called the MRCB Building System (MBS). This innovative system allows projects using this technology to be constructed offsite before being taken to the development sites, where they will be stacked and locked into position using our patented Candle-Loc Connection System.

The MBS will be pivotal in addressing sustainability issues in the construction industry and helping to reduce carbon emissions. Given the importance of a system such as this in mitigating the construction sector's negative environmental impact, we are advocating the wider adoption of MBS within the construction sector.

We have also leveraged our engineering capabilities to provide river and coastal rehabilitation and flood mitigation solutions. This is done using MRCB's proprietary Pressure Equalisation Module (PEM) system, which has been well-utilised in several beaches in Malaysia. This system has been instrumental in improving these coastlines suffering from erosion and helped in conserving biodiversity while at the same time enhancing the recreational value of tourism-related activities.

OUR APPROACH TO SUSTAINABILITY

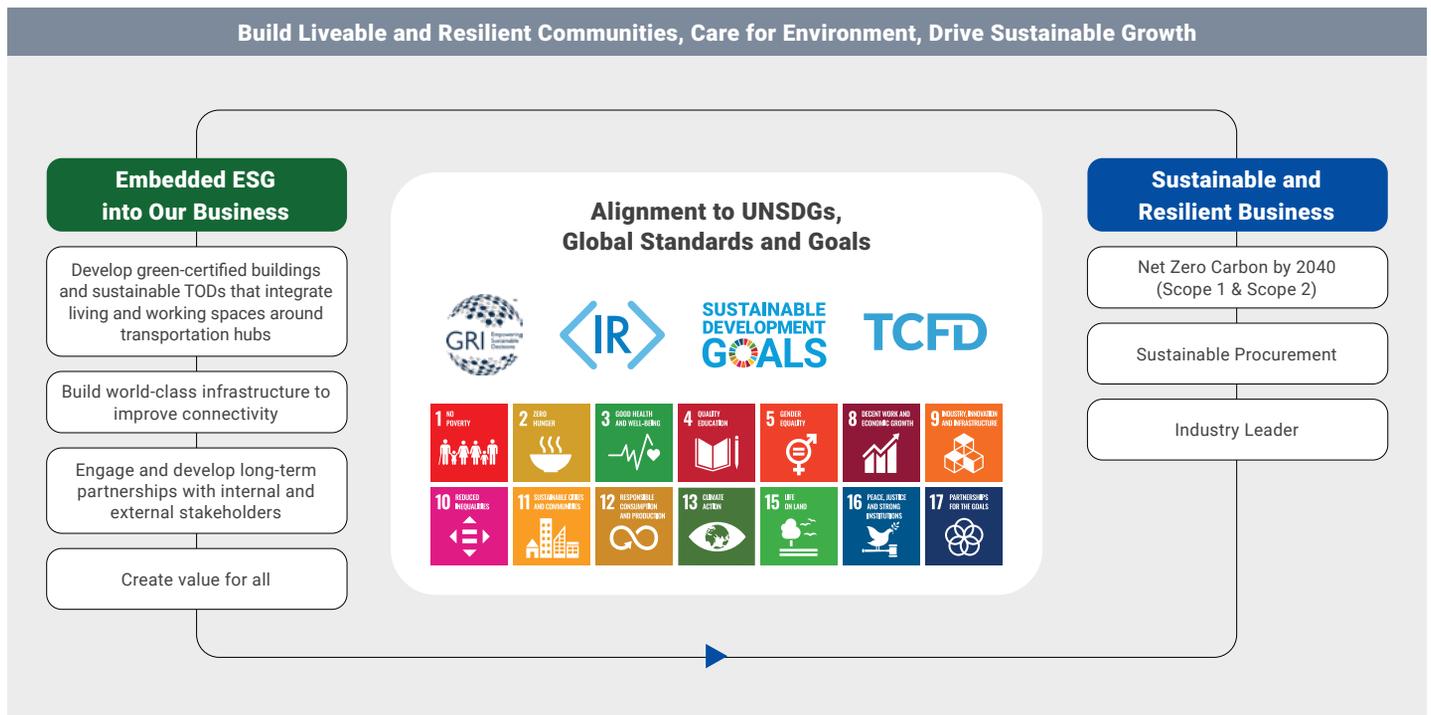


The completed Sungai Pahang restoration project Phase 3 (Package 2)

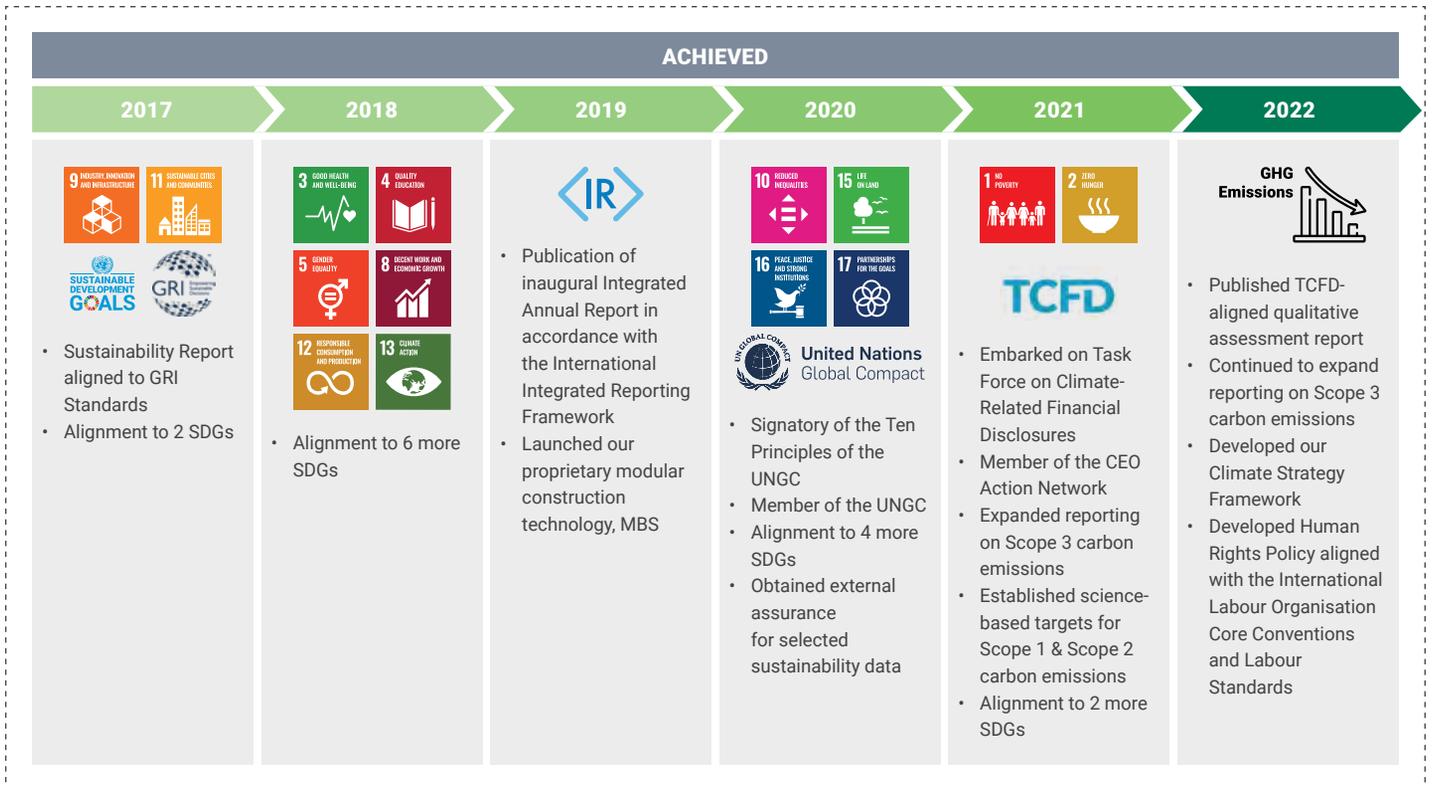
SUSTAINABILITY FOR TOMORROW

Ours is a business here for the long term. For us, sustainability is a journey. However, we know that we can go further. We will continue to address matters that can close gaps and drive our sustainability journey further. This is important not only for sustainability reasons but because they are central to our business performance. We will continue our robustly applied approach to sustainability, rooted in our purpose, mindful of the need to influence positive and sustainable transformation where we operate.

Measurable change is important to keep us on track on this journey and stand up to scrutiny from our stakeholders. The following sections review our sustainability efforts for the year and our expectations ahead.



OUR APPROACH TO SUSTAINABILITY



Our approach to sustainability is premised on the five pillars of sustainability: people, planet, partnership, prosperity, and peace. These pillars define our focus areas that align our ambitions for sustainable growth with our goals for business success, in the short, medium, and long term.



OUR APPROACH TO SUSTAINABILITY

AIMING FOR NET ZERO CARBON BY 2040 WITH OUR CLIMATE STRATEGY FRAMEWORK

MRCB has developed a high-level Climate Strategy Framework with the objective of responding to environmental and climate change challenges, while working to sustain our business growth and operability. Our aspiration is to achieve Net Zero Carbon in Scopes 1 and 2 by 2040. We are committed to significantly improve our operations, particularly our eco-efficiency of energy, water, resource use, waste, as well as reducing our carbon footprint and pollutants. We also have several initiatives in our strategy to reduce our direct and indirect emissions, while transitioning to a low-carbon economy and adapt to climate change.

We align ourselves with international climate-related frameworks such as Task Force for Climate-Related Financial Disclosures (TCFD), Science-Based Targets initiative (SBTi) and the Greenhouse Gas (GHG) Protocol. We have a track record of sustainable development through our development of Green buildings and TODs. We aim to continuously increase the intensity of our green and sustainable design principles through the development of a new enhanced Sustainable Design Policy, including exploring the implementation of Zero Energy Building (ZEB) where possible, and expanding our innovative lower waste modular construction technology, MBS. We also aim to conduct Embedded Carbon Assessments of our new projects in the future, to identify the emissions associated with the construction materials and their manufacturing processes, to find ways to reduce them.

Climate Aspiration	Net Zero Carbon by 2040	
Strategy	Managing Transition Climate Risks	
	GHG Emissions Reductions	Transition To
Focus Areas	Scopes 1, 2 and 3	Sustainable Business Practices
Key Initiatives	<ul style="list-style-type: none"> Absolute Scope 1 and 2 emissions reduction targets in line with SBTi Scope 3: Collaborate with our supply chain to improve emissions disclosure and efficiency (e.g. explore lower carbon contracts with major suppliers) Evaluate and integrate new emissions reduction technologies into our operations, for example, MBS and our future waste-to-energy (WTE) project Explore ways to increase generation and usage of renewable energy and electrification of plant and machinery (e.g. solar energy, low or zero carbon fuels such as hydrogen, biofuel) Carbon sequestration 	<ul style="list-style-type: none"> Develop MRCB's climate risk management process in accordance with TCFD recommendations Tap into sustainable linked loans and finances as the world shifts into a low carbon economy Continue developing green buildings and explore the development of ZEB Develop new Sustainable Design Policy, integrating more intensive sustainable design principles and sustainable procurement into our projects Further digitalisation of our operations
Enablers	Governance	Data Management
	<ul style="list-style-type: none"> Board commitment and oversight Integration into business plans and performance management Staff engagement and capacity building 	<ul style="list-style-type: none"> Improve Emissions Data Management System Improve Scope 3 collection and calculation, in alignment with protocols and standards

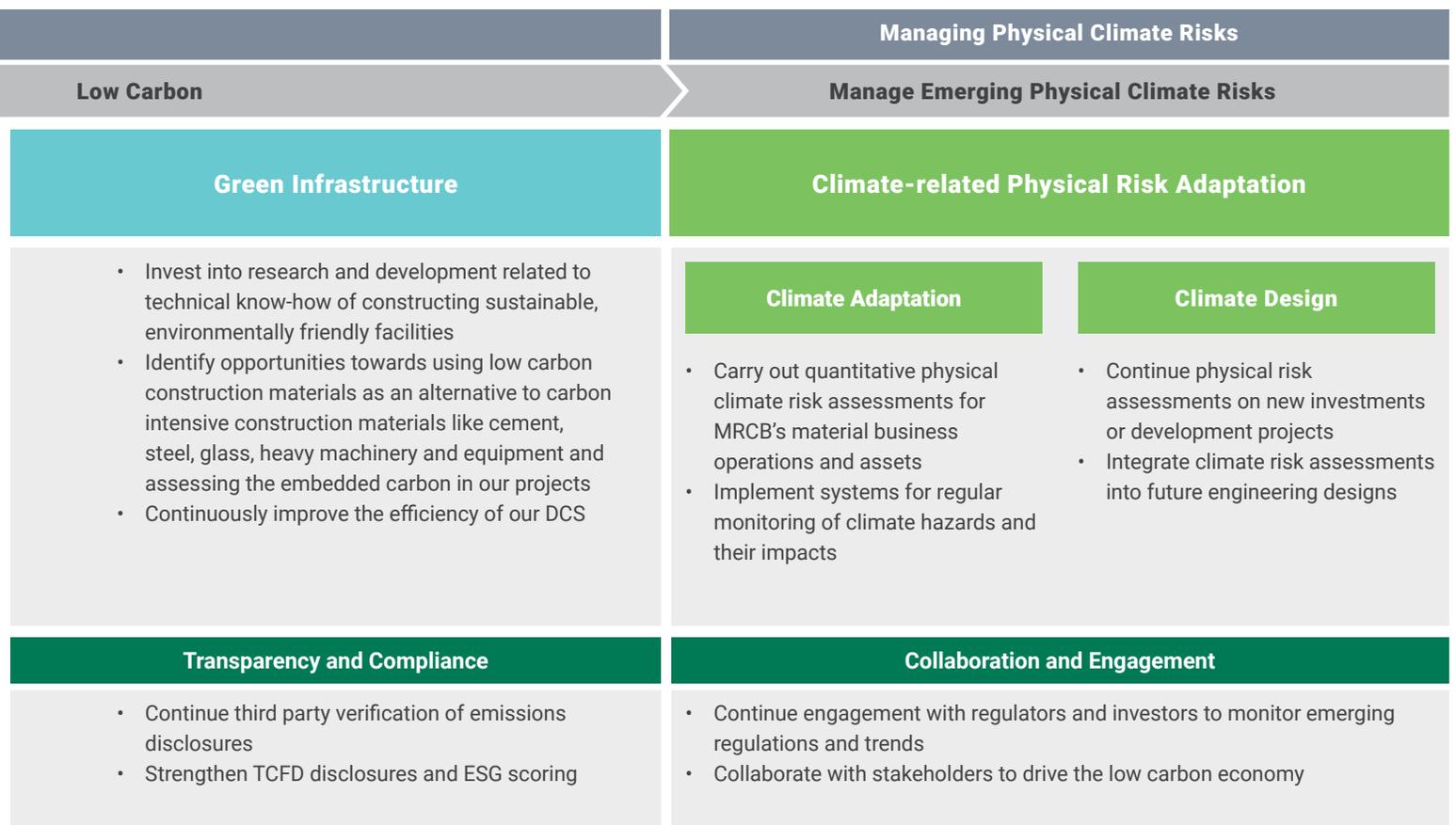
OUR APPROACH TO SUSTAINABILITY

Our construction and operation of District Cooling Systems (DCS) to provide air-conditioning for a network of buildings stretches back to 2011. To date, we have commissioned a total of four DCS plants for our developments. The benefits of DCS include significantly enhanced energy savings, lower lifecycle costs and reduced carbon emissions.

Another important initiative is our planned entry into the waste-to-energy market, which will result in diverting household waste away from landfills to generate energy and removing harmful emissions. This project will enable us to reduce GHG emissions by 0.79 to 0.96 tCO₂e per tonne of third-party household waste decomposing in landfills, according to research by the European Environment Agency and Asian Development Bank, mitigating our own overall GHG emissions.

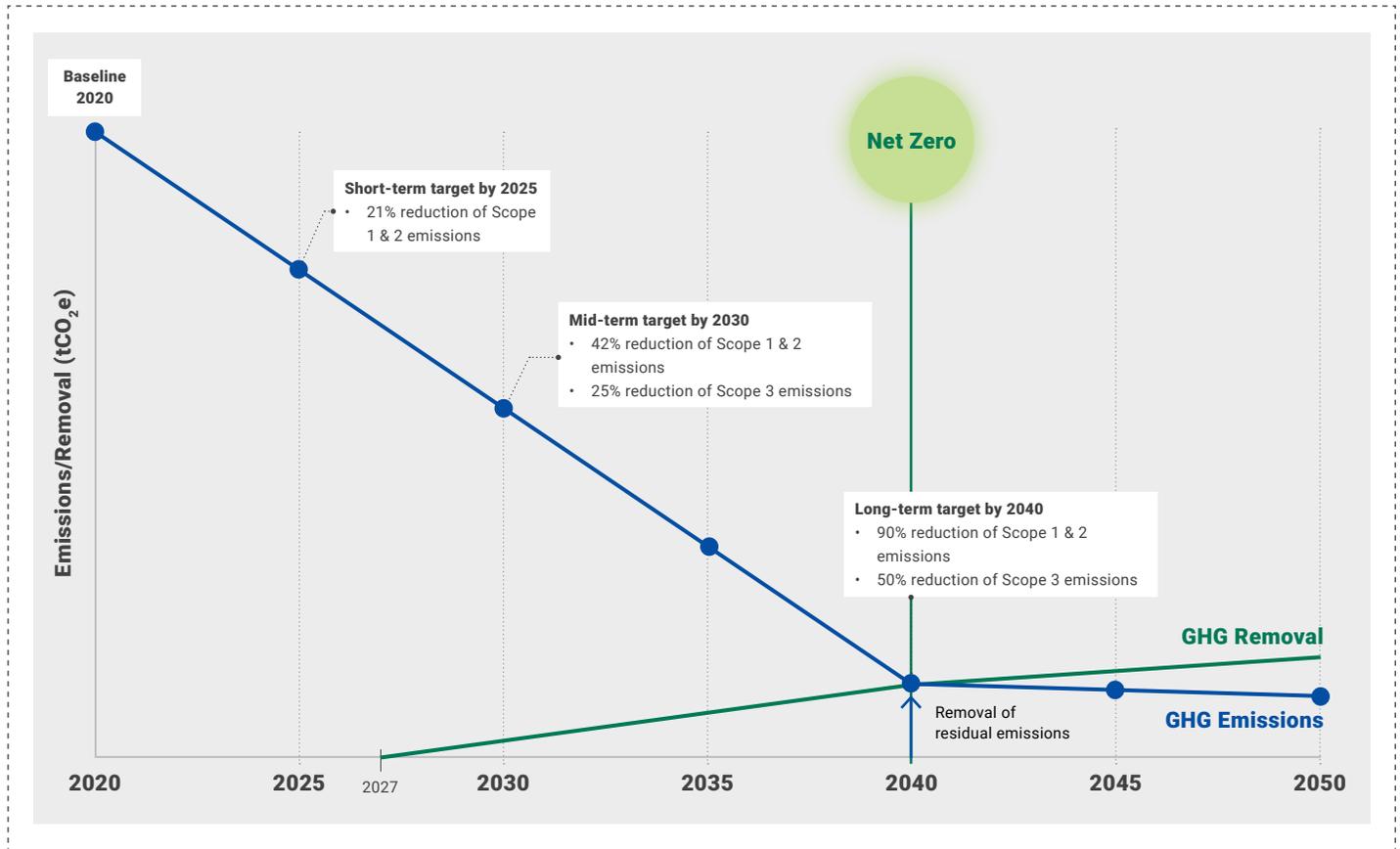
Based on our GHG emissions reduction aspirations, using our 2020 baseline, we have set a short-term target of a 21% reduction of our Scope 1 and 2 emissions by 2025, and a mid-term target of a 42% reduction of Scope 1 and 2 emissions, as well as a 25% reduction of Scope 3 emissions by 2030. By 2040, we aspire to achieve Net Zero emissions through reducing most of our Scopes 1 and 2 emissions, reducing 50% of Scope 3 emissions and removing all of our residual emissions.

(Scope 1 and Scope 2)



OUR APPROACH TO SUSTAINABILITY

MRCB's Net Zero Aspirations



SUSTAINABLE GOVERNANCE

We have developed a governance structure dedicated to sustainability, one that complements our existing organisational structure and underscores the importance of embedding the SDGs into the organisation's overall management and operations.

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. To ensure accountability, key sustainability matters have also been embedded in the KPIs of the Senior Management team, which are linked to their remuneration.

The Board Charter includes the Board's responsibility to promote sustainability as a driver of business performance, through appropriate environmental, economic, social and governance considerations in the Group's business strategies, which includes, among others, the following:

- 01** Establishing and overseeing the implementation of a sustainability framework in support of the Group's vision, with clear strategies, priorities, and targets;
- 02** Incorporating sustainability considerations when exercising its duties, including among others, the development and implementation of business plans, major plans of action, and risk management;
- 03** Reviewing and approving sustainability policies and procedures in support of the Group's sustainability framework and strategy; and
- 04** Overseeing the institutionalisation of sustainability within the Group.

OUR APPROACH TO SUSTAINABILITY

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 the quarterly Board meetings as a permanent agenda item, where they are discussed and deliberated by the Board.



KEY INITIATIVES ARISING FROM THE 2022 SMC MEETINGS

We have embedded sustainability-related risks into our risk registers as part of our Enterprise Risk Management Framework under KER 5 Environmental, Social & 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. We are also working towards developing a Diversity, Equity and Inclusivity (DEI) Policy with the ultimate goal to have a truly diverse workforce, equitable processes and inclusive initiatives and programmes across the company.

As our business operations and activities involve numerous suppliers and contractors, we believe the most effective way to make a significant impact in addressing human rights and environmental issues is by embedding relevant clauses into our supply chain contracts. This initiative will be implemented in 2023.

In 2022, we enhanced our internal communications relating to sustainability and conducted sustainability campaigns, not only to spread awareness, but also to spark conversations and cultivate a sustainability-aware culture amongst our employees.

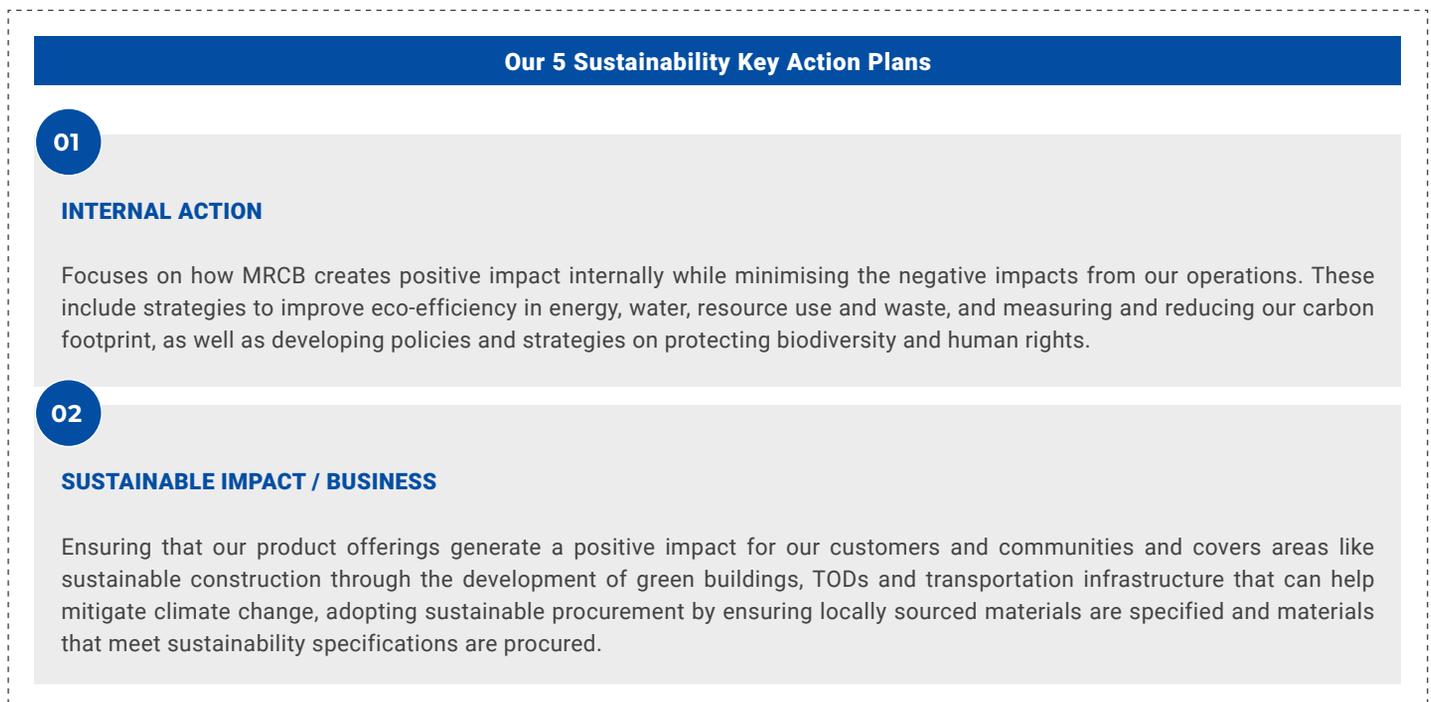
During the year, the core operational divisions also reviewed and fine-tuned their plans and strategies to reduce carbon emissions and waste, as well as consumption of energy and water.

OUR APPROACH TO SUSTAINABILITY



MRCB’s Sustainability Framework was developed in alignment with the 2030 Agenda. The Group’s corporate values act as a foundation to the 5 sustainability key action plans: Internal Action, Sustainable Impact/Business, Risk and Governance, Corporate Social Responsibility, and Stakeholder Engagement.

A 5-Year Roadmap with comprehensive measurable performance indicators were also developed to guide the Group to achieve its sustainability goals. We will focus on generating positive impacts through our internal actions, develop sustainable products that add value to our customers, report and manage material sustainability risks, support innovations that are aligned to the SDGs and strive to have meaningful engagement with key stakeholders.



OUR APPROACH TO SUSTAINABILITY

Our 5 Sustainability Key Action Plans

03

RISK & GOVERNANCE

Process of identifying and managing material sustainability risks within the Group. This requires setting up a sustainability governance structure and measuring and reporting our sustainability progress and ensuring it is reported to our stakeholders in alignment with local and international requirements, indices and standards (e.g. FTSE4Good, MSCI, GRI Standards).

04

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Aligning the Group's CSR initiatives to the SDGs and exploring methods to measure our impact (e.g. conducting a Social Return on Investment analysis on our initiatives).

05

STAKEHOLDER ENGAGEMENT

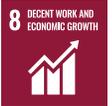
Focuses on both internal and external engagement with key internal and external stakeholders (e.g. employees, customers, communities surrounding our developments, Government and regulators, investors, NGOs, etc.) to help achieve the SDGs and align MRCB with national priorities (e.g. piloting the Plastic Disclosure Project, engagement with UNGC Malaysia & Brunei, the UNGC CFO Taskforce and the CEO Action Network, etc.).

INTEGRATION OF THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS (UNSDGs)

As a responsible leader in the property and construction sectors in the country, we recognise the need to contribute to global efforts to achieve sustainable growth. We have made a concerted effort to integrate the UNSDGs in our business decisions. The SDGs selected are based on the economic, environmental, and social impacts of the company, and the initiatives we undertake to contribute to specific goals as defined by the UN.

In 2017, we selected 2 UNSDGs, Goals 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities), which are inherently embedded in our role as a TOD developer and well aligned with our values and business goals. In 2018, we identified 6 additional SDGs which reflected our strengthened efforts to build a sustainable business. In 2020, we expanded our goals to include Goals 10 (Reduced Inequalities) and 15 (Life on Land). We also recognised Goals 16 (Peace, Justice and Strong Institutions) and 17 (Partnership 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 Goals 1 (No Poverty) and 2 (Zero Hunger), which we continue to perform through our numerous corporate social responsibility programmes.

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SDG	Description
	<ul style="list-style-type: none"> • We regularly provide financial aid, household necessities, and aid for medical treatment to the most vulnerable segments of society, including for families that were affected by the COVID-19 pandemic. • We collaborate with other bodies and NGOs to extend our reach and ensure help is targeted to those most in need.
	<ul style="list-style-type: none"> • We believe zero hunger is a basic human right and provide food aid to underprivileged and indigenous families, different-abled communities, orphans, undocumented foreigners, refugees, and students.
	<ul style="list-style-type: none"> • We prioritise health and safety in our business operations by adopting rigid safety standards and systems, as well as implementing a Quality, Environmental, Safety and Health (QESH) Policy, in addition to providing continuous safety training to protect our employees, sub-contractors, clients and the general public. • We promote healthy lifestyles by organising programmes that focus on our employees' physical and mental well-being.
	<ul style="list-style-type: none"> • We provide conducive learning environments by renovating and upgrading dilapidated schools and libraries. • We provide lunches, books, and uniforms for underprivileged children. • We leverage on our skills and expertise to build necessary infrastructure, such as schools, as required by the nation. • We provide financial aid for children with special needs through the CADS Enhancement Centre programmes that specialises in providing workshops and trainings for special needs children.
	<ul style="list-style-type: none"> • We acknowledge 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 by introducing empowerment programmes and more flexible policies to promote gender equality. • We ensure women's effective representation and equal opportunities for leadership at all levels of decision-making across business activities.
	<ul style="list-style-type: none"> • Our TOD and infrastructure development projects create large economic multipliers, provide numerous employment opportunities, and contribute to the development of the national economy. • We provide competitive remuneration packages to our employees in addition to training opportunities for career growth and development. • We believe in the rights of all our stakeholders as guided by our Human Rights Policy, which promotes a safe and secure working environment for all workers, including foreign labour. The Policy, which is aligned to local and international laws and conventions, also highlights MRCB's firm stand against any form of forced labour, modern slavery, and child labour.
	<ul style="list-style-type: none"> • We develop and construct green buildings, and where possible make efforts to incorporate sustainable features in our infrastructure projects.

OUR APPROACH TO SUSTAINABILITY

SDG	Description
	<ul style="list-style-type: none"> We strive to reduce gender inequalities by providing our female workforce a safe work environment fitted to their needs, i.e. Mother's Room for nursing mothers, closing the gender pay gap and striving towards achieving 30% female representation on the Board level. We believe in giving back to less-privileged Malaysians, and through Yayasan MRCB have channelled our contributions or donations to the underserved communities, such as orphanages, the differently abled, Orang Asli, and B40 category families. We provide employment to prisoners/offenders through our PEKA@MRCB Programme.
	<ul style="list-style-type: none"> As a leading urban property and TOD developer, we contribute by connecting communities and businesses, reducing GHG emissions in cities and promoting sustainable lifestyles by encouraging people to walk and travel using public transport by integrating our developments with mass public transportation infrastructure, removing vehicles from the roads. We are 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.
	<ul style="list-style-type: none"> We implement our QESH Policy at project sites, which includes the practice of the 3Rs (Reduce, Reuse, and Recycle). We track water and energy usage and the waste generated at our project sites and implement strategies to improve efficiency and reduce the waste produced. We deliver training courses and toolbox talks regularly to educate our site workers and employees on how to work safely on our construction sites.
	<ul style="list-style-type: none"> We commit to tackling climate change as articulated in our Climate Change Statement. We measure and disclose our carbon dioxide (CO₂) emissions (Scope 1 and Scope 2) and will validate our science-based reduction targets. We have begun reporting our Scope 3 emissions generated by our supply chain. We record our energy, water consumption and waste generation and are currently planning ways to increase our energy efficiency as well as reduce waste across all our business operations. We have embarked on conducting TCFD assessments to measure the physical and transition risks of climate change to our business and develop strategies to overcome them.
	<ul style="list-style-type: none"> We acknowledge and commit to the Ramsar Convention and the 5 principles stipulated in Malaysia's National Policy on Biological Diversity where applicable to our business operations, as articulated in our Biodiversity Statement.
	<ul style="list-style-type: none"> We believe strong corporate governance is the foundation of building a resilient and sustainable business, as well as providing us with a competitive advantage. We commit to upholding peace, justice, and strong institutions. We ensure good corporate governance by complying with best practices as outlined by Malaysian Code on Corporate Governance and other governance frameworks, achieving ISO 37001:2016 re-certification for our Anti-Bribery Management System (ABMS), as well as providing channels for whistleblowing and reporting grievances. We have zero tolerance towards bribery and corruption, as articulated in our Anti-Bribery and Corruption Policy.
	<ul style="list-style-type: none"> We engage with our stakeholders and create trusting and beneficial partnerships that drive the SDGs further. As a signatory of the United Nations Global Compact (UNGC) Network Malaysia & Brunei, we have adopted its universal Ten Principles that guide us on our sustainability journey. We are a member of the CEO Action Network (CAN) and a signatory to the UNGC CFO Principles on Integrated SDG Investments and Finance to promote the Sustainable Finance agenda.

CHAIRMAN'S REFLECTIONS

Key Highlights of the Year

MARKET
CAPITALISATION

RM1.3

Billion

2021: RM1.6 billion

GROUP
REVENUE

RM3.2

Billion

2021: RM1.4 billion

PROFIT
BEFORE TAX

RM154

Million

2021: RM61 million

DIVIDEND
PER SHARE

1.00

sen

2021: 1.00 sen



Despite the lingering effects of the pandemic and geopolitical events weighing on the global economy, MRCB managed to stay on course and delivered a solid performance in 2022.

DATUK SERI AMIR HAMZAH AZIZAN

Non-Independent Non-Executive Chairman

Dear Stakeholders,

As the world navigated past the pandemic and geopolitical tensions, one constant remained on everyone's agenda – addressing the threat of climate change. During the year we continued to give equal importance to our business performance and sustainability efforts, to ensure that all our stakeholders reap benefits from everything we do.

A YEAR OF RECOVERY

The year 2022 has been a challenging year as the lingering effects of the pandemic and geopolitical events such as the Russia-Ukraine conflict continued to weigh on the global economy. Nevertheless, many economies forged ahead with their respective recoveries as movement restrictions were fully lifted in most parts of the world in line with the diminishing threat posed by the pandemic.

In Malaysia, there was almost an immediate impact from the lifting of movement restrictions, resulting in increased consumption and spending. Malaysia's economy reflected this positive momentum, registering growth of 8.7%, beating forecasts from earlier in the year.

Inflation however rose in 2022 in more advanced economies, feeding through to the rest of the world as commodity prices increased and global supply chains remained strained, partly due to the ongoing Russia-Ukraine conflict. In Malaysia, although consumers had been partially shielded from rising prices due to government subsidies, inflation still affected the populace with headline inflation reaching 3.3% year-on-year in December 2022. Shortages of materials and a tight foreign labour market also persisted and continued to impact the construction industry.

CHAIRMAN'S REFLECTIONS

SUSTAINED CLIMATE ACTION



In the year under review, we have witnessed catastrophic disasters all over the world due to extreme weather events such as flooding in Pakistan and Florida in the United States, as well as record-breaking heatwaves in Europe and India.

Domestically, Malaysia saw a repeat of the December 2021 floods that resulted in overall losses of RM6.1 billion. In December 2022, heavy rains once again caused flash floods and landslides across multiple states, displacing over 70,000 people.

Against this setting, MRCB has sustained its climate actions and initiatives, understanding that we can play a part, no matter how small, in contributing to Malaysia's and by extension the world's climate change targets. Our continued efforts in adopting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) resulted in MRCB remaining as a FTSE4Good Bursa Malaysia Index constituent, which it has been in since the index was launched in 2014. Following FTSE Russell's inclusion criteria changes, the inclusion in 2022 was an important milestone and validated MRCB's efforts assessing and disclosing the risks and opportunities to its business from climate change, as companies operating in carbon intensive industries or "primary sectors" were required to achieve a minimum score of 3.0 in the climate change segment of the assessment in order to be included in the index, regardless of their overall score. In 2022, we successfully raised our score in the climate change segment from 2.0 to 3.0, and achieved an overall score of 3.2, which was well above the 2.4 score required to remain in the FTSE4Good Bursa Malaysia Index.



MRCB
has remained a
constituent of the
**FTSE4Good Bursa
Malaysia Index since
its launch in 2014**

While we have a long journey ahead, we are making good progress on the climate action front, and are now positioning ourselves well to meet new Climate Change reporting requirements introduced by Bursa Malaysia under its Enhanced Sustainability Reporting Framework in 2022. Beyond climate action, we have also zeroed in on our labour practices by enhancing our Human Rights Policy in August 2022 to be better aligned with International Labour Organization (ILO) principles.

LEADING THROUGH INNOVATION



At the heart of our value creation and sustainability activities is our proprietary MRCB Building System (MBS) which continues to gain traction given its time-saving, eco-friendly and efficiency characteristics. We continue to market the MBS technology and as of today, we have successfully patented the MBS technology in 11 countries, with patents pending in an additional 19 countries. Patenting our MBS technology will provide us the advantage to license our innovation to other construction

companies, providing us with a new source of revenue, in line with our long-term strategy to diversify our business.

In Malaysia, the development of our MBS show apartment is underway at Kwasa Sentral in conjunction with the upcoming launch of Residensi Tujuh, a 573-unit Kwasa Sentral Plot F residential development in Kwasa Damansara. Residensi Tujuh, with a GDV of RM329 million, will be developed using the MBS technology and will further its acceptance as a mainstream construction method.

GENERATING ECONOMIC VALUE



MRCB continues to contribute to the development of the nation through the construction of important transport infrastructure that will impact the community at large, generating economic value that extends far beyond the economic multiplier from the construction activities itself and the jobs that were created.



Artist's impression of the Kwasa Sentral project

CHAIRMAN'S REFLECTIONS

This year, we are pleased that two significant infrastructure projects – the MRT Line 2 Package V210 and the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) – were completed. DASH benefits over 40 residential areas, providing better connectivity to key destinations and enables commuters to save more than half of their travel time.

Another key achievement in 2022 was the launch of the Ipoh Raya Integrated Park, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak. This development is part of MRCB's diversification strategy away from the premium commercial and residential high-rise developments into the growing industrial/logistics segment.

SUPPORTING OUR PEOPLE AND COMMUNITIES



While MRCB has long supported its employees in developing their skills and caring for their welfare, in 2022 we took a more proactive approach in ensuring the safety and well-being of our people. In anticipation of the year-end monsoon season, the MRCB Flood Committee was set up and a "Flood Preparedness Survey" was conducted in November to gather information that could be used to help the Committee plan and mobilise a disaster recovery programme for affected employees. A Flood Volunteer Programme was also set up, in which 35 employees volunteered and prepared to assist flood victims by packing basic necessities, clothes and food.

We also continue to support the local communities in which we operate through various initiatives that aim to improve lives and provide opportunities. In 2022, we



35
employees
volunteered in
MRCB's Flood
Volunteer
Programme

**RM0.7
million**
contributed to
the community

contributed approximately RM0.7 million to the underprivileged in cash and in kind via Yayasan MRCB and through MRCB's corporate social responsibility initiatives. One such initiative was the collaboration between Yayasan MRCB and Malaysian Relief Agency Perak in organising a three-day Community Engagement Programme with the Orang Asli in Perak. A total of 27 volunteers from MRCB participated in this programme, which included medical check-ups and medication distribution to 200 Orang Asli, as well as a colouring contest and telematch games for the children.

GOOD GOVERNANCE



MRCB has long been a proponent of good corporate governance. In 2022, MRCB introduced several new policies to institutionalise

CHAIRMAN'S REFLECTIONS



An artist's impression of Residensi Tujuh at Kwasa Sentral that will be developed using MBS modular construction technology

its ethical business practices. Among these were MRCB's enhanced Human Rights Policy that addresses, among others, rights at work and freedom of association. While MRCB has always complied with both local and international labour laws, the policy now reflects enhanced principles as to how MRCB safeguards the rights of all persons within its sphere of influence. In ensuring MRCB continues to operate ethically and meet its obligations towards its stakeholders, we also introduced the Director's Fit and Proper Policy, which outlines key procedures that set out the expectations of new and existing Directors to ensure they possess the integrity and competence required to perform their roles.

We are pleased to announce that in 2022, we implemented two (2) additional Practices from the Malaysian Code of Corporate Governance 2021 (MCCG 2021), resulting in MRCB complying with 41 out of 43 Practices (from 39 in 2021) and three (3) of the five (5) optional Step-Up Practices. The additional two (2) Practices

are Practice 5.7, in which appointments and reappointments of a Director are substantiated by a statement by the Board; and Practice 7.1, in which the Board of Directors and Senior Management Remuneration Policy was reviewed and amended to better capture the Board members' and Senior Management's scope of responsibilities.

Our efforts to improve on our corporate governance practices and disclosures continues to be validated, both locally and internationally. At the 2021 Minority Shareholders Watch Group-ASEAN Corporate Governance Awards held in 2022, MRCB was ranked 2nd out of the 864 companies assessed and awarded the Excellence Award, and was ranked 1st in the Industry Excellence Award for the Property Sector. We also won the coveted Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2022. Adjudicated by a panel consisting of representatives from Bursa Malaysia, the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA), the win marks MRCB's exceptional disclosure practices and the quality of reporting for its financial and non-financial information. We also won our fourth Gold Award at the 2022 Australasian Reporting Awards and were ranked 1st for Transparency at The Star/FIABCI Malaysia Developer Awards 2022.

ACKNOWLEDGEMENTS

It is with deep sadness that we lost our dear Chairman, Tan Sri Azlan Zainol. He was not only a visionary leader who led with integrity and passion, but a mentor to many. The Board of Directors was privileged to have worked alongside him and will sorely miss his presence and wisdom.

On behalf of the Board of Directors, I would like to extend our appreciation to our employees for their faithful support and hard work. I would also like to thank the authorities, relevant Ministries and regulators for their belief in MRCB. To our shareholders, customers and business partners, thank you for your loyalty and continued trust as we look ahead in 2023.

To my fellow Board members, your support and insights have provided the Group and its Management with the fortitude to navigate the challenges we faced in the last few years. We are also grateful to the Group Managing Director, Encik Imran Salim and his Senior Management team for a stronger year.

Datuk Seri Amir Hamzah Azizan

Non-Independent Non-Executive Chairman

GROUP MANAGING DIRECTOR'S REVIEW

Key Highlights of the Year

LAND
BANK

1,153

Acres

2021: 1,008 acres

GROSS
DEVELOPMENT VALUE

RM33

Billion

2021: RM33 billion

EXTERNAL CLIENT
CONSTRUCTION ORDER
BOOK

RM26.3

Billion

2021: RM27.3 billion



Despite some macro-level headwinds continuing to persist, we remained steadfast and successfully delivered two major infrastructure projects set to benefit the nation. We also continued to push ahead with our sustainability efforts, with the aim to create long-term, sustainable value for generations.

IMRAN SALIM
Group Managing Director

YEAR IN REVIEW

The year 2022 saw a steady return to normalcy and economic and business recovery across most of the world as the pandemic retreated and movement restrictions were lifted. In Malaysia, unlike the year before, there was a complete absence of movement restrictions due to COVID-19, which provided a big boost to the economy as the nation moved from the pandemic to the endemic phase.

In 2022, we did not get hampered by the construction site closures we had to endure in 2021, and we were gradually able to transition our operations to full capacity, resulting in higher rates of productivity as workers returned to our construction sites, and as a result we achieved much higher construction progress across our property development and construction projects. Property sales also improved markedly, benefitting from pent-up demand and the opening up of the economy.

Some macro-level headwinds have continued to persist however, as both supply chains and labour markets struggled to keep pace

with the rapid sudden increase in demand and consumption. This was further exacerbated by the Russia-Ukraine conflict deepening geopolitical tensions that led to higher commodity prices, which added further to already elevated levels of inflation across the globe, prompting central banks all over the world, including Bank Negara Malaysia (BNM), to hike up interest rates. BNM increased the Overnight Policy Rate (OPR) by 100 basis points over four hikes in 2022, bringing the OPR up to 2.75% by the end of 2022. Meanwhile, climate change-related weather events continued to dominate the news as countries across the globe grappled with extreme weather that not only devastated economies, but also lives.

Despite the ongoing challenges, MRCB remained steadfast in ensuring business continuity as we completed several important infrastructure construction projects and made good progress on ongoing ones. We have also pushed ahead with our Climate Strategy Framework and embarked on new initiatives to achieve our Net Zero target in Scope 1 and Scope 2 carbon emissions

GROUP MANAGING DIRECTOR'S REVIEW

by 2040. To ensure that our initiatives remain both relevant and impactful in the context of climate change, we revisited our material matters to identify more climate-related matters that are important to our stakeholders. Beyond climate action, we also zeroed in on our labour and human rights practices and continued to strengthen our corporate governance practices.

KEY BUSINESS HIGHLIGHTS

In 2022, the Group recorded revenue of RM3.2 billion and profit before tax of RM154 million, compared to revenue of RM1.4 billion and profit before tax of RM61 million in 2021. The better financial performance was largely due to more normalised operations after two years of COVID-19 related disruptions, which resulted in increased revenue and profit recognition from construction progress and a recovery in property sales. The Group's performance also reflected a full year's consolidation of the LRT3 project in 2022, which despite being affected by labour and materials shortages, achieved physical construction progress of 81% and financial progress of 75% as at 31 December 2022, and is on track for completion in 2024.

In addition, profit for the year was also bolstered by a RM18 million contribution from the value of the remaining land injected into Seri Iskandar Development Corporation Sdn Bhd (SIDEK).

Other noteworthy developments in 2022 included the completion of RM1.0 billion worth of projects comprising the construction and commissioning of a double circuit 500kV overhead transmission line from Mukim Jabi in Segamat to Mukim Serting Hilir in Jempol, the Mass Rapid Transit Line 2 Package V210 (MRT2) and the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) project. Meanwhile, the Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 (SUKE) project, which reached 85% construction completion as at end December 2022, is on schedule for completion in 2023.

Despite the MRT2 and DASH projects reaching completion, MRCB's external client construction order book remained robust at RM26.3 billion, of which 66% or RM17.4 billion remained unbilled. New large infrastructure construction projects were slow to materialise due to pandemic-led disruptions over the past two years and continued caution exercised around long-term planning. Despite growing competition arising from the dearth of new projects available for tender, in 2022 MRCB was awarded the Muara Sg. Pahang Phase 3 coastal flood mitigation project worth RM380 million. Boosted by the participation in the tender for three (3) packages of the MRT3 Project, the Group's open tenders stood at RM30 billion as at 31 December 2022. However, this excluded project tenders already won but where the project's value has yet to be confirmed, such as the Shah Alam Stadium rebuilding project.

In the Property Development & Investment Division, we continued to see an upward trend in property sales as buying activity ramped up, with the Group selling RM478.1 million worth of properties in the whole of 2022. As construction progress and sales accelerated, our ongoing residential developments such as Sentral Suites in KL Sentral, the 9 Seputeh mixed development in Jalan Klang Lama, and Alstonia in Bukit Rahman Putra continued to contribute to our revenue and profit during the year, after the very slow pandemic-induced construction progress and sales performance in 2021. A key property sales strategy in 2022 was to enhance cashflow by monetising our inventory of completed unsold units, which as a result fell from RM361 million at the end of 2021 to RM227 million at the end of 2022.

Looking ahead, MRCB remains well-positioned to create long-term value with a strong pipeline of property projects with a GDV of RM33 billion across 1,153 acres of land.

PUSHING AHEAD WITH DIVERSIFICATION

The Group continued to advance its key strategy of diversification in the year under review. Following our previous successful forays in Melbourne, Australia and our success in winning the bid to develop The Symphony Centre, formerly known as Aotea Central Over Station Development in Auckland, New Zealand in 2021, in 2022 we completed the purchase of 0.766 acres of prime land in the Gold Coast, Australia with plans to launch a residential high-rise development with a GDV of AUD391 million. We also acquired Bledisloe House located beside Aotea Station in the Central Business District of Auckland, New Zealand – a New Zealand Government heritage building built in the late 1950s, which will be refurbished and has an expected GDV of NZD137 million. This new project, which is set to begin in 2024, further solidifies MRCB's presence in New Zealand and our international diversification strategy.

Another key milestone achieved in 2022 was the launch of the 810.57-acre Ipoh Raya Integrated Park, which marked MRCB's first major foray into the industrial and logistics market, thus diversifying our business away from the traditional focus on green high-rise commercial and residential Transit Oriented Developments within the Klang Valley.

Located only 14 km from the city of Ipoh, next to the Simpang Pulai Rest & Recreation stop along the North-South Expressway, the Ipoh Raya Integrated Park will be the first of its kind – a bespoke and sustainable fully integrated logistics park. To be developed over six phases, the park will strengthen the industrial corridor within the region as it will feature an agro-based industrial hub, a logistics hub, three managed parks, as well as accommodation, technical and vocational education and training facilities. Phase 1 of the integrated park comprises a logistics hub, which is slated for completion in 2028, and will also incorporate environmentally sustainable elements.

GROUP MANAGING DIRECTOR'S REVIEW

STEPPING UP CLIMATE ACTION

MRCB is committed to Science-Based Targets initiatives (SBTi) and has established a target to reduce Scope 1 and Scope 2 carbon emissions by 4.2% annually, which is aligned to the 1.5°C scenario. During the year, we intensified our efforts towards sustained climate action, in line with our deep commitment to fully embedding sustainable practices within our business operations. In this regard, in 2022 we enhanced our Sustainability Framework with the formulation of a Climate Strategy Framework (for further details please refer to page 22). Short to medium term priorities will see greater integration of climate-related issues into the business and includes initiatives on managing our transition and physical climate risks and transitioning the business to low carbon emissions.

Guided by this Framework, in 2022 MRCB began procuring Renewable Energy Certificates (RECs) under the Green Electricity Tariff by Tenaga Nasional Berhad. We subscribed to a monthly total of 1,206,000 kWh of electricity generated from renewable sources for three of the buildings we manage, namely Celcom Tower, Plaza Alam Sentral and Penang Sentral. We also continued to rationalise our office space as our headcount reduced through natural attrition due to the continued investment in the digitalisation of our operations, which contributed to a 9% reduction in energy consumption and a 65% reduction in our carbon emissions intensity in 2022 against our 2020 baseline.

Following our Supplier Assessment Survey conducted in 2021, a key initiative in 2022 was to expand our Scope 3 emissions data collection and reporting, which we began doing by collecting carbon emissions data from our largest sub-contractors. A full report on our findings can be read on page 146. We plan to continue to expand disclosure of our Scope 3 data and institutionalise this practice in future contracts with our suppliers and sub-contractors. We have also begun drafting a Design & Procurement Policy to ensure that sustainability principles are fully embedded at the design stage and the very outset of all our property development projects, specifying the type of materials that can be used in our projects and which geographical region they can be procured from to ensure they meet sustainability specifications and to reduce the embedded carbon in all our future projects.

While we have a long journey ahead, we are making good progress on the climate action front and are well positioned to meet the new reporting requirements introduced by Bursa Malaysia under its Enhanced Sustainability Reporting Framework in 2022, as well as the Employees Provident Fund's Sustainability Investment Policy guidelines.

Even as we advance climate action, we continue to push ahead with other sustainability-centred business opportunities, such as our bid to enter the waste-to-energy (WTE) sector and our strong commitment to modular construction.

Our efforts to venture into WTE stem from the urgent need for alternative household waste disposal and treatment methods, which are currently almost totally dependent on landfills. Apart from the hazards arising from landfills – poisonous gases such as methane, a greenhouse gas that is 70 times worse than carbon dioxide at trapping heat in the atmosphere, leachate pollution that disrupts water treatment for drinking water, rats and other pests, and uncontrollable fires – Malaysia is also running out of land for waste disposal, and increasingly landfills are having to be built further away from urban areas, which leads to higher transportation costs and greater carbon emissions. With the expected growth in household waste, there is an urgent need for alternative ways to treat waste, in an environmentally compliant manner, and as is the case in many European countries, slowly eliminate landfills from Malaysia completely. To this end, we are hopeful that our endeavour in developing a waste-to-energy project will soon come to fruition, as we reach the final stage of negotiations at the Government level.

At the heart of our value creation and sustainability activities is our proprietary modular construction technology, MRCB Building System (MBS), which continues to gain traction given its time-saving, environmentally-friendly and efficiency characteristics. In addition, it reduces the dependence on unskilled foreign labour and is less dangerous for our workers compared to conventional methods of construction. With two completed projects, one in Singapore and another in Malaysia, and one other project underway in Hong Kong, we continue to market the MBS technology which is currently patented in 11 countries and has patents pending in another 19 countries.

Completed MBS Projects



Polyclinic, Nursing Home and Senior Care Center at Senja Road, Singapore

- MBS technology licensed by MRCB to Imax Construction Pte. Ltd.
- Awarded by Ministry of Health, Singapore
- 358 beds in an integrated nursing complex
- 6 storeys



Putrajaya School Extension, Malaysia

- MRCB project
- Awarded by Ministry of Education, Malaysia
- 35 classrooms across 5 schools in Putrajaya
- 123 classroom and toilet modules installed

Ongoing MBS Projects



Student Residence at Wong Chuk Hang site, Hong Kong University, Hong Kong

- MBS technology licensed by MRCB to Paul Y. Engineering Group
- 1,224 units of student residences
- 2 blocks of 19-storey building

GROUP MANAGING DIRECTOR'S REVIEW



*An artist's impression of VISTA
in the Gold Coast, Australia
(GDV: AUD391 million)*

We will be deploying our MBS technology to develop a premium 573-unit high rise residential building at Plot F in Kwasa Sentral, called Residensi Tujuh, which will be launched in 2023. The Group will also explore modular applications for low-cost and affordable housing and other public-sector buildings such as hospitals, police and army accommodation and prisons, where speed of construction is critical.

IN PURSUIT OF TRANSFORMATIVE CHANGE

In 2021, the Group introduced the MRCB People Transformation Accelerator Programme (PTAP) to help drive the Group's culture transformation strategy. The PTAP was established to align the behaviours and mindsets of our people to accelerate and sustain organisational change. With 348 employees having completed PTAP workshops in 2021, we continued the programme in 2022 to cover another 653 employees comprising executives, senior executives, auxiliary police and security personnel over 28 workshops. In addition, three (3) "Light & Easy" sessions were organised for employees to engage with Senior Management.

Apart from targeted sessions such as the PTAP Programme, we also foster a positive work culture through open and frequent communication. MRCB continues to leverage on electronic digital media (EDM) to share key messages with our employees. This includes sharing new company developments; educating and reminding employees on matters pertaining to their welfare, climate change and sustainability, cybersecurity threats and our zero tolerance of bribery and corruption; as well as promoting a culture of integrity, accountability, and health and safety in the workplace.

MRCB continues to champion human rights, and in 2022 we undertook several initiatives that underscore our commitment. Our Human Rights Policy is now more aligned with globally recognised laws and conventions, and we have also embedded human rights compliance into our standard supplier contracts and will in due course conduct due diligence on human rights-related risks and their impact on the Group's operations and supply chain.

ACKNOWLEDGEMENTS

We were deeply saddened by the demise of our Chairman, Tan Sri Azlan Zainol on 12 January 2023. He greatly contributed to the well-being of MRCB, its staff and shareholders, as well as to corporate Malaysia as a whole. I speak for all in MRCB when I say that his presence will be sorely missed. It has been a great honour to have had him as our Chairman, and as part of our extended family at MRCB.

I would also like to take this opportunity to welcome Datuk Seri Amir Hamzah Azizan, our new Non-Independent Non-Executive Chairman. Datuk Seri Amir Hamzah has been instrumental in helping us steer the Group towards greater heights and we look forward to his continued guidance and wisdom. The year 2022 is a demonstration of how MRCB can bounce back from difficult times and come out stronger. With more promising times ahead, I look forward to achieving more milestones with all my colleagues. I would like to thank our Board for their wisdom, as well as our Senior Management team and all our staff for their resilience, loyalty and strong support. I look forward to working closely with you to build a more sustainable tomorrow.

IMRAN SALIM

Group Managing Director

OUR OPERATING CONTEXT

ECONOMIC & INDUSTRY REPORT

The Economy

The global economic recovery in 2022 was overshadowed and dampened by Russia’s invasion of Ukraine, which resulted in supply chain disruptions, rising energy prices, acute inflationary pressures and monetary tightening worldwide. To this end, The World Bank Group has projected global growth to slow from 5.1% in 2021 to 2.9% in 2022, and an average 3% in 2023-2024.

Malaysia was not spared from the impact of global political tensions. However, Malaysia saw faster economic growth in the 2nd Quarter of 2022 at 8.9%, and an even stronger performance in the 3rd Quarter of 14.2% driven by expansion in domestic demand, continued recovery in the labour market, resilient exports and ongoing policy support. While the global environment is expected to be challenging in 2023, Bank Negara Malaysia (BNM) expects the Malaysian economy to continue its growth trajectory as a result of higher consumer confidence and lower risk aversion as travel activity continues to normalise to pre-pandemic levels, a continued recovery in the labour market, implementation of multi-year projects such as MyDigital, ECRL, LRT3, and MRT3, as well as the easing of supply chain disruptions.

Property Sector in Malaysia

More than 389,000 transactions worth RM179.07 billion were recorded in 2022, showing an increase of 30% in volume and 24% in value compared to 2021. This increase was mostly driven by the residential property sector which made up 63% of total transactions and 53% of total value.



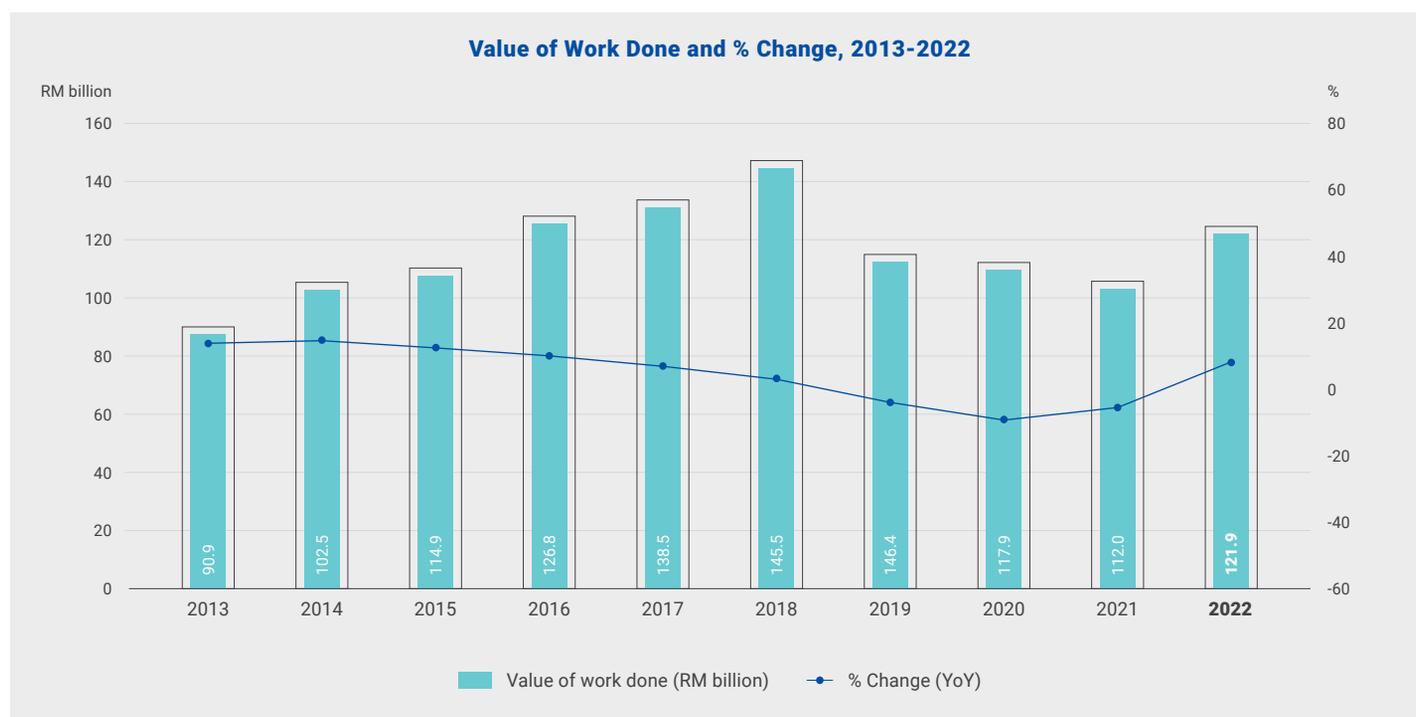
The residential property sector recorded 243,190 transactions worth RM94.28 billion in 2022, which translated to a 22% increase in volume and a 23% increase in value from 2021. These transactions were mainly driven by those in Pulau Pinang, Johor, Perak, Kuala Lumpur and Selangor. Meanwhile the commercial property sector recorded 32,809 transactions worth RM32.61 billion in 2022, a 46% increase in volume and a 17% increase in value compared to 2021.

OUR OPERATING CONTEXT

Construction Sector in Malaysia

Construction activity increased by 8.2% in 2022 compared to 2021 due to the absence of lockdowns and construction site closures, resulting in an 8.8% increase in value of work done to RM121.9 billion in 2022.

Of the RM121.9 billion value of work done in 2022, construction of buildings made up 53.4% (RM65.0 billion) of the total value, followed by civil engineering projects at 37.9% (RM45.0 billion).



Outlook

Global economic conditions remain subjected to risks related to weaker-than-expected global growth, rising interest rates, heightened geopolitical tensions, global financial market volatility and supply chain disruptions. Despite this, BNM continues to promote monetary and financial stability as seen by their gradual and widely predicted interest rate hikes to quell inflationary pressures. In 2022 BNM raised the overnight policy rate four times for a total of 100 bps to 2.75%. The property market is expected to continue to recover as consumer sentiment continues to grow. However, we do anticipate that rising interest rates will affect the financing costs for homebuyers. For the construction sector, the recent Budget 2023 reaffirms the Government's commitment towards embarking on long overdue infrastructure and strategic projects, such as the Pan Borneo Highway and MRT3 projects.

OUR OPERATING CONTEXT

KEY MARKET TRENDS & OUTLOOK

Key Market Trend 1

Weak Property & Construction Market

While a market recovery was seen in 2022 after the re-opening of the economy, pandemic-related disruptions led to materials shortages and steep price rises, as well as shortages in the labour force. Rising global inflation rates and the resulting interest rate increases by Central Banks have impacted property affordability, while continued uncertainties from geopolitical tensions may cap the recovery in the property and construction market.

Potential Impact

- A high number of unsold units
- Slower than normal construction progress due to shortage of labour and materials
- Poor cashflow and funding for growth

Outlook

The loosening of SOPs and improved productivity on construction sites have resulted in a steady improvement in construction progress. Property sales have also seen a marked improvement, due to pent-up demand. However, high sales cancellations rates on properties sold continue to be experienced resulting from financing challenges faced by buyers. Construction progress has also been slightly dampened by continued labour shortages.

Response

In 2022, we successfully launched Liliim in Bandar Seri Iskandar, a 90-unit double-storey development with a GDV of RM32 million. More attractive promotional schemes for ongoing property developments were implemented to help boost property sales, and MRCB collaborated with an extended pool of real estate agents for a wider market reach. As part of our long-term strategy to mitigate against our concentration risk to weak property and construction markets in Malaysia, we also continued to diversify our business by entering into new markets and expanding overseas. In 2022, we entered the industrial and logistics property development segment with our launch of the Ipoh Raya Integrated Park, as well as continued advanced negotiations on a waste-to-energy project service agreement. We also furthered our expansion overseas by continuing plans to launch VISTA in the Gold Coast, Australia, a 51-storey residential high-rise, which features 280 apartment units with a GDV of AUD391 million in 2023; and purchased the refurbishment/re-development rights to Bledisloe House in Auckland, New Zealand, which will commence in 2024 with the start of the construction of The Symphony Centre, our NZD452 million GDV mixed-development project in the Auckland Central Business District.

Linked to:

Capitals



Growth
Principles



Material
Matters



OUR OPERATING CONTEXT

Key Market Trend 2

Evolving Customer Trends

Younger homebuyers have differing lifestyles and preferences when making property purchase decisions. Clients are also looking for better designed buildings, faster construction times and higher quality buildings with better energy efficiency and greater sustainability content, located in close proximity to public transportation.

Potential Impact

- Building properties that don't meet consumer demands
- Poor sales
- Reduced cashflow and increasing debt

Outlook

With TODs making up 78% of the Gross Development Value (GDV) of our property development land bank, and developments spanning into the next decade, we will continue to generate long-term revenues due to high demand for integrated residential and commercial developments anchored around transportation hubs.

In 2019 we launched MRCB Building System (MBS) – a new prefabricated, prefinished modular construction method which uses our proprietary patented Candle-Loc Connection System. MBS will improve the quality and speed of construction, and will continue to grow as demand for more sustainable construction rises and the benefits of modular construction become known and mainstream.

Response

MRCB continues to develop properties within its TODs that integrate commercial, residential and other types of developments around a transportation hub. 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 aging population.

We have kickstarted the implementation of MBS locally and regionally by working with various licensing partners, and have successfully patented our MBS technology in 11 countries. We began development of our MBS show apartments and have finalised plans to launch Residensi Tujuh at Kwasa Sentral in 2023, a 573-unit residential development with a GDV of RM329 million that will be developed using our MBS modular construction technology.

Linked to:

Capitals



Growth
Principles



Material
Matters



OUR OPERATING CONTEXT

Key Market Trend 3

Environmental Stewardship

Market demand is increasingly shifting towards organisations that emphasise their commitments 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 climate action strategy.

Potential Impact

- Loss of customers to more responsible competitors
- Poor uptake of non-green building developments
- 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 have grown significantly in the past few years, and in 2022 Bursa Malaysia enhanced their sustainability reporting requirements in the Main Market Listing Requirements to propel listed issuers to adopt international best practices in an effort to be future-proofed and competitive.

Guided by MRCB's Sustainability Framework developed in 2020 and our Climate Strategy Framework developed in 2022, we are well positioned to drive our sustainability initiatives that meet the national agenda and stakeholder demand.

Response

Sustainability is inherently embedded into our business through our role as a TOD developer, which features heavy integration with mass public transportation that encourages city dwellers to use public transport for commuting and taking motor vehicles off the roads, thereby reducing carbon emissions. We also contribute to SDGs 9 and 11 by complying with five 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), US Green Building Council's Leadership in Energy and Environmental Design (LEED) and BCA Green Mark. 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 emissions and the waste that goes to landfills.

MRCB continues to adopt the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We are also committed to Science-Based Targets initiatives (SBTi) and have established an internal science-based target to reduce Scope 1 and Scope 2 carbon emissions by 4.2% annually that is aligned to the 1.5°C scenario, and which will be submitted for validation by SBTi in 2024. In 2022,

MRCB began purchasing Renewable Energy Certificates from Tenaga Nasional Berhad. We also expanded our Scope 3 reporting by collecting environmental data from our largest sub-contractors accounting for 64% of our supply chain by value in 2022. Moving forward, we will embed a requirement for all our suppliers to disclose their environment and carbon emissions-related data into our standard contracts, as well as enhance existing policies to ensure sustainability principles are embedded at the design stage of all our future development projects. This includes specifying the types of materials that can be used to enable us to measure and reduce the embedded carbon in our projects, and also specifying geographical locations materials may be procured from to ensure we reduce transportation-related carbon emissions.

We will also continue to conduct internal capacity building programmes for our staff on sustainability and the "Environment" pillar of ESG, through continuous training and communication programmes. This includes continuing our collaborations with 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), through peer-to-peer learning workshops and sharing sessions with other like-minded organisations.

Linked to:

Capitals



Growth Principles



Material Matters



OUR OPERATING CONTEXT

Key Market Trend 4

Competitive Landscape

Significant property overhang 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 infrastructure projects over the past two years has added to the competitive landscape. Nevertheless, Budget 2023 allocated RM11.2 billion for key infrastructure projects. The MRT3 project, which MRCB tendered for in 2022, has an estimated total project cost of RM45 billion.

Competition within the property sector remains intense and MRCB's existing land bank is not only almost entirely located in Malaysia but is predominantly 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 and innovate new sustainable development solutions, and leverage on the locations of its land bank and its proximity to mass public transportation.

As at 31 December 2022, MRCB recorded open tenders worth RM30 billion, and while we continue to tender for large infrastructure projects, we have also entered into new business markets and new geographical areas in an effort to diversify revenues and avoid concentration risk. In diversifying away from commercial and residential developments, on 9 June 2022, MRCB launched its Ipoh Raya Integrated Park, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak, which will lay the groundwork for our entry into the industrial and logistics development segment. We also continued advanced negotiations on a waste-to-energy project service agreement. On 4 October 2022, MRCB entered into a 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%, and completed this transaction in January 2023.

MRCB now also has a presence in New Zealand through The Symphony Centre, formerly known as the Aotea Central Over Station Development with a GDV of NZD452 million in Auckland City Centre, which will begin in 2024, and in 2022 MRCB acquired Bledisloe House, a heritage building located in the Aotea precinct of Auckland Central Business District, which will be refurbished and has an expected GDV of NZD137 million. Our presence in Australia was also strengthened through the purchase of 0.766 acres of prime land in the Gold Coast, Australia which will be used to undertake a residential development project with a GDV of AUD391 million.

Linked to:

Capitals



Growth
Principles



Material
Matters



OUR OPERATING CONTEXT

Key Market Trend 5

Regulatory Environment

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

Potential Impact

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

Outlook

MRCB is governed by a range of statutory requirements for public listed companies, environmental, health and 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 being introduced and made mandatory.

Response

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

Our commitment towards upholding good corporate governance is evidenced by our compliance of 41 out of the 43 Practices prescribed in MCCG 2021, together with 3 out of the 5 optional Step-Up Practices. In the 2021 Minority Shareholders Watch Group-ASEAN Corporate Governance Awards announced in 2022, MRCB was ranked 2nd out of the 864 companies assessed and was awarded the Excellence Award, and was ranked 1st in the Industry Excellence Award for the Property Sector. MRCB was also ranked 1st for Transparency at The Star/FIABCI Malaysia Developers Awards 2022, and won the coveted Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2022. In 2022, we continued our climate action journey by making our first climate-related risks disclosures aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), which we will continue to progress in the coming years.

In efforts to address increasing concerns on human rights issues, we also introduced a new Human Rights Policy in 2022, which is aligned with the International Labour Organisation Core Conventions and Labour Standards. We also enhanced our corporate governance practices by introducing the Director's Fit and Proper Policy, achieving ISO 37001:2016 re-certification for our Anti-Bribery Management System (ABMS), as well as revising other key policies (details can be read in the Corporate Governance Overview Statement on pages 170 - 205).

Linked to:

Capitals



Growth
Principles



Material
Matters



OUR OPERATING CONTEXT

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 be in demand as clients begin to realise the benefits of having up to 90% of construction undertaken offsite within a controlled environment, leading to faster construction, better quality control, less wastage and environmental pollution, and a lower carbon footprint.

Our efforts and investments in innovation within the organisation will reap benefits in the future, as demonstrated by the initial success of the MBS.

Response

MRCB continued to leverage on MBS and in 2022 began the development of its MBS show apartment, as well as continued plans to launch its first medium-end high rise residential building Residensi Tujuh at Plot F, Kwasa Sentral with a GDV of RM329 million in 2023 using its proprietary modular technology.

To date we have also licensed our MBS technology internationally to two companies, one in Hong Kong and another in Singapore. 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. Extensive research has also been put into seeking new markets within the renewable energy space, and to date, our waste-to-energy technology, which is sourced from Europe and adapted for the higher moisture content in Malaysia's household waste, has been approved by the Government, and we are awaiting the service agreement to be finalised.

Our investment in digitalisation has also continued, and in 2022 we continued to roll-out our new Enterprise Resource Planning (ERP) platform, which is presently undergoing User Acceptance Testing and is expected to be fully rolled out in 2023. This end-to-end digital platform is expected to drive further automation of our processes to attain leaner and more efficient operations.

Linked to:

Capitals



Growth
Principles



Material
Matters



OUR STAKEHOLDERS

Stakeholder engagement is critical in determining business success. Engaging in meaningful dialogue with our internal and external stakeholders is an essential step towards understanding their expectations, concerns and interests regarding our business performance.

Stakeholder feedback is a valuable input that we take into consideration when designing our approach and strategy to propel the sustainable growth of our business. It helps us address concerns raised and identify areas that need improvement.

At MRCB, we recognise that developing partnerships is important to realising our sustainability aspirations. Our stakeholder engagement strategy serves as a guide as to how partnerships are pursued and

developed, prioritising specific contexts and challenges in alignment with the SDGs. We also assess the risks and opportunities associated with each stakeholder group to understand all the dimensions of value for them. These risks and opportunities are then taken into account when we consider the Group’s wider risks in our Risk Management Policy and Framework.

STAKEHOLDER ENGAGEMENT PROCESS

We adopt a five-step approach in our stakeholder engagement process, which constitutes setting forth the vision and reviewing past engagement activities, defining criteria for prioritising stakeholders, identifying specific channels for such engagements, preparing the relevant logistics and identifying operating principles that will guide us in communicating our shared values and attracting like-minded organisations to collaborate and partner with us (identifying opportunities).



Number of Stakeholders Engaged in 2022

TOTAL	EMPLOYEES	SHAREHOLDERS/ INVESTORS/ANALYSTS	GOVERNMENT/ REGULATORY BODIES
103,979 2021: 108,414	1,650 2021: 1,564	2,652 2021: 1,286	1,706 2021: 150
CLIENTS/CUSTOMERS	LOCAL COMMUNITY/ CIVIL SOCIETY/NGOS	MEDIA	SUPPLIERS/ SUB-CONTRACTORS
175 2021: 139	95,970 2021: 102,559	163 2021: 55	1,663 2021: 2,661

OUR STAKEHOLDERS

Engagement Frequency:

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



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 projects and flood/erosion mitigation of rivers and coastal areas.

Engagement Platforms & Frequency:

- Y Customer satisfaction surveys
- 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 information

For corporate and other clients

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

Response and Contributions

For residential property buyers

- Enhanced benefits under MRCB Land VIP Loyalty Programme
- Curated quality selection of tenants/operators to populate onsite lifestyle services
- Safeguarded customers' private information via our Privacy Policy and investments in IT infrastructure and cybersecurity, as well as ongoing Data Governance Framework Programme

For corporate and other clients

- Applied green building rating systems
- Innovated and developed MBS technology that reduces wastage and construction time
- Patented MBS technology in 11 countries, with patents pending in an additional 19 countries, thus increasing opportunities to license the environmentally-friendly construction technology to other companies overseas
- Innovated technical and new design concepts for potential clients, such as for the Shah Alam Stadium redevelopment project, to provide them with long-term, cost effective, sustainable solutions

OUR STAKEHOLDERS



SHAREHOLDERS / INVESTORS / ANALYSTS

Why We Engage

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

Risks:

- 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 | Y Sessions with Minority Shareholders Watch Group (MSWG) |
| Q Analysts' briefings | Y Site visits for institutional investors and investment analysts |
| Q Corporate website | M Meetings, engagement sessions with institutional investors, investment analysts, and investor conferences |
| Q Investor Relations mobile app | |

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

- | | |
|--|---|
| <ul style="list-style-type: none"> • Answered and published all questions received from shareholders before and during the virtual AGM on the corporate website • Conducted five (5) ESG-specific engagement sessions in which 1,746 investors/analysts/fund managers/other professionals participated • Conducted 20 non-ESG engagements attended by 68 investors/analysts/fund managers • Developed and published an ESG Brief detailing MRCB's ESG performance on a | <ul style="list-style-type: none"> quarterly basis on our website • Conducted one (1) site visit for 11 analysts/fund managers to the completed EPF Headquarters and Kwasa Sentral, and to our MBS Modular technology show structure • 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 |
|--|---|

OUR STAKEHOLDERS



EMPLOYEES

Why We Engage

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

Risks:

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

Opportunities:

- Adopt new work arrangements, such as flexi-hours, which lead to improved well-being and performance
- Enhance Health & Wellness, including mental health programmes
- 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 | M Health & Wellness programmes |
| D Social media | Y e-Newsletter |
| W Electronic direct mail (EDM) communication and video/multimedia engagement through video displays strategically located in common areas of our offices | |

Key Concerns and Expectations

- Business direction and performance
- Work-life balance initiatives
- Career advancement opportunities
- Health and safety
- Diversity, equality and inclusion

Response and Contributions

- | | |
|---|---|
| <ul style="list-style-type: none"> • Continued regular updates and reminders on COVID-19-related matters • Continued to roll-out the People Transformation Accelerator Programme (PTAP) and conducted 28 PTAP workshops for 653 employees to equip them with necessary leadership tools to sustain organisational transformation • Set up the MRCB Flood Committee and conducted a "Flood Preparedness Survey" to gather information to plan and mobilise a disaster recovery programme for affected employees | <ul style="list-style-type: none"> • Set up a Flood Volunteer Programme, in which 35 staff signed up to become volunteers to assist flood victims • Provided counselling services conducted by mental health professionals • Allowed flexibility for staff with special-needs children or relatives • Continued conducting engagement activities, as detailed out on page 126 |
|---|---|

OUR STAKEHOLDERS



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 regulations
- Exploit 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
- Led the adoption of innovative solutions through MBS
- Certified with Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015 and Occupational Health & Safety ISO 45001:2018
- Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star rating for our Alstonia development from CIDB, which is the regulator of the construction industry in Malaysia
- Adopted and applied 41 out of the 43 Practices prescribed in MCCG 2021, together with 3 out of the 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

OUR STAKEHOLDERS



LOCAL COMMUNITIES / CIVIL SOCIETY / NGOs

Why We Engage

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

Risks:

- Negative impacts from our developments on surrounding communities, leading to reputational damage

Opportunities:

- Drive community-based initiatives to nurture the development of the underprivileged
- Provide positive economic impact on the communities surrounding our developments

Value Proposition:

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

Engagement Platforms & Frequency:

- M** Community development programmes
- Q** Community briefings on projects
- D** Social media
- 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 RM0.7 million via various community development programmes
- Engaged with members of the public to provide updates and resolve concerns relating to the Group's projects
- Enhanced sustainability practices through the Climate Strategy Framework and enhanced Human Rights Policy
- Continued climate reporting aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) Framework

OUR STAKEHOLDERS



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

- Continuity of projects post COVID-19
- Safe, humane and conducive work sites and worker 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

- Implemented an e-Procurement system
- Provision of Centralised Labour Quarters (CLQ) for workers
- Enhanced our Human Rights Policy to be aligned to ILO Conventions
- Engaged with largest sub-contractors to expand measurement and disclosure of Scope 3 carbon emissions (see page 146 to read our findings)

OUR
STAKEHOLDERS

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:

Press releases



Press conferences and media briefings



Engagement sessions

Key Concerns and Expectations

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

Response and Contributions

- Disseminated regular press releases
- Conducted seven (7) press conferences attended by 163 media personnel (see page 54 for more details)

OUR STAKEHOLDERS

KEY HIGHLIGHTS OF OUR STAKEHOLDER ENGAGEMENT ACTIVITIES IN 2022

Integrated ESG Engagement Sessions

With non-financial information becoming equally important as financial information, in 2022 ESG matters were further integrated into analysts' briefings and other investor meetings, instead of being discussed separately. However, ESG matters continued to garner special interest from the financial and professional community, leading the Investor Relations team to participate in five (5) ESG-specific conferences in 2022, attended by 1,746 investors, fund managers, analysts and other professionals. These conferences helped provide insights into MRCB's current ESG 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.

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 2022.

28 February 2022

European Union Delegation
Visit to the State of Perak

No. of Media Personnel

26

11 March 2022

GLC Open Day 2022

No. of Media Personnel

30

9 June 2022

Official Launch of Ipoh Raya
Integrated Park

No. of Media Personnel

20

14 July 2022

Official Launch of Kuala
Pahang Project Phase 3
with Jabatan Pengairan dan
Saliran (JPS)

No. of Media Personnel

21

1 August 2022

Merdeka Event

No. of Media Personnel

45

30 September 2022

Shah Alam Stadium Briefing
Session

No. of Media Personnel

16

12 October 2022

Jerayawara Deepavali 2022

No. of Media Personnel

5

UNGC Communication on Progress (CoP) 2022

In our continuous support and commitment towards the UNGC and its Ten Principles, MRCB completed its annual submission of the CoP report in June 2022, which can be found on UNGC's website. The report consists of a statement from our Group Managing Director and initiatives undertaken this year with respect to human rights, labour, environmental and anti-corruption.

Responsible Procurement & Supplier Assessment

Our commitment to have 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. Of our 337 appointed suppliers throughout 2022, 318 were local suppliers. Additionally, 95% of our procurement budget was spent on these local suppliers.

Following our survey of the sustainability readiness of our largest suppliers (by value) conducted in 2021, in 2022 we further engaged with our largest suppliers and sub-contractors to expand our Scope 3 carbon emissions reporting by identifying and collecting environmental data from them. These suppliers and sub-contractors accounted for 64% of our total supply chain by value. The measurement and disclosure of our Scope 3 carbon emissions will be progressively expanded in 2023 and beyond, as capacity building within our supply chain improves along with its measurement and disclosure readiness, which at present is very low and has proved to be challenging. A full report on our findings can be read on page 146. Moving forward, our intention is to collect Scope 3 data from all our suppliers and institutionalise this practice in future contracts with our suppliers and sub-contractors.

OUR
STAKEHOLDERS

MEMBERSHIPS

CEO Action Network



CEO Action Network (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 54 members. It consists of a working group with two workstreams on Policy Advocacy, and Awareness & Capacity Building; 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 16 - 29, as well as our Social section on pages 117 - 137 and Environmental section on pages 138 - 156.

UNGC's CFO Taskforce for the SDGs



The UN Global Compact's (UNGC) CFO Taskforce was launched to put corporate finance at the center of the Sustainable Finance agenda. The platform brings together a multi-sector group of corporate finance leaders in aligning their sustainability commitments with credible corporate finance strategies to unlock private capital and create real-world impact on the SDGs.

In 2020, MRCB was the first Malaysian company to join 34 other global companies in the UNGC action platform with its Chief Corporate Officer being a member of the CFO Taskforce. By 2022, the Taskforce comprised 56 global companies and 16 non-corporate members. As a member, MRCB continues to provide insight into developing relevant frameworks and reporting on its SDGs.

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.

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.

EUROCHAM Malaysia

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

British Malaysian Chamber of Commerce

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

Climate Governance Malaysia (CGM)

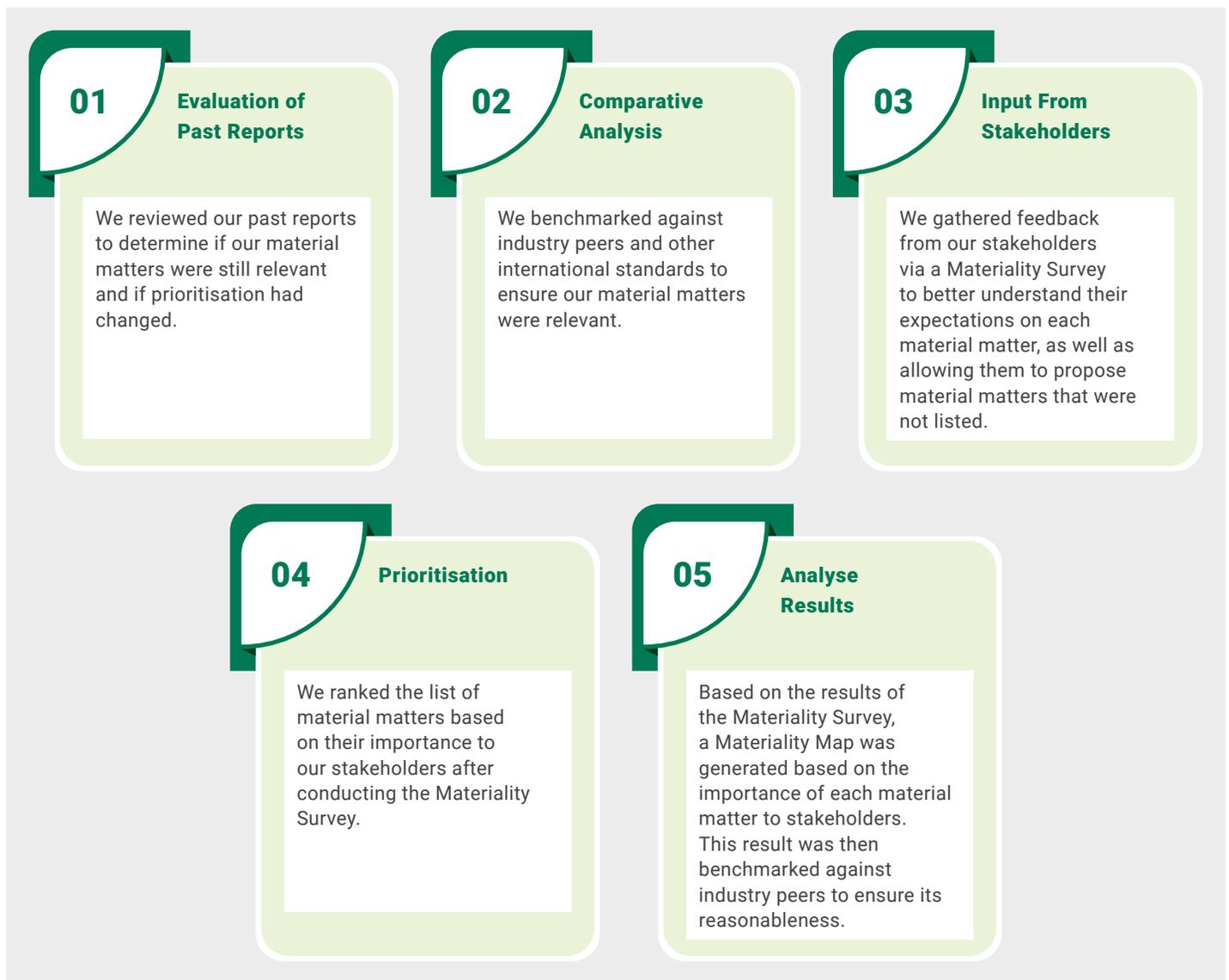
CGM is the Malaysian chapter of the World Economic Forum's Climate Governance Initiative (CGI), with the aim to help steer companies through an effective climate transition strategy. MRCB recently became a member and is committed to align its strategies on climate change with the broader goals set by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

OUR MATERIAL MATTERS

MRCB understands the need to focus our efforts on material matters that are most significant to the business and to its stakeholders. We regularly review our performance to identify gaps and further evolve our strategies to fit our stakeholders' needs in a bid to enhance our business operations.

In determining our material matters, a Materiality Assessment was conducted in 2022 to re-evaluate the relevance and priority of our existing material matters in terms of their importance to the business and the influence they have on stakeholders' decision-making.

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



In conducting our evaluation and comparative analysis, we decided to maintain 17 of the 18 materiality matters identified in 2021 as we felt they still best represent our impact on the economy, the environment and society as our core business activities are unchanged. However, with climate change becoming increasingly important and more nuanced, in 2022 we decided to expand the Climate Change topic into three topics: Climate Transition Risk, Physical Climate Risk and GHG Emissions. This new set of 20 material matters were then included in the Materiality Survey, which was distributed to our internal and external stakeholders. The results of the Survey enabled us to prioritise and map our material matters, as shown on page 59.

OUR MATERIAL MATTERS

OUR MATERIAL MATTERS AND DEFINITIONS

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

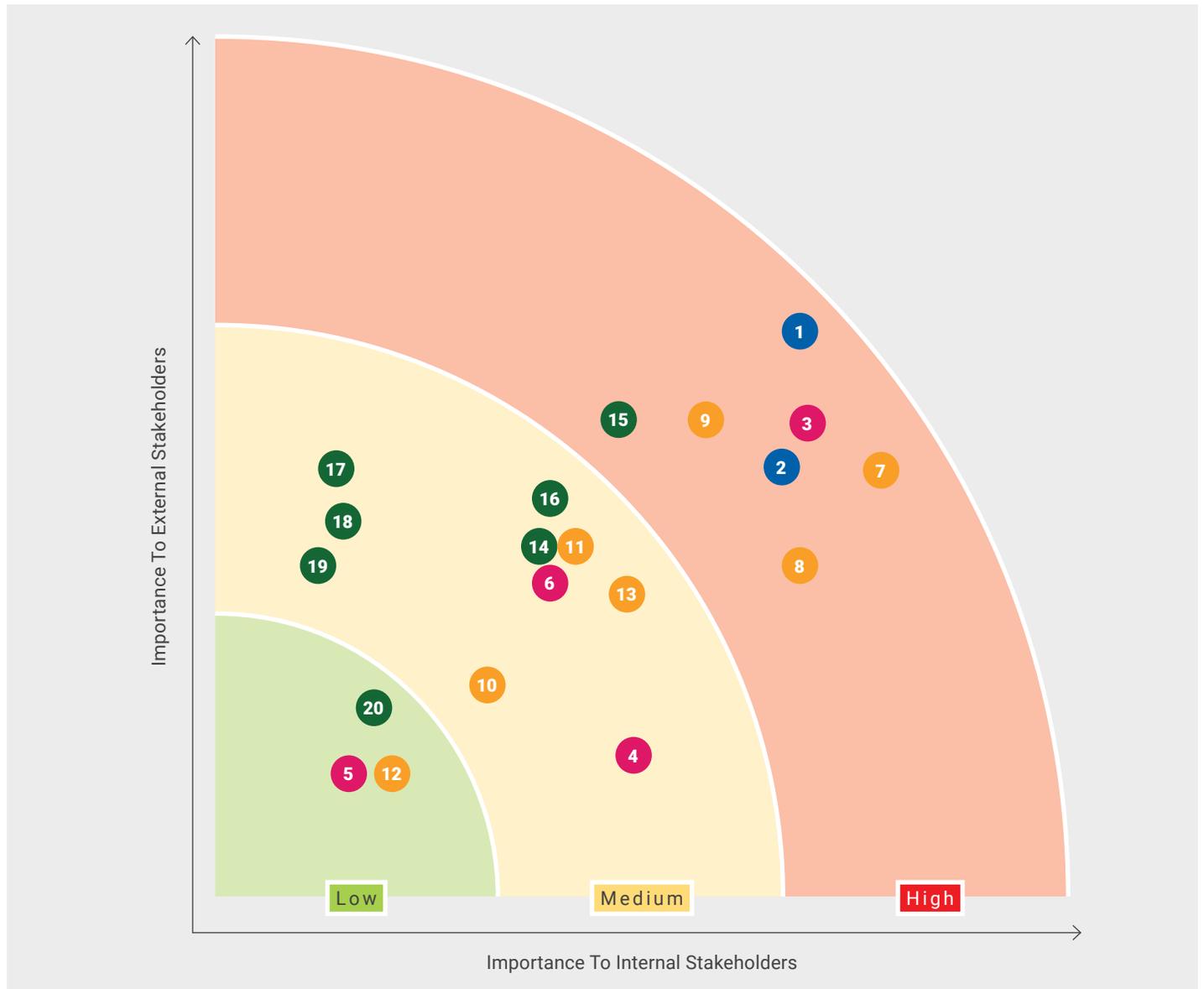
THEME	MATERIALITY	DESCRIPTION
Governance	1 Ethics & Principles	An organisation's values, principles, standards, and practices to act ethically as a sustainable business. This includes anti-bribery, anti-corruption and anti-competition practices within its operations, protection of data privacy, and professional conduct with others such as suppliers and customers.
	2 Governance & Compliance	Compliance with applicable laws and regulations relating to listing requirements, as well as other instruments concerned with environmental and socio-economic standards that provide us with the license 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	An organisation's additional contribution (monetary or non-monetary) that comes from any spillover effect its projects may have on the local communities (e.g. increased productivity and employment through its TODs that shorten commutes and provide access to more employment opportunities) or deliberate initiatives through CSR activities.
	6 Responsible Procurement & Supplier Assessment	Meeting the organisation'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 business operations and in the lifecycle of products.
	8 Employee Engagement & Well-Being	Engaging with 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 products and services by understanding clients' and customers' preferences providing an overall positive customer experience to maintain reputation.
	10 Diversity & Equal Opportunity	Providing equal opportunities to all employees and empowering women and minorities at the workplace. Diversity pushes innovation through exchange of ideas and perspectives and strengthens the organisation.

OUR MATERIAL MATTERS

THEME	MATERIALITY	DESCRIPTION
Social	11 Labour Practice	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 the 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.
Environment	14 Materials Management	Responsibly managing consumption of raw materials and enhancing supply chain traceability and certification, to mitigate negative environmental impacts and ensure no human rights violations.
	15 Sustainable Construction	Reducing negative environmental impact through green design in our building and infrastructure development. This includes adhering to relevant green building standards, managing energy and water consumption, integrating sustainable designs and sustainable practices in the construction and operation of buildings and other developments.
	16 Waste	Organisation's 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 the organisation 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 the organisation monitoring and reducing greenhouse gas emissions (e.g. carbon dioxide and methane) into the atmosphere from its business operations.
	20 Biodiversity	Organisation's efforts to minimise harm to local natural ecosystems and biologically sensitive areas from our business operation.

OUR MATERIAL MATTERS

MATERIALITY MAP



Legend

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

OUR MATERIAL MATTERS

MATERIALITY ANALYSES AND DISCUSSION

There were seven (7) material matters ranked as High Importance in our 2022 Materiality Assessment. Out of these seven (7) material matters, five (5) were also identified as being of High Importance in our 2021 Materiality Assessment. These were Ethics & Principles, Governance & Compliance, Product Quality & Responsibility, Health & Safety, and Customer Engagement. We believe these five (5) material matters remain a priority for both our internal and external stakeholders given the nature of our business, which is highly regulated and relies heavily on our compliance to quality and safety standards (Ethics & Principles, Governance & Compliance, Product Quality & Responsibility, and Health & Safety), as well as MRCB operating in highly competitive industries which rely on strong after-sales service and on how well we listen to the needs of our customers (Customer Engagement). MRCB continues to address these material matters through specific initiatives that can be read on pages 82 - 89.

The Materiality Assessment also highlighted two (2) material matters with notable increases in importance: Employee Engagement & Well-Being and Sustainable Construction moved from being of Medium Importance in 2021 to High Importance in 2022. This reflects the growing awareness of the importance of mental well-being and job satisfaction, as well as the increasing demand for environmentally-friendly buildings and construction methods and the rise of “conscious consumerism”.

In efforts to address Employee Engagement & Well-Being, we continued rolling out our annual Employee Engagement Programmes and organised “Light and Easy” sessions between our Senior Management team and employees. These sessions provided employees the opportunity to have open conversations with Senior Management in an informal setting. We also enhanced our Human Rights Policy to ensure the rights of our employees and those working at our sites are always safeguarded. Detailed initiatives to address this material matter can be read on pages 121 - 129.

MRCB has long committed to Sustainable Construction and continues to address this material matter through our MRCB Building System (details can be read on page 156) and our adoption of Green Building Certification (details can be read on page 155). Furthermore, in 2022 we strengthened our commitment towards reducing our negative impact on the environment by developing our Climate Strategy Framework (details can be read on page 22).

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

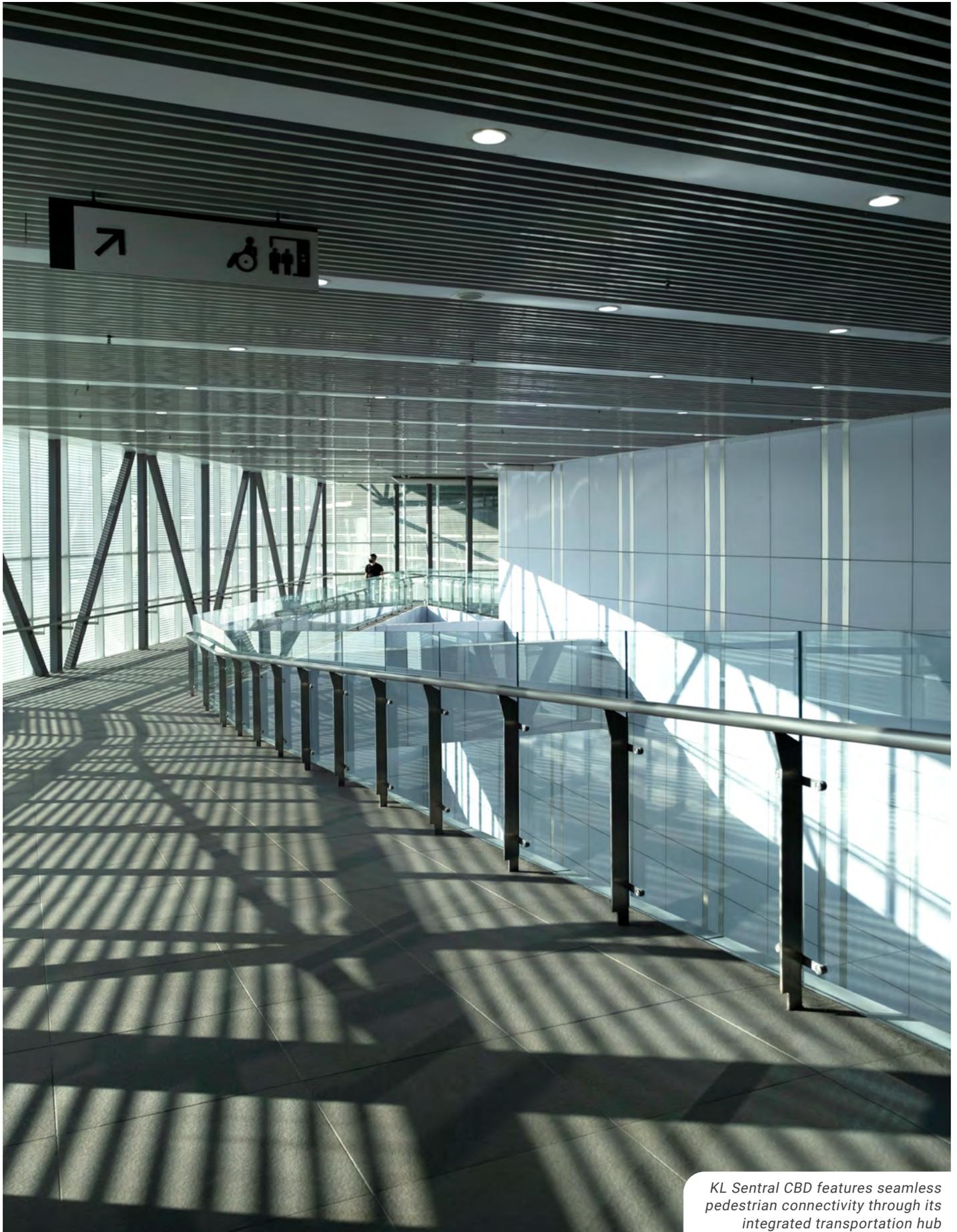
Materiality	Key Enterprise Risk	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
Governance				
Ethics & Principles	KER 001– Project Delivery Risk KER 004– Business Continuity Risk KER 006– Regulatory Risk KER 005– Environmental, Social and Governance Risk		2: General Disclosures 3-3: Management of material topics 205: Anti-corruption	
Governance & Compliance	KER 006– Regulatory Risk KER 005– Environmental, Social and Governance Risk		2-27: Compliance with laws and regulations	

OUR MATERIAL MATTERS

Materiality	Key Enterprise Risk	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
Economic				
Product Quality & Responsibility	KER 008– Quality Risk		2-25: Process to remediate negative impacts 3-3: Management of material topics 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 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 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	
Diversity & Equal Opportunity	KER 004– Business Continuity Risk KER 005– Environmental, Social and Governance Risk		405: Diversity and Equal Opportunity	  
Labour Practice	KER 001– Project Delivery Risk KER 004– Business Continuity Risk KER 005– Environmental, Social and Governance Risk		G4 Sector Specific – Construction and Real Estate Sector Disclosures	 

OUR MATERIAL MATTERS

Materiality	Key Enterprise Risk	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
Social				
Local Community Engagement	KER 008– Quality Risk KER 005– Environmental, Social and Governance Risk		413: Local Communities	   
Human Rights	KER 004– Business Continuity Risk KER 005– Environmental, Social and Governance Risk		400: Social	   
Environment				
Materials Management	KER 001– Project Delivery Risk KER 007– Safety, Health & Environment Risk KER 005– Environmental, Social and Governance 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 Risk KER 007– Safety, Health & Environment Risk		306: Effluents and Waste	  
Climate Transition Risk	KER 005– Environmental, Social and Governance Risk		300: Environmental	
Physical Climate Risk	KER 005– Environmental, Social and Governance Risk		300: Environmental	  
GHG Emissions	KER 005– Environmental, Social and Governance Risk		300: Environmental	
Biodiversity	KER 005– Environmental, Social and Governance Risk		304: Biodiversity	



KL Sentral CBD features seamless pedestrian connectivity through its integrated transportation hub

OUR APPROACH TO VALUE CREATION

As a pioneer of Green buildings 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.

MIINDFUL GOVERNANCE

1

ASSESSING OUR CONTEXT

Operating Context

Page 38

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

Weak Property & Construction Market

Competitive Landscape

Evolving Customer Trends

Regulatory Environment

Environmental Stewardship

Technology & Digitalisation

Risks & Opportunities

Page 72

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 opportunities for value creation for each stakeholder group.

Project Delivery Risk

Regulatory Risk

Liquidity Risk

Safety, Health & Environment Risk

Marketing Risk

Quality Risk

Business Continuity Risk

Concentration Risk

Environmental, Social and Governance (ESG) Risk

2

ENGAGING WITH STAKEHOLDERS & IDENTIFYING MATERIAL MATTERS

Stakeholder Engagement

Page 46

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



Shareholders/
Investors/Analysts



Employees



Government/
Regulatory Bodies



Local Communities/
Civil Society/NGOs



Suppliers/
Sub-contractors



Media

Material Matters

Page 56

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

ETHICS & PRINCIPLES	GOVERNANCE & COMPLIANCE
---------------------	-------------------------

Economic

PRODUCT QUALITY & RESPONSIBILITY	ECONOMIC & BUSINESS PERFORMANCE	INDIRECT ECONOMIC IMPACTS	RESPONSIBLE PROCUREMENT & SUPPLIER ASSESSMENT
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Social

HEALTH & SAFETY	EMPLOYEE ENGAGEMENT & WELL-BEING	CUSTOMER ENGAGEMENT	DIVERSITY & EQUAL OPPORTUNITY	LABOUR PRACTICE	LOCAL COMMUNITY ENGAGEMENT	HUMAN RIGHTS
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Environment

MATERIALS MANAGEMENT	SUSTAINABLE CONSTRUCTION	WASTE	CLIMATE TRANSITION RISK	PHYSICAL CLIMATE RISK	GHG EMISSIONS	BIODIVERSITY
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OUR APPROACH TO VALUE CREATION

3

TAKING STOCK OF CAPITALS & FORMULATING OUR STRATEGY

Capitals

Page 68

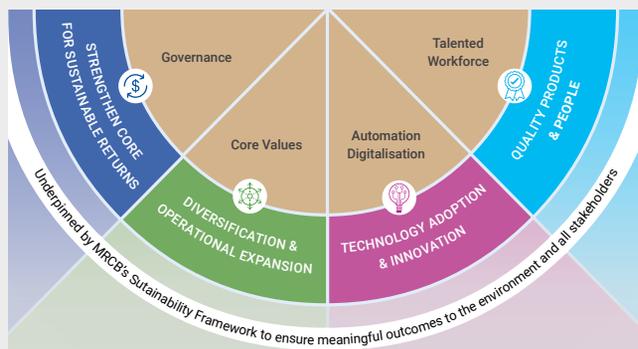
Our six Capitals are the business inputs and outputs through which we can execute plans and measure the value created from our business model and strategies. Access to and management of the six Capitals are critical to managing every aspect of the business.

- MC** **Manufactured Capital**
- FC** **Financial Capital**
- NC** **Natural Capital**
- HC** **Human Capital**
- IC** **Intellectual Capital**
- SRC** **Social & Relationship Capital**

Strategy

Page 82

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



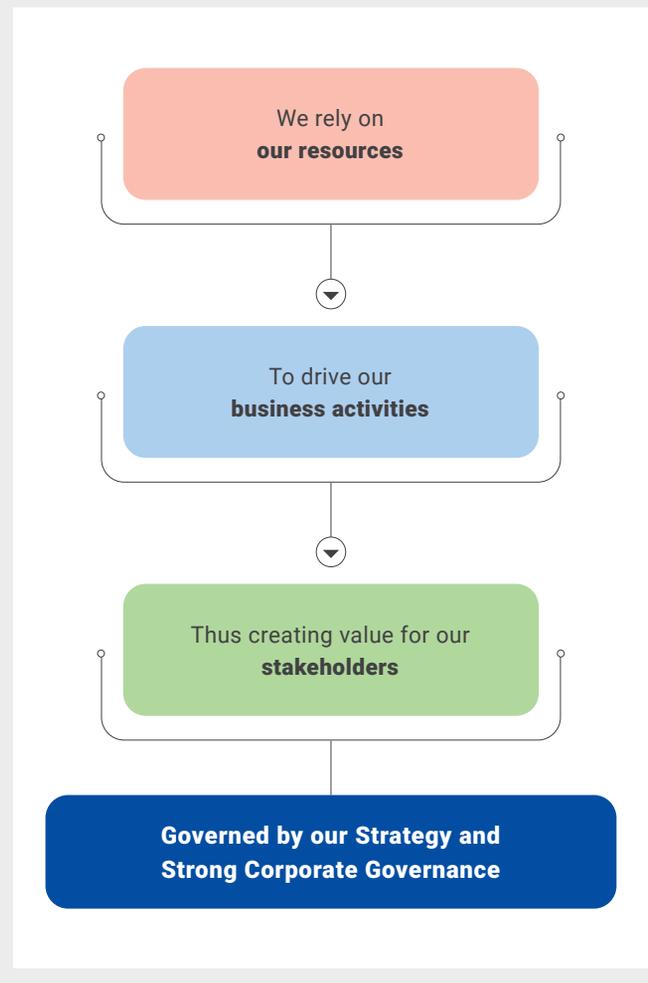
4

MONITORING, MANAGING & REPORTING ON VALUE CREATION

Value Creation

Page 66

The effective management of the various Capitals and the deployment of Strategies to address stakeholder expectations as well as organisational priorities help us create value in the short, medium and long-term. In other words, value is created based on our appraisal of stakeholder concerns, risk mitigation and 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



To Build Meaningful Places for A Better Tomorrow

OUR VALUE CREATION PROCESS IS GOVERNED BY MINDFUL GOVERNANCE

INPUTS

HC

HUMAN CAPITAL

- 1,650 skilled professionals driving the company forward
- 36 health and safety programmes implemented to protect employees
- RM905,651 invested in training and development

IC

INTELLECTUAL CAPITAL

- Over 50 years of industry experience, with a strong brand name as a pioneer in Transit Oriented Development and an enviable track record as a rail and road infrastructure developer
- RM6.4 million invested to make MBS commercially viable

NC

NATURAL CAPITAL

- 1,153 acres of land owned for strategic development projects
- 22 GWh of electricity consumed

SRC

SOCIAL & RELATIONSHIP CAPITAL

- Strong network of 1,663 approved vendors supporting the business
- Conducted 25 investor meetings including 5 ESG-specific engagement sessions
- Over 100,000 stakeholders engaged
- 42 community programmes held

FC

FINANCIAL CAPITAL

- RM4.4 billion in share capital
- RM5 billion Sukuk programme, RM200 million issued in 2022
- RM2.1 billion in total borrowings

MC

MANUFACTURED CAPITAL

- RM33 billion GDV land bank
- RM2.9 billion GDV of ongoing property development projects
- RM11.7 billion worth of ongoing infrastructure projects

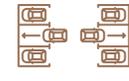
TO DRIVE OUR BUSINESS ACTIVITIES



Property Development & Investment



Engineering, Construction & Environment



Facilities Management & Parking

STRATEGY

Underpinned by **MRCB's Sustainability Framework** to ensure meaningful outcomes to the environment and all stakeholders

Key Market Trends Shaping Our Business

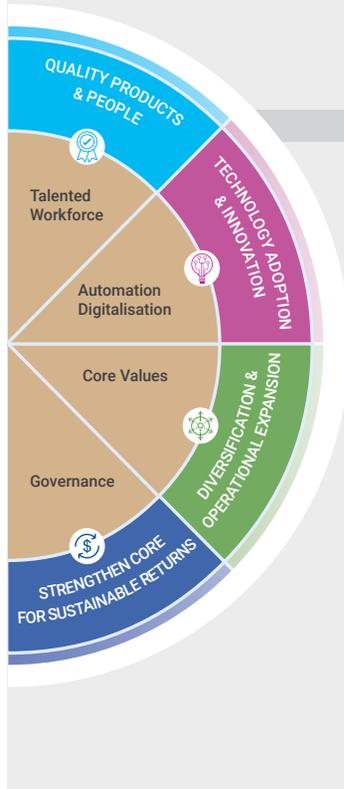
- Aging Population
- Customised Solutions
- Proximity to Public Transport
- Digitalisation
- Climate Change
- Integrated Living
- Multi-use Design
- Urbanisation
- Green Development

Key Enterprise Risks (KERs)

- Project Delivery
- Liquidity
- Marketing
- Business Continuity
- Environmental, Social and Governance
- Regulatory
- Safety, Health & Environment
- Quality
- Concentration

Material Matters

- Economic**
 - Product Quality & Responsibility
 - Economic & Business Performance
 - Indirect Economic Impacts
 - Responsible Procurement & Supplier Assessment
- Environment**
 - Materials Management
 - Sustainable Construction
 - Waste
 - Climate Transition Risk
 - Physical Climate Risk
 - Greenhouse Gas (GHG) Emissions
 - Biodiversity
- Governance**
 - Ethics & Principles
 - Governance & Compliance
- Social**
 - Health & Safety
 - Employee Engagement & Well-Being
 - Customer Engagement
 - Diversity & Equal Opportunity
 - Labour Practice
 - Local Community Engagement
 - Human Rights



OUR COMPETITIVE ADVANTAGES...

Pioneer of TODs and Green buildings in Malaysia, with five TODs in the pipeline, and a leading infrastructure construction company.

Largest listed Bumiputera construction company.

Strong corporate governance, a constituent of the F4GBM Index and a signatory of the Ten Principles of the United Nations Global Compact.

Innovated a proprietary modular construction technology, MRCB Building System (MBS).

VISION	MISSION	VALUES
 <p>Setting the Standard</p>	 <p>Leading the field sustainably through innovation in Property Development, Engineering and Construction</p>	 <ul style="list-style-type: none"> • Courageous • Creative • Driven <ul style="list-style-type: none"> • Customer Centric • Accountable

OUTPUTS	OUTCOMES	STAKEHOLDERS IMPACTED	ALIGNMENT TO 14 UNSDGs
<p>Our Products</p> <ul style="list-style-type: none"> <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px; margin-bottom: 10px;">  Transit Oriented Developments <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px; margin-bottom: 10px;">  World-Class Residential Properties <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px; margin-bottom: 10px;">  Bespoke Commercial Green Building Developments <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px; margin-bottom: 10px;">  Innovative Buildings and Complex Structures <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px; margin-bottom: 10px;">  Quality Rail & Road Infrastructure <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px; margin-bottom: 10px;">  Power Projects and Rehabilitation of Rivers & Coastal Areas <li style="background-color: #008080; color: white; border-radius: 15px; padding: 10px;">  Facilities Management & Carpark Ownership 	<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> • Women make up 39% of our workforce • Achieved >1-million man hours without LTI for Sentral Suites, PR1MA Brickfields and 9 Seputeh • Received GradMalaysia's Most Popular Graduate Employer 2022 Award in the Property Sector • (3.5)% mean employee gender pay gap <p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> • Patented the MBS technology in 11 countries • Received the Climate Action Fellow Award at the United Nations Global Compact Malaysia & Brunei Sustainability Performance Awards 2022 • Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star SHASSIC rating for our Alstonia development <p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> • 65% reduction in Scope 1 and Scope 2 carbon emissions intensity • 7.5% reduction in Scope 1 and Scope 2 absolute emissions <p>SOCIAL & RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> • 95% of procurement budget spent on local suppliers • RM714,356 contributed through CSR activities to organisations and communities • 345 prisoners/offenders participated in the PEKA@MRCB programme <p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> • RM3.2 billion generated in revenue • RM154.3 million profit before tax • RM4.5 billion in shareholders' funds • Net gearing of 0.32 times <p>MANUFACTURED CAPITAL</p> <ul style="list-style-type: none"> • Launched Lilium in Bandar Seri Iskandar with a GDV of RM32 million • RM1.0 billion worth of construction projects completed in 2022 • RM478.1 million property sales in 2022 • RM26.3 billion in external client construction order book • LRT3 achieved physical construction progress of 81% and financial progress of 75% 	<p>STAKEHOLDERS IMPACTED</p> <ul style="list-style-type: none">                    	<p>ALIGNMENT TO 14 UNSDGs</p> <ul style="list-style-type: none">                 

Led by a Board and Management team that provides strong leadership, expertise and insights.

Long pipeline of projects through a land bank of 1,153 acres with a GDV of RM33 billion, an external client construction order book of over RM26.3 billion, and a strong balance sheet with net gearing of 0.32 times.

OUR VALUE CREATING BUSINESS MODEL

TRADE-OFFS BY CAPITAL

The six Capitals are our means to achieve our 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 these Capitals. Our aim is to maximise the positive outcomes of our capital inputs and minimise any trade-offs. In doing so, we balance the short, medium and long-term outcomes of value creation. 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 by creating a safe, secure and positive work environment.

To produce performance-driven employees aligned with the Group's purpose and strategic objectives, and as such ensure their personal and professional needs are met.

Value Creation

Create diversified teams with innovative ideas and produce a pipeline of internal talents.

Trade-Off

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

Our Focus in 2022

In a bid to nurture a healthy and performance-driven work culture, we continued to provide employees with benefits such as flexi-hours and mental health programmes. Additionally, in 2022 we reviewed employees' existing salaries to ensure they remain competitive. We also set up an MRCB Flood Committee and conducted a "Flood Preparedness Survey" to gather information that could be used to help the Committee plan and mobilise a disaster recovery programme for affected employees. Efforts were also undertaken to equip employees with necessary leadership tools by conducting 28 People Transformation Accelerator Programme (PTAP) workshops attended by 653 employees, and 3 Light & Easy sessions between the Senior Management team and employees. MRCB also continued training on anti-bribery and corruption and held 23 ABMS trainings for 799 staff, 22 talks on Integrity Awareness for 442 staff, as well as 6 training sessions for 94 auxiliary police and security guards.

IC

INTELLECTUAL CAPITAL

Our Approach

Aggressively defend our market-leading position in the property and construction sectors by leveraging on our TOD expertise, ensuring compliance to globally recognised management systems, and investing in the innovation of a proprietary modular construction technology, MRCB Building System (MBS), that will add value to the production process and development of end products. Using our intellectual capital and expertise to innovate solutions in flood mitigation, sustainable stadiums, as well as waste-to-energy projects to provide a new source of long-term revenue.

Value Creation

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

Trade-Off

Investments in new technologies are earmarked for delivering returns over the long-term, with no immediate financial rewards, also putting pressure on cashflow in the short-term.

Our Focus in 2022

Our proprietary MBS was actively brought to market in 2021, and in 2022 we began constructing our MBS show apartment and finalised plans to launch Residensi Tujuh at Kwasa Sentral, a residential development with a GDV of RM329 million, which will be developed using our MBS technology. To date we have successfully patented our technology in 11 countries, with patent pending in another 19 countries, and licensed the technology to companies undertaking projects in Singapore and Hong Kong.

OUR VALUE CREATING BUSINESS MODEL

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 a 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, to ensure 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-Off

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

Our Focus in 2022

Our MBS technology and modular construction were employed and licensed out, creating less waste and fewer emissions. We achieved a 65% reduction in Scope 1 and Scope 2 carbon emissions intensity in 2022 and expanded on our Scope 3 reporting by collecting carbon emissions data from our largest sub-contractors. Our commitment to reducing our carbon emissions is furthered with our recent purchase of Renewable Energy Certificates from Tenaga Nasional Berhad, as well as our involvement in various UN-level initiatives, the development of our Climate Strategy Framework, adopting science-based carbon emissions reduction targets, and reporting on climate risks and opportunities in relation to our assets in line with the Task Force on Climate-Related Financial Disclosures (TCFD) Framework.

SRC

SOCIAL & RELATIONSHIP CAPITAL

Our Approach

Engage and cooperate with various stakeholders, including customers, regulators, suppliers and sub-contractors, on 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-Off

Due to continued challenges and impacts of the pandemic, resources (financial and non-financial) were allocated to address critical stakeholder expectations irrespective of their priority and returns to business.

Our Focus in 2022

Increased engagement with customers and clients via digital platforms and conducted ESG-specific sessions to address ESG-related concerns. Offered support by channelling donations in cash and in kind (food and medical supplies) to the most vulnerable in the community, including to the Orang Asli, through an Engagement Programme with the Orang Asli Community in Perak.

OUR VALUE CREATING BUSINESS MODEL

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.

Value Creation

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

Trade-Off

There is a trade-off between the interests of short-term investors that 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 2022

Raised funds through our RM5 billion Sukuk programme from which an additional RM200 million was issued at a rate of 3.75% for 1 year maturity in 2022, largely to refinance higher interest rate debt at lower interest rates. Focus was also given towards generating cashflow by monetising our inventory of completed unsold stock, of which RM251.9 million was sold in 2022. The Group also continued to diversify into new market segments in Malaysia and expand overseas, and mobilise MBS to accelerate returns and improve its sustainability.

OUR VALUE CREATING BUSINESS MODEL

MC

MANUFACTURED CAPITAL

Our Approach

The Group's land bank continues to be carefully and strategically developed to provide sustained revenue potential in the future.

TODs are aligned with national infrastructure plans and our focus on green buildings, and the Group actively tenders for complex construction projects with higher pre-qualification requirements and barriers to entry, like road and rail infrastructure development projects, and sustainable stadiums.

Efforts are undertaken to ensure materials are locally sourced and meet sustainability specifications.

Value Creation

Develop sustainable communities through our TODs that seamlessly integrate mass public transport with working and living areas to improve productivity and enhance economic activity and social development.

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

Trade-Off

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

Our Focus in 2022

TOD projects continued to be pursued as a smarter solution for integrated and connected living that reduces urban sprawl and road congestion and reduces 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.

In 2022, MRCB completed the construction of three infrastructure projects. The Mass Rapid Transit Line 2 Package V210, which was completed on 2 August 2022, will benefit 533,000 riders a day, while the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) project, which was completed on 15 September 2022, will contribute towards benefitting over 40 residential areas, allowing drivers to save more than half of their travel time. MRCB also completed the construction and commissioning of a double circuit 500kV overhead transmission line from Mukim Jabi, Segamat to Mukim Serting Hilir, Jempol. In 2022, our LRT3 project achieved its targeted 81% physical construction progress as at 31 December 2022.

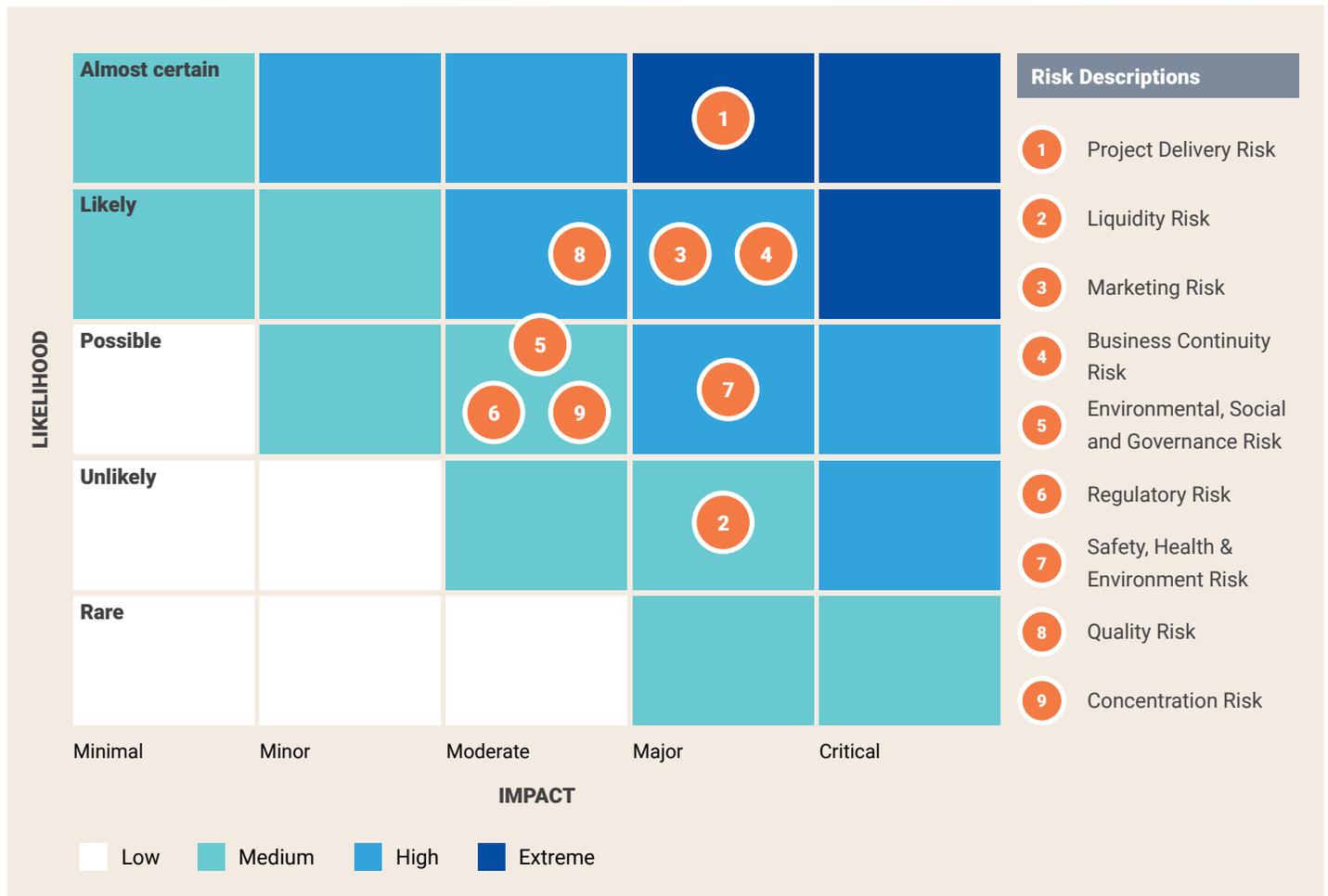
Continued emphasis was given to ensure all commercial development projects qualified for the Green Building Index accreditation. The Group also achieved a 65% reduction in its Scope 1 and Scope 2 carbon emissions intensity in 2022 and a 7.5% reduction in Scope 1 and Scope 2 absolute emissions.

OUR RISKS AND MITIGATIONS

We strive to achieve a balance between realising value creation opportunities and mitigating adverse risks. The Group adopts an Enterprise Risk Management Process that is designed to protect our ability to create value and achieve our corporate objectives. This is in line with the ISO 31000:2018, demonstrating our commitment to international best practices.

The principal risks faced by the Group are mapped out below. The risk matrix shows the level of the risk 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 (KER) that may impact the ability of the Group to achieve its strategic objectives. The ARMC is further supported by the Senior Management in ensuring that these risks are monitored and managed within the Group’s acceptable appetite and tolerance levels. The heatmap below provides an overview of the residual risk ratings of the KERs:



OUR RISKS AND MITIGATIONS

LEGEND Increased Reduced Unchanged

1 PROJECT DELIVERY RISK Status

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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Low product quality and safety • Delays in product handover • Higher costs than budgeted • Recognition of losses • Exposure to Liquidated Ascertained Damages (LAD) • Delays in finalising documentation for contractual claims reduces cashflow and profitability 	<ul style="list-style-type: none"> • Benchmark with global standards on quality and safety as well as environmental stewardship • Adopt new technologies, such as MRCB Building System (MBS) and 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"> • Streamlined processes and systems for certification of Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015 and Occupational Health & Safety ISO 45001:2018 • The LRT3 project achieved its targeted 81% physical construction progress as at 31 December 2022 • Completed the Mass Rapid Transit Line 2 Package V210, and the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) construction projects • Completed the 500kV transmission line from Jabi to Seriting • Received Extension of Time (EOT) and rescheduled the completion dates of Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 (Suke) project to 1Q2023 due to site closures and other stoppages brought about by COVID-19 • Began development of the MBS show apartment in Kwasa Sentral

Material Matters

GOVERNANCE & COMPLIANCE

PRODUCT QUALITY & RESPONSIBILITY

Capitals

HC

SRC

Stakeholders Affected

Growth Principles

STRENGTHEN CORE FOR SUSTAINABLE RETURNS

TECHNOLOGY ADOPTION & INNOVATION

OUR RISKS AND MITIGATIONS

2

LIQUIDITY RISK

Status



We require finance and liquidity to sustain our business obligations. The inability to generate revenue and liquidate assets may impede our cashflow.

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Inability to operate or develop our land bank • Operational disruptions increase indebtedness and reduction in profitability • Inability to meet financial obligations • Potential legal suits from creditors / financial institutions resulting in reputational risks 	<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 • 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 • Focus on monetising existing inventory of completed unsold stock • Allocation for contingencies 	<ul style="list-style-type: none"> • Raised RM0.2 billion in 2022 from the RM5 billion perpetual Sukuk Murabahah programme in order to reduce the Group's overall borrowing costs and fund project developments • Proactive management of cashflow, resulting in net gearing of 0.32 times • Sold RM251.9 million of our completed unsold stock in 2022

Material Matters



Capitals



Stakeholders Affected



Growth Principles



OUR RISKS AND MITIGATIONS

3

MARKETING RISK

Status



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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> Lack of demand for our products High levels of unsold inventories, leading to increased holding costs Inability to generate revenue, profits and cashflow Increase in indebtedness 	<ul style="list-style-type: none"> Continuously assess market demand and determine product design, sales and property launch strategies Build green buildings and developments that focus on a balanced lifestyle for our customers Roll-out more aggressive digital marketing initiatives Repurpose sales and marketing budget into assistance packages for customers Restructure pricing strategy to enable customers to obtain financing easily Engagement with current customers to ensure products are meeting design and quality expectations 	<ul style="list-style-type: none"> Developed plans to launch 266 small hybrid home and office units in Lot J, KL Sentral in 2024, which seamlessly integrate working and living spaces targeted towards millennials Sold 99% or 175 units in 1060 Carnegie in Melbourne, Australia Achieved 85% sales rate for Sentral Suites and 54% for TRIA 9 Seputeh Achieved property sales of RM478.1 million in 2022 Arranged over 5,600 virtual viewings of Sentral Suites in KL Sentral, the 9 Seputeh developments in Jalan Klang Lama and Alstonia in Bukit Rahman Putra Aggressively marketed Ipoh Raya Integrated Park to 75 representatives from various multi-national companies Signed an agreement with a Fortune 500 MNC to develop a production facility in Perlis

Material Matters



Capitals



Stakeholders Affected



Growth Principles



OUR RISKS AND MITIGATIONS

4

BUSINESS CONTINUITY RISK

Status



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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> Operational disruptions result in poor construction progress which limits ability to recognise revenue Reputational damage Inability to market our products leading to liquidity issues and high indebtedness Potential breach and loss of confidential data / information 	<ul style="list-style-type: none"> Continuously update Business Continuity Plan and other related policies and SOPs Review and develop robust policies that adapt to the changing environment Utilise cloud technology to ensure seamless work integration as remote working becomes prevalent Continuous investment in IT Security and Disaster Recovery Plans Establishment of Data Governance Framework 	<ul style="list-style-type: none"> Enhanced our corporate governance practices to address stakeholder expectations by revising and introducing policies such as our Human Rights Policy, Director's Fit and Proper Policy, as well as other key policies (details can be read in the Corporate Governance Overview Statement on pages 170 - 205) Zero cybersecurity and customer data breaches All IT platform systems worked seamlessly and securely, ensuring data was protected from cybersecurity threats by deploying Microsoft Threat Protection solutions and the Microsoft Data Leakage Prevention platform Continued the development of a Data Governance Framework

Material Matters

EMPLOYEE ENGAGEMENT & WELL-BEING

GOVERNANCE & COMPLIANCE

Capitals



Stakeholders Affected



Growth Principles

STRENGTHEN CORE FOR SUSTAINABLE RETURNS

QUALITY PRODUCTS & PEOPLE

TECHNOLOGY ADOPTION & INNOVATION

OUR RISKS AND MITIGATIONS

5

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK

Status



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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Significant fines and penalties from breaching environmental laws and regulations • Environmental impact on surrounding communities • Financial costs from remediation, possible litigations or fines • Reputational damage, resulting in loss of sales and cashflow • Inability to attract capital from banks and investors • Breach of legal or regulatory requirements 	<ul style="list-style-type: none"> • Assess the impact of climate and transition risks to the business and its assets and develop specific strategies to address these risks • Set science-based carbon emissions reduction targets • Articulate the importance of ESG to the business, internally and externally • Institutionalise an oversight committee to implement, monitor and develop ESG-related strategies and initiatives • Develop a robust plan that integrates and embeds sustainability principles more deeply within the business and corporate strategy • Increase ESG-related partnerships • Increase disclosure of ESG data points, targets and progress • Expand and enhance the use of MRCB Building System (MBS) in the future as MBS will reduce carbon emissions and lower construction wastage • Establish and monitor science-based reduction targets on CO₂ emissions • Comply with human rights requirements with established Policies and Code of Business Ethics 	<ul style="list-style-type: none"> • Established 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 • Continued our journey in climate risk reporting by conducting and disclosing a TCFD-aligned qualitative risk assessment • Achieved 65% reduction in Scope 1 and Scope 2 carbon emissions intensity • Embedded ESG-related reporting into all our investor meetings to ensure investors remained fully appraised of our ESG strategies and performance and participated in conferences and forums to ensure that MRCB's ESG performance is 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 • Achieved ISO 37001:2016 re-certification for our Anti-Bribery Management System (ABMS) • Began development of our MBS show apartment which is a very important strategy that will drive sustainability in our operations moving forward • Planned the roll-out of MBS for Residensi Tujuh, a residential development in Kwasa Sentral • Began purchasing Renewable Energy Certificates from Tenaga Nasional Berhad • Expanded our Scope 3 emissions measurement and reporting by collecting emissions data from our largest sub-contractors • Increased our FTSE4Good Bursa Malaysia Index score to 3.2, and increased our score in the climate change segment of the assessment to 3.0 • Complied with 41 out of the 43 Practices prescribed in MCGG 2021, together with 3 out of the 5 optional Step-Up Practices • Received the Gold Award for the 2022 Australasian Reporting Awards • Received the Excellence Award for Corporate Governance Disclosure, having ranked 2nd out of 864 companies assessed, and ranked 1st in the Industry Excellence Award (Property Sector) at the MSWG-ASEAN Corporate Governance Awards 2021 (awarded in 2022) • Received the highest Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2022 • Ranked 1st for Transparency at The Star/FIABCI Malaysia Developer Awards 2022 • Received the Climate Action Fellow Award at the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB) Sustainability Performance Awards 2022 • Introduced a new Human Rights Policy, aligned with the International Labour Organisation Core Conventions and Labour Standards

Material Matters

RESPONSIBLE PROCUREMENT & SUPPLIER ASSESSMENT	LOCAL COMMUNITY ENGAGEMENT	HUMAN RIGHTS	MATERIALS MANAGEMENT	SUSTAINABLE CONSTRUCTION
WASTE	CLIMATE TRANSITION RISK	PHYSICAL CLIMATE RISK	GHG EMISSIONS	BIODIVERSITY

Capitals



Stakeholders Affected



Growth Principles



OUR RISKS AND MITIGATIONS

6

REGULATORY RISK

Status



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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Significant fines and penalties for non-compliance • Stop-work orders from regulators from non-compliance of regulations cause delays and higher costs • Reputational damage impacts ability to attract future capital from banks and investors 	<ul style="list-style-type: none"> • Monitor changes in regulations and requirements • 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 stakeholders • Regularly review and update Policies and Guidelines • Conduct regular compliance audits by internal / external auditors 	<ul style="list-style-type: none"> • Conducted Quarterly Risk Reviews with each business unit to review risk registers and monitor and mitigate potential risks through risk action plans • Certified with Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015, and Occupational Health & Safety ISO 45001:2018 • Achieved 116.40 points in the 2021 MSWG-ASEAN Corporate Governance Scorecard published in 2022, ranked 1st in the Industry Excellence Award for the Property Sector, and ranked 2nd out of 864 publicly listed companies assessed for corporate governance disclosures • Achieved ISO 37001:2016 re-certification for our Anti-Bribery Management System (ABMS) • Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 3 out of the 5 optional Step-Up Practices • Held 23 ABMS trainings for 799 staff and conducted 22 talks on Integrity Awareness for 442 staff, and 6 training sessions for 94 auxiliary police and security guards

Material Matters



Capitals



Stakeholders Affected



Growth Principles



OUR RISKS AND MITIGATIONS

7 SAFETY, HEALTH & ENVIRONMENT RISK Status

We depend on the health and safety of our people and must ensure we protect the environment. Major breaches will cause adverse financial and non-financial impacts.

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Significant fines and penalties for non-compliance • Operational disruptions due to stop-work orders by authorities, resulting in poor construction progress which limits ability to recognise revenue • Reputational damage impacts our ability to attract future capital from banks and investors • Damage to property / environment incurs costs to remedy • Stop-work orders by authorities may lead to delays and idling costs 	<ul style="list-style-type: none"> • Establish robust frameworks and policies that guide operational excellence • Raise awareness among our staff and other stakeholders on HSE best practices through continuous training and awareness programmes • Audit safety standards at construction sites regularly • Manage and monitor HSE issues by continuously monitoring site conditions • Develop effective countermeasures and special SOPs for COVID-19 	<ul style="list-style-type: none"> • Conducted 36 training sessions for 507 people consisting of employees, site workers and sub-contractors • Continued to roll-out MBS, which will significantly improve safety and reduce accidents, as up to 90% of work is undertaken in controlled conditions on ground level • Achieved >1-million man hours without LTI for Sentral Suites, PR1MA Brickfields and 9 Seputeh • Conducted daily safety “toolbox” sessions at construction sites to raise awareness of ongoing safety procedures necessary during the various construction phases • Conducted continuous digital communications programme to all employees to cultivate a culture of safety first

Material Matters

HEALTH & SAFETY

GOVERNANCE & COMPLIANCE

Capitals



Stakeholders Affected



Growth Principles



OUR RISKS AND MITIGATIONS

8 QUALITY RISK Status

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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Low property prices and values • Low demand for products and reduced sales • Impact on revenue and cashflow • Poor ROIs for purchasers • High levels of unsold inventories • Reputational damage 	<ul style="list-style-type: none"> • Implement QESH Policy that governs the Quality, Environment, Safety and Health Management System, and operate in compliance with three management systems: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 • Conduct stakeholder engagement sessions to enhance customer experience • Measure customer satisfaction • Regular monitoring, and conduct periodic quality audits to ensure construction quality • Develop and implement periodic awareness programmes / continual education on quality 	<ul style="list-style-type: none"> • Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star SHASSIC rating for our Alstonia development from CIDB, which is the regulator of the construction industry in Malaysia • Planned the roll-out of MBS for Residensi Tujuh, a residential development in Kwasa Sentral, which will significantly improve quality standards as up to 90% of construction work is undertaken offsite in controlled manufacturing conditions with strict quality control regimes • Achieved an 85% Overall Purchaser Survey Score for 1060 Carnegie in Melbourne, Australia

Material Matters



Capitals



Stakeholders Affected



Growth Principles



OUR RISKS AND MITIGATIONS

9

CONCENTRATION RISK

Status



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

Potential Impact on Value	Mitigation Strategies	Results
<ul style="list-style-type: none"> • Poor sales performance during a downturn • Inability to generate revenue, profits and cashflow • Increased debt levels • Unsustainable business model • Liquidity issues and high indebtedness 	<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 • Derive long-term, stable income from investment properties and our units in Sentral REIT • Diversify into new international markets and new market segments in Malaysia, and expand presence in existing overseas markets • Look for opportunities to enter into concession projects with predictable long-term revenues 	<ul style="list-style-type: none"> • Completed 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%, in January 2023 • Began development of our MBS show apartment to demonstrate our MBS technology and the potential for its application within Kwasa Sentral, in an effort to market modular construction as a mainstream alternative to traditional construction, which is currently the predominant method of construction practiced by other construction companies • Successfully patented our MBS technology in 11 countries, with our patent pending in another 19 countries, which will allow us to license MBS to other construction companies and provide a new source of revenue • Currently in advanced negotiations to finalise a long-term service agreement for a waste-to-energy project, a new market segment • Derived income from investment properties such as from Celcom Tower, as well as from our 27.94% interest in Sentral REIT • Awarded a project to develop The Symphony Centre with a GDV of NZD452 million in Auckland City Centre, New Zealand and acquired Bledisloe House, an existing building located in the Aotea precinct, to be refurbished with a GDV of NZD137 million • Purchased 0.766 acres of prime land in the Gold Coast, Australia and obtained planning consents to develop an AUD391 GDV mid-market residential development • Launched the Ipoh Raya Integrated Park, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak • In discussions with multiple MNCs to provide industrial property/logistics and fulfillment solutions at our Ipoh Raya Integrated Park

Material Matters



Capitals



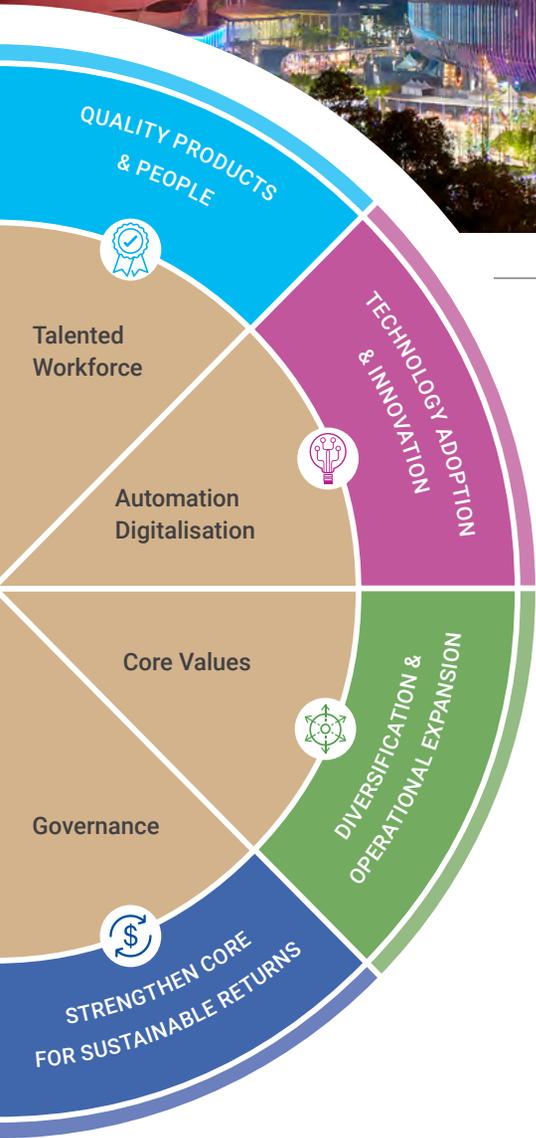
Stakeholders Affected



Growth Principles



OUR STRATEGIC ROADMAP



Our priority has always been business sustainability and creating meaningful value for our shareholders and stakeholders.

MRCB's Growth Strategy (our Strategy) was developed with this in mind, and guides us in becoming a responsible leader in the industries we operate in. Our Strategy outlines four Growth Principles, which are driven by seven Key Action Plans.

These principles and action plans will be carried out by our talented workforce, who are guided by strong core values and good corporate governance, to conduct our operations in an ethical and professional manner. We also believe that leveraging on technology will push MRCB to become a cost-efficient and future-proofed business. Our Digitalisation & Automation

Roadmap drives this initiative, as well as our investments in new construction methodologies and technologies.

Sustainability permeates through our entire organisation and underpins all our actions, going beyond ensuring sustained returns to capture the responsible use of natural resources.

We believe that our Strategy, underpinned by our Sustainability Framework, will not only widen the gap between MRCB and its competitors to gain sustainable returns, but also create solutions to meet the market's existing and future needs.

OUR STRATEGIC ROADMAP

STRENGTHEN CORE FOR SUSTAINABLE RETURNS



ENSURE STEADY PIPELINE OF PROJECTS

Key Action Plan

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

Key Indicators

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

2022 Key Initiatives

- Continued to tender for projects
- Presented innovative proposals under direct negotiations
- Continued to monetise RM2.9 billion GDV of ongoing property development projects and RM11.7 billion worth of ongoing infrastructure projects
- Increased digital marketing of property development projects to widen reach

2022 Achievements

- Submitted tenders worth RM30.0 billion
- Continued direct discussions with clients for projects such as the redevelopment of the Shah Alam Stadium project
- Awarded the Muara Sg. Pahang Phase 3 coastal flood mitigation project worth RM380 million
- Launched Liliun in Bandar Seri Iskandar, with a GDV of RM32 million
- Achieved RM478.1 million property sales
- Recorded over 5,600 virtual viewings of Sentral Suites in KL Sentral, the 9 Seputeh developments in Jalan Klang Lama (VIVO and TRIA) and Alstonia in Bukit Rahman Putra
- Net gearing remained within healthy levels at 0.32 times
- Attracted funding through the issuance of a RM200 million perpetual Sukuk Murabahah

Short-To-Medium-Term Priorities

MRCB will continue to aggressively market its inventory of completed unsold property units, which was valued at RM227.0 million at the end of 2022, as well as continue to tender for construction projects with relatively higher pre-qualification requirements and barriers to entry, such as infrastructure projects and complex building structures. We will also continue to focus on completing our existing projects.

Long-Term Priorities

To continue to tender for large infrastructure projects such as the MRT3 rail infrastructure and work packages for the 706 km Sabah Pan Borneo Highway.

Linked to

Capitals:



Material Matters:



OUR STRATEGIC ROADMAP

DIVERSIFICATION & OPERATIONAL EXPANSION



GEOGRAPHICAL EXPANSION

Key Action Plan

Expand in existing and into new overseas markets, backed by sound strategy and robust implementation

Key Indicators

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

2022 Key Initiatives

- Continued marketing remaining units at 1060 Carnegie in Melbourne, Australia
- Sourced appropriate property development projects in Australia and New Zealand

2022 Achievements

- Sold all except one (1) unit of the 176 units available for sale at 1060 Carnegie in Melbourne, Australia
- 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 NZD452 million
- Continued planning of VISTA, a residential development at Surfer's Paradise in Gold Coast, Australia, which has a GDV of AUD391 million
- Acquired Bledisloe House, an existing building located in the Aotea precinct, which will be refurbished and has an expected GDV of NZD137 million
- Project in Singapore using MRCB's licensed MBS technology was completed
- Successfully patented MBS technology in 11 countries, with patent pending in another 19 countries

Short-To-Medium-Term Priorities

MRCB will focus on exploring other opportunities for expansion in Australia and New Zealand, as well as looking for more overseas licensing opportunities to build a track record in the adoption of its MBS technology.

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.

OUR STRATEGIC ROADMAP

DIVERSIFICATION & OPERATIONAL EXPANSION



ENTER INTO NEW MARKETS

Key Action Plan

To expand our business in identified key new markets, such as the renewable energy and waste-to-energy (WTE) sectors, and other markets such as the industrial/logistics, co-living, co-working and assisted living property market segments

Key Indicators

- Contract awards for renewable energy and WTE
- Project launches in new property market segments

2022 Key Initiatives

- Continued negotiations with key stakeholders and the Government to sign a service agreement for a WTE project
- Entered into the industrial/logistics segment

2022 Achievements

- Advanced negotiations for a WTE project service agreement
- Launched Ipoh Raya Integrated Park, an 810.57-acre first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak
- Signed an agreement with an international Fortune 500 company to develop a production facility in Perlis
- Developed plans for a new SOHO development with 266 units in Lot J, KL Sentral
- Entered into a share sale agreement to acquire 39% equity stake in Sentral REIT's manager Sentral REIT Management Sdn Bhd, increasing MRCB's stake to 80% upon completion in January 2023

Short-To-Medium-Term Priorities

MRCB aims to conclude a waste-to-energy project service agreement with the Government. MRCB will also plan the launch of the Lot J SOHO development project in KL Sentral in 2024, and through the newly launched Ipoh Raya Integrated Park will push its expansion into the industrial and logistics development segment, which is expected to be an attractive market segment over the next few years with many multinational corporations looking to diversify their international manufacturing bases and locate in large, strategically located, bespoke developments meeting their sustainability requirements.

Long-Term Priorities

To continue to advance renewable energy projects and stormwater management solutions, and pursue the healthcare or aged-care facilities market within new and existing sites in the Klang Valley and East Malaysia.

Linked to

Capitals:



Material Matters:



OUR STRATEGIC ROADMAP

TECHNOLOGY ADOPTION & INNOVATION



ACHIEVE LEAN & EFFICIENT OPERATIONS

Key Action Plan

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

Key Indicators

- Productivity (Revenue/Employee)
- Cost savings

2022 Key Initiatives

- Reduced costs through the digitalisation and automation of processes
- Continued roll-out of new ERP platform

2022 Achievements

- Improved revenue per employee productivity ratio by 113%
- Continued roll-out, data migration and User Acceptance Testing of new ERP platform

Short-To-Medium-Term Priorities

MRCB will continue its cost rationalisation exercise and complete its Data Governance Framework Programme aimed at managing and protecting all of the Group's data and better managing all local and international data protection and data privacy regulations. To complete User Acceptance Testing of the new ERP Platform and "go-live" in 2023 to drive more efficiencies and cost savings.

Long-Term Priorities

To continue to adopt digitalisation and automation to attain lean and efficient operations, to maintain cost competitiveness.

OUR STRATEGIC ROADMAP

TECHNOLOGY ADOPTION & INNOVATION



LEVERAGE ON MRCB BUILDING SYSTEM (MBS)

Key Action Plan

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

Key Indicators

- Revenue from licensing MBS technology
- Number of MBS projects

2022 Key Initiatives

- Conducted five (5) ESG-specific engagement sessions and one (1) site visit to Kwasa Sentral to market and showcase MBS

2022 Achievements

- Successfully patented MBS technology in 11 countries, with patent pending in another 19 countries
- Began development of the MBS show apartment in Kwasa Sentral
- Finalised plans to launch Residensi Tujuh, a 573-unit residential development with a GDV of RM329 million that will be developed using our MBS technology

Short-To-Medium-Term Priorities

We will launch and market our first property development project in Malaysia to be constructed using MBS technology, a 573 unit, 25-storey residential project in Kwasa Sentral, developed using our MBS technology, and 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), 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:

PRODUCT QUALITY & RESPONSIBILITY	INDIRECT ECONOMIC IMPACTS	RESPONSIBLE PROCUREMENT & SUPPLIER ASSESSMENT	HEALTH & SAFETY	LOCAL COMMUNITY ENGAGEMENT	CUSTOMER ENGAGEMENT	LABOUR PRACTICE
MATERIALS MANAGEMENT	SUSTAINABLE CONSTRUCTION	WASTE	CLIMATE TRANSITION RISK	PHYSICAL CLIMATE RISK	GHG EMISSIONS	BIODIVERSITY

OUR STRATEGIC ROADMAP

QUALITY PRODUCTS & PEOPLE



UPHOLD GOOD CORPORATE GOVERNANCE

Key Action Plan

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

Key Indicators

- SHASSIC Score
- Customer Satisfaction Survey
- MCCG 2021 Compliance
- MSWG-ASEAN Corporate Governance Scorecard
- FTSE4Good Bursa Malaysia Index Score

2022 Key Initiatives

- Organised regular toolbox talks to educate site workers and employees on best practices of HSE
- Complied with world-class Quality, Environmental, Safety and Health systems through the adoption of ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007
- Conducted communication and capacity building exercises with staff on anti-bribery and corruption, sustainability, and other governance-related matters
- Comply with international labour laws

2022 Achievements

- Achieved a 3-Star SHASSIC rating for our Sentral Suites development and a 4-Star SHASSIC rating for our Alstonia development from CIDB, which is the regulator of the construction industry in Malaysia
- Achieved 85% Overall Purchaser Survey Score for 1060 Carnegie in Melbourne, Australia
- Held 23 ABMS trainings for 799 staff and conducted 22 talks on Integrity Awareness for 442 staff, and 6 training sessions for 94 auxiliary police and security guards
- Conducted 36 safety training sessions to a total of 507 people consisting of employees, site workers and sub-contractors
- Collected carbon emissions data from largest sub-contractors in an effort to expand on our Scope 3 emissions reporting
- Achieved a score of 3.2 for the FTSE4Good Bursa Malaysia Index, and a score of 3.0 for the climate change segment of the assessment
- Received Gold from the 2022 Australasian Reporting Awards
- Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 3 out of the 5 optional Step-Up Practices
- Ranked 2nd out of 864 companies assessed in the Excellence Award for Corporate Governance Disclosure and ranked 1st in the Industry Excellence Award for the Property Sector at the MSWG-ASEAN Corporate Governance Awards 2021 (awarded in 2022)
- Ranked 1st for Transparency at The Star/FIABCI Malaysia Developer Awards 2022
- Received the Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the Malaysian Institute of Accountants National Annual Corporate Report Awards (NACRA) 2022
- Published a new Human Rights Policy in 2022, which is aligned with the International Labour Organisation Core Conventions and Labour Standards

Short-To-Medium-Term Priorities

MRCB will continue to monitor future disruptions to our business and ensure all risks are well mitigated, as well as continue our commitment towards upholding good corporate governance and complying with all best practices, as well as safeguarding the interests of all employees and stakeholders.

Long-Term Priorities

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

OUR STRATEGIC ROADMAP

QUALITY PRODUCTS & PEOPLE



DEVELOP A SKILLED WORKFORCE

Key Action Plan

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 external environment and customer demands

Key Indicators

- Number of staff trained
- Average training hours/employee

2022 Key Initiatives

- Encouraged knowledge sharing between Management, in-house specialists and subject-matter experts
- Continued to roll-out the People Transformation Accelerator Programme

2022 Achievements

- Conducted an average of 4.6 training hours per employee
- Collaborated with HRD Corp to provide free access to 300 courses via the e-Latih digital learning platform for self-paced and flexible learning
- 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 & Development Plans for high performing talents, aimed at narrowing skills gaps to equip future leaders as part of the Group’s Succession Planning
- Conducted 28 People Transformation Accelerator Programme (PTAP) workshops attended by 653 employees and three (3) Light & Easy sessions between the Senior Management team and employees to sustain organisational transformation

Short-To-Medium-Term Priorities

We will continue to focus on our talent development and succession planning initiatives, including Individual Development Plans, with the aim of building 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 and engaged workforce, that is nimble and can adapt to changing environments to ensure smooth and sustainable business operations. To become a trusted employer and an employer of choice.

Linked to

Capitals:



Material Matters:

ETHICS & PRINCIPLES	PRODUCT QUALITY & RESPONSIBILITY	ECONOMIC & BUSINESS PERFORMANCE	INDIRECT ECONOMIC IMPACTS	RESPONSIBLE PROCUREMENT & SUPPLIER ASSESSMENT	HEALTH & SAFETY	EMPLOYEE ENGAGEMENT & WELL-BEING	CUSTOMER ENGAGEMENT	DIVERSITY & EQUAL OPPORTUNITY
LABOUR PRACTICE	HUMAN RIGHTS	MATERIALS MANAGEMENT	SUSTAINABLE CONSTRUCTION	WASTE	CLIMATE TRANSITION RISK	PHYSICAL CLIMATE RISK	GHG EMISSIONS	BIODIVERSITY

5-YEAR GROUP FINANCIAL HIGHLIGHTS

	2018	2019	2020 (Restated)	2021	2022
FINANCIAL RESULTS (RM' MILLION)					
Revenue	1,871	1,319	1,199	1,448	3,205
Gross Profit	373	298	253	180	446
Profit/(loss) before taxation	123	53	(154)	61	154
Profit/(loss) after taxation	103	19	(177)	7	54
Profit/(loss) attributable to equity holders	101	24	(177)	16	65
FINANCIAL POSITION (RM' MILLION)					
Total cash & bank balances and investment securities	552	517	842	680	593
Total assets*	8,342	8,448	8,314	9,205	9,229
Total borrowings	1,491	1,828	1,933	1,932	2,057
Total net assets*	4,832	4,765	4,551	4,513	4,531
Share capital	4,318	4,332	4,332	4,356	4,356
Total equity*	4,900	4,796	4,561	4,540	4,537
FINANCIAL RATIOS					
Basic earnings/(loss) per share (sen)	2.30	0.54	(4.02)	0.36	1.45
Return on average shareholders' funds (%)	2	0	(4)	0	1
Return on total net assets (%)	2	1	(4)	0	1
Share price at year end (RM)	0.62	0.73	0.48	0.36	0.295
Price earning ratio (times)	26.74	135.19	(11.94)	100.00	20.34
Dividend per share (sen)	1.75	1.00	1.00	1.00	1.00
Dividend yield (%)	2.8	1.4	2.1	2.8	3.4
Net assets per share attributable to equity holders* (RM)	1.10	1.08	1.03	1.01	1.01
Net gearing ratio (times)	0.19	0.27	0.24	0.28	0.32
Market capitalisation (RM' Million)	2,703	3,221	2,118	1,608	1,318
Average shareholders' funds* (RM' Million)	4,825	4,799	4,658	4,532	4,522
Weighted average no. of shares (No. of shares' Million)	4,392	4,406	4,412	4,447	4,468
Share capital (No. of shares' Million)	4,395	4,412	4,412	4,468	4,468
BANK BORROWINGS (RM' MILLION)					
Bank borrowings	1,491	1,828	1,326	523	646
Sukuk	-	-	607	1,409	1,411
Total borrowings	1,491	1,828	1,933	1,932	2,057
Less:					
Total cash & bank balances and investment securities	(552)	(517)	(842)	(680)	(593)
Total net borrowings	940	1,311	1,091	1,252	1,464

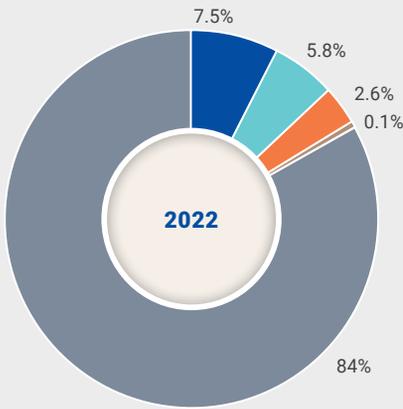
* restated figures for FY2019

5-YEAR GROUP FINANCIAL HIGHLIGHTS

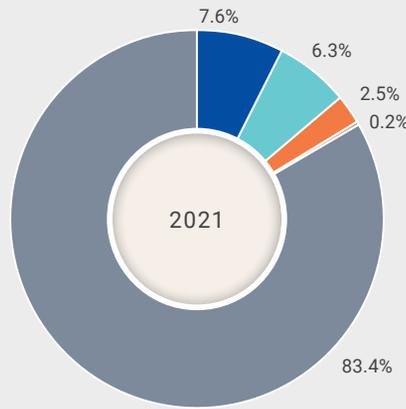


SIMPLIFIED STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS



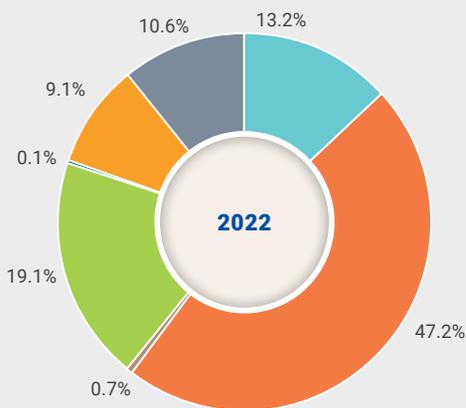
RM9,228,640



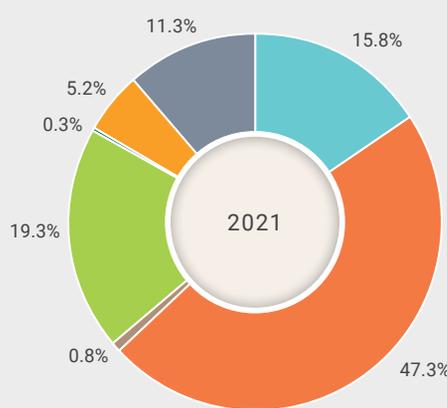
RM9,205,458

- Property, Plant and Equipment
- Cash and Cash Equivalents
- Long Term Receivables
- Tax Recoverable
- Others

TOTAL LIABILITIES & EQUITY



RM9,228,640



RM9,205,458

- Reserves
- Non-Current Borrowings
- Share Capital
- Deferred Tax Liabilities
- Trade and Other Payables
- Non-Controlling Interest
- Current Borrowings
- Others Liabilities

GROUP SEGMENTAL FINANCIAL POSITION

RM' MILLION	2018	2019	2020 (restated)	2021	2022
REVENUE					
Property development & investment	1,043	567	635	498	915
Engineering, construction & environment	759	679	515	903	2,234
Facilities management & parking	53	54	43	35	46
Others	16	19	6	12	10
Total Revenue	1,871	1,319	1,199	1,448	3,205
OPERATING PROFIT/(LOSS) BY SEGMENT**					
Property development & investment	98	77	63	153	177
Engineering, construction & environment	56	23	(174)	(41)	70
Facilities management & parking	6	6	7	(1)	(1)
Others	(5)	(4)	1	6	(5)
Total Segment Results	155	102	(103)	117	241

** Earnings before interest, tax and unallocated corporate expenses

GROUP QUARTERLY FINANCIAL POSITION

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

2021 RM' MILLION For the period ended	First Quarter 31/3/2021	Second Quarter 30/6/2021	Third Quarter 30/9/2021	Fourth Quarter 31/12/2021	2021 YTD
Revenue	226	226	138	858	1,448
Profit/(loss) before taxation	5	(38)	(30)	124	61
Profit/(loss) after taxation	4	(39)	(32)	74	7
Profit/(loss) attributable to equity holders	5	(32)	(32)	75	16
Basic earnings/(loss) per share (sen)	0.12	(0.72)	(0.72)	1.68	0.36
Dividend per share (sen)	-	-	-	1.00	1.00
Net assets per share attributable to equity holders (RM)	1.03	1.02	1.00	1.01	1.03

STATEMENT OF VALUE ADDED

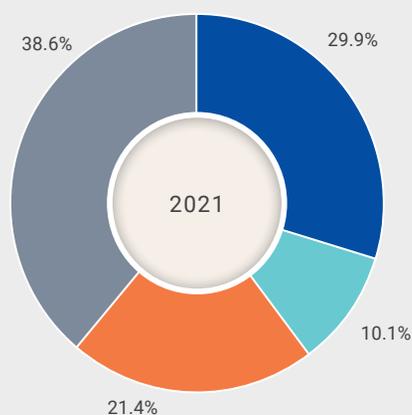
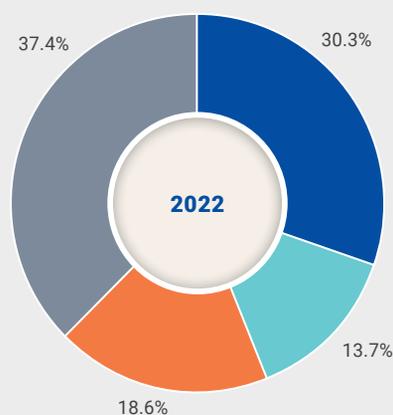
VALUE ADDED

RM' MILLION	2021	2022
Total revenue	1,448	3,205
Direct and indirect costs	(1,502)	(3,018)
Value added from operation	(54)	187
Other operating income	29	24
Share of results of associates	17	10
Share of results of joint ventures	14	(5)
Finance income	10	18
Total value added	16	234

DISTRIBUTION ADDED

RM' THOUSAND	2021	2022
Staff costs	173,266	215,031
Government and Society (Corporate Taxation and CSR Expenses)	58,504	97,179
Providees of Capital		
Dividends declared	44,675	44,675
Finance costs	88,698	99,057
Non-controlling interest	(9,116)	(11,302)
	124,257	132,430
Reinvestment and Future Growth		
Retained earnings, depreciation and amortisation	224,297	265,871
Total value distributed	580,324	710,511

DISTRIBUTION ADDED



- Employees (Staff costs)
- Government and Society
- Providers of Capital
- Reinvestment and Future Growth

2022 FINANCIAL CALENDAR

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS



28 February 2022

FOURTH QUARTER

Ended 31 December 2021

31 May 2022

FIRST QUARTER

Ended 31 March 2022

30 August 2022

SECOND QUARTER

Ended 30 June 2022

30 November 2022

THIRD QUARTER

Ended 30 September 2022

DIVIDENDS



First and Final Single Tier Dividend of

1 SEN

per Ordinary Share for the Financial Year

31 December 2021

Announcement Date

**28 FEBRUARY
2022**

EX Date

**27 APRIL
2022**

Entitlement Date

**28 APRIL
2022**

Payment Date

**20 MAY
2022**

ANNUAL GENERAL MEETING



MRCB's

51ST ANNUAL GENERAL MEETING

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

Notice Date

29 APRIL 2022

Meeting Date

2 JUNE 2022



An artist's impression of The Symphony Centre in Auckland, New Zealand (GDV: NZD452 million)

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT



MRCB, through our flagship and award-winning Kuala Lumpur Sentral CBD project, pioneered Green buildings and Transit Oriented Development (TOD) in Malaysia. Our developments successfully integrate living and working spaces, comprising retail, office, hotel and residential components, and are designed to increase productivity and connectivity while ensuring they are sustainable. Our role as a TOD developer naturally incorporates sustainability, as these developments are designed to encourage people to use urban mass transport infrastructure for commuting, thus taking motor vehicles off the roads and reducing carbon emissions.

In enhancing the public’s commuting experience, we also focus on connectivity and convenience, paying particular attention to integrating our developments with existing highways and public transportation. We have five TODs, namely KL Sentral, PJ Sentral Garden City, Penang Sentral, Kwasa Sentral and Cyberjaya City Centre, which account for 78% of the gross development value (GDV) of all our property developments.

In designing buildings, we also make conscious efforts to ensure we design green, environmentally friendly buildings that comply with the standards set by local and international green building certification bodies such as the ISO 14001 certification, Malaysia’s Green Building Index (GBI), US-based Leadership in Energy and Environmental Design (LEED) and Singapore-based Building Construction Authority (BCA) Green Mark.

Our projects are developed with the aim of creating value for our stakeholders, and we ensure that we create solutions that help generate economic multipliers and social growth, primarily through the distribution of profits and job creation. To see how the Property Development & Investment Division creates value for our stakeholders, please refer to the Stakeholder Engagement & Value Creation section on pages 46 - 55 and the Strategic Roadmap on pages 82 - 89 of this Integrated Annual Report.



KEY HIGHLIGHTS IN 2022

REVENUE RM914.6 Million	UNBILLED PROPERTY SALES RM533.5 Million	PROPERTY SALES RM478.1 Million	SENTRAL REIT & SENTRAL REIT MANAGEMENT PROFIT CONTRIBUTION RM14.9 Million	
LAND BANK 1,153 Acres	GDV OF LAND BANK RM33 Billion	% GDV FROM TODs 78%	DAILY AVERAGE PEDESTRIAN TRAFFIC (KL SENTRAL) 200,000	DAILY AVERAGE PEDESTRIAN TRAFFIC (PENANG SENTRAL) 23,000

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT



*PJ Sentral
Garden City*

2022 PERFORMANCE

The Property Development & Investment Division recorded an 84% increase in Revenue to RM914.6 million in 2022 largely due to more normalised operations after two years of COVID-19 related disruptions, which resulted in increased revenue recognition from construction progress and a recovery in property sales compared to 2021, which was severely impacted by construction site closures.

There was also a strong recovery in sales of completed unsold inventory as well as units from ongoing property development projects still under construction as the economy re-opened and began to normalise. However this was limited to sales from the domestic market as sales to foreign purchasers remained almost non-existent.

While 1060 Carnegie, the Group's property development project in Melbourne, drove much of the revenue in 2020 and 2021, in 2022 there were only six remaining units left to be sold, of which five were sold. As such, revenue was mainly contributed by the Division's two largest property development projects, Sentral Suites in KL Sentral which has a GDV of RM1.6 billion and TRIA 9 Seputeh in Jalan Klang Lama with a GDV of RM0.9 billion. Other revenue contributions came from the sale of completed units at VIVO 9 Seputeh, as well as recurring rental income from the Group's investment properties, such as Celcom Tower in PJ Sentral Garden City.

As a whole, the Division contributed 29% towards the Group's revenue in 2022, compared to 34% in the previous year.

The Division recorded a profit of RM176.7 million in 2022, compared to RM153.4 million in 2021, contributed mainly by our Sentral Suites and TRIA 9 Seputeh developments, achieving higher construction progress of 89% and 88% respectively. An inherent characteristic of our business is that revenue and profit recognition are reliant not just on the percentage or number of units sold, but also on the progress of construction. Unlike township developers building low-rise residential properties, in our high-rise residential projects, the substructures, basement carpark and podium levels need to be built first, before the residential units can be constructed and meaningful revenues and profits can be recognised. Our two largest developments, Sentral Suites in KL Sentral and TRIA 9 Seputeh had reached sales rates of 85% and 54%, respectively as at 31 December 2022.

In addition, profit for the year was also bolstered by a RM18 million contribution from the value of the remaining balance of land in Simpang Pulai injected into Seri Iskandar Development Corporation (SIDEK) as part of the settlement signed with Perbadanan Kemajuan Negeri Perak (PKNP) in 2021. This brings the total land size we own in Simpang Pulai to 810.57 acres. This 810.57-acre land was launched in 2022 as Ipoh Raya Integrated Park, a bespoke and sustainable fully integrated logistics park to be developed over six phases. The Ipoh Raya Integrated Park marks MRCB's first major venture in the industrial and logistics market, diversifying our business away from our traditional focus on green high-rise commercial and residential Transit Oriented Developments within the Klang Valley. It is also envisioned to strengthen the industrial corridor within the region as it will feature an agro-based industrial hub, a logistics hub, three managed parks, as well as accommodation, commercial elements to serve the local community working there, and technical and vocational education and training facilities.

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

In 2022, we successfully launched Lilium in Bandar Seri Iskandar, a 90-unit, double-storey development with a GDV of RM32 million. We also focused on marketing our existing inventory of completed unsold units of RM227.0 million and the unsold units from our developments still under construction, which totalled RM476.3 million as at 31 December 2022.

We continued to see strong demand for our products, which was a testament to our unique selling proposition that integrates sustainable living and working spaces around strategically located transportation hubs. While high sales cancellation rates continued to be observed as buyers faced affordability and other challenges in securing the margin of financing they required from banks, exacerbated further by rising interest rates during the course of 2022, the Division managed to record a 54% increase in its sales in 2022 as the economy opened up and improved, having benefitted from the pent-up demand built up during

the pandemic. As part of our efforts to replace sales of cancelled units, we developed effective marketing campaigns which included competitively pricing our properties and introducing new promotions. We also continued digital marketing efforts to expand our reach, driven by online and new media campaigns that leveraged on virtual and video technology to complement our physical sales galleries. As a result, RM478.1 million worth of property sales were achieved in the year.

A key strategy in 2022 was diversifying away from commercial and residential developments by entering new segments and continuing our expansion overseas. During the year, we successfully launched the 810.57-acre Ipoh Raya Integrated Park in Perak, which marks our entry into the industrial and logistics development segment. We also successfully completed the acquisitions of 0.766 acres of prime land in the Gold Coast, Australia, and Bledisloe House in Auckland, New Zealand.

SALES

Project	Total Project GDV (RM' Million)	% Sales Achieved* as at 31 Dec 2022	Sales** Breakdown in 2022 (RM' Million)
Completed Projects			
VIVO 9 Seputeh - Residential	982	84%	6.4
VIVO 9 Seputeh - Commercial (incl. retail car park)	266	87%	209.3
Kalista, Bukit Rahman Putra	102	91%	5.3
1060 Carnegie - Residential	296	100%	8.8
1060 Carnegie - Commercial	29	56%	0.0
St. Regis	164	32%	22.1
Ongoing Projects			
TRIA 9 Seputeh	939	54%	100.2
Sentral Suites - Residential	1,535	85%	53.4
Sentral Suites - Commercial	102	37%	18.0
Alstonia, Bukit Rahman Putra	248	52%	43.6
Amaryllis, SIDEC	17	96%	0.0
Lilium, SIDEC	32	34%	11.0
Total	4,712		478.1

Note:

* % Sales Achieved are 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 are the total value of SPAs signed and stamped YTD.

OUR PERFORMANCE:
PROPERTY DEVELOPMENT & INVESTMENT

UNBILLED SALES

As at 31 December 2022, MRCB had unrecognised future revenue or unbilled sales worth RM533.5 million from its Property Development & Investment Division, which will be recognised progressively as revenue in tandem with construction progress.

Project	Construction Progress (%)	Revenue Recognised* in 2022 (RM' Million)	Unbilled Sales** (RM' Million)
Residential			
Sentral Suites	 88.9%	316.0	290.8
TRIA 9 Seputeh	 88.4%	147.5	174.9
Alstonia, Bukit Rahman Putra	 55.0%	37.3	43.3
Amaryllis, SIDEC	 87.2%	9.0	3.2
Lilium, SIDEC	 5.1%	0.5	10.5
Commercial			
Sentral Suites	 87.7%	26.7	10.8
Total		537.0	533.5

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.

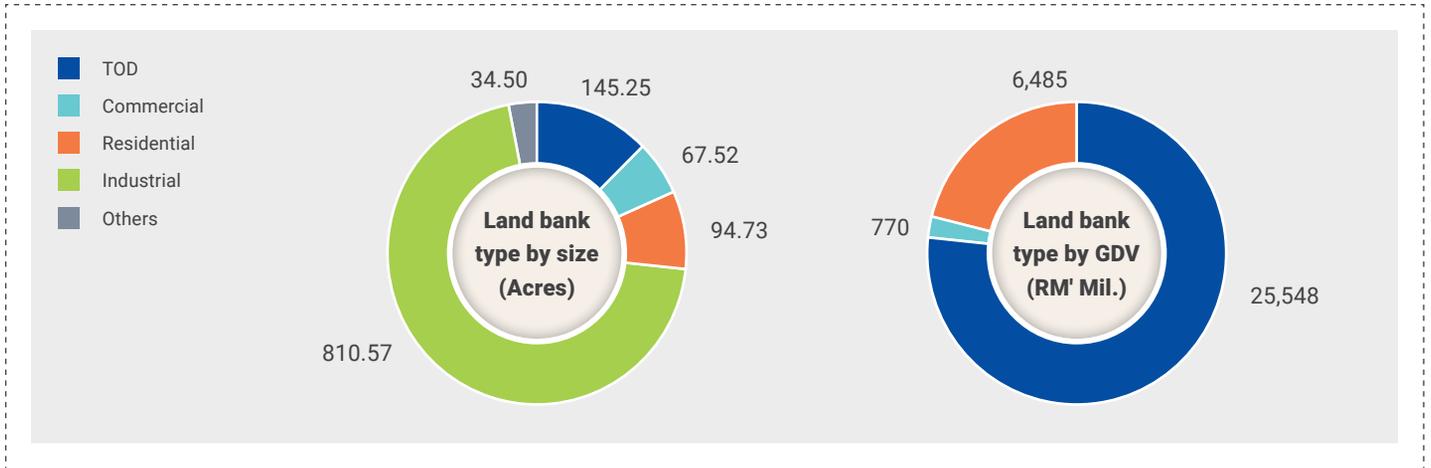
OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

OUR LAND BANK

As historically a predominantly urban property developer specialising in high-rise developments, the structure of MRCB's land bank has changed significantly over the past year, following the injection of 810.57 acres in Simpang Pulai, Perak. The land bank has a total gross development value (GDV) of RM33 billion, and excluding the land located in Perak, is mostly located in strategic urban areas mainly in the Klang Valley. This land bank will provide MRCB with at least a decade's worth of revenue from the Division.

	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
Sentral Suites	4.75	1,636	100%	2016	2023
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	1,200	100%	2023	2025
Total	94.73	6,485			
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	1,152.57	32,803			

OUR PERFORMANCE:
PROPERTY DEVELOPMENT & INVESTMENT



KEY STRATEGIES AND INITIATIVES



STRENGTHEN CORE FOR SUSTAINABLE RETURNS

Key Action Plan



Key Initiatives

- Launched new developments
- Strategically expanded land bank

Outcomes

- Achieved total property sales of RM478.1 million in 2022
- Continued to monetise our completed unsold stock, of which RM251.9 million was sold in 2022
- Launched the first phase of our 810.57-acre Ipoh Raya Integrated Park
- Launched Lilium in Bandar Seri Iskandar, with a GDV of RM32 million
- Acquired 22.07 acres of land in Samarahan
- Purchased 0.766 acres of prime land on the Gold Coast, Australia, with a GDV of AUD391 million
- Acquired Bledisloe House, an existing building located in the Aotea precinct in New Zealand, to be refurbished with a GDV of NZD137 million



TECHNOLOGY ADOPTION & INNOVATION

Key Action Plan



Key Initiatives

- Adopted digital marketing strategies

Outcomes

- Recorded over 5,600 virtual viewings of Sentral Suites in KL Sentral, the 9 Seputeh developments in Jalan Klang Lama and Alstonia in Bukit Rahman Putra

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

DIVERSIFICATION & OPERATIONAL EXPANSION

GEOGRAPHICAL
EXPANSION

ENTER INTO
NEW MARKETS

Key Action Plan

Key Initiatives

- Increased presence in Australia and New Zealand
- Continued to expand and diversify into new areas outside of MRCB's existing areas of focus

Outcomes

- Purchased 0.766 acres of prime land on the Gold Coast, Australia, with a GDV of AUD391 million
- Acquired Bledisloe House, an existing building located in the Aotea precinct in New Zealand, to be refurbished with a GDV of NZD137 million
- Launched the 810.57-acre Ipoh Raya Integrated Park, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak, and currently in discussions with multiple MNCs to provide industrial property/logistics and fulfillment solutions
- Signed an agreement with a Fortune 500 MNC to develop a production facility in Perlis

QUALITY PRODUCTS & PEOPLE

UPHOLD GOOD
CORPORATE
GOVERNANCE

DEVELOP
A SKILLED
WORKFORCE

Key Action Plan

Key Initiatives

- Ensured the completion of project milestones in a safe and timely manner
- Strengthened branding of MRCB Land through engagement activities such as engagement sessions with residents and purchasers of MRCB's properties

Outcomes

- Reached finishing works for Sentral Suites in KL Sentral and TRIA 9 Seputeh in Jalan Klang Lama
- Began foundation works for Lilium in Bandar Seri Iskandar
- Achieved an 85% Overall Purchaser Satisfaction Survey Score for 1060 Carnegie in Melbourne, Australia

CHALLENGES & RISKS

Risks	Mitigation Strategies	Results
Movement restrictions in the past led to delays in construction progress and a decline in physical property viewings	Defer planned launches and apply to the Ministry of Housing and Local Government for an extension of time to deliver vacant possession under the COVID-19 Bill	Obtained an extension of time to deliver vacant possession for Alstonia in Bukit Rahman Putra, Sentral Suites in KL Sentral and TRIA in 9 Seputeh
Affordability issues faced by potential property buyers led to lower sales	Competitively priced our properties and introduced new promotions, as well as continued digital marketing efforts to expand our reach	<ul style="list-style-type: none"> 85% sales rate for residential units in Sentral Suites 100% sales rate for residential units in 1060 Carnegie in Melbourne, Australia 54% sales rate for TRIA in 9 Seputeh

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

OUTLOOK & PROSPECTS

1. PIPELINE OF PROJECTS & SUSTAINABLE RETURNS

Key Action Plans



UNSDGs



In 2023, revenue and profits will be progressively recognised from the Sentral Suites and TRIA 9 Seputeh property developments, which form the bulk of the RM533.5 million worth of unbilled and unrecognised sales revenue.

Revenue Recognition from Existing Projects

The focus in 2023 will continue to be on selling our inventory of unsold completed units, which stood at RM227.0 million at the end of 2022. However, sales of completed units is expected to remain slow as almost all the remaining completed unsold units are the Bumiputera-designated units at VIVO 9 Seputeh, although we have obtained the release for some units from their Bumiputera classification and continue to appeal for the release of remaining units to be sold into the broader market. Sales at Sentral Suites, which is 85% sold and 89% constructed, are also slowing for the same reason, as most of the units remaining are the Bumiputera units. While regulations dictate we can apply for a reclassification of these units after construction progress has hit 50%, only 30% of the Bumiputera units can be reclassified, and the process is lengthy.

New Development Projects in 2023

Additionally, we are earmarking the launch of several new development projects that should begin generating revenues in 2024 and beyond, subject to prevailing property market conditions. These also include our projects in Australia and New Zealand, which are slated to begin development between 2023 and 2024.

TOTAL GDV OF
PROJECTS UNDER CONSTRUCTION

RM2.9
Billion

INVENTORY OF COMPLETED
UNSOLD UNITS

RM227.0
Million

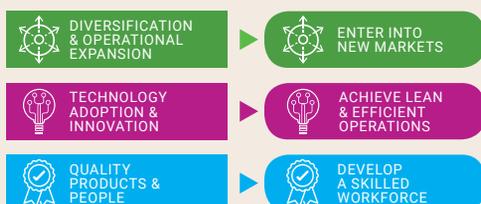
2023 Launches	GDV (RM' Million)	Units
VISTA, Surfer's Paradise, Gold Coast	~1,200 (AUD391 mil)	280
Kwasa Sentral Plot F (Residensi Tujuh)	329	573
Total 2023	1,529	853
2024 Launches	GDV (RM' Million)	Units
Bukit Jalil Sentral, Phase 1A & 1B	808	1,200
The Symphony Centre, Auckland	~1,300 (NZD452 mil)	77
Lot J, KL Sentral	229	266
Tower 5, PJ Sentral	486	340
Total 2024	2,823	1,883

While we aim to sell RM500 million worth of properties in 2023, the Group remains cognisant of any external developments that could adversely affect sales. We will continue to closely monitor conditions in the broader economy and property market, revising our marketing strategies and sales targets accordingly, including reviewing future launches if conditions dictate.

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

2. COMPETITIVE ADVANTAGE & INNOVATIVE SOLUTIONS

Key Action Plans



UNSDGs



With TODs making up 78% of the GDV of our property development land bank and developments spanning into the next decade, we will continue to generate long-term revenue due to attractive demand for integrated residential and commercial developments anchored around transportation hubs. With increasingly discerning consumers, we also continue to take proactive measures to understand our customers' needs and desires through various stakeholder engagement activities and address these by developing products that meet consumer tastes and demands, including incorporating more sustainability and green elements.

The past decade has shown a change in Malaysia's age structure, and forecasts indicate that by 2030, over 15% of the population will be made up of those older than 65 years of age. Apart from the expected increase in the aged population, the aged are also living longer, as evidenced by increases in life expectancy. This phenomenon will escalate the need for aged-care solutions. MRCB continues to study building affordable high-rise units specially built to assist the elderly - from safety features to proximity to healthcare and other essential amenities. To date, we have identified sites to pursue this initiative and will continue to work towards developing partnerships to materialise this strategy. Similarly, we are aware that young professionals find it difficult to afford property. However, we also realise that for these young professionals, smaller unit sizes and accessibility to their workplace and public transportation are a priority, and MRCB is able to meet these demands through our TODs. To ensure affordability, we are designing units ranging from 170 sq. ft. to 500 sq. ft. with shared amenities and access to various attractive lifestyle components, with an emphasis on sustainability.

By understanding our consumers and changing market trends, we will continue to offer catalytic developments that help address our clients' needs and spur demand for our products.

Breakdown of Our Land Bank

Developments	Land Size (Acres)	GDV (RM' Million)
Transit Oriented Developments	145.25	25,548
Commercial	67.52	770
Residential	93.96	5,285
International	0.77	1,200
Industrial	810.57	TBD
Others	34.50	TBD
Grand Total	1,152.57	32,803

OUR PERFORMANCE: PROPERTY DEVELOPMENT & INVESTMENT

3. DIVERSIFYING INTO NEW MARKETS & PRODUCTS

Key Action Plans



UNSDGs



Moving forward, we will explore new strategic alliances with diverse partners that are knowledgeable in a wide range of fields. This includes collaborating with experts in retail, healthcare, hospitality, education, industrial/logistics development and more. We will form partnerships that will allow the Group to monetise its own land or establish joint ventures.

We will also seek joint ventures to diversify our land bank and strengthen our international presence. With our growing track record in Australia, we believe this market offers good growth prospects, given our understanding of it and our success operating in it over a number of years. Our subsidiary, MRCB Australia Holding Company Pty Ltd (MAH), which has successfully undertaken small to medium scale property projects, including the recently completed 1060 Carnegie development 10 km outside Melbourne CBD, will, over the next three to four years, expand its development activities with medium scale projects in other locations in Australia. An example is the acquisition of 0.766 acres of prime land in the Gold Coast, Australia in 2022, and the natural progression to expand into New Zealand through the successful tender award to develop The Symphony Centre in Auckland which will commence in 2024, as well as the acquisition of Bledisloe House where redevelopment / refurbishment will also begin in 2024. Profits generated by MAH will be reinvested to ensure a steady pipeline of developments, providing a more consistent flow of revenue for the Group, diversifying its present predominantly Malaysian revenue and profit focus.

We also plan to explore more niche markets to address an evolving and more sophisticated market. This includes new products like co-living, co-working and assisted living, as well as exploring modular applications using our MBS technology to develop low-cost and affordable housing, and possibly other products in the public sector, such as hospitals, police and army accommodation and prisons, where speed of construction is a client priority.

In diversifying away from commercial and residential developments, we have also launched the 810.57-acre Ipoh Raya Integrated Park in Perak, which is 14 km from the city of Ipoh and located next to the Simpang Pulai Rest & Recreation stop along the North-South Expressway. This land will lay the groundwork for our entry into the industrial and logistics development segment moving forward, a segment of the market which we believe will be in much demand over the next few years by multinational corporations looking for large, strategically located, bespoke developments meeting their sustainability requirements.

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT



MRCB, through its Engineering, Construction & Environment Division, is the largest Bumiputera construction company in Malaysia with an enviable track record for constructing rail and road transportation infrastructure; complex construction projects such as stadiums, arenas and hospitals; high voltage power transmission projects; and the rehabilitation of rivers and flood mitigation of coastal areas. We have played a huge role in Malaysia's nation building and are at the forefront of many national projects, be it in improving connectivity through the Light Rail Transit (LRT) and Mass Rapid Transit (MRT) rail lines, key highway projects, or placing Malaysia on the world stage through the award-winning refurbishment of the Kuala Lumpur Sports City in Bukit Jalil.

We work closely with our clients to ensure we create value and solutions that catalyse economic and social growth. To see how the Engineering, Construction & Environment Division creates value for its stakeholders, please refer to our Stakeholder Engagement & Value Creation on pages 46 - 55 and Strategic Roadmap on pages 82 - 89 of this Integrated Annual Report.

We are also committed to providing a safe work environment and are certified with Quality Management Systems ISO 9001:2015, Environmental Management Systems ISO 14001:2015 and Occupational Health & Safety ISO 45001:2018. Apart from developing infrastructure and complex structures for external clients, the Division also constructs innovative and sustainable world-class commercial and residential buildings for MRCB's Property Development & Investment Division.



An interior shot of MRCB's first green office project, Platinum Sentral in KL Sentral CBD

OUR PERFORMANCE:
ENGINEERING, CONSTRUCTION & ENVIRONMENT

2022 PERFORMANCE

The Engineering, Construction & Environment Division recorded revenue of RM2.2 billion and operating profit of RM70.0 million in 2022, mainly due to significantly improved operating conditions compared to 2021, which was impacted by the different phases of Movement Control Orders and mandated lockdowns, shortages of foreign labour and construction site closures that affected construction progress, as well as a full year contribution from the 100% consolidation of the LRT3 project company Setia Utama LRT3 Sdn Bhd (SULSB).

The LRT3 project achieved its targeted physical construction progress of 81% and recorded financial progress of 75% despite labour and materials shortages that plagued the construction sector in 2022. Revenue was also contributed from the construction of the Mass Rapid Transit 2 Package V210 (MRT2) and Damansara-Shah Alam Elevated Expressway Package CB2 (DASH), Sungai Besi-Ulu Kelang Elevated Highway Package CA2 (Suke) and the PR1MA Brickfields construction project. However, apart from LRT3, revenue recognition from these projects was lower as most of them were

large infrastructure construction projects entering their final phases of construction, a period when recognition of revenue and profits begins tapering off.

With construction progress being severely impacted by COVID-19 related construction site closures in 2020 and 2021, the completion of the Sungai Besi-Ulu Kelang Elevated Expressway (Suke) was delayed to the first quarter of 2023. Meanwhile, construction of the 37 km LRT3 line remains on track to be completed in 2024.

KEY HIGHLIGHTS IN 2022

REVENUE

RM2,233.6
Million

OPEN TENDERS

RM30
Billion

EXTERNAL CLIENT
ORDER BOOK

RM26.3
Billion

UNBILLED
ORDER BOOK

RM17.4
Billion

% INFRASTRUCTURE
PROJECTS IN EXTERNAL
CLIENT ORDER BOOK

44%

VALUE OF COMPLETED
PROJECTS IN 2022

RM1,023.5
Million

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

Project	Original completion date	Revised completion date in 2021	Revised completion date in 2022
1 SUKE	2Q2020	2Q2022	1Q2023
2 LRT3	2024	2024	2024

During the year, the Division completed the construction and commissioning of a 500kV Transmission Line from Jabi in Segamat to Seriting in Jempol, the Mass Rapid Transit Line 2 Package V210 (MRT2) and the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH). The completion of DASH benefits over 40 residential areas, providing better connectivity to key destinations and enabling commuters to shave more than half of their travel times.

Overall, the COVID-19 pandemic greatly impacted the roll-out of mega and catalytic infrastructure development projects, and there had been a dearth of new major projects put out to tender during that period. Nevertheless, in 2022 the Division was awarded the Muara Sg. Pahang Phase 3 coastal flood mitigation project worth RM380 million and by the end of year had tendered for projects valued at RM30 billion. However, this excluded project tenders already won but where the project's value has yet to be confirmed, such as the Shah Alam Stadium rebuilding project. By the end of 2022, The Division's long-term external client order book was RM26.3 billion with 44% of the order book consisting of infrastructure projects and 48% consisting of very long-term TOD projects, while the unbilled portion was RM17.4 billion.

EXTERNAL CLIENT CONSTRUCTION ORDER BOOK

MRCB has one of the largest external client construction order books in the industry, which will contribute a steady stream of revenue over the long-term.

External Contracts	Contract Value (RM' Million)	Financial Progress (%)
Buildings:		
PR1MA Brickfields	276	50%
FINAS	170	13%
Infrastructure:		
SUKE - CA2 Package	317	85%
LRT3	11,372	75%
Transit Oriented Development (TOD) projects:		
Bukit Jalil Sentral (provisional contract costs)	10,116	0%
Kwasa Utama C8 (provisional TCC)	2,478	0%*
Environment:		
Muara Sg. Pahang Phase 3	380	0%
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	26,330	

Note:

* Refers only to the remaining RM2.5 billion of the total contract value that has not yet been awarded.

OUR PERFORMANCE:
ENGINEERING, CONSTRUCTION & ENVIRONMENT

COMPLETED PROJECTS IN 2022



Mass Rapid Transit Line 2

MRT2 Package V210

Client:

Mass Rapid Transit Corporation Sdn Bhd (MRT Corp.)

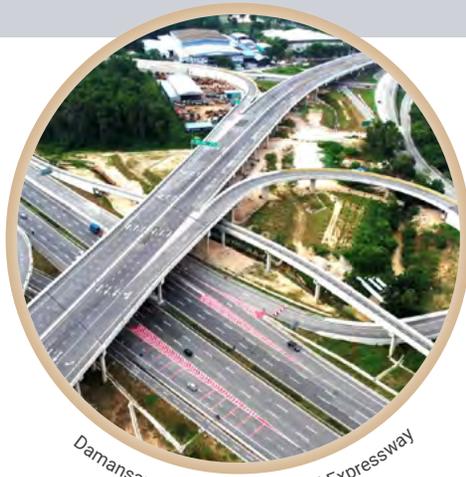
Description:

An infrastructure project for the construction of a viaduct for MRT Line 2 from Sungai Buloh to Serdang and Putrajaya.

Project Value

RM497
Million

UNSDGs



Damansara-Shah Alam Elevated Expressway

Damansara-Shah Alam Elevated Expressway Package CB2 (DASH)

Client:

Projek Lintasan Kota Holdings Sdn Bhd (Prolintas)

Description:

A 20.1 km, three-lane, dual carriageway expressway that begins at the Puncak Perdana, Shah Alam intersection that covers Shah Alam, Subang, Kota Damansara and Damansara areas.

Project Value

RM400
Million

UNSDGs



Transmission Line from Jabi to Serting

500kV Transmission Line from Jabi to Serting

Client:

Tenaga Nasional Berhad

Description:

The construction and commissioning of a double circuit 500kV overhead transmission line from Mukim Jabi, Segamat to Mukim Serting Hilir, Jempol.

Project Value

RM126.5
Million

UNSDGs



OUR PERFORMANCE:
ENGINEERING, CONSTRUCTION & ENVIRONMENT

PROJECTS AWARDED THE SAFETY HEALTH ASSESSMENT SYSTEM IN CONSTRUCTION (SHASSIC) RATING

SHASSIC is an independent method undertaken by the Construction Industry Development Board (CIDB), regulator of the construction industry in Malaysia, to assess and evaluate safety and health practices and the performance of contractors at construction sites.

SENTRAL SUITES

3 Star SHASSIC Rating ★★ ★



Interior of Sentral Suites in KL Sentral CBD

Description:

Located in close proximity to KL Sentral CBD, Sentral Suites comprises 1,434 serviced apartments within three 43-storey high-rise residential towers.

Project Value

RM1,535
Million

UNSDGs



ALSTONIA

4 Star SHASSIC Rating ★★ ★★ ★



Poolside of the Alstonia Hilltop Homes, Bukit Rahman Putra

Description:

Alstonia Hilltop Homes is a low density development with an exclusive 31 Villa units and 214 condominium units. It is located at Bukit Rahman Putra, Sungai Buloh and is only 10 minutes away from PJ and Kepong.

Project Value

RM248
Million

UNSDGs



OUR PERFORMANCE:
ENGINEERING, CONSTRUCTION & ENVIRONMENT

KEY STRATEGIES AND INITIATIVES



STRENGTHEN CORE FOR SUSTAINABLE RETURNS

Key Action Plan



Key Initiatives

- Continued to tender for infrastructure projects
- Ensured the completion of project milestones

Outcomes

- Open tenders worth RM30 billion as at 31 December 2022
- Continued direct discussions with clients for projects such as the redevelopment of the Shah Alam Stadium project
- LRT3 project achieved physical project completion of 81% and financial project completion of 75%
- Completed the MRT2 Package V210 project valued at RM497 million
- Completed the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH) project valued at RM400 million
- Completed the 500kV transmission line from Jabu to Seriting valued at RM126.5 million



DIVERSIFICATION & OPERATIONAL EXPANSION

Key Action Plan



Key Initiatives

- Brought MBS to market
- Explored partnerships to successfully penetrate new market segments in the long run

Outcomes

- Began development of MBS show apartment
- Successfully patented our MBS technology in 11 countries, with our patent pending in another 19 countries, which will allow us to license MBS to other construction companies and provide a new source of revenue streams
- Formalised a technology partnership and in advanced negotiations for a waste-to-energy (WTE) service agreement



TECHNOLOGY ADOPTION & INNOVATION

Key Action Plan



Key Initiatives

- Developed strategies to reduce operational costs in the long run
- Showcased MBS to investors, fund managers, analysts and Government officials through two (2) MBS-specific engagement sessions

Outcomes

- Continued the full adoption of a digital construction project management platform to improve efficiencies
- Continued roll-out, data migration and User Acceptance Testing of new ERP platform to drive more efficiencies and cost savings
- Continued plans to develop Residensi Tujuh and the MBS show apartment at Kwasa Sentral using MBS technology

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT



QUALITY PRODUCTS & PEOPLE

Key Action Plan



Key Initiatives

- Organised regular toolbox talks to educate site workers and employees on best practices of HSE
- Streamlined operations through the adoption of ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007
- Safeguarded the well-being of labourers and employees at our construction sites
- Conducted safety and health trainings for 507 people consisting of employees, site workers and sub-contractors

Outcomes

- Achieved 72% SHASSIC Score (3-Star Rating) for our Sentral Suites development in KL Sentral and 87% (4-Star Rating) for our Alstonia development
- Received Certificate of Completion & Compliance (CCC) for our completed projects, which include the EPF Headquarters and the MBSB Bank office tower in PJ Garden Sentral City
- Achieved >1-million man hours without LTI for Sentral Suites, PR1MA Brickfields and 9 Seputeh
- Arranged Centralised Labour Quarters (CLQ) to ensure adequate accommodation and healthy living conditions for labourers working at our sites
- Recorded an incident rate of 1.63, which is lower than Malaysia's Department of Occupational Safety and Health (DOSH)'s acceptable rate of 2.5

CHALLENGES & RISKS

Risks	Mitigation Strategies	Results
Impact from past COVID-19 movement restrictions and site closures led to delays in construction progress	Request Extension of Time (EOT) from clients to ensure no Liquidated Ascertained Damages (LAD) were incurred due to the delay in construction completion	Obtained extension for the construction completion date for SUKE to the first quarter of 2023 from the revised timeline in the second quarter of 2022
Labour and materials shortage led to delays in construction progress and price increases	<ul style="list-style-type: none"> Ensured any risks related to labour and materials supplies and price increases were closely monitored and managed, and where required directly sourced supplies for sub-contractors Continued to advocate the PEKA@MRCB program, which trains and hires selected prisoners 	<ul style="list-style-type: none"> LRT3 achieved targeted physical construction progress of 81% Achieved 89% construction progress for Sentral Suites and 88% for TRIA 9 Seputeh

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

OUTLOOK & PROSPECTS

1. PIPELINE OF PROJECTS & SUSTAINABLE RETURNS

Key Action Plans



UNSDGs



Looking ahead, the Division will continue to tender for projects with relatively higher technical and financial pre-qualification requirements and barriers to entry, such as complex structures (i.e. stadiums, convention centres, hospitals), transmission lines and large transportation infrastructure development, which earn relatively higher margins compared to the construction of conventional commercial/residential buildings, which have higher tender competition. Our large external client construction order book stretches out beyond 2030. As the booking of these revenues accelerate with the progress of construction, these key construction projects will become the backbone of the Division's revenue and operating profits over the medium to longer-term. We will continue to leverage on our track record and various ISO and Green certifications, and remain committed to ensuring our construction sites comply with all health and safety SOPs.

Key Construction Projects

Project	Description	Contract Value	Target Completion
Bukit Jalil Sentral	The residential and commercial development comprises three development plots, which consist of office towers, hotels, retail shops and a mall, small office/virtual office, small office/home office, service apartments and residential towers.	Provisional Contract Costs RM10,116 million Management Contract Fee RM841 million	2038
Kwasa Utama	The 29.82-acre Kwasa Corporate Park mixed-development project comprises the EPF Headquarters, financial institutions, office and commercial buildings, a retail mall and serviced apartments, a hotel, shared common infrastructure, amenities and parks. This is located in Kwasa Damansara, Sungai Buloh.	Provisional Contract Costs RM2,916 million Management Contract Fee RM177 million	2027
Muara Sungai Pahang Phase 3	A flood mitigation project, in which a 683.5 m and 68.4 m breakwater will be constructed with four dyke structures and two beacon lights. Work will also be done to deepen navigation channels.	RM380 million	2027
Light Rail Transit Line 3	The 37 km LRT line from Bandar Utama to Klang will feature 20 stations, five provisional stations, and two integrated stations. The project will serve two million users by 2024 and achieved 81% physical construction progress as at 31 December 2022.	Contract Fee RM11,372 million	2024
Sungai Besi-Ulu Kelang Expressway – CA2 Package	SUKE is a 24.4 km, three-lane, dual carriageway expressway that will commence at Sri Petaling and passes through Sungai Besi, Alam Damai, Cheras-Kajang, Taman Bukit Permai, Taman Putra, Taman Permai Jaya, Taman Dagang Permai, Taman Kosas, Ampang and Taman Hillview before exiting at Ulu Kelang. The proposed expressway will serve as a link between existing major highways and roads – MRR II, DUKE, AKLEH, KLORR, Sungai Besi extension, KL-Seremban, Cheras-Kajang, Besraya, KESAS and Jalan Ampang.	RM317 million	2023

OUR PERFORMANCE: ENGINEERING, CONSTRUCTION & ENVIRONMENT

2. COMPETITIVE ADVANTAGE & INNOVATIVE SOLUTIONS

Key Action Plans



UNSDGs

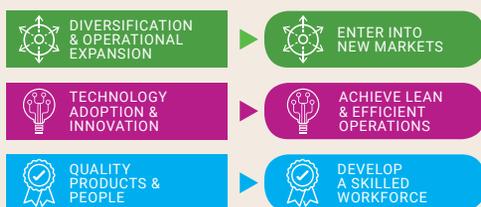


Looking ahead, the Division plans to improve its margins and remain competitive by automating its processes and leveraging on our MRCB Building System (MBS). This system has attracted the interests of other industry players due to its ability to address sustainability concerns arising from carbon intensive construction activities. To date, we have licensed our MBS technology to two companies overseas for the construction of a 19-storey student residential project and temporary quarantine facility in Hong Kong, as well as a 6-storey nursing home and senior care centre in Singapore. As at end 2022, the Polyclinic, Nursing Home and Senior Care Center at Senja Road, Singapore had been completed. We also continue to leverage on our engineering expertise to work towards providing solutions to other environmental issues. An example is our capabilities in river and coastal rehabilitation and flood mitigation, in which we have completed four phases of the ongoing Kuala Pahang Rivermouth Improvement Works since 2005, and we aim to tender for similar projects in the future.

Our past success in the redevelopment of the award-winning National Stadium at the KL Sports City in Bukit Jalil led us to become a strong contender for the redevelopment of the Shah Alam Stadium. When fully awarded, this project will become another iconic sustainable sporting infrastructure developed by MRCB.

3. DIVERSIFYING INTO NEW MARKETS AND PRODUCTS

Key Action Plans



UNSDGs



The Division will leverage on its core engineering skillsets and apply relevant knowledge in other related areas such as waste-to-energy. In 2020, Malaysia generated approximately 47,218 tonnes of household waste, which is forecasted to increase by 3.3% annually. Since the pandemic however, clinical waste generation has also increased. Nationwide, there are 141 landfills, with only 21 of them being sanitary landfills. These landfills, which have an average lifespan of 30 years and require large areas of land, contribute to environmental pollution and release methane gas, which traps 70 to 80 times more heat than CO₂. With the expected growth in household waste and a minimal number of sanitary landfills, there is an urgent need for alternative ways to treat waste, in an environmentally-friendly manner, and slowly eliminate landfills completely.

Waste-to-energy technology allows us to not only process waste in an efficient and sustainable manner, it also converts waste into a fuel source which is used to generate energy. With land becoming scarce and fossil fuels emitting more CO₂/MWh compared to waste-to-energy, MRCB has earmarked waste-to-energy as a priority area to venture into. This is in line with Malaysia's commitment at the 2015 United Nations Climate Change Conference in Paris, France to reduce the country's CO₂ emissions per unit of GDP by 45% by 2030. Apart from our ability to apply our expertise in an area that is currently in high demand, the renewable energy business will also provide recurring long-term revenues, which will help us diversify our current revenue stream and reduce earnings volatility that is inherent in our existing business model.

As part of our efforts to realise this strategy, we have already identified a suitable project. To date, the technology, which is sourced from Europe and adapted for the higher moisture content in Malaysia's household waste, has been approved by the Government, as well as all the key commercial terms, and we are awaiting for the service agreement to be finalised in 2023.

OUR PERFORMANCE: SOCIAL

CHAMPIONING WELL-BEING & BUILDING A SUSTAINABLE WORKFORCE

MRCB embraces the basic values of dignity, responsibility, equality, inclusivity, respect, integrity, and transparency in our relationships with stakeholders. In our Human Rights Policy, we have outlined our commitment to developing a working culture which is aligned to and supports internationally recognised human rights principles and seeks to avoid complicity in human rights abuses. We seek to improve our human rights performance by aligning our working culture to internationally recognised human rights principles contained within the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Core Conventions on Labour Standards.

DIVERSITY, EQUITY AND INCLUSION



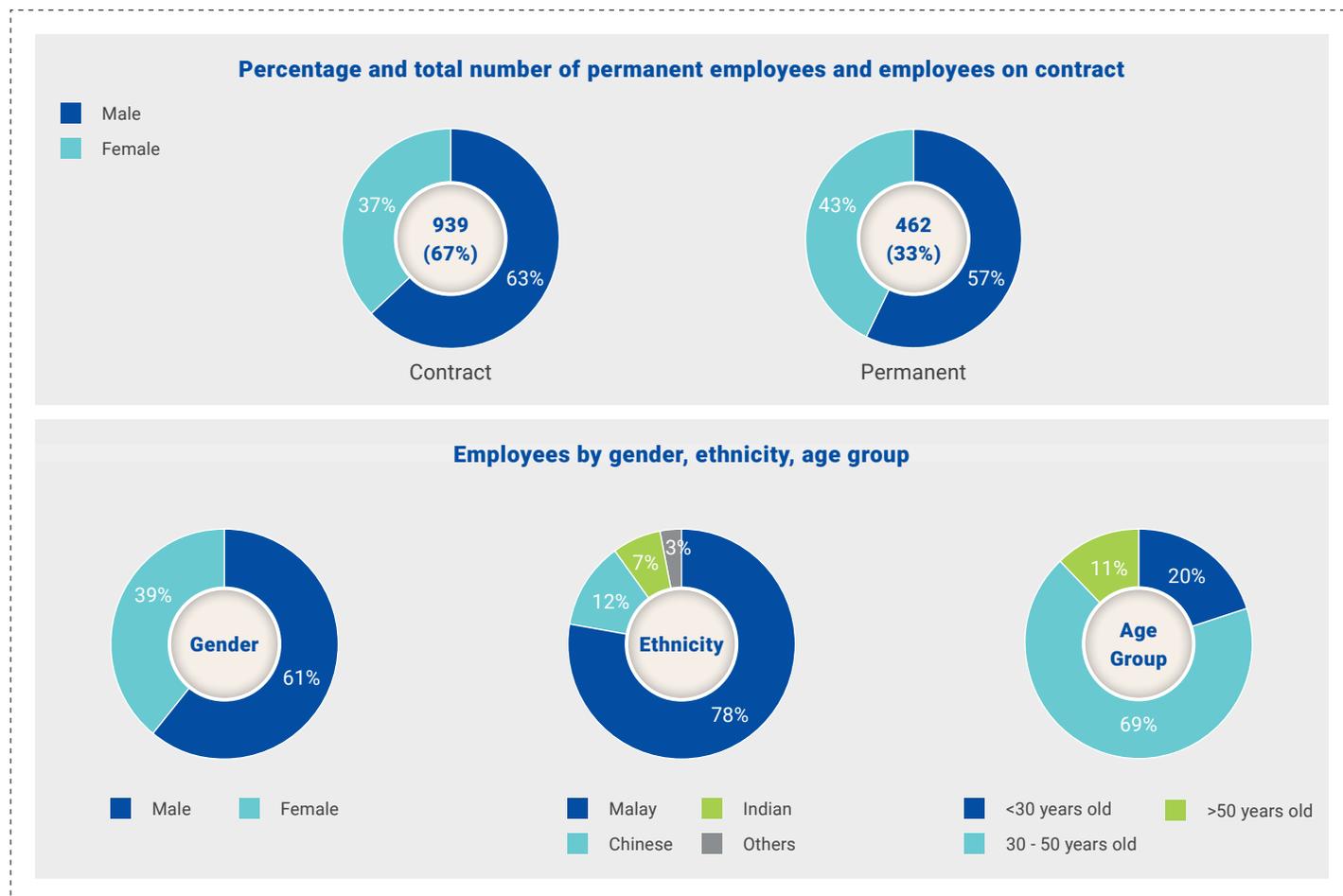
In support of SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth, MRCB upholds diversity, equity and inclusivity at the workplace as stated in our Employee Handbook. Through our Code of Business Ethics, we are also committed to building workplaces where everyone believes their contribution will be recognised and where they feel safe for self-expression. MRCB does not tolerate discrimination against race, gender, age, religion or nationality and any form of harassment in our work environment. Any individuals 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.

On a company-wide basis, 39% of our employees are female and 61% are male, which is a reflection of the physically demanding nature of our core business, particularly at our construction sites. MRCB has a well-balanced team, with 69% falling in the middle 30-50 years old age group. Our diverse workforce consists of Malays, Chinese, Indians and other ethnicities. None of MRCB's employees are categorised as disabled.



In 2022, MRCB collaborated with Klean to install several Klean Reverse Vending Machines (RVM) around Stesen Sentral Kuala Lumpur. These RVMs incentivises the public to recycle their bottles and cans through a reward system that the public can then exchange for discounts from participating companies.

OUR PERFORMANCE:
SOCIAL



Employees by gender and age group for each employee category

	Male			Female			TOTAL
	< 30 years old	30-50 years old	>50 years old	< 30 years old	30-50 years old	>50 years old	
Non-Executive	152	205	31	40	55	7	490
Executive	30	221	26	53	262	17	609
Middle Management	-	109	33	-	77	21	240
Senior Management	-	25	20	-	11	6	62
TOTAL		852			549		1,401

Note:

- Calculations are made based on average count of employees across 12 months and exclude our subsidiary, Setia Utama LRT3 Sdn Bhd.
- We have 41 foreign workers at our project sites and 33 trainees under our GEP that are not considered as employees.
- A Limited Assurance was provided by an independent party, BSI Services Malaysia on our employment-related data (disclosed on pages 232 - 234 of this report).

OUR PERFORMANCE:
SOCIAL

Fostering Inclusivity

In conjunction with the International Day of Persons with Disabilities on 3 December 2022, MRCB held a friendly futsal tournament with the National Blind Football team. The programme, called ‘Kick it with The Visually Impaired!’ was aimed at raising our employees’ awareness of persons with disabilities. All participating players were blindfolded during the entire match, which allowed them to experience the reality of being a blind person. The programme helped our employees better understand the importance of inclusivity and encouraged them to embrace and appreciate diversity.



Promoting Women Empowerment

In celebrating International Women’s Day, the Group conducted an inspirational talk titled ‘Breaking the Bias: A Modern Women with Important Roles’, which resonated perfectly with the 2022 theme ‘Gender Equality Today for a Sustainable Tomorrow’. The insightful session supported SDG 5: Gender Equality and featured two guest speakers, Clinical Psychologist and Health Coach, Dr. Pamilia Andrew, and MRCB’s Head of Group Finance, Noorlida Jelani. This session garnered very positive feedback, with approximately 150 employees participating via an online platform.

MRCB has also set gender diversity targets in its commitment towards adopting SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth.

Women representation on the Board



Women representation in Senior Management positions



OUR PERFORMANCE: SOCIAL

We will continuously strive to increase female representation in Senior Management positions and endeavor to ensure our experienced female staff are retained. A Succession Planning programme is also underway to ensure talent is identified and developed to take on roles with greater responsibility.

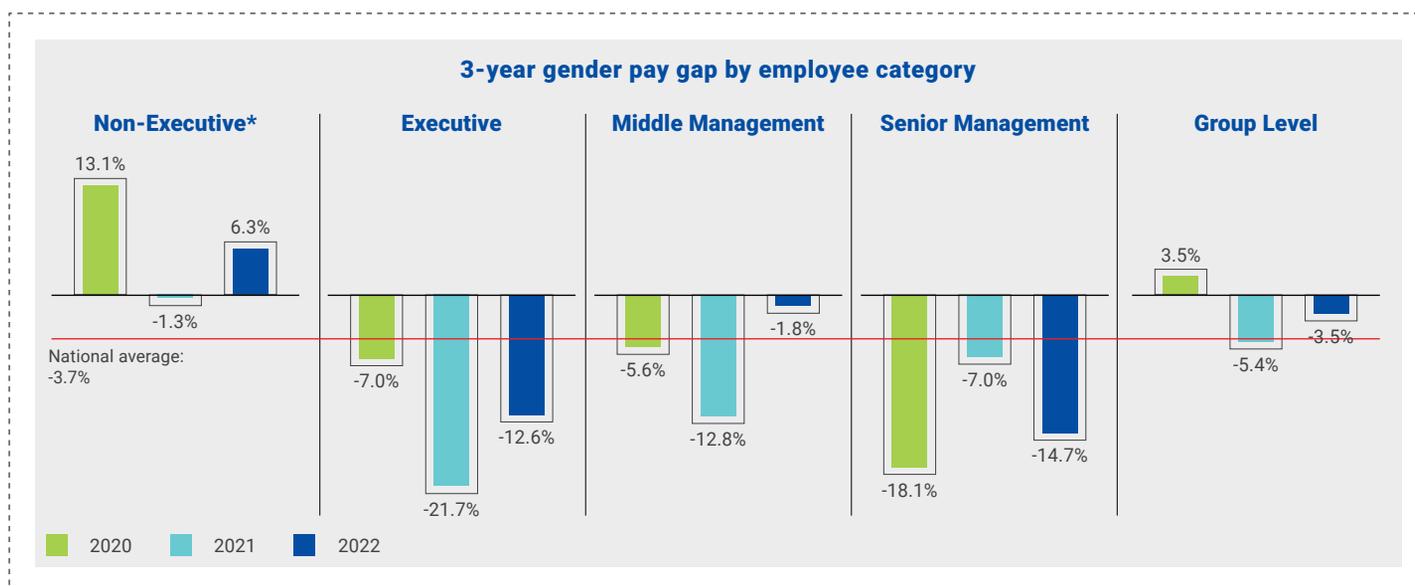
At MRCB, we recognise that the majority of household burden often falls on the shoulders of women. By encouraging working mothers to continue participating in the workforce, MRCB believes that this is aligned to improving the well-being of children. As stated in the Convention on the Rights of the Child, children have the right for “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 adequately.

Below are some of the initiatives targeted to support women at work:



Initiative	Description
Three months paid maternity leave	Female employees are entitled up to 90 days paid maternity leave.
Designated Mother's Room	Rooms are provided at the Headquarters for nursing mothers returning to work.
Financial support for labour delivery	Employees who have just given birth may claim up to RM6,250 to assist with their delivery bills and new-borns receive cash gifts.
Staggered and shortened work hours	<ul style="list-style-type: none"> Employees are entitled to opt for flexible work hours to better fit their needs. Expecting mothers are entitled to opt for shortened work hours that allow them to attend to their health and well-being.
Sexual Harassment Policy	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.

As a responsible business, MRCB strives to eliminate the gender pay gap addressed in SDG 8: Decent Work and Economic Growth. As an indicator for this aspiration, we measure the gender pay gap to monitor our progress in ensuring pay equity beyond local regulations. Currently, MRCB measures and monitors the unadjusted pay gap, which simply calculates the average differences in pay between its female and male employees without adjusting for various factors such as type of work, education level and experience that might influence the pay gap.



* Corrections made to previous year's data (Non-executive category only)

OUR PERFORMANCE:
SOCIAL

A positive percentage means female employees are on average paid more than male employees, while a negative percentage means female employees are on average paid less. The gender pay gap marginally narrowed from -5.4% in 2021 to -3.5% due to several voluntary resignation of male non-executives, particularly those working as auxiliary police. Nevertheless, the Group’s pay gap is still slightly below the national gap of 3.7%, according to the Department of Statistics Malaysia (DOSM).

BUILDING TOMORROW’S WORKFORCE

Our workforce is the foundation to our continued success and we emphasise recruiting and retaining the right talent through our talent identification, development and succession planning practices.

New Hires & Turnover

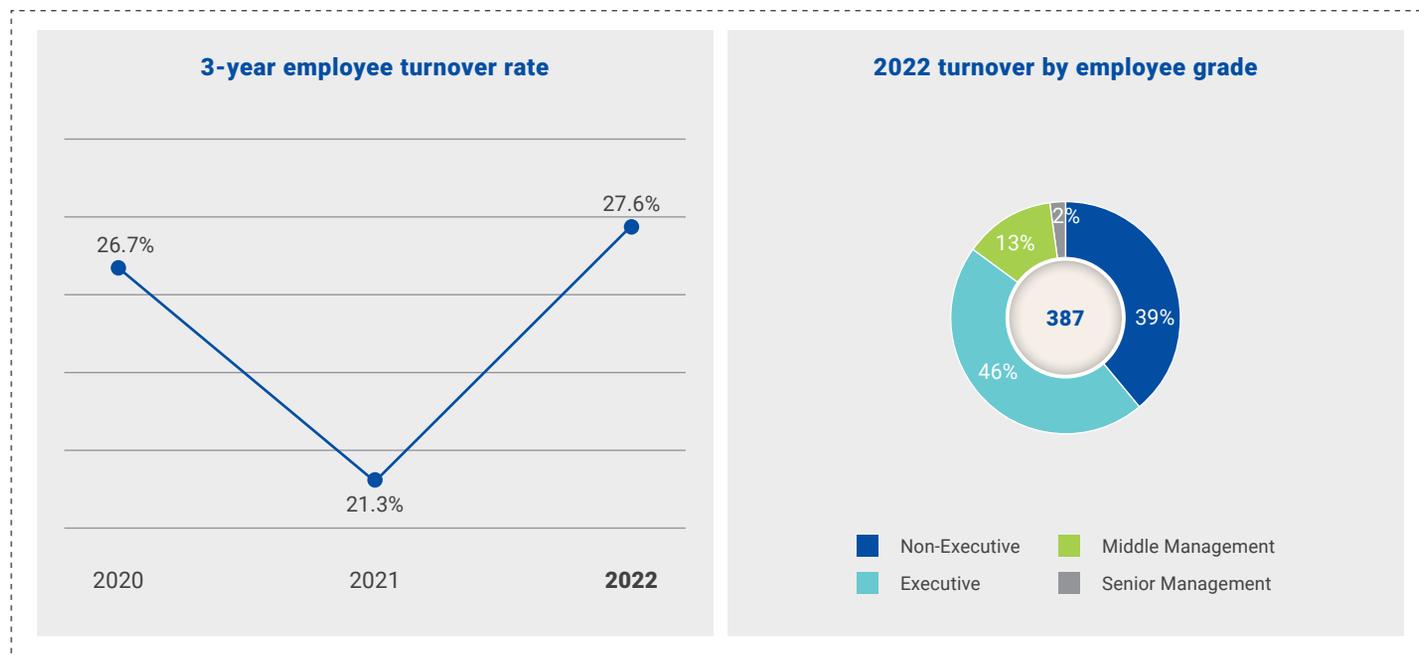
MRCB made 240 new hires in 2022, an increase of 33% from 2021. However, this is an inherent characteristic of our business as most project staff are hired for the duration of a project and will leave upon completion of the project. As a Malaysian company, we are proud to be a top local employer and we have clear commitments to local employment and sourcing. We continue to prioritise local talent to promote and provide opportunities to the talent landscape.



A trend borne out of the COVID-19 pandemic - the Great Resignation – impacted the global workforce in 2021. A study by EY conducted in 2022 entitled “Work Reimagined” showed that 36% of Malaysian respondents are likely to quit in the next 12 months; driven mostly by a desire for higher total pay, better career opportunities and flexibility amid rising inflation, a shrinking labour market and an increase in jobs offering flexible working hours¹. Despite recording a higher employee turnover rate of 27.6% in 2022 compared to 21.3% in 2021, MRCB’s turnover rate remains low compared to the results of the study. 87% of those who resigned in 2022 were voluntary.

¹ EY 2022 Work Reimagined Survey

OUR PERFORMANCE:
SOCIAL



Employee turnover rate by gender, age group and employee grade

	Male			Female			TOTAL
	< 30 years old	30-50 years old	>50 years old	< 30 years old	30-50 years old	>50 years old	
Non-Executive	65	49	6	17	12	2	151
Executive	17	70	8	20	62	1	178
Middle Management	-	30	7	-	11	1	49
Senior Management	-	3	3	-	2	1	9
	258			129			387

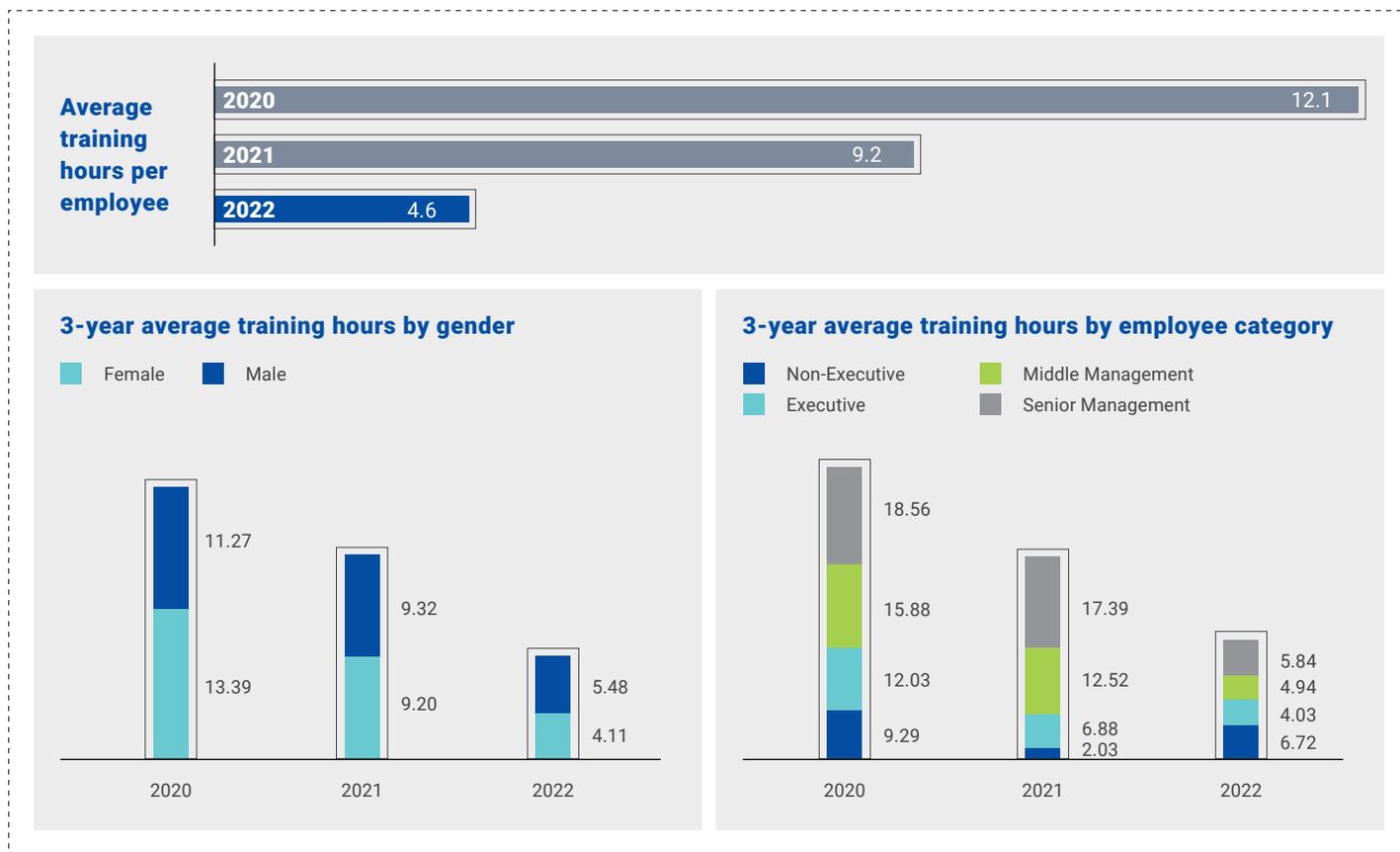
Training & Development

Developing our talent is a key focus for the Group to ensure we have the right people in place to allow us to grow our future leaders and strengthen our talent pipeline. The MRCB Learning and Development Centre (LDC) leveraged on the e-Latih platform developed by the Human Resources Development Fund (HRDF) to further develop the knowledge of employees, providing access to more than 300 courses across various topics. Currently the LDC has two different platforms to promote self-paced learning and provide flexibility.

- e-LDC: in-house developed modules designed by experienced employees or subject matter experts; and
- e-Latih: external modules on several topics including personal development, project management, marketing & innovation, leadership, programming, languages, and many others.

In 2022, we conducted a total of 15,338 training hours and RM905,651 was spent on training and development which translated to RM272.21 per full-time employee.

OUR PERFORMANCE:
SOCIAL



3-year total training hours by each employee category

	2020	2021	2022
Total training hours, including for interns, GEP and consultant (hours)	19,990	11,229	15,338
Non-Executive	5,669	351	2,736
Executive	8,580	3,517	8,644
Middle Management	4,271	5,748	3,041
Senior Management	1,188	1,565	917
Total training development cost (RM)	525,000	1,353,652	905,651
Average training and development expenditure per FTE (RM/employee)		1,106	272.21

OUR PERFORMANCE: SOCIAL

UNGC Academy Platform

As part of our efforts to increase our employees' understanding and awareness of sustainability and its Environmental, Social and Governance (ESG) pillars, we launched the UNGC Academy platform at MRCB in 2021. The courses available on this platform provide practical guidance for employees to assess, adapt and learn how to embed sustainable business practices aligned to the 2030 Agenda. Since its launch in July 2021, 388 employees completed a basic introductory course on sustainability. Moving forward, identified courses will be rolled out to selected target groups within the organisation. In addition, we have been engaging with UN Global Compact Network Malaysia & Brunei to help drive our other sustainability initiatives such as exploring their platform to improve our supply chain assessment and data management. This will be a continuous effort to create a workforce that is well-versed in sustainability matters and to embed a culture of sustainability.

MRCB People Transformation Accelerator Programme (PTAP)

MRCB embarked on a People Transformation Accelerator Programme to drive the Group's transformation strategy through a series of interactive workshops. The purpose of the programme was to align our behaviours, efforts, and purpose to accelerate and sustain the change we envision. It is important that every employee fully understands how their roles and actions contribute to the success of MRCB.

The programme kicked-off in April 2021 with diagnostic interviews with key stakeholders, a focus group with selected employees, and an organisation-wide survey to identify the skills and behaviours required to support MRCB's transformation and strengthen organisational health. The second phase of the programme continued with the PTAP Workshop to develop the skills and behaviours of our employees. A pilot workshop was conducted in July 2021 to the first 40 participants consisting of Heads of Departments and Managers from across the organisation. Subsequently, 9 more workshops were conducted to a total of 348 employees. In 2022, a total of 28 workshops involving 323 executives and senior executives, 256 auxiliary police and 74 security personnel were conducted.

Light & Easy Sessions with Top Management



MRCB conducted several Light & Easy sessions with Senior Management aimed at providing a platform for our employees to connect with them, promoting open communication and encouraging feedback. Three separate sessions were conducted with our C-Suites (Chief Corporate Officer, Group Chief Operating Officer and Group Chief Finance Officer) involving 41 selected participants from the Middle Management level.

Future Leaders Competencies Development Programme (FLCDP)

This program was conducted by Leaderonomics between August 2021 to November 2022. Thirteen talents in our succession pool were initially selected for the programme where they underwent online and classroom training, as well as pre- and post-360 assessments by their direct reports and peers.

Performance and Career Development Reviews

MRCB conducts an annual performance review on all employees against their Key Performance Indicators (KPIs) set at the beginning of the year. In 2022, 100% of our employees had their performance reviewed. This helps us to identify strong performers for our Talent Management Programme and assist employees having difficulty to deliver their goals and optimise their potential. The performance of our Senior Management are also linked to MRCB's ESG material matters such as climate change performance. Their KPIs were cascaded down to the employees, tracked and reported annually.

OUR PERFORMANCE:
SOCIAL**Graduate Employability Program (GEP)**

Malaysian fresh graduates voted MRCB as the Top Graduate Employer in the Property and Development Industry in 2022. The results of the annual Malaysia's 100 Leading Graduate Employers were based on responses from more than 30,000 young Malaysians. The survey is Malaysia's longest-running annual national careers survey conducted by GradMalaysia. They are part of GTI Media, the world's largest graduate careers media group with almost 30 years of experience helping students and graduates across the United Kingdom, Europe, and Asia. This is a testimony to our efforts in 'Setting the Standard' in employer branding, employer value proposition and positioning MRCB as an employer of choice for graduates seeking careers in the industry. We continued to support young graduates from various local and international universities with the aim to enhance the employability of Malaysian graduates by developing their practical and soft skills. Graduates undergo 8-month to 1-year paid training and work experience. In 2021, we hired 19 graduates, of which 79% were female (figure corrected from 2021 IAR), and in 2022, we hired 33 graduates, of which 61% were female graduates.

Cybersecurity Awareness

Throughout 2022, we conducted a self-paced e-learning Security Awareness Training (SAT) series which consisted of watching 10 videos and answering quizzes at the end of each series. Topics of the series included fundamentals of information security, online scams, cyber espionage, malware and ransomware. The aim was to increase the awareness in maintaining the integrity and confidentiality of sensitive information and preventing threats and potential security breaches that could significantly impact the organisation.

HUMAN RIGHTS & LABOUR PRACTICES

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. 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 176 for details on our Whistleblowing Policy). In 2022, MRCB is pleased to report no incidents related to non-compliance of human rights principles and labour standards.

MRCB also complies with all labour laws, ensures the proper management of foreign labour and adheres to relevant regulations. We engage manpower supply companies or sub-contractors when hiring foreign labour to work on our projects. All hiring of foreign labour is done by appointing recruitment agencies via tender or invitation based on their track records. We strictly adhere to the procedures involved in hiring foreign labour. Hiring of skilled foreign labour is done via interviews and selection in the source country arranged by the sub-contractor. Upon arrival, foreign workers undergo a probationary period of 6 months before they are absorbed as skilled labours. We have 41 foreign labours working at our project sites.

We take our labour responsibilities seriously and provide adequate accommodation and healthy living conditions for them. Where possible we have Centralised Labour Quarters (CLQs) for accommodation and various welfare facilities for the workers. These facilities include the management office building, guard house, central surau, as well as sports facilities for recreation. All our CLQs comply with the requirements for water supply and fire safety regulations as prescribed by the local authorities. CLQs undergo spot checks and audits periodically, to ensure they comply with all regulations and provide a safe and conducive environment for the workers.

Our human rights and labour practices are guided by our newly enhanced MRCB Human Rights Policy, which was published on our website in August 2022. The policy strengthens our commitment to upholding the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC), the International Labour Organization (ILO) 8 core conventions, and the United Nations Convention on the Rights of the Child (UNCRC). Other influential international initiatives, such as the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, International Covenant on Economic, Social and Cultural Rights (ICESCR), and International Covenant on Civil and Political Rights (ICCPR) also guide our approach. 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 issues:

- Opposing Child Labour and Promoting Access to Education
- Opposing 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

Clauses communicating MRCB's expectations of its suppliers with regards to human rights have been embedded into our standard supply chain contracts. Any unremedied failures to comply with these expectations will result in suppliers being terminated.

OUR PERFORMANCE: SOCIAL

PEKA@MRCB Programme

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. It is aimed at helping those who deserve a second chance to be reintegrated back into society after the end of their prison sentences.

Our Human Rights Policy ensures that they are treated with respect and without discrimination. Participants are provided proper accommodation, transportation and three meals daily. They are also provided with a minimum basic salary, annual and medical leave benefits and insurance coverage. Since its inception in 2019, 345 prisoners/offenders have participated in this programme and 120 of them are currently now under MRCB's employment.

EMPLOYEE WELL-BEING AND ENGAGEMENT

Benefits and Welfare

MRCB endeavors to adopt industry best practices with respect to benefits and wellness, including annual leave, medical insurance coverage and several types of allowances which differ depending on the position the employee holds within the organisation.

We regularly review our corporate benefits packages to ensure they are industry competitive and well-suited for our employees. In 2020, we introduced additional benefits such as the Family Care Leave, where paid or unpaid leave is offered to staff who act as the primary caregiver for a terminally ill family member. In 2022, we recorded two employees utilising this benefit.

Key benefits provided to MRCB's full-time employees

Leave

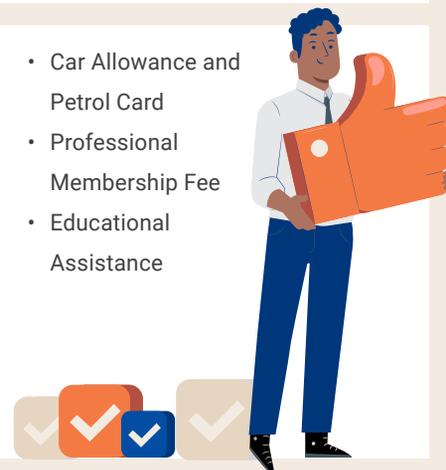
- Annual Leave
- Medical leave
- Emergency Leave
- Compassionate Leave
- Exam Leave
- Marriage Leave
- Prolonged Illness Leave
- Maternity Leave
- Paternity Leave
- Pilgrimage Leave
- Replacement Leave
- Family Care Leave

Medical

- Outpatient Treatment
- Hospitalisation Benefit
- Maternity Benefit
- Executive Health Screening
- Dental Benefit

Others

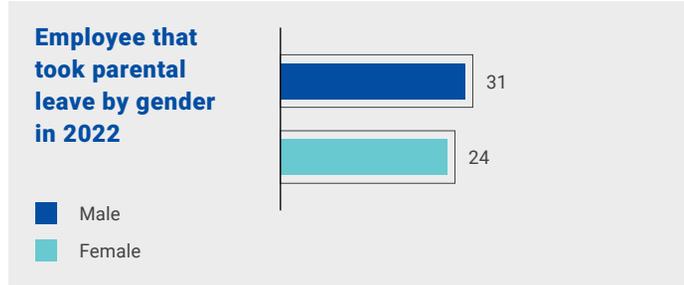
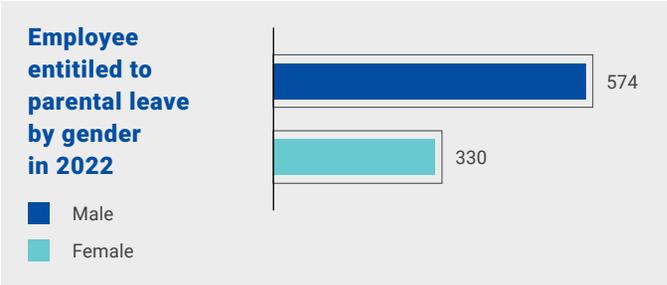
- Mileage Claims
- Hotel Accommodation & Air Travel
- Transfer Allowance
- Flexible Working Hours
- Mobile Phone Bill
- Parking Subsidy
- Broadband Subsidy
- Car Allowance and Petrol Card
- Professional Membership Fee
- Educational Assistance



Pro-family benefits

MRCB provides benefits and adopts welfare practices in line with the nation's pro-family legislation. In 2022, 330 female employees and 574 male employees were entitled to maternity and paternity leave, respectively. Of these, 24 female employees and 31 male employees utilised this benefit, and all returned to work after their leave ended, resulting in a 100% return to work rate. The retention rate for employees that remained employed after 12 months of their parental leave ended is 100% and 97% for female and male employees respectively.

OUR PERFORMANCE:
SOCIAL



Engagement Programmes

Communication is the cornerstone to creating the right culture. We believe in the power of a fully engaged workforce and have continuously leveraged on numerous communications channels such as staff newsletters, electronic mails, digital and print signages, video displays placed in strategic areas within our offices, HR portal, WhatsApp and Microsoft Teams.

Targeted topics such as sustainability matters, internal training and events, health and safety (including mental health awareness) and anti-bribery & corruption reinforcement are continuously curated and communicated to our workforce.

Sustainability Campaign

In 2022, we launched our sustainability campaign by distributing e-Posters to increase employees' awareness by sharing a series of basic knowledge on sustainability such as recommended practices to be more sustainable at home and in the workplace, so that all of our employees have a basic understanding of sustainability, why it is important for them and the organisation, and the roles they can play as individuals every day in helping MRCB meet its sustainability goals. Several other capacity building and upskilling programmes have been lined up in 2023.

Some examples of the EDMs on sustainability emailed to all staff during 2022

CONTINUE TO REACH FOR THE STARS

'5 STAR ENERGY RATING'

As promised in the previous EDM, let's talk about the tips!

Your electricity bills are only going to go higher if you stick to old appliances (more than 10 years of use). That's why we must switch to 5-star energy appliances - to save our pocket and our environment in one long swoop!

Here are some things to consider!

- Size matters - for fridges**
A fridge is the only practical appliance that we must switch on 24/7. To cut emissions and save our pockets, switch to a 5-Star energy fridge. When it comes to buying a fridge, it is important to consider the size.
There is no need to have a big fridge when you have a small family - or regularly dine out.
- Chase away old habits**
Yes, we've been talking about this a lot. But did you switch off your devices, computer or TV? If it is your habit to leave it in standby mode, opt for one with a 5-Star energy sticker.
The Sustainable Energy Development Authority (Seda) Malaysia determined that we waste 2.2 Watt of electricity hourly when our devices are left in standby mode - imagine how much it will cost over a year.
- Keep it chill**
Living in a tropical country like Malaysia has made us Malaysians inseparable from our air-cons and fans.
Air-con obviously harms the environment more than fans, especially in carbon emissions. But if you still enjoy the cold weather vibe, switch to air-con with a 5-Star rating - it takes less energy to chill a room.
Or set your air-con at 24°C - better yet, stick with fans.

Now you know that reducing carbon emissions is not that difficult, start making the first move!

Hey #TeamMRCB, do you find yourself intimidated by the word **SUSTAINABILITY?**

You're not alone!

Join us as we peel back its layers! Keep your eyes open, engage and let's dive into a sustainable future together!

Stay tuned for more updates!

Hey #TeamMRCB, keliru dengan konsep **KELESTARIAN?**

Jangan risau, **anda tidak keseorangan!** **Jom belajar apa itu kelestarian dan bagaimana kita boleh menyumbang ke arah masa depan yang lestari!**

Nantikan informasi yang akan datang!

SUSTAINABILITY BUZZWORD

Do you remember what **Greenhouse Gases (GHG)** are?

Carbon Dioxide (CO2) is one of the many gasses that works to trap the Sun's heat close to Earth. If it weren't for CO2, Earth's oceans would be frozen and we would be freezing!

So, why is carbon emission such a viral buzzword these days?

Our largest storage of carbon comes from decaying plants and animals within the earth's crust that we call fossil fuel. When fossil fuels burn, we mostly get three things: heat, water and CO2.

While CO2 is good at keeping us warm and toasty - the drastic rate at which we are releasing it into the atmosphere is causing Earth to get even warmer.

When the amount of CO2 in the atmosphere goes up, Earth's temperature goes up, and in turn the CO2 in the atmosphere goes up even more - creating an endless cycle, which contributes to global warming!

And that's what makes the Earth now hotter than it was a hundred years ago!

[Check out this video for more clarity!](#)

Keep an eye out for how we can reduce our carbon emissions using a specific indicator on office and home appliances in the next EDM!

How to have a 'Green' Celebration This Year End?

The festive season is just around the corner and as preparations are in full swing, let's be mindful to be environmentally-friendly while we celebrate!

Here are things to consider this festive month!

- Secret Santa - But Use Your Own Wrapper**
Did you know that if the wrapping paper has metallic foil, glitter or even texture to it, it is not recyclable? So rather than spending money on wrappers that will eventually be ripped apart, opt for old newspapers for rustic vibes.
Even better, you can adopt furoshiki and use beautiful old fabric as a gift wrapper!
- Festive trees - made easier**
You're going all out for Christmas? Then don't always stick with artificial PVC trees. Cut or potted real trees are a much greener option than artificial ones.
But if you have limited space and don't have a green thumb, just pile up books with green covers in the shape of a tree!
- Sustainable Fashion Sense**
You can also apply sustainability to your fashion! If you don't mind having hand-me-down festive attire, you could purchase something vintage from a secondhand store.
Or you could organize a festive attire exchange with similar sized friends - just like a gift exchange but with clothes!
- Watch your waste**
You don't celebrate Christmas but are here to hop on the benefits? We're all in for the discount buys. But don't turn into a panic buyer and buy too much food or decorations. Plan ahead and get your hand on things that you really need.
Make a list of ingredients for the meals you plan to cook and be creative with leftovers. Reuse decorations or make them yourself!

Now you know that enjoying an eco-friendly holiday is not that difficult, start making the first move!

OUR PERFORMANCE:
SOCIAL

Celebration of Hari Raya Aidilfitri & Hari Merdeka

In May 2022, we organised a Hari Raya Aidilfitri Open House – the first physical get-together since the pandemic began. All employees were encouraged to wear Malay traditional outfits, and the event was participated by 1,600 people including our Board members, Senior Management and staff. This event helped promote inclusivity and show our appreciation to all our employees, following two very challenging years during the COVID-19 pandemic.

On 30th August, 500 employees gathered both physically and virtually to celebrate Malaysia’s 65th Hari Merdeka. A special video was played at the event featuring several employees sharing their views on what Merdeka means to them. A poem entitled ‘Teguh Berdiri’ was also delivered from the perspective of a Generation Z person. The campaign kicked off with a series of educational content to educate our employees about the nation which included facts about our national anthem ‘Negaraku’, the coat of arms ‘Jata Negara’ and the Malaysian flag ‘Jalur Gemilang’.



MRCB Wellness and Mental Health Programme

MRCB provides support on improving physical and mental health, and continues to partner with a digital healthcare provider that provides employees access to professional psychologists and health coaches. A mental health workshop was also conducted in conjunction with World Mental Health Day, providing employees tools to manage their mental health such as how to identify symptoms and cope with stress. Employees were also provided a platform to share their views and experiences, helping to dispel the taboo that mental health should be kept secret. One-on-one confidential therapy sessions with a professional clinical psychologist were also offered to employees in September 2022. 10 sessions per day were offered across two days at our headquarters. In 2022, a Free Health Assessment was provided to all employees by our external healthcare provider to determine basic health indicators, which included blood pressure, cholesterol and blood sugar levels. A total of 167 employees participated in checking their health conditions.

The importance of mental health is consistently communicated

**SPEAK OUT
SEEK HELP**

EXCLUSIVE FOR YOU!

As part of our wellness offering, you will be able to schedule a 1-on-1 confidential therapy session with a professional Clinical Psychologist on 13th & 14th of September.

OUR PERFORMANCE:
SOCIAL**Internal Associations or Clubs**

MRCB encourages employees to participate in the company's social and volunteer associations that are physically, spiritually and mentally beneficial. 'Pertubuhan Khairat MRCB' is a volunteer-led charity association consisting of Muslim employees, with the objective of providing help and financial support to families of deceased employees. The 'Pertubuhan Khairat MRCB' also regularly organises motivational talks from renowned Islamic speakers. On the social front, 'Kelab Kebajikan & Rekreasi' (KKRM) organises social and sports activities with the purpose of enhancing teamwork, cooperation and giving back to the community. Activities include badminton sessions, bowling tournaments, fund raising events and an annual treasure hunt. This year, the KKRM Lagenda Treasure Hunt was conducted in September 2022 with the participation of 120 KKRM members. The treasure hunt took place between Kuala Lumpur Sentral Station and Langkawi Island and involved activities that included a sandcastle building competition, prize giving ceremony and dinner by the beach. Cash prizes up to RM10,000 were given to the first, second and third placed winners.

**Flood Preparation and Volunteer Programme**

In anticipation of the year-end monsoon season, the MRCB Flood Committee was set up and a "Flood Preparedness Survey" was conducted in November to gather information that could be used to help the Committee plan and mobilise a disaster recovery programme for any affected employees. A Flood Volunteer Programme was also set up, in which 35 employees volunteered and prepared to assist flood victims by packing basic necessities, clothes and food. While none of our employees were affected by the flooding across the nation in 2022, our volunteers managed to distribute hundreds of boxes to other flood victims. The items donated consisted of 80 boxes of dry food and toiletries, 80 boxes of mineral water, 23 boxes of assorted clothing, 50 sets of cleaning materials and supplies and 1,200 cloth face masks.

Below is a summary of some of our key employee engagement programmes in 2022.

Month	Programme
January	<ul style="list-style-type: none"> • People Transformation Accelerator Program <i>A programme to initiate behavioural change within the work environment</i> • COVID-19 Vaccine Booster Survey
February	<ul style="list-style-type: none"> • Talk on "Welcoming The New Year With Great Mindset!" by a psychologist coach <i>Talk on how to keep mentally focused and driven by optimism in achieving goals and potential</i> • Integrity Awareness Program: Tumbuk Rusuk – "Break The Silence" <i>To provide a better understanding of the importance of integrity in conducting business activities in the workplace and the consequences of committing bribery and corruption-related offenses</i>
March	<ul style="list-style-type: none"> • "How to be Productive at Work" conducted by a clinical psychologist <i>Provided participants with tips and a guide to be more proactive and productive at work</i> • Women's Empowerment Month featuring a virtual talk titled "Breaking the Bias: A Modern Women with Important Roles" with a clinical psychologist and our own Head of Finance
April	<ul style="list-style-type: none"> • Light & Easy session with our C-Suites
May	<ul style="list-style-type: none"> • Staff Hari Raya Aidilfitri Open House
August	<ul style="list-style-type: none"> • Merdeka Celebration & Merdeka Theme Day
September	<ul style="list-style-type: none"> • Mental Health Day Talk & Workshop: "It's Ok to Not Be Ok" • KKRM Lagenda Treasure Hunt
October	<ul style="list-style-type: none"> • Volunteer programme in collaboration with Yayasan MRCB and Malaysian Relief Agency (MRA) Perak, to provide aid to the Orang Asli communities in Gerik
November	<ul style="list-style-type: none"> • Survey on flood preparation to gauge our employees' readiness and how many may be affected • Flood relief efforts through collection and distribution of basic necessities, clothes and food
December	<ul style="list-style-type: none"> • "Kick It with the Visually Impaired!" <i>A futsal tournament with the National Blind Football Team to increase awareness on Persons with Disabilities</i>

OUR PERFORMANCE: SOCIAL

HEALTH & SAFETY

MRCB is committed to providing a safe work environment for all its employees in its offices, facilities and its 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 expose 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 operation of machinery and equipment. To safeguard the well-being of our workers at 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 constant communication of health and safety matters through our daily "Tool-Box" sessions at our construction sites, electronic direct mail communication, videos displayed at waiting areas in our building, and notices 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 their concerns.

We have also established an Environment, Safety and Health (ESH) Committee at MRCB's headquarters. This committee includes an advisor, a chairperson, two deputy chairpersons, a secretary, and management representatives from each department. The 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 and raise awareness on issues pertaining to Safety and Health (S&H)

Quality, Environmental, Safety and Health (QESH) Policy

At MRCB, we go above and beyond what is required and are committed to delivering world-class services and maintain the highest standards of quality in the services we provide to our clients. Apart from appointing independent design and check consultants to ensure the integrity of our design from a health and safety viewpoint, we also adhere to the following 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

Under our subsidiary MRCB Builders Sdn. Bhd., 82% of our operations obtained ISO 45001:2018 certification, while 100% are certified by ISO 9001:2015 Quality Management Systems. We have also reviewed our QESH Policy, which articulates our commitment to minimising the environmental impact of our activities and protecting the safety and health of our employees, contractors and the public. The objectives of QESH are to set the performance benchmark against these industry standards. We are committed to continuous improvements and have updated our QESH objectives in 2022 to include the target of Zero Fatalities as follows:

- To achieve minimum 80% SHASSIC CIDB/ESH Audit's rating
- Incident rate less than 2.50. (Please refer to page 132 for details)
- Ensure 85% of Non-Conformance Reports (NCR) are closed immediately (less than 7 days)
- Zero Stop Work Order (SWO) issued by client or relevant authorities
- Target Zero Fatalities

The personnel responsible for health and safety are the Executive Vice President (EVP) of Security, Group Chief Operating Officer (GCOO) and Group Managing Director (GMD). The Board has oversight of the management of health and safety issues through an Environmental, Safety, and Health Report presented to the Board every quarter as a permanent agenda item. The details and data included in the quarterly report covers the following areas:

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

OUR PERFORMANCE:
SOCIAL

Managing Safety and Health Risk at the Workplace

We have established an SOP for Hazard Identification, Risk and Opportunity Assessment and Determining Control (HIRADC) for our headquarters and buildings and infrastructure projects. HIRADC applies to all routine and non-routine activities and for all personnel having access to the workplace, including sub-contractors and visitors.

HIRADC is conducted whenever there are changes to the condition of activities, introduction of new materials or any new activities and modification works. We take a proactive role in identifying potential work-related hazards that could cause high-consequences injuries. To ensure our workplace is always safe, HIRADC analysis is conducted at least once annually at our headquarters and half-yearly at project construction sites or as and when necessary. All risks are properly identified and the necessary precautions are taken before any work is carried out.

We also have an Emergency Response Plan for incidents such as people falling from heights, fires and explosions, landslides, chemical spillage, and floods. For very serious emergency incidents such as fatalities, structure collapse or accidents involving transmission lines, SWO are given to prevent other workers from being in a dangerous situation that may lead to injury. Action plans and crisis reporting systems are clearly defined in the Emergency Response Plan to guide our workers in managing emergency incidents.

Safety and Health Assessment System in Construction (SHASSIC)

MRCB has taken a step further to improve the safety and health culture at construction sites by adopting the SHASSIC. SHASSIC is an independent method undertaken by the Construction Industry Development Board (CIDB), the regulator of the construction industry in Malaysia, to assess and evaluate safety and health practices and the performance of contractors at construction sites. SHASSIC aims to establish a standard system on safety and health assessment in the construction industry to improve and take preventive and corrective actions on occupational safety and health (OSH) issues.

SHASSIC incorporates 3 main components which are document checks (20%), site/workplace inspections (60%) and employee/construction personnel interviews (20%). SHASSIC scores from 90% to 100% signify an excellent OSH management system planned and implemented with a proactive commitment from top management to always manage 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.

The following are MRCB project sites that were assessed and achieved SHASSIC certification in 2022.

Project Sites	SHASSIC Star Ranking
Sentral Suites	72% ★★☆☆
Alstonia	87% ★★★★★

Safety and Health Training

As well as our daily “Tool-Box” sessions, which are briefings of safety measures to supervisors, workers, and safety teams held before commencing their respective duties at our construction sites, safety and health training and development programmes are imperative to keep abreast with current relevant regulatory requirements and to equip employees and sub-contractors with competencies and skills necessary to execute their tasks.

In 2022, a total of 507 people consisting of employees, site workers and contractors attended 18 training modules in 36 conducted trainings. The training modules are listed below.

Training Modules
• Forklift Safety Training
• ESH Induction for New Staff
• ESH Induction for ODS, Sungai Buloh Prison
• Legal, QESH & HIRADC Training
• Road Roller – Vibration Roller Training
• Working At Height
• Suspended Working Platform
• Accident Investigation Training
• Tips to Become Effective Trainer
• Lifting Awareness Training
• Tower Crane Inspection Training
• Bobcat Training Assessment
• Permit to Work
• Passenger Hoist Safety Operation Training
• Telehandler Safe Operation
• Scheduled Waste Management Training
• Office Safety

OUR PERFORMANCE: SOCIAL

Safety Incidents

All incidents and indicators are evaluated based on the reporting period, except for the incident rate which is effective from September 2021 to August 2022. This is to accommodate the Management Review Meeting (MRM) which is held in October/November of each year. In 2022, we achieved 3 out of 5 QESH objectives.

We closely monitor construction activities and conduct regular ESH Committee meetings to provide updates on the safety and health conditions at our project sites. In 2022, three of our projects (Sentral Suites, PR1MA Brickfields and 9 Seputeh) achieved more than 1 million-man hours without Lost Time Injury (LTI). With effective prevention and preparedness, MRCB has not been affected by any incidents of non-compliance with regulations concerning the environment in the reporting period. Our safety and health performance has been partially assured by an independent party, BSI Services Malaysia (disclosed on pages 232 - 234 of this report).

Total man hours at project sites by business segments

Man Hours	2020	2021	2022
Engineering, Construction & Environment (ECE)	6,803,580	8,450,077	8,258,636
Property Development & Investment (PDI)	322,548	269,030	674,162
Total Man Hours	7,126,128	8,719,107	8,932,798

Number of incidents at project sites by type

Type of Incidents	2020	2021	2022
Ill Health	0	0	0
Near Miss	0	0	2
First-aid Cases	1	1	0
Medical Treatment	0	0	0
Minor Injuries	0	4	0
Major Injuries	0	1	1
Fatality	1	2	0
Lost Time Injury (LTI)	2	3	1
Environmental Incident	0	0	0
Property Damage	1	1	1
Dangerous Occurrences	0	1	0
Fire	0	0	0
Stop Work Order (SWO) Received from Authorities	1	1	1
Notice of Prohibition (NOP) Received from Authorities	1	7	0

Safety performance at project sites

Safety Matrix	2020	2021	2022
Incident Rate* (Incidents per thousand workers)	0.3	1.83	1.63
Rate of Recordable Work-Related Injuries (Injury Rate) (Injuries per million man-hours worked)	-	1.18	0.12
Lost Time Incident Rate (LTIR) (Incident per million man-hours worked)	-	0.36	0.12
Fatality Rate	-	0.24	0

- * Reporting period follows the MRM (September of the previous year to August of the current year). Does not include projects which are not ISO 45001:2018 certified.
- The safety and health performance data applies to our ECE segment (MRCB Builders) unless otherwise stated.
- LTI includes employees and contractors at project sites.

OUR PERFORMANCE:
SOCIAL

Safety matrixes allow us to formulate policies and programmes for the prevention and reduction of occupational injuries, illnesses and fatality. They measure the likelihood of unexpected and unplanned occurrences of fatal and non-fatal injuries and illnesses arising out of or in connection with work per thousands of workers. In our efforts to reduce injuries and accidents at our project construction sites, we continue our practice of conducting various checks by independent consultants on our structures, who then endorse the design and conduct site inspections before approval for loading is given. In 2022, we had one (1) major injury, two (2) near misses, and one (1) property damage. We were also issued one (1) SWO by the Ministry of Health Malaysia (MOH). Following the report of the major incident at MRT V210, a detailed investigation was conducted to determine the root cause of the incident. Corrective actions were taken to prevent the recurrence of the incident such as providing refresher training courses on safe lifting, properly inspecting lifting gears before work commences and ensuring full supervision by the lifting supervisor. We encourage workers or employees to report any incidents that occur without fear of repercussions for reporting to ensure the well-being of everyone at our project sites.

No	Incident	Project	Remarks
1.	Major Incident	MRT V210	A worker was injured while transferring a concrete barrier with a lorry crane. The barrier hit the worker's right forearm which caused a deep laceration. The worker was immediately sent to a nearby clinic for outpatient treatment.
2.	Property Damage	SEJE	During stringing work for Top Line 2, the cross arm bent over causing minor damage.
3.	Near Miss	DASH CB2	A portion of a safety catch net was detached from its bracket and fell on the road shoulder. Investigation conducted identified the cause to be heavy rain and strong winds.
4.	Near Miss	Sentral Suites	Due to unfavorable weather condition, two aluminum panels fell from Level 42 to Podium 8 at Tower 2 of the Sentral Suites development. No injury reported.
5.	SWO	Sentral Suites	SWO issued by Ministry of Health due to larva siding.

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 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)

OUR PERFORMANCE: SOCIAL

ENRICHING THE COMMUNITY

MRCB is constantly finding ways to contribute and improve the socioeconomic status of the community. We identify areas of disparity which the Group can make a difference. Our initiatives are aligned not only to our values, but also to the UNSDGs.

Volunteer Programme

Yayasan MRCB in collaboration with Malaysian Relief Agency (MRA) Perak organised a volunteer programme in October 2022 to provide aid to the Orang Asli communities in Kampung Klewang and Kampung Kuala Sungai Tahan, Gerik. A total of 27 volunteers participated in assisting with medical checkups and medication distribution, organising a coloring contest and telematch games with the children. We also distributed clothes, food, books, toys and other daily necessities to the villagers.



A clothing donation drive and volunteer programme for flood relief efforts were also conducted in 2022, offering physical help after the floods to clean affected households, as well as to pack and distribute daily essentials, food rations and clothes to affected communities.

REMINDER
CLOTHING DONATION DRIVE
FOR FLOOD VICTIMS

Hey team MRCB!
In anticipation of the upcoming floods, we are conducting a clothes donation drive for flood victims.

We are happy to accept donations of T-shirts, blouse, pants, hijabs or shawlis and school uniforms.

Remember, we don't use the 'Empty Your Closet' concept!

Collection Date
10 Nov – 21 Nov 2022
**Except Saturday & Sunday*

Venue
Phoenix Meeting Room,
Level 2, SSKL

Time
12.30pm - 2.00pm

VOLUNTEERS NEEDED FOR FLOOD RELIEF EFFORTS
SUKARELAWAN BANJIR DIPERLUKAN

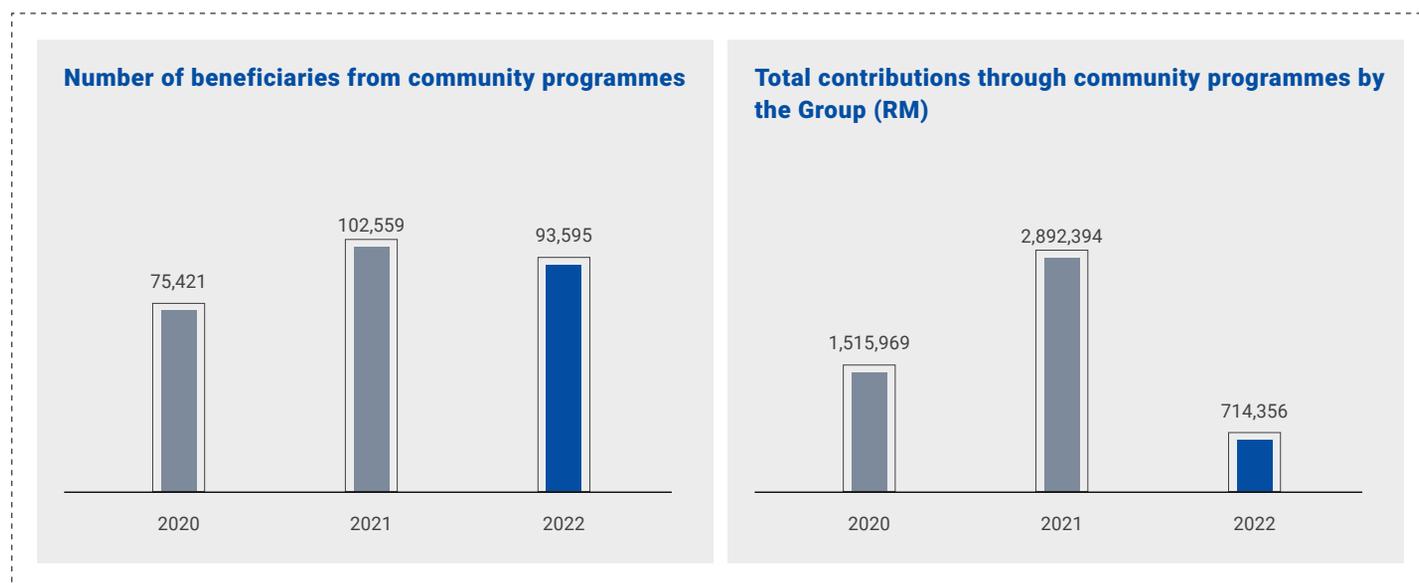
Willing to lend a hand to people in need?
Willing to get your hands dirty to help flood victims?

If yes, **we need you, urgently!**
Let's come together to help those affected by the floods.

We particularly need volunteers who **do not live in flood risk areas.**

OUR PERFORMANCE:
SOCIAL**Community Contributions**

Apart from MRCB's corporate social responsibility (CSR) initiatives, Yayasan MRCB, which is MRCB's Foundation, was established to pursue and provide opportunities in education and financial assistance for the underprivileged. Founded in 2015, Yayasan MRCB has organised numerous impactful programmes to benefit the underprivileged as part of our efforts to enhance stakeholder value, in particular for those located close to our developments. Other CSR programmes include assisting the Orang Asli community, hosting empowerment programs for youth with physical limitations, sponsoring a halfway home for patients with prolonged illnesses and their caregivers, and aiding the most vulnerable in the community during the pandemic.



Below is a list of our key contributions in 2022 to various beneficiaries such as schools, hospitals, and other organisations, to improve their well-being.

Contribution Description	Beneficiaries	Amount (RM)
Community Well-Being & Development		
1. Donated an ambulance to Klinik Kesihatan Damak Jerantut	50,000 patients	172,975
2. Donated 6 months' worth of essential food items	300 individuals from 3 Charity Homes: 1) IQ70 Plus centre for mentally challenged children 2) Rumah Sentuhan Budi 3) Pertubuhan Kebajikan Anak Yatim dan Asnaf Teratak Ummi	20,838
3. Donated medical equipments to Unit Hemodialisis (PDRM) in Shah Alam	5 patients	15,809
4. Collaborated with MRA Perak to organise a three-day Community Engagement Programme with Orang Asli	200 Orang Asli	15,000

OUR PERFORMANCE:
SOCIAL

	Contribution Description	Beneficiaries	Amount (RM)
5.	Donated to Hospital Kuala Lumpur (HKL) to help B40 patients pay rental fees for a one-unit halfway home for a duration of 1 year	1,800 B40 patients	9,000
6.	Donated 63 units of food baskets to help the asnaf and B40 communities through the Kuala Lumpur & Selangor Coalition of Women Organisations (KLSCWO)	63 B40 families	8,289
7.	Donated 45 units of food baskets to help the asnaf and B40 communities in Puchong and Seri Kembangan	45 B40 families	6,189
8.	Provided financial assistance to a B40 individual to pay for dialysis treatment	1 B40 individual	6,000
9.	Donated to St. Barnabas Home to support renovation works	100 orphans	5,000
10.	Donated essential food boxes to B40 individuals	1 B40 individual	1,196
11.	Donated 98 packs of iftar meals to frontliners (B40 category) of KLIA	98 B40 frontliners	980
12.	Donated 50 packs of lunch to orphans from Raudhatul Al-Faez	50 orphans	500
13.	Donated to Tabung Amal TYT YDP Pulau Pinang to be distributed to relevant charities and beneficiaries	150 disabled community and B40	15,300
14.	Donated to The Shah Alam Rovers Football Club to support sports and youth activities	120 youths	2,000
15.	Donated to the Malaysian Fire and Rescue Department Welfare Association (JBPM Welfare Association)	50 frontliners	1,000
16.	Contributed to the 50 th Anniversary of Board of Engineers Malaysia	1,000 professionals	5,000
17.	Donated to Kelab Polis Latihan Polis KL	24 trainees	5,000
18.	Donated to support Universiti Pertahanan Nasional Malaysia (UPNM) for their Merdeka Campaign Programme 2022	2,000 university students	10,000
19.	Donated to the Society For The Prevention of Cruelty to Animals (SPCA)	Rescued dogs and cats	15,000
20.	Donated to Persatuan Kontraktor Melayu Malaysia	500 members of PKMM	5,000
21.	Contributed to Badan Amal Kasih Sayang Malaysia (BAKASA) and Badan Kebajikan Keluarga Angkatan Tentera Malaysia (BAKAT) to support the underprivileged	250 underprivileged families	10,000
22.	Contributed to the 'Majlis Makan Malam Ulang Tahun Berita Harian ke-65'	250 media practitioners	1,000
23.	Sponsored and participated in the Majlis Bandaraya Petaling Jaya (MBPJ) Charity Golf Tournament - PJ City Food Bank	200 underprivileged families and 21 children and elderlies from an orphanage and an old folk's home	5,000

OUR PERFORMANCE:
SOCIAL

Contribution Description	Beneficiaries	Amount (RM)
Education		
		
24. Donated to Pusat Kreatif Kanak-Kanak Tuanku Bainun for their 1-year Programme "ArtSpire" for disadvantaged children and youth	166 disabled children	50,000
25. Sponsored students for Malaysian Student Leaders' Summit (MSLS) XVI 2022	500 students	5,000
26. Donated to the Charity Premiere of Big Men In Town in support of quality education for underprivileged communities	500 underprivileged individuals	5,000
27. Contributed cash donation to Persatuan Alumni Kurnia to support their forum called "First Period Talk" for autistic teenagers	150 autistic teenagers from Persatuan Alumni Kurnia	5,000
28. Donated 2 units of computers to SK Seksyen 7 Kota Damansara	130 students	5,000
29. Donated a projector, amplifier and speaker system for SK Kuala Perai to set up a digital studio	150 students	5,000
30. Donated a projector, amplifier and speaker system for SK Pengkalan Jaya to set up a digital studio	150 students	5,000
31. Donated tables and chairs to SK Putrajaya Presint 14(1)	40 students	3,980
Natural Disaster Assistance		
		
32. Donated to victims of a fire incident in Kudat, Sabah	52 B40 families	26,000
33. Donated to Pertubuhan Cakna Rakyat Rantau Panjang to provide food boxes to families affected by floods in Rantau Panjang, Kelantan	10,000 flood victims	25,000
34. Donated to Kelab Sukarelawan Kebajikan Salor to provide food boxes to the families affected by floods in Pasir Puteh and Pasir Mas, Kelantan	5,000 flood victims	10,000
35. Donated 150 units of pillows and blankets to flood victims in Karak, Pahang	150 B40 families	3,300

Note: The list is not exhaustive and as such will not tally with the graphs depicting our annual reach and contributions on page 135.

OUR PERFORMANCE: ENVIRONMENTAL

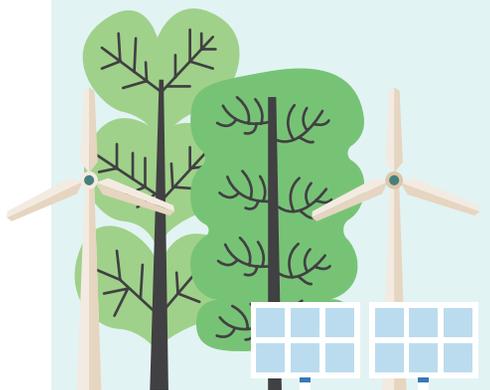
OUR ENVIRONMENTAL PERFORMANCE

Carbon Emissions Intensity Reduction

↓ **65%**

Carbon Emissions Absolute Reduction

↓ **8%**



Note: Emission changes are measured against baseline year 2020

OUR COMMITMENT TOWARDS NET ZERO CARBON (SCOPE 1 & SCOPE 2) BY 2040

Malaysia, as a nation, has been responsible for only 0.37% of global cumulative anthropogenic CO₂ emissions¹ since 1890². While Malaysia may be a relatively small emitter, its carbon emissions have increased by more than 3-fold in the past three decades to 256.05 million tonnes, representing 0.69% of global emissions in 2021². Being a signatory of the Paris Agreement, Malaysia has pledged to reduce its economy-wide carbon intensity (against GDP) by 45% in 2030 compared to its 2005 baseline and aspires to achieve Net Zero GHG emissions by 2050³.

In alignment with global goals, the Paris Agreement, and the national goal, as well as in support of policies on climate change, our Climate Strategy Framework was created with the objective of responding to environmental challenges, while working to sustain our business activity and operability, and taking advantage of opportunities. While we support Malaysia's national target of achieving Net Zero for Scopes 1, 2 and 3 by 2050, our ambitions are tempered by practical industry and supply chain obstacles that need to be considered to ensure any initiatives we undertake can have a meaningful impact, particularly against the capital we will need to invest in this endeavour. To this end, we have developed a more manageable and implementable target to achieve Net Zero Carbon for only Scopes 1 and 2 by 2040, through reducing GHG emissions that are within our control, our venture into waste-to-energy and neutralising residual emissions. As for Scope 3, it involves emissions associated with activities not within our operational control, and as such, will require more time for us to execute plans to see impactful results coming from any Scope 3 reduction initiatives. A large part of the challenge lies within the fact that Scope 3 reporting requires industry-wide cooperation and commitment to achieve this goal. This is particularly challenging when cement production, a large component of the raw materials used in construction, is one of the highest carbon emitting materials, accounting for 7% of total global carbon emissions. However, while we are not alone in facing these difficulties and defining boundaries, we acknowledge the importance of reducing Scope 3 emissions as much as possible. We therefore aspire to reduce 25% of our Scope 3 emissions by 2030, by collaborating, and if need be, applying pressure on our business partners within our supply chain. We shall conduct a thorough Scope 3 screening of our business to fully understand its profile before focusing on the categories to work on and implementing more ambitious long-term Scope 3 emissions reduction targets.



The facade of the National Stadium completed in 2017, incorporated energy saving LED lights

Source:

¹ Global Carbon Project (2021).

² Our World in Data. Malaysia: CO₂ Country Profile. (www.ourworldindata.org)

³ The Government of Malaysia. 2021. 12th Malaysia Plan.

OUR PERFORMANCE:
ENVIRONMENTAL

We are also developing strategies aimed at managing both transition and physical climate risks and taking advantage of the opportunities aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, and working on initiatives to transition towards a low-carbon economy, as well as addressing climate adaptation. Our climate strategy consists of three (3) key objectives:

WHAT?	WHY?	HOW?
<p>1 Mitigating GHG emissions</p>	<p>The management of fossil fuel and use of non-fossil energy sources such as renewable energy can reduce carbon emissions and pollution, as well as prevent damage to biodiversity and the natural ecosystem.</p>	<ul style="list-style-type: none"> • Reduce and neutralise Scope 1 and Scope 2 carbon emissions by setting science-based carbon emission reduction targets • Reduce Scope 3 carbon emissions by managing our supply chain • Electrification of plants/machineries • Increase usage of certified renewable energy • Source greener construction materials locally • Expand our innovative construction method, MRCB Building System (MBS), and reduce construction waste generated • Incorporate solar panels for common areas of the buildings we manage • Innovate and adopt new emissions reduction technologies such as our future waste-to-energy project • Embark on carbon sequestration • During the construction phase, to continue to use electricity sourced directly from the power grid supply to reduce reliance on diesel generators
<p>2 Transitioning to low carbon</p>	<p>Businesses transitioning to a low carbon business model will need to adjust their processes and policies to ensure adherence to new requirements.</p>	<ul style="list-style-type: none"> • Enhance sustainable business practices through sustainable finance and sustainable procurement • Enhance green infrastructure practices through research & development and utilising low carbon construction materials • Develop internal carbon pricing • Continue developing Green buildings • Increase efficiency of our District Cooling Systems (DCS) plants
<p>3 Managing physical climate risks</p>	<p>Physical risks, such as droughts, floods, extreme precipitation and wildfires, if left unmanaged can lead to catastrophic loss and damages. Malaysia has been and will continue to be vulnerable to extreme weather events that could lead to severe flooding, extreme heat in urban centers or sea level rising around coastal areas. This in turn could threaten water supply and food security.</p>	<ul style="list-style-type: none"> • Climate adaptation to reduce and mitigate against the negative impact of climate change by conducting qualitative and quantitative climate risk assessments, implementing systems to monitor climate change and adjusting existing policies • Design buildings and infrastructure to ensure they are built to withstand adverse impacts from climate change • Ensure air quality, lighting, thermal conditions, and all other ergonomics are optimised for comfort of occupants • Reduce conventional construction methods and opt for our innovative modular construction technology, MBS

For further details, refer to our Climate Strategy Framework on page 22.

OUR PERFORMANCE: ENVIRONMENTAL

MRCB'S CLIMATE RISKS & OPPORTUNITIES GUIDED BY THE TCFD FRAMEWORK

As a responsible leader in the property and construction sector in Malaysia, we recognise the need to accelerate our actions to address the climate crisis. A robust climate action plan will contribute to global efforts in limiting the global temperature increase to below 1.5°C, and improve the Group's resilience to potential climate impacts. In 2021, we embarked on our TCFD journey to qualitatively assess the impact of climate change on our assets and business operations, as well as allow us to disclose our climate risks and opportunities under the TCFD framework. A summary of our 2022 disclosures are listed below.

TCFD Recommended Disclosures	Our Approach / Where it is Reported
<p>Governance The organisation's governance around climate-related risks and opportunities.</p>	<p>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 is approved by the Audit & Risk Management Committee (ARMC) and the Board, and are specifically monitored under KER5: Environmental, Social and Governance Risk. For further details, refer to pages 72 - 81.</p> <p>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, who provide insight and strategies for emissions reductions initiatives and other sustainability matters. Our Chief Corporate Officer chairs the SMC and reports to the Board on all sustainability and ESG related matters, including climate-related issues and ESG performance, each quarter for further deliberation. ESG matters are a permanent Board Agenda item, and MRCB's GHG emissions, among other indicators, are tracked and presented to the Board.</p> <p>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.</p> <p>For more details on our Sustainability Governance, refer to page 24.</p>
<p>Strategy The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.</p>	<p>In 2022, we have developed a high-level Climate Strategy Framework to drive our climate action strategy by focusing on transitioning to a low-carbon economy, reducing our carbon footprint and managing emerging physical climate risks. Our Climate Strategy Framework can be read on page 22.</p> <p>In 2023, MRCB will conduct a detailed quantitative assessment on the financial impacts of our largest assets' exposure to the most material climate risks.</p>

OUR PERFORMANCE:
ENVIRONMENTAL

TCFD Recommended Disclosures	Our Approach / Where it is Reported
<p>Risk Management How the organisation identifies, assesses, and manages climate-related risks.</p>	<p>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. As a foundational step, we conducted a hotspot analysis of our physical and transition risks, incorporating scenario analysis as recommended by TCFD. Our approach to conducting this qualitative assessment and its results are detailed on pages 141 - 144.</p> <p>Climate-related risks are embedded into the Group's KERs, which are approved by the ARMC and the Board, and are specifically monitored under KER5: Environmental, Social and Governance Risk.</p> <p>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 56 - 62.</p> <p>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.</p> <p>Our climate change risk controls include the quarterly reporting of our GHG emissions to the Board.</p>
<p>Metrics and Targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>We recognise the crucial role the business community can play in minimising the risk climate change poses to the future of our planet. In 2022, our GHG emissions calculation was in accordance with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute's (WRI) GHG Protocol.</p> <p>MRCB is also committed to Science-Based Targets initiatives (SBTi) and has established a yet to be validated target to reduce Scope 1 and Scope 2 carbon emissions by 4.2% annually, which is aligned to the 1.5°C scenario. In 2022, we set short, medium and long-term carbon emissions reduction targets, which is disclosed in our Climate Strategy Framework on page 22.</p> <p>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 undertaken by the ECE Division are ISO 14001:2015 certified.</p> <p>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 145 - 156 of this report.</p>

Climate Related Risks and Opportunities Assessment**Physical Risk Assessment**

A physical risk assessment of the natural hazards of all of our 30 material assets was conducted to better understand the identified physical risks, and 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, which will likely result in severe changes in the climate.

OUR PERFORMANCE: ENVIRONMENTAL

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

- A review of the regional & country level data and literature helped us 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 MRCB asset locations. 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 via High, Medium, 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 assets and business units. Following that, the high level implications of each natural hazard on our assets and business units were identified along with feasible mitigation measures for adaptation.
- In 2023, a quantitative financial risk assessment will be conducted on our largest and most material assets.

Preliminary Physical Risk Assessment Results

Physical risks are multidimensional and complex requiring assessment on each component – hazards, exposure and vulnerability. In our initial approach, our assessment has been conducted qualitatively, assessing selected hazards for discovery of acute and chronic risks that are likely to affect the location of our assets. The results of the qualitative assessment has 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 to MRCB. This exercise will be conducted in 2023.

Criteria or Identification of Physical Risks	
Acute	<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 kilometer 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)
Chronic	<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)

OUR PERFORMANCE:
ENVIRONMENTAL

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	High
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	Medium	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 damages caused to assets. Damages include 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 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 our capacity to monitor and update the projection for all hazards within major climate models.

Preliminary Transition Risk Assessment

Transition risks assessments are qualitative rather than quantitative and are based on analysis of emerging trends. We conducted scenario analysis for transition risks and opportunities against two scenarios from World Energy Outlook 2021, published by 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. Climate risk impacts at the business unit level were then modelled via ‘Influence Weightings’ derived from the likelihood and impact of the various scenario indicators. The analysis covers our three (3) core business activities, namely Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), Facilities Management (FM) and Semasa Parking (SP). These scenarios represent the range of events that are reasonably foreseeable and which are common across the segments.

OUR PERFORMANCE: ENVIRONMENTAL

Identified transition risks and opportunities

Category	Preliminary Scenario	Property Development & Investment		Engineering, Construction & Environment		Facilities Management & Parking		Financial Impact
		Likelihood	Impact	Likelihood	Impact	Likelihood	Impact	
Policy & Legal	<p>Green Building Index: Growing interest and adoption of green building practices in Malaysia could affect MRCB's costs and demand.</p>	Medium	Positive	Medium	Positive	Medium	Positive	CAPEX, OPEX
	<p>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.</p>	Medium	Adverse	Medium	Adverse	Medium	Adverse	CAPEX, OPEX, REVENUE
	<p>Carbon Pricing: Malaysia will be likely to apply the carbon pricing mechanism which will affect MRCB's operational costs.</p>	Medium	Adverse	Medium	Adverse	Medium	Adverse	CAPEX, OPEX, REVENUE
Market	<p>Niche Market: Increasing corporate and consumer demand for sustainable product and service.</p>	Medium	Positive	Medium	Positive	Medium	Positive	CAPEX, OPEX
	<p>Stranded Assets: Real estate assets may lose their value prematurely due to transition to low-carbon economy.</p>	Medium	Adverse	Medium	Adverse	Low	Adverse	OPEX, REVENUE
Technology	<p>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.</p>	Medium	Adverse	Medium	Adverse	Medium	Adverse	CAPEX
	<p>Green Construction Materials: Requirements for the use of low carbon building materials will continue to grow, which will increase capital costs.</p>	Medium	Adverse	Medium	Adverse	Low	Adverse	CAPEX
	<p>Electric Vehicle (EV) and Infrastructure: Expected growth for EVs in Malaysia require supporting infrastructure to be established in real assets which affect MRCB's strategy to mitigate the risk and capture this as an opportunity.</p>	Low	Adverse	Low	Adverse	Medium	Adverse	CAPEX

Legend for Scenario Indicator

● Short Term 0-3 years
 ● Medium Term 3-10 years
 ● Long Term >10 years

Scale for Likelihood

● Low
 ● Medium
 ● High

Scale for Impact

○ Neutral
 ● Positive
 ● Adverse

The initial findings of our assessment indicate 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 revolutionary modular construction system and we believe that there is significant potential for our businesses to profit from 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.

OUR PERFORMANCE:
ENVIRONMENTAL

FROM DATA TO ACTION: LEVERAGING GHG EMISSIONS REPORTING FOR POSITIVE IMPACT

SCIENCE BASED TARGETS INITIATIVE (SBTi)

MRCB is committed to SBTi and will seek validation for our 2020 baseline year and reduction targets. Using the latest version of the SBTi Tool and through the absolute contraction approach (ACA), we have set an absolute Scopes 1 and 2 emission reduction target of 4.2% annually (42% by 2030), aligned to the 1.5°C scenario. In recognition of our commitment to the SBTi, in 2022, our Chief Corporate Officer, Mr. Amarjit Chhina was recognised as a United Nations Global Compact Malaysia and Brunei (UNGCMYB) Climate Action Fellow for his efforts in driving our sustainability agenda.

ENHANCING OUR GHG INVENTORY

MRCB sets its GHG Inventory in accordance with the GHG Protocol, and therefore we report on Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased electricity) and Scope 3 (indirect emissions) separately. This inventory forms part of MRCB's commitment to measure, monitor, report and set targets to reduce its emissions.

Our calculation methodology of GHG emissions is in accordance with the WBCSD and WRI's GHG Protocol. An organisational boundary was set to include our operations in Malaysia only (subsidiaries included) 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 it has full authority to implement its corporate policies and strategies. In addition, our calculation references include the 2006 IPCC Guidelines for National GHG Inventories and the IPCC 6th Assessment report. The calculation refers to the appropriate authorities where locally determined emissions factors are used, such as the 2019 National Energy Balance Report and the Grid Emission Factor (GEF) in Malaysia, 2017-2019 published by the Energy Commission. In previous reportings, we referred to the 2017 CDM Electricity Baseline for Malaysia by Malaysia Green Technology and Climate Change Corporation (MGTC). As the latest update on the electricity emission factor has increased from 0.585 kg CO₂/kWh to 0.780 kg CO₂/kWh, we have revised our 2020 and 2021 Scope 2 and relevant Scope 3 emissions accordingly. A Limited Assurance was provided by an independent party, BSI Services Malaysia, covering the emissions performance data (disclosed in pages 232 - 234 of this report).

MRCB aims to continue reducing the carbon footprint of all its operations in all Scopes:

	Emissions reported in 2021	Additional emissions reported in 2022
Scope 1	Emissions related to fuel consumption (stationary combustion of petrol and diesel) from our project sites and company-owned vehicles.	
Scope 2	Emissions from purchased energy, consumed by our offices, sales galleries, project sites (ECE & PDI), parking sites (SP) and buildings (FM).	Emissions from electricity consumed by additional locations: <ul style="list-style-type: none"> • New offices located in VIVO 9 Seputeh • LRT3 project site offices (following the 100% consolidation of the project company)
Scope 3	Emissions from employee commuting and downstream leased assets.	Emissions from business travel (air and land) and fuel- and energy-related activities of our largest suppliers/sub-contractors accounting for 64% of our supply chain by value in 2022*

Note: Our GHG inventory excludes operations outside of Malaysia.

- ECE – Engineering, Construction & Environment
 - PDI – Property Development & Investment
 - FM – Facilities Management
 - SP – Semasa Parking
 - Offices – Headquarters in KL Sentral, VIVO 9 Seputeh & LRT3 project site offices
- * Refers to amount of certified work undertaken by our sub-contractors

OUR PERFORMANCE: ENVIRONMENTAL

GHG EMISSIONS

Since our disclosure of GHG emissions in 2020, we have received partial assurance on our Scopes 1 and 2 emissions annually. Our 2020 baseline year, short-term and mid-term targets are to be validated by SBTi by 2024. Our Climate Strategy Framework on page 22 states our reduction targets. Our GHG profile for 2022 showed that Scope 1, 2 and 3 accounted for 6%, 53% and 41% of our overall GHG emissions, respectively. It should be pointed out that the percentage attributed to our Scope 3 emissions only represents what we are able to measure and disclose during the period, and will increase as disclosures by our supply chain increases.

Summary of GHG Emissions

Emissions	Unit	2020**	2021**	2022	Variance against 2020 baseline (%)
Cumulative Emissions (Scope 1, 2 and 3)	tCO ₂ e	21,144	24,007	32,932*	
Scope 1					
Fuel consumption	tCO ₂ e	1,436	1,237	1,478	↑ 2.9%
Company vehicles ^(a)	tCO ₂ e	547	601	582	↑ 6.4%
Total	tCO ₂ e	1,983	1,838	2,061*	↑ 3.9%
Scope 2					
Purchased electricity	tCO ₂ e	18,920	16,144	17,282	↓ 8.6%
Scope 1 + 2	tCO ₂ e	20,903	17,982	19,342*	↓ 7.5%
Scope 3					
Employee Commuting ^(b)	tCO ₂ e	n/a	773	988	
Downstream Leased Assets ^(c)	tCO ₂ e	n/a	5,097	5,247	
Business Travels ^(d)	tCO ₂ e	n/a	n/a	190	
Fuel and energy-related activities (suppliers/sub-contractors)	tCO ₂ e	241	156	7,165	
Scope 3		241	6,025*	13,590	

Notes:

n/a – Not available

* Figures may not match due to decimal points.

** The 2020 and 2021 data has been updated to reflect the revised GHG boundary, after the relocation of projects under PDI into Scope 3 (fuel- and energy-related activities) as PDI acts only as a client and has no operational control of the projects.

(a) Assumes all company-owned vehicle are petrol-based.

(b) Based on employee petrol cards consumption.

(c) Leased assets of 4 buildings managed by MRCB namely Celcom Tower, Plaza Alam Sentral, Stesen Sentral Kuala Lumpur (SSKL) and Penang Sentral.

(d) Business travels include both air and land travels, calculated using the passenger distance and emission factors from UK Department for Environment Food and Rural Affairs (DEFRA).

OUR PERFORMANCE:
ENVIRONMENTAL

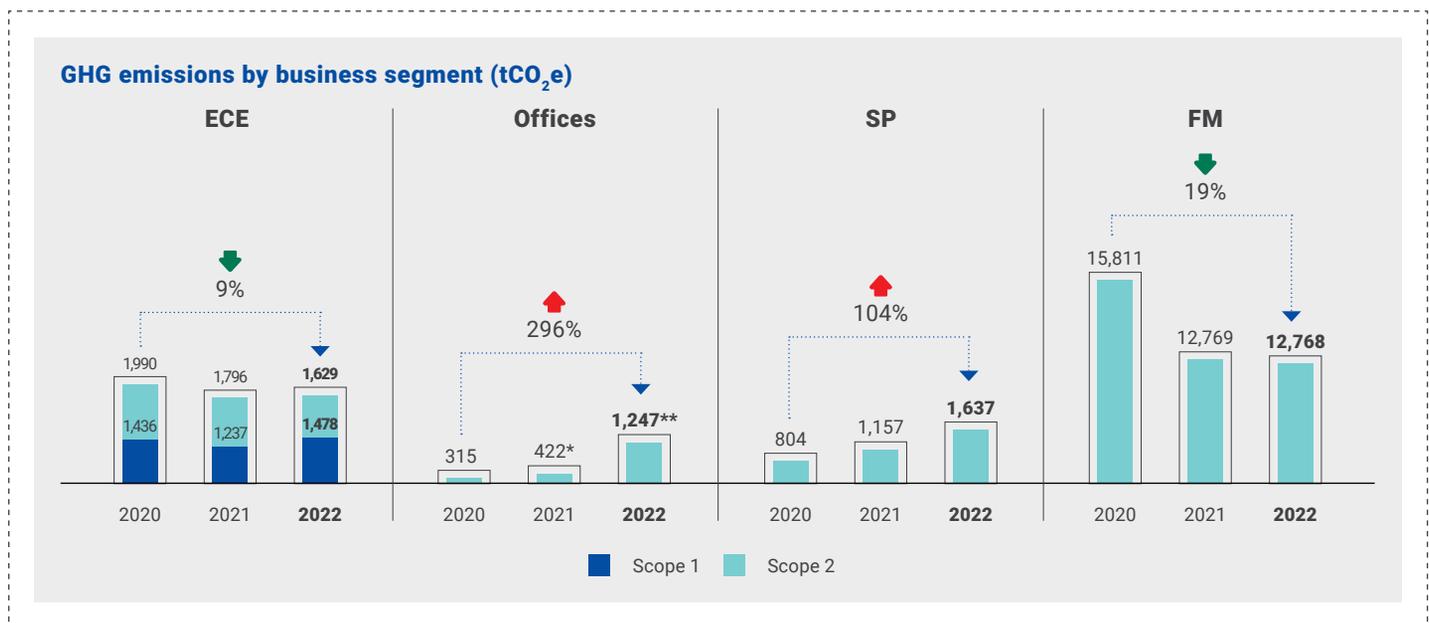
Scopes 1 and 2 Absolute Emissions

In 2022, our total Scopes 1 and 2 emissions amounted to 19,342 tCO₂e, which is an increase of 7.6% compared to 2021, but represent a 7.5% reduction compared to our 2020 baseline. The majority (74%) of our Scope 2 emissions come from our FM segment followed by our ECE and SP segments (both at 9%). The operation of both Plaza Alam Sentral and Stesen Sentral Kuala Lumpur (SSKL) contributed 62% of FM’s emissions. One of our ongoing energy reduction initiatives in SSKL is installing giant ceiling fans to allow better airflow and air circulation to reduce the dependence on air-conditioning units. We also procured Renewable Energy Certificates (RECs) under the Green Electricity Tariff (GET) by Tenaga Nasional Berhad (TNB), Malaysia’s national utility. In 2022, we subscribed to a monthly total of 1,206,000 kWh of electricity generated from renewable sources for three buildings we manage, namely Celcom Tower, Plaza Alam Sentral and Penang Sentral.

Furthermore in 2022, a significant increase from our indirect emissions can be seen in two of our segments, namely Offices and SP services. The increase in the Offices segment was due to the inclusion of new offices located in the Klang Valley. In July 2022, the gradual relocation of employees was underway starting with the relocation of the ECE and PDI Divisions to VIVO 9 Seputeh in Old Klang Road. This was part of an office rationalisation exercise designed to reduce rental expenses. This exercise will be continued through 2023 and is expected to be completed by the 3rd quarter. In addition, our SP commissioned two mechanical parking systems in PJ Sentral, which contributed to the increase in our SP’s Scope 2 emissions.



Scopes 1 and 2 Absolute Emissions by Business Segments (excluding company vehicles)



Notes:

- * The figure differs from that included in the 2021 Integrated Annual Report, as further calculations were made to include the sales gallery category.
- ** Broadening of the existing category to include new offices located in VIVO 9 Seputeh and the LRT3 project site offices following the 100% consolidation of the LRT3 Project company.
- ‘Headquarters’ in 2021 renamed to ‘Offices’ in 2022.
- Emissions from PDI segment has been relocated to Scope 3 as per our assurance process.

OUR PERFORMANCE: ENVIRONMENTAL

Scopes 1 and 2 Emissions Intensity

Our GHG emissions intensity reduced by 65.4% compared to our 2020 baseline. This very significant reduction was due to a massive leap in revenue of approximately RM2 billion in 2022, mainly due to the 100% financial consolidation of the LRT3 project company, as well as more normalised operations following COVID-19-related disruptions and construction site closures in 2021.

Emissions	2020	2021	2022	Variance against 2020 baseline (%)
Scope 1 and 2 emissions (tCO ₂ e)	20,903	17,982	19,342	-7.5%
Revenue (RM' Million)	1,194	1,436	3,195	167.6%
Emissions Intensity	17.5	12.5	6.1	↓ 65.4%

Note: Intensity figures have been recalculated to standardise intensity figure against revenue.

Scope 3 Emissions

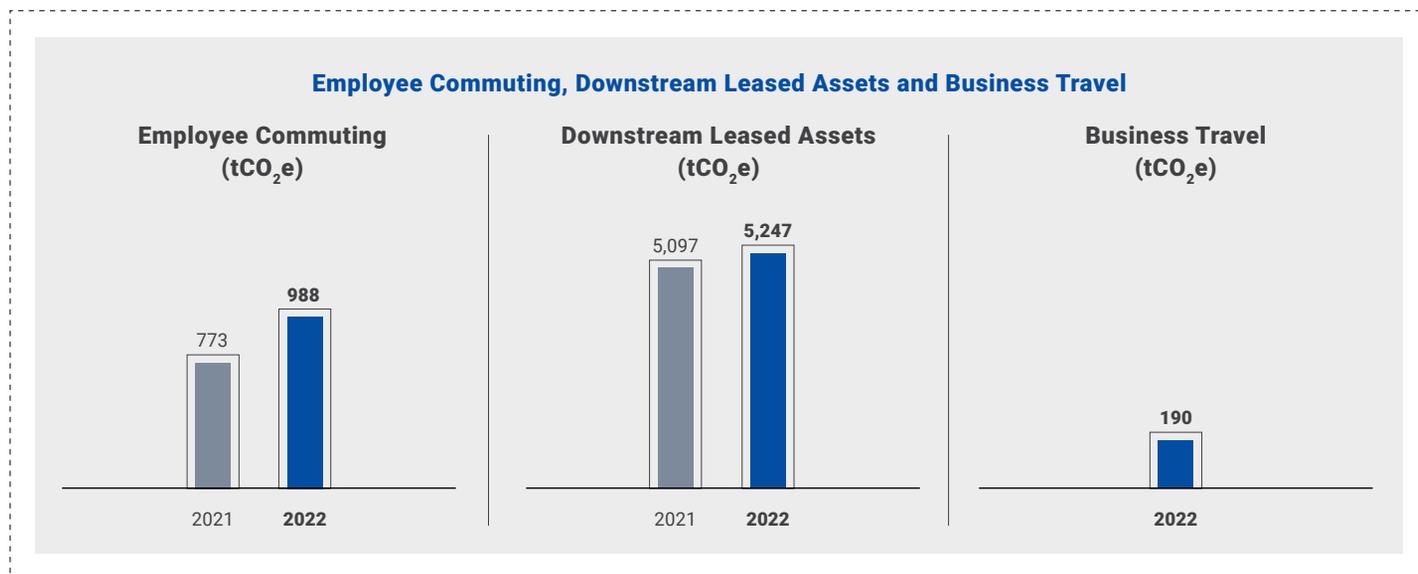
Scope 3 emissions, which are the emissions associated with activities not within our operational control along our supply chain, represent our biggest GHG impact. MRCB adopts the Corporate Value Chain (Scope 3) Standards of the GHG Protocol to identify GHG reduction opportunities, track performance, and engage with suppliers at the corporate level. MRCB has initiated reporting of four (4) categories of Scope 3 emissions that cover Employee Commuting, Downstream Leased Assets, Business Travel and our supply chain. We are also challenged by poor definitions of Scope 3 emissions boundaries (as are others), and are not able to assure them with a high degree of confidence. However, we recognise the importance of reporting on Scope 3 emissions and will continue to look at ways we can influence a reduction wherever possible, focusing on where we can have the most impact.

Employee Commuting refers to emissions from the transportation of employees from their homes to their worksites. 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 petrol 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 leased buildings and offices in Celcom Tower, Plaza Alam Sentral and SSKL. The emissions are determined based on the total electricity consumption attributed to the leased entities.

Scope 3: Fuel and energy-related activities

In 2022, we expanded our Scope 3 categories to include Business Travel by land and air and fuel and energy-related activities of our supply chain. We identified and collected environmental data from our largest direct sub-contractors by value. Data collected consisted of their fuel, electricity and water consumption and the waste generated from our projects. We then converted the fuel and electricity consumed into our Scope 3 Category 3 emissions. We will continue to monitor our supply chain's environmental performance and embed environmental clauses into our contract, making it mandatory for our contractors or vendors to disclose their environmental performance in relation to our projects.

OUR PERFORMANCE:
ENVIRONMENTAL**Scope 3: Environmental performance of our suppliers/sub-contractors**

	Unit	2022	Emissions (tCO ₂ e)
Fuel consumption			
Diesel	L	1,996,725	5,491
Petrol	L	43,613	84
Electricity consumption	kWh	2,038,375	1590
Scope 3: Fuel and energy-related emissions			7,165

ENERGY, WATER & WASTE**ENERGY CONSUMPTION**

During our SMC meetings, all five main business Divisions shared their ongoing energy reduction initiatives and progress. Some of the initiatives included retrofitting LED lightings at buildings being managed by FM and parking locations, and office space rationalisation as a result of a reducing headcount due to investments made in the digitalisation and automation of tasks.

In 2022, we also procured RECs under the GET programme by TNB. We purchased a total of 12 GWh of electricity generated from renewable sources for three (3) buildings that we own, namely Celcom Tower, Plaza Alam Sentral and Penang Sentral.

Moving forward, we will continue to procure certified renewable energy and increase the use of electricity from renewable sources. However, our primary strategy is to reduce our energy consumption and improve our energy efficiency through internal organic actions.

	2022
GET Purchased	12,881,689 kWh
GET Attributable to MRCSB	10,833,912 kWh

OUR PERFORMANCE: ENVIRONMENTAL

Our fuel sources originate from running generators or plant and machinery at project sites, registered company vehicles and the petrol cards for employees. Although the fuel consumption that is within our control accounts for only 6% of our overall emissions, we are still exploring ways to reduce consumption, for instance opting for biofuel or promptly using electricity directly from the power grid supply to reduce reliance on diesel generators.

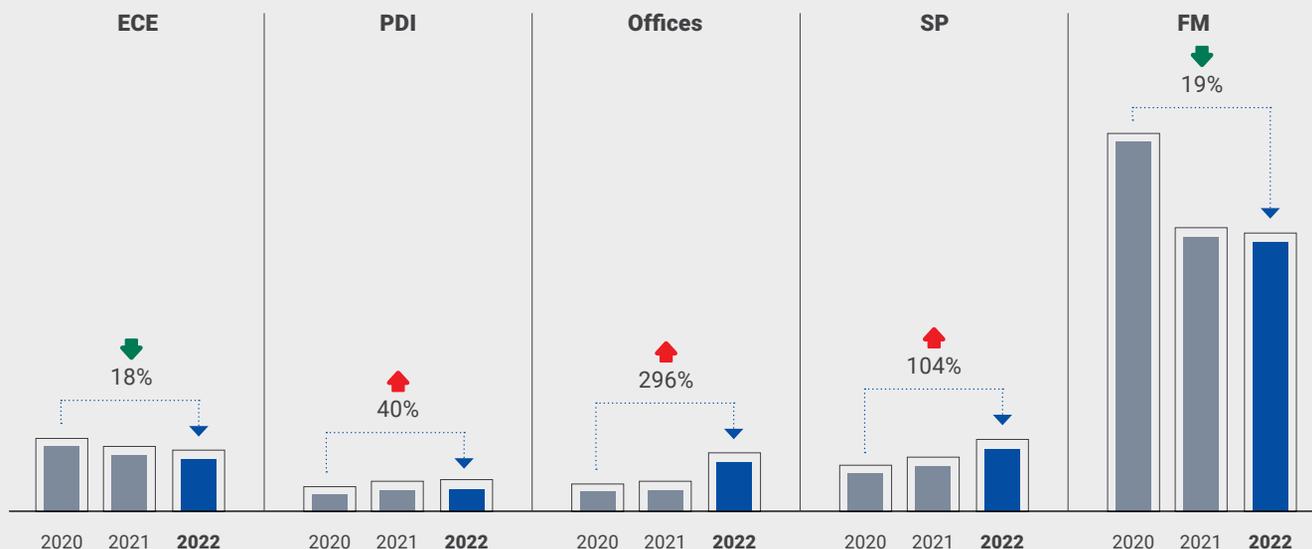
3-Year Fuel Consumption

Source	Diesel (L)			Petrol (L)		
	2020	2021	2022	2020	2021	2022
Machineries at project sites	590,890	489,311	594,305	1,919	3,752	3,121
Registered vehicles usage	-	-	-	277,970	305,436	295,964
Employee commuting (Petrol card usage)	-	-	-	-	392,695	502,323
Total Fuel Consumption (L)	590,890	489,311	594,305	279,889	701,883	801,408

Note: Employee commuting was first reported in 2021, and was based on employee petrol card consumption.

3-Year Electricity Consumption

Electricity consumption by business segments (kWh)



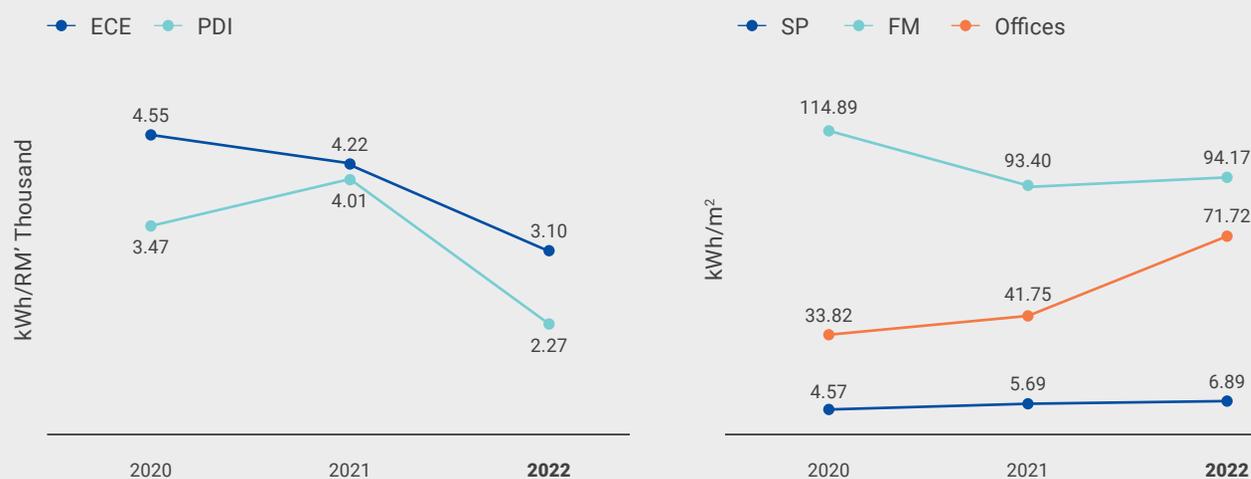
	ECE	PDI	Offices	SP	FM	Total Electricity Consumption (kWh)
2020	2,551,441	62,056	403,826	1,030,865	20,270,776	24,318,964
2021	2,302,420	50,619	540,506	1,483,801	16,370,839	20,748,185
2022	2,088,811	86,588	1,598,878	2,098,668	16,369,455	22,242,400

OUR PERFORMANCE:
ENVIRONMENTAL**Electricity Intensity**

The following table and charts show electricity intensity by business segments in the last three years. The significant difference to the ECE and PDI segments compared to previous reports are due to the change of intensity calculation using revenues. Our SP services' intensity increment is due to the usage of newly installed mechanical parking systems. In addition, the increase in the offices segment is due to the inclusion of several new locations.

	2020	2021	2022	Variance against 2020 baseline (%)
ECE				
Total consumption (kWh)	2,551,441	2,302,420	2,088,811	
Revenue (RM' Thousand)	561,362	545,404	674,384	
Intensity (kWh/RM' Thousand)	4.55	4.22	3.10	- 31%
PDI				
Total consumption (kWh)	62,056	50,619	86,588	
Revenue (RM' Thousand)	17,868	12,638	38,116	
Intensity (kWh/RM' Thousand)	3.47	4.01	2.27	- 35%
Offices Intensity (kWh/m²)	33.82	41.75	71.72	+ 112%
SP Intensity (kWh/m²)	4.57	5.69	6.89	+ 51%
FM Intensity (kWh/m²)	114.89	93.40	94.17	- 18%

Note: Revenues refer to amount of certified work undertaken in the business segments.

Electricity intensity chart comparison by business segments

Note: FM's intensity figures have been calculated based on overall buildings' electricity consumption including leased areas.

OUR PERFORMANCE: ENVIRONMENTAL

WATER CONSUMPTION

MRCB recognises that efficient water management is key to the economic development of the communities in which we are present, and also a key factor for sustainable development. Water supply to our company is especially vital as our construction activities are water-intensive and highly dependent on an effective and reliable supply of water. The collection, production, distribution and reclamation services of water in Selangor and the Federal Territory are consolidated by a sole water agency, Air Selangor Sdn. Bhd. MRCB predominantly operates in Selangor and the Federal Territory, and we obtain our water from Air Selangor. Air Selangor draws water mainly from Selangor River, Langat River and Bernam River before treating it to an acceptable standard for distribution. Therefore, we currently assume that 100% of our company's water consumption comes from surface water. As part of our water sustainability actions, we have also worked with local authorities on several river rehabilitation programmes such as in Teluk Cempedak, Pahang and our current project in Muara Sungai Pahang.

At present water-related risks are water supply disruptions, as Selangor is one state that can sometimes suffer from unscheduled water supply disruptions. In addition, based on a preliminary assessment using the WRI Aqueduct Water Risk Tool, 83% of MRCB's assets that were assessed were found to potentially be in high water-stressed areas between 2030 and 2050. Evaluation of water availability in the future within these areas may require further assessment considering local water usage patterns and projected changes in water usage. The preliminary qualitative assessment of our climate risks and opportunities guided by the TCFD framework categorised water stress as a long-term acute risk. In general, MRCB does not currently operate nor own assets or facilities within water-stressed areas, hence, no specific target has been set.

We continuously monitor the quality of discharged waste water with the objective of protecting water sources within our boundaries. We implement control measures by having temporary drainage systems and silt traps to deal with issues such as surface or storm water runoff and effluent at our project sites. Grease trap is also utilised to manage effluent discharge from the canteens at our sites. Direct discharge of untreated sewage and sullage into drains or waterways are not permitted. Maintenance of earth drains, and desilting of silt traps are performed regularly to ensure its continued effectiveness. Regular monitoring and testing of water quality at discharge points are conducted to ensure the water quality from our construction activities comply with regulations and standards. We comply with all local environmental legal requirements, and are constantly striving to improve our standards even further. In 2022, we reported zero environmental fines or penalties from our construction sites and we had zero incidents of non-compliance related to water standards or regulations. Our QESH Policy states our commitment to optimise and reduce the consumption of all natural resources, including water. Implementing water recycling at project sites requires a detailed understanding of the water sources and demands, and careful consideration of the appropriate treatment and reuse options. It is important to ensure that recycled water meets appropriate quality standards and is used in a safe and appropriate manner. MRCB only uses recycled water for washing transport vehicles at wash troughs to help keep the roads surrounding our projects (i.e. PR1MA Brickfields and Sungai Besi-Ulu Kelang Elevated Highway Package CA2) clean and safe for all users. Below is our water consumption by business segments; 'Offices' refer to only our sales galleries and LRT3 project site offices. The increase of water consumption in FM resulted from SSKL operations, largely due to a resumption of more normalised economic activity following two (2) years of COVID-19-related movement restrictions and lockdowns.

Water consumption by business segments (m³)



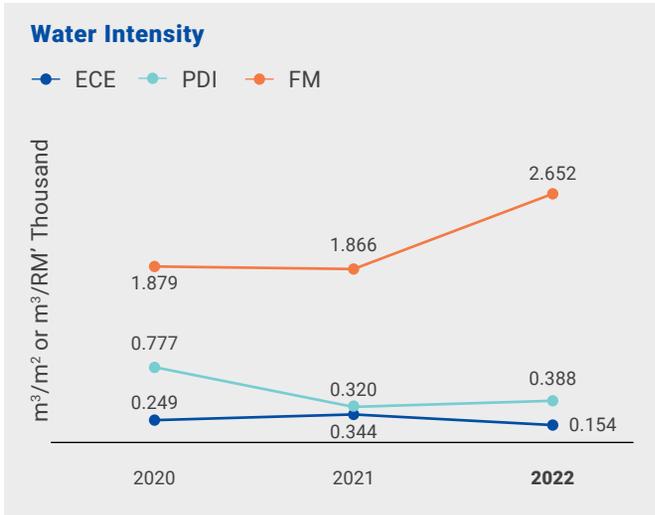
	ECE	PDI	Offices*	FM	Total Water Consumption (m ³)
2020	139,661	13,878	-	382,777	536,316
2021	187,449	4,043	785	397,942	590,219
2022	103,751	14,805	11,232	613,834	743,622

* Broadening of the existing category to include new offices located in VIVO 9 Seputeh and the LRT3 project site offices following the 100% consolidation of the LRT3 project company.

OUR PERFORMANCE:
ENVIRONMENTAL

Water Intensity

The following table and chart show water intensity by business segments in the last three years. Revisions were made to calculate intensity using revenue for ECE and PDI.



	2020	2021	2022	Variance against 2020 (%)
ECE (m³/RM' Thousand)	0.249	0.344	0.154	- 38%
PDI (m³/RM' Thousand)	0.777	0.320	0.388	- 50%
FM (m³/m²)	1.879	1.866	2.652	+ 41%

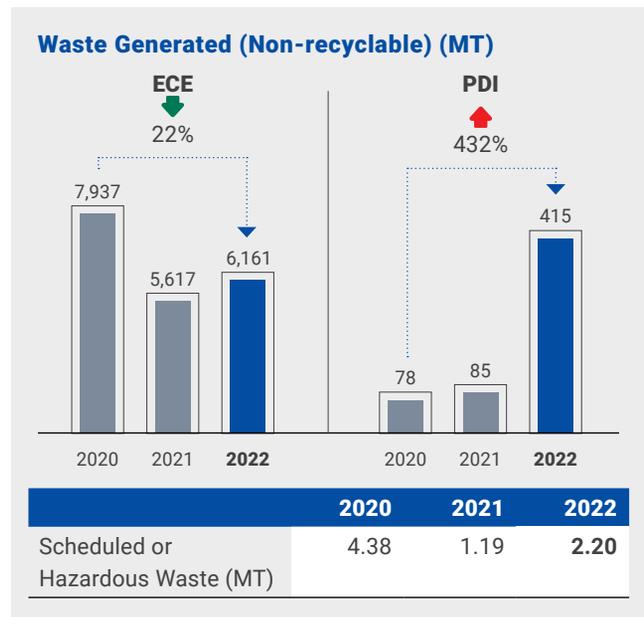
WASTE GENERATED

MRCB's business operations generate domestic waste and solid waste mainly from construction activities that requires disposal in landfills. All of our non-recyclable generated waste are disposed of in accordance with local waste regulations by a third party waste management vendor. To align ourselves to SDG12 on waste management, MRCB aims to minimise the use of resources and generation of our construction waste wherever possible.

Scrap metal, timber and recyclable waste are sent for recycling to reduce the use of virgin resources in the future. Concrete waste is reused as crusher runs for access roads and to cover potholes within project sites, to minimise potential hazards and accidents. In cases where concrete waste is not suitable for reuse, it is sent to a licensed landfill for disposal. We also ensure wooden pallets that come with the bricks supplied to us are safely stored at sites before returning them to suppliers for reuse.

Other than domestic and construction waste, our projects generate scheduled waste, which is managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. Scheduled waste generated is properly stored and labelled at our project sites and disposed when it reaches a certain quantity or duration. We only appoint contractors who are licensed by the Department of Environment (DOE) to collect and transport the scheduled waste for treatment prior to disposal.

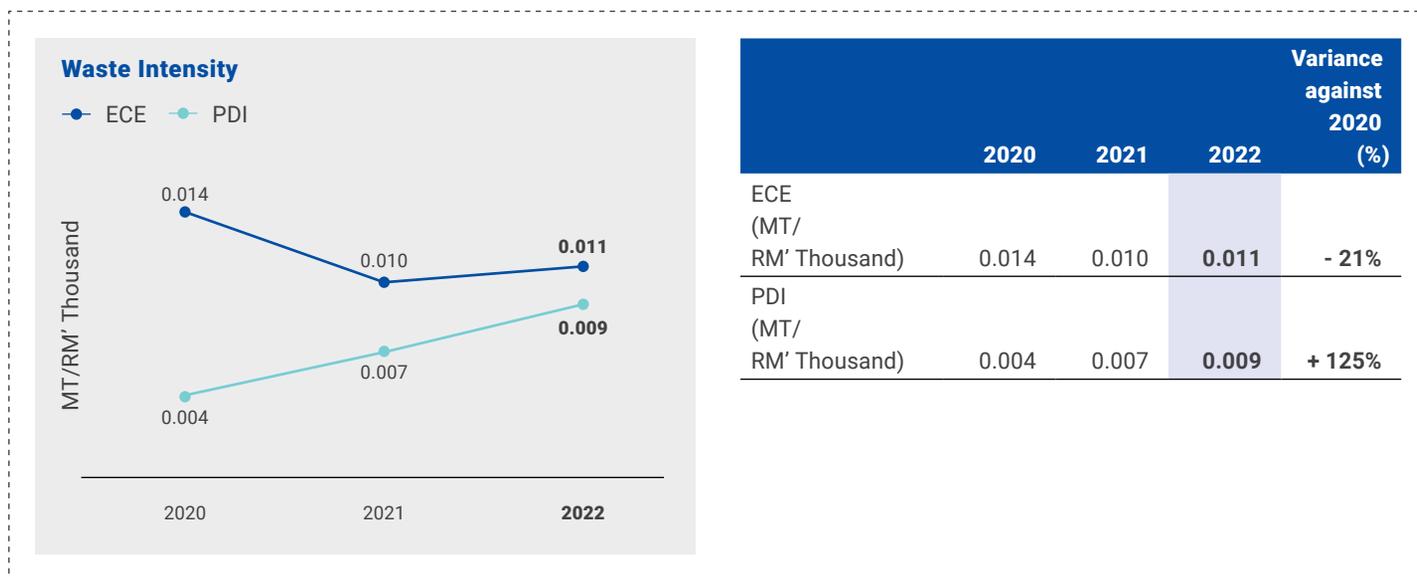
Within our Environmental Management System implemented in accordance with ISO 14001, one of our commitments articulated in the QESH Policy is to promote natural resources conservation by ensuring efficient and effective use of materials and resources within our facility that includes non-renewable sources of water, electricity and many more.



OUR PERFORMANCE: ENVIRONMENTAL

Waste Intensity

The following table and chart show waste intensity by business segments in the last three years. Revisions were made to standardise intensity calculation using revenue.



Waste Recycled/Diverted from Landfills

At our project sites, we practice the 3R (Reduce, Reuse and Recycle) approach in which we segregate recyclables, including reusable waste. This resulted in a substantial amount of waste diverted away from inert waste landfills. Scrap materials from our construction sites such as aluminum cable, power cable, scrap reinforcement bar, plastic barriers, galvanized pipes and lighting fixtures were sold off to other companies and diverted away from landfills. In 2021, 97 tonnes of scrap materials and 1 portable cabin were sold off and diverted away from landfills. In 2022, a cumulative 558 tonnes of scrap materials, 17,208 m² of scrap formwork, plus 16 portable cabins were sold off. Although we were able to divert waste from going to the landfill, our main aim is to reduce the overall waste generated in the first place. Moving forward, we plan to strengthen our waste tracking and monitoring system for all project sites to ease our journey towards waste minimisation.

RESPONSIBLE AND SUSTAINABLE CONSTRUCTION

Green Building

Our built environment is responsible for a large amount of energy and water use, and emissions of greenhouse gases. However, the construction of Green buildings has led to increased resource efficiency with a multitude of benefits to owners and occupants, as well as the environment. MRCB adopts Green Building Certifications for all its property development projects. The five (5) Green building rating systems are:

- Malaysia's Green Building Index (GBI);
- Malaysia's Green Real Estate (GreenRE);
- Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCrest);
- US Green Building Council's Leadership in Energy and Environmental Design (LEED); and
- Singapore's Building and Construction Authority (BCA) Green Mark

OUR PERFORMANCE:
ENVIRONMENTAL

Below is a list of MRCB developments that have installed Building Management Systems (BMS), smart metering and solar photovoltaic systems and have received Green building accreditation:

Project	Sustainability Accreditation	Building Management System (BMS)	Smart Metering	Installation of Solar PV*
PLATINUM SENTRAL (LOT E)	GBI NRNC DA CERTIFIED AND BCA Green Mark PLATINUM	Yes	Yes	Yes – Solar PV panel (23 x 2.304 kWp)
PJ SENTRAL – CELCOM TOWER (LOT 8)	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	No	No
MENARA JLAND	GBI NRNC DA GOLD	Yes	Yes	No
ST REGIS KUALA LUMPUR	GBI NRNC DA CERTIFIED	Yes	No	No
THE DESA DESARU (HARDROCK HOTEL)	GBI NRNC RESORT DA CERTIFIED AND LEED BD+C NC SILVER	Yes	Yes	No
DESARU CONFERENCE CENTRE	GBI NRNC RESORT DA CERTIFIED AND LEED BD+C NC SILVER	Yes	Yes	No
WESTIN DESARU RESORT (WESTIN HOTEL)	GBI NRNC RESORT DA CERTIFIED AND LEED BD+C NC SILVER	Yes	Yes	No
9 SEPUTEH SOHO	GBI RNC DA CERTIFIED	No	No	No
VIVO RESIDENCES (9 SEPUTEH)	GBI RNC DA CERTIFIED	Yes	Yes	No

List of ongoing projects with Green building accreditation:

PJ SENTRAL – MYIPO CORPORATE HQ	GBI NRNC DA CERTIFIED	Yes	Yes	No
SENTRAL SUITES (LOT 349)	MyCREST ONE STAR, and GreenRE BRONZE	No	No	No

List of completed projects with Green building accreditation:

MENARA CIMB	GBI NRNC CVA CERTIFIED	Yes	No	No
SENTRAL RESIDENCES	GBI RNC CVA GOLD	No	No	No
MENARA SHELL (348 SENTRAL)	GBI NRNC DA SILVER, and LEED ID+C Commercial Interior GOLD	Yes	Yes	No
348 SENTRAL (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)

Notes:

* Solar Photovoltaic (PV) - Specifications and features are determined by the client.

BD+C Building Design & Construction

ID+C Interior Design & Construction

DA Design Assessment

NRNC Non-Residential New Construction

RNC Residential New Construction

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)

For details on assessment criteria and rating scale: <https://greenre.org/index.html>

LEED

Leadership in Energy and Environmental Design (United States)

For details on assessment criteria and rating scale:

<https://www.usgbc.org/leed>

MyCrest

Malaysian Carbon Reduction and Environmental Sustainability Tool (Malaysia)

For details on assessment criteria and rating scale:

<http://www.cidb.gov.my/index.php/en/bidang-utama/pembinaan-mampan/mycrest>

OUR PERFORMANCE: ENVIRONMENTAL

Green Infrastructure



We also strive to embed sustainability considerations into our infrastructure design.

The Construction Industry Development Board (CIDB) of Malaysia has conferred the design phase of the LRT3 project with a 5-Star Sustainable INFRASTAR certification, the first rail project in Malaysia to achieve this highest level of certification. Sustainable INFRASTAR is an objective and evidence-based evaluation system which assesses infrastructure projects on key sustainability factors such as land use, impact of equipment uses, resource and waste management at construction sites.

Biodiversity

Our Biodiversity Statement sets out our commitment to minimise environmental harm and to reduce the loss of biodiversity through our activities and where possible seeks to identify, assess and (when identified) manage environmental and biodiversity impacts within our operations. We have conducted Environmental Impact Assessments (EIA) in high biological diversity areas such as our projects in Desaru, Johor and taken necessary actions to minimise environmental harm in these areas. Moving forward, where there are gaps, we will strive to address them as far as practicable and review and update company relevant policies (as deemed fit). MRCB will continue to report its biodiversity practices in its Integrated Annual Report based on the Global Reporting Initiative framework and be involved in multi-stakeholder efforts that support strong ecological principles.

Sustainable Construction Materials

Sustainable construction materials require minimal use of natural resources and have greater reusability, which in turn is cost-effective and improves overall operational efficiency. We monitor the amount of building materials used in every project to maintain sustainable sourcing and reduce costs in each project. We ensure a balance of innovative construction practices without affecting the quality and durability of building materials. Research published by McKinsey suggests that the built environment accounts for approximately 40% of global carbon emissions from fuel combustion and 25% of global greenhouse emissions. Of these, cement production is one of the highest-emitting materials, accounting for 7% of total global carbon emissions. MRCB is in the process of trying to develop a Sustainable Design Policy specifying requirements such as which materials may be used in our property development projects and where they may be sourced from (locally) to ensure we minimise both embedded carbon and the carbon emissions resulting from transportation. We also wish to make sure our supply chain observes sustainable best practices. The policy will also seek to ensure we are able to ascertain the embedded carbon of our projects at the design stage, and attempt to provide a framework and steps that will need to be taken by our teams to reduce this.

In addition, with the implementation of Building Information Modelling (BIM) software for clash detection, we are able to resolve constructability issues and coordinate across all disciplines before construction begins, thereby reducing overall construction costs, and waste and energy consumed in a project. Other initiatives to minimise the use of materials is the reduction in the use of timber formwork in favour of system formwork which improves efficiency and reduces construction time.

The implementation of Industrialised Building Systems (IBS) at project sites uses criteria from CIDB IBS to meet the CIDB IBS assessment score of related projects. The objective of the CIDB IBS assessment is to provide a systematic and structured assessment system to measure the use of IBS in a consistent manner. CIDB is driving the adoption of IBS via private sector projects and are targeting for new developmental projects within Klang Valley worth RM50 million and above to achieve a minimum IBS Score of 50. In 2020, our TRIA 9 Seputeh and Sentral Suites projects were assessed, and the scores exceeded the minimum IBS score, reflecting our high productivity level, reduced wastage and site labour, and higher overall quality as listed under CIDB's guidelines. In 2022, our FINAS project scored an IBS score of 52.

Project	CIDB IBS Score
National Film Development Corporation Malaysia (FINAS) headquarters	52.0
TRIA 9 Seputeh	51.1
Sentral Suites	51.4

MRCB also innovated the MBS, our proprietary modular construction system, which is aligned to five (5) UNSDGs. MBS allows us to deliver higher-quality buildings much more efficiently, reducing the quantum of waste going to landfills and lowering energy and our carbon emissions during construction. The other benefits are much safer and faster construction.

Advantages of MBS, which is aligned with 5 UNSDGs

<p>Improved Site Safety 90% of works done off-site at ground level in a controlled environment, reducing risk of injuries from working at height</p>	
<p>Skilled Local Labour Less dependency on unskilled foreign labour and attracts more skilled workers to the industry</p>	
<p>Faster, More Efficient Construction Fabrication of building components off-site run concurrently with on-site activities, reducing construction time by up to 50%</p>	
<p>High Quality Assurance & Control Higher quality control at the point of construction due to controlled environment</p>	
<p>Lower Material Wastage Shift towards manufacturing approach with streamlined processes and effective, "just in time" inventory management reduces waste going to landfills</p>	
<p>Lower Environmental Impact, Lower Energy Usage Less noise, dust, truck movement & pollution from site activities and more efficient construction method, which reduces energy consumption compared to traditional construction</p>	

CORPORATE INFORMATION

BOARD OF DIRECTORS



DATUK SERI AMIR HAMZAH AZIZAN

Non-Independent Non-Executive Chairman

TAN SRI MOHAMAD SALIM FATEH DIN

Executive Vice Chairman

IMRAN SALIM

Group Managing Director

MOHAMAD HAFIZ KASSIM

Non-Independent Non-Executive Director

DATO' MOHAMAD NASIR AB LATIF

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

Mohamad Hafiz Kassim

EXECUTIVE COMMITTEE

Dato' Mohamad Nasir Ab Latif
(Chairman)

Imran Salim

Dato' Wan Kamaruzaman Wan Ahmad

NOMINATION & REMUNERATION COMMITTEE

Dato' Wan Kamaruzaman Wan Ahmad
(Chairman)

Dato' Dr Junaidah Kamarruddin

Mohamad Hafiz Kassim

LONG-TERM INCENTIVE PLAN COMMITTEE

Dato' Mohamad Nasir Ab Latif
(Chairman)

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

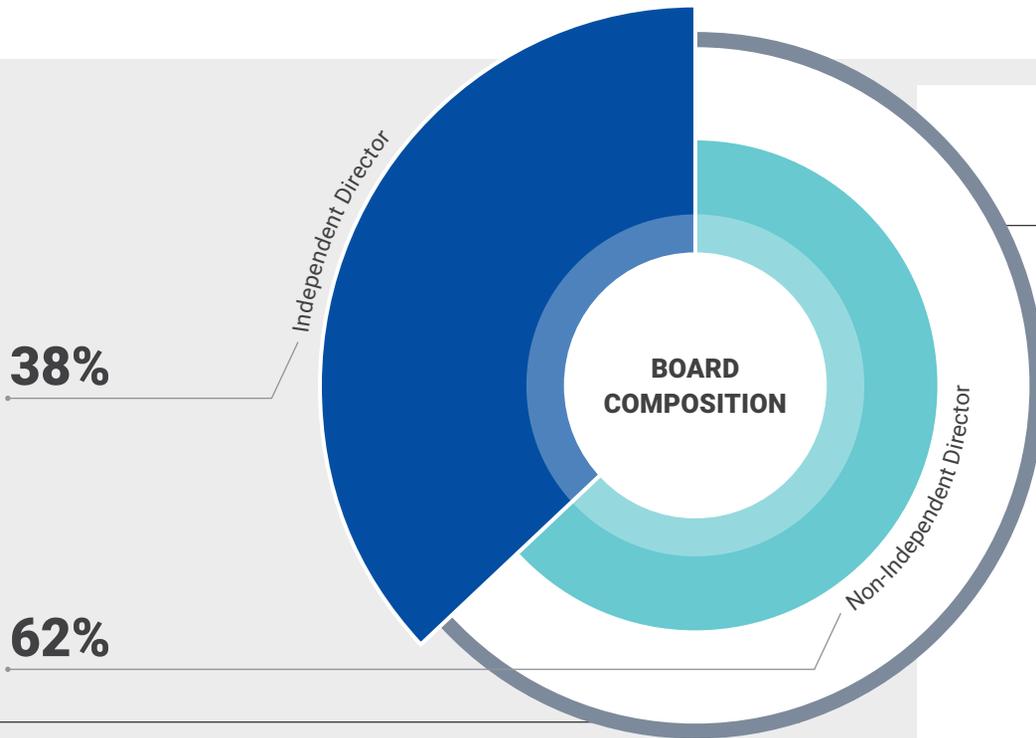
PRINCIPAL BANKERS

CIMB Bank Berhad
CIMB Islamic Bank Berhad
HSBC Bank Malaysia Berhad
Maybank Islamic Berhad
RHB Islamic Bank Berhad

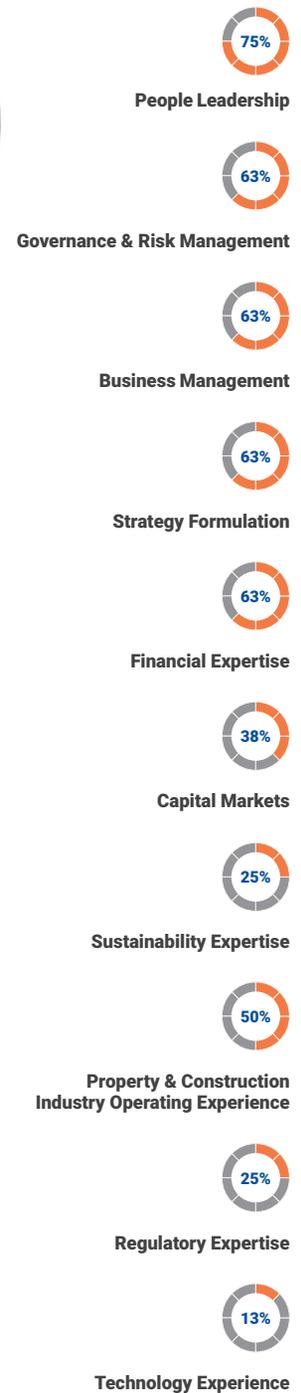
STOCK EXCHANGE LISTING

Listed on the Main Market of
Bursa Malaysia Securities Berhad
since 22 March 1971.
Stock Code : 1651
Stock Name : MRCB

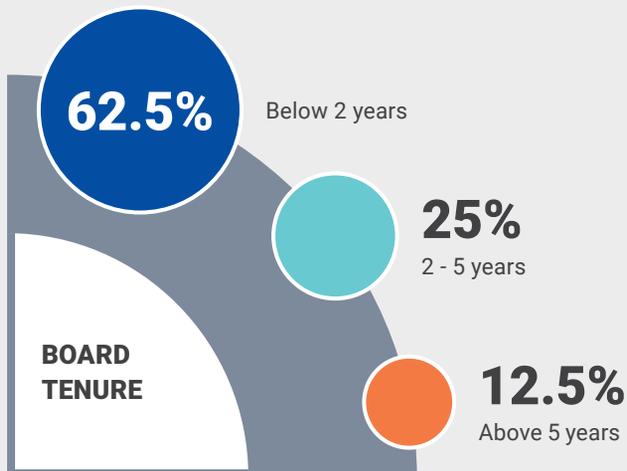
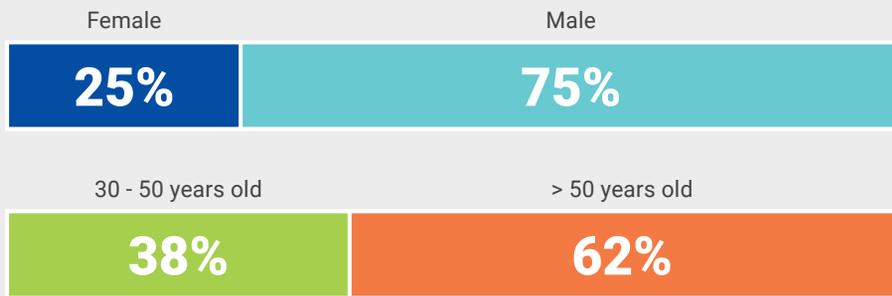
BOARD AT A GLANCE



BOARD OF DIRECTORS' KEY CAPABILITIES



DIVERSITY



BOARD OF DIRECTORS' PROFILE

DATUK SERI AMIR HAMZAH AZIZAN

Non-Independent Non-Executive Chairman

• Aged 56 • Male • Malaysian

Nominee of the EPF, a major shareholder of MRCB



DATE APPOINTED TO THE BOARD

1 September 2021

(Redesignated as Non-Independent Non-Executive Chairman on 19 January 2023)

BOARD COMMITTEE MEMBERSHIP

- Nil

BOARD MEETINGS ATTENDANCE IN 2022

- Attended 6 out of 7 Board meetings held in 2022

QUALIFICATIONS

- Bachelor of Science Degree in Management (Majored in Finance & Economics), Syracuse University, New York, United States of America
- Stanford Executive Programme, Stanford University, Stanford, United States of America

SKILLS AND EXPERIENCE

Datuk Seri Amir Hamzah Azizan is the Chief Executive Officer of EPF. His career began with the Shell Group of Companies, where he served for 10 years in various capacities in Malaysia, Singapore, and the United Kingdom. He joined MISC Berhad in 2000 and held several senior management portfolios before being appointed President and Chief Executive Officer in January 2009.

Subsequently, he was appointed Managing Director/Chief Executive Officer of PETRONAS Dagangan Berhad in June 2010. In August 2012, he joined PETRONAS Lubricants International as the Group Managing Director and Chief Executive Officer, while simultaneously serving as the Vice President, Downstream Marketing and subsequently Vice President, Lubricants for the PETRONAS Group. In March 2016, he joined Ekuiti Nasional Berhad (Ekuinas) to steer its investee company, Icon Offshore Berhad as Managing Director and Chief Executive Officer.

He was later appointed to Khazanah Nasional Berhad's subsidiary, Themed Attractions Resorts and Hotel Sdn Bhd as its Group Chief Executive Officer. In April 2019, he joined Tenaga Nasional Berhad (TNB) as its President/Chief Executive Officer.

OTHER DIRECTORSHIP(S)/MEMBERSHIP(S)

Listed Entities

- Director, Sime Darby Plantation Berhad

Others

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

He has no family relationship with any director and/or major shareholders of MRCB.

CONFLICT OF INTEREST WITH MRCB

He has no personal interest in any business arrangement involving 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.

BOARD OF DIRECTORS' PROFILE

TAN SRI MOHAMAD SALIM FATEH DIN

Executive Vice Chairman

• Aged 65 • 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 ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

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, a major player in the construction, property investment and development sector.

He was a pioneer in developing green building concept in Malaysia, delivering major landmark developments such as Shell's new international award-winning regional headquarter, 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 designing the latest distribution centres for the retailer Giant by modernising and improving its food-processing systems while reducing its logistic costs and delivery turnaround time. The success of Giant's hypermarkets 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, namely Shell, Esso, BP and Caltex.

He was a Non-Executive Chairman of British American Tobacco (Malaysia) Berhad from 2012 to 2016 and Chairman of the Malaysia-Pakistan Business Council from 2013 to 2014.

He has 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 redesignated as the Interim Chairman of MCMC from June 2022 to December 2022 and on 1 March 2023, he was appointed as the Chairman of MCMC.

OTHER DIRECTORSHIP(S)/MEMBERSHIP(S)

Listed Entities

- Director, Malaysia Airports Holdings Berhad

Others

- Chairman, KLIA Aerospace Sdn Bhd
- Director, Malaysia Airports Sdn Bhd
- Chairman, Malaysian Communications and Multimedia Commission
- Member of Consultation and Corruption Prevention Panel, Malaysian Anti-Corruption Commission

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

Tan Sri Mohamad Salim is the Group Managing Director and substantial shareholders of Gapurna, which in turn holds 15.48% equity interest in MRCB. Tan Sri Mohamad Salim is also the father of 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 WITH MRCB

Save as disclosed, and in Note No. 39 of page 140 of the accompanying Financial Report, he has no personal interest in any business arrangement involving 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.

BOARD OF
DIRECTORS' PROFILE**IMRAN
SALIM***Group Managing Director**• Aged 41 • 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 ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

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, Imran commenced his career as an Engineer with Bistraya 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.

Imran was the Group Chief Operating Officer of MRCB from 1 March 2013 to 28 February 2015 before being promoted to Executive Director of the Company on 1 March 2015. He assumed his current position with effect from 2 July 2018.

OTHER DIRECTORSHIP(S)/MEMBERSHIP(S)**Listed Entities**

- Nil

Others

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

Imran is the son of Tan Sri Mohamad Salim, MRCB's Executive Vice Chairman and substantial shareholder of Gapurna Sdn Bhd, which in turn holds 15.48% equity interest in MRCB. Other than as disclosed, he does not have any family relationship with any director and/or major shareholders of MRCB.

CONFLICT OF INTEREST WITH MRCB

Save as disclosed, and in Note No. 39 of page 140 of the accompanying Financial Report, he has no personal interest in any business arrangement involving 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.

BOARD OF DIRECTORS' PROFILE

MOHAMAD HAFIZ KASSIM

Non-Independent Non-Executive Director

• Aged 48 • Male • Malaysian

Nominee of the EPF, a major shareholder of MRCB



DATE APPOINTED TO THE BOARD

1 September 2021

BOARD COMMITTEE MEMBERSHIP

- Member of the Audit & Risk Management Committee
- Member of the Nomination & Remuneration Committee

BOARD MEETINGS ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

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 the Private Equity, Capital Markets and Real Estate departments. 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(S)

Listed Entities

- Nil

Others

- Director, Projek Lebuhraya Usahasama Berhad
- Director, PLUS Malaysia Berhad
- Director, QSR Brands (M) Holdings Bhd
- Director, Kwasa Land Sdn Bhd

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 WITH MRCB

He has no personal interest in any business arrangement involving 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.

BOARD OF
DIRECTORS' PROFILE**DATO'
MOHAMAD
NASIR AB LATIF***Non-Independent Non-Executive Director**• Aged 65 • Male • Malaysian**Nominee of the EPF, a major shareholder of MRCB***DATE APPOINTED TO THE BOARD**

24 August 2018

BOARD COMMITTEE MEMBERSHIP

- Chairman of the Executive Committee
- Chairman of the Long-Term Incentive Plan (LTIP) Committee

BOARD MEETINGS ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

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(S)**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)

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 WITH MRCB

He has no personal interest in any business arrangement involving 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.

BOARD OF DIRECTORS' PROFILE

DATO' WAN KAMARUZAMAN WAN AHMAD

Senior Independent Director

• Aged 63 • 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 ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

QUALIFICATIONS

- Bachelor of Economic (Analytical Economic) with Hons from University of Malaya
- Chartered Banker, Asian Institute of Chartered Bankers

SKILLS AND EXPERIENCE

Dato' Wan Kamaruzaman previously served as the Chief Executive Officer (CEO) of Kumpulan Wang Persaraan (Diperbadankan) (KWAP) from May 2013 to October 2018. Prior to joining KWAP, he served as the General Manager, Treasury Department of the EPF since October 2007.

He started his working career with Malayan Banking Berhad (Maybank) in 1981, mainly with the Treasury Department, with two overseas postings in 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(S)

Listed Entities

- Al-Salam Real Estate Investment Trust
- Al-Aqar Healthcare REIT
- Bermaz Auto Berhad

Others

- Director, Damansara REIT Managers Sdn Berhad
- Director, Massive Equity Sdn Berhad
- Director, Global LNG Sdn Bhd
- Director, Bond and Sukuk Information Exchange Sdn Bhd
- Chairman, Iris Capital Partners Sdn Bhd
- Director, Bank of America Malaysia Berhad
- Director, Mudarabah Innovation Fund Investments Ltd
- Director, iPlus Technologies Sdn Bhd
- Member, EPF Investment Panel
- Member, Securities Commission Investment Advisory Panel
- 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 WITH MRCB

He has no personal interest in any business arrangement involving 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.

BOARD OF
DIRECTORS' PROFILE**DATO' DR
JUNAIDAH
KAMARRUDDIN***Independent Director*

• Aged 62 • 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 Long-Term Incentive Plan (LTIP) Committee

BOARD MEETINGS ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

QUALIFICATIONS

- Doctorate in Resource Management, Universiti Pertahanan Nasional Malaysia
- Master's in International Relations, International University of Japan
- Bachelor of Arts (Honors) specialising in Geography, Universiti Sains Malaysia
- Diploma in Public Administration, National Institute of Public Administration

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 she was promoted to be the Principal Assistant Secretary at the Organizational Development Division of the Ministry of Human Resources in June 2003 and 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 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 the Prime Minister's (PM) Department as a Director General.

In December 2015, she was promoted as the Deputy Secretary General (Policy) at the Ministry of Defense Malaysia until October 2018 and later became the Deputy Secretary of General (Administration) at the PM's Department from October 2018 until March 2019 before her appointment as the Director General, Legal Affairs Division. 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(S)**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 WITH MRCB

She has no personal interest in any business arrangement involving MRCB.

LIST OF CONVICTIONS OR OFFENCES WITHIN THE PAST FIVE (5) YEARS

She has not been convicted for any offence (other than traffic offences) within the past five (5) years, nor been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS' PROFILE

LIM FEN NEE

Independent Director

• Aged 50 • Female • Malaysian



DATE APPOINTED TO THE BOARD

1 November 2021

BOARD COMMITTEE MEMBERSHIP

- Member of the Audit & Risk Management Committee

BOARD MEETINGS ATTENDANCE IN 2022

- Attended all 7 Board Meetings held in 2022

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(S)

Listed Entities

- Shangri-La Hotels (Malaysia) Berhad

Others

- Allianz Life Insurance 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 WITH MRCB

She has no personal interest in any business arrangement involving 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.

PROFILE OF KEY SENIOR MANAGEMENT



ANN WAN TEE

Group Chief Financial Officer

• Aged 52 • 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 WITH MRCB

He has no personal interest in any business arrangement involving 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.

PROFILE OF KEY SENIOR MANAGEMENT



KWAN JOON HOE

Group Chief Operating Officer

• Aged 41 • 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 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 WITH MRCB

He has no personal interest in any business arrangement involving 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.

PROFILE OF KEY
SENIOR MANAGEMENT**AMARJIT SINGH
CHHINA***Chief Corporate Officer*

• Aged 55 • 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 MRCB, from 2000 to 2015 he was Executive Director of then Bursa Malaysia listed YTL e-Solutions Bhd and Chairman & Chief Executive Officer of the company's subsidiary, Infoscreen Networks PLC, while it was listed on the London Stock Exchange. He was also seconded for a period of time to PEMANDU, in the Prime Minister's Department, Malaysia.

Amarjit also has over 13 years of international equity markets and investment banking 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 and UK Equity Building & Construction Sector Analyst at Barclays de Zoete Wedd Securities Limited (later known as Credit Suisse) in London, and over 5 years 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, including the IPOs of Litrak Bhd, YTL Power International Bhd and Petronas Gas Bhd. 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 WITH MRCB

He has no personal interest in any business arrangement involving 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



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

As the Chairman of MRCB, it is my pleasure to present to you this year's Corporate Governance Overview Statement.

Our continuing commitment to achieving the highest standards of corporate governance in managing our affairs 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 incorporated within the Group's policies and procedures, with the focal point being on inculcating the best practices in governance, ethics, accountability, integrity, and transparency within our diverse workforce.

In the past year, MRCB's commitment towards promoting human development and dignity within the communities in which we operate was reaffirmed with the establishment of a Group-wide Human Rights Policy. The policy provides a basis for embedding the responsibility to respect human rights through all business functions, facilitates identification of policy gaps and initiation of a process that alerts the Group to new areas of human rights risks and enables us to better respond to relevant

Datuk Seri Amir Hamzah Azizan
Chairman



stakeholder expectations and concerns. This policy is guided by international best practices such as the eight International Labour Organisation (ILO) core conventions, the United Nations Principles of Responsible Investments (UN PRI) and the European Union's Guidance on Due Diligence on Forced Labour, amongst others. For more details on this policy, please refer to <https://www.mrcb.com.my/sustainability/sustainability-statements.html>.

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 3 out of the 5 optional Step-Up Practices that aim to raise the bar well beyond existing regulatory requirements. The Corporate Governance Report (CG Report), which details the application or departure of each MCCG 2021 Practice, can be viewed at www.mrcb.com.my/corporate-governance.html.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

COMPLIANCE WITH MCCG

Practices Adopted



Step-Up Practices Adopted

EXTERNAL RECOGNITION
OF MRCB'S CORPORATE
GOVERNANCE ECOSYSTEM

Ranked
2ND OUT OF 864
Companies assessed in the
**EXCELLENCE
AWARD**
for Corporate Governance
Disclosure at the Minority
Shareholders Watch Group
(MSWG) – ASEAN Corporate
Governance Awards 2021 in
November 2022

Ranked
1ST
in the
**INDUSTRY EXCELLENCE
AWARD (PROPERTY
SECTOR)**
for Corporate Governance
Disclosure at the Minority
Shareholders Watch Group
(MSWG) – ASEAN Corporate
Governance Awards 2021 in
November 2022

Awarded the
**PLATINUM EXCELLENCE
AWARD**
For Companies with
**Less Than RM2 Billion Market
Capitalisation**
at the Malaysian Institute of
Accountants National Annual
Corporate Report Awards
(NACRA) 2022



Further details on our corporate
governance achievements and future
plans and aspirations are set out in
the ensuing sections of this Corporate
Governance Overview Statement.

In 2022, MRCB successfully received its ISO 37001:2016 Anti-Bribery Management System (ABMS) recertification by an international certification body, which was a key milestone in MRCB's governance journey of upholding best practices and standards in its operations. The continued implementation of MRCB's ABMS which is now in its 4th year, serves to assure our stakeholders of our continued compliance with all applicable laws, regulations, operational policies, and procedures in effectively addressing bribery and corruption. In the past year, we have undertaken various ABMS initiatives and measures to raise awareness and equip the Group with the necessary tools and knowledge to identify, prevent and respond to bribery risks, such as:

- Bribery Risk Assessment and Facilitation of all departments to build a comprehensive picture of the risks that the Group faces, evaluate controls and evaluate the likelihood and impact of these risks, along with measures to address them reasonably with periodic monitoring
- "Integrity Begins with Us" roadshow
- Continuous communication of anti-bribery policies
- Integrity talks with guest speakers
- ABMS awareness sessions for new staff induction, Graduate Employability Programme (GEP) trainees and Business Associates
- ABMS coaching sessions with Heads of Divisions / Departments
- "Integrity in Action" e-newsletter
- Raising staff awareness on Corporate Liability provisions within Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 via internal communication
- Development of Organisational Anti-Corruption Plan
- Integrity Knowledge Sharing Session with government stakeholders
- Mandatory Anti-Bribery and Corruption online assessment for all staff

MRCB is committed to the constant strengthening of our governance practices to ensure continued adherence to guiding principles and relevant benchmarks. The accolades and strong rankings achieved during the reviewed year are a testament to our dedication to ensuring integrity and transparency in corporate reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

EXTERNAL RECOGNITION OF MRCB'S CORPORATE GOVERNANCE ECOSYSTEM

**Awarded
GOLD**
at the 2022
**AUSTRALASIAN REPORTING
AWARDS**

RANKED 1ST
for Transparency at
**The Star / FIABCI Malaysia
Developer Awards 2022**

Constituent of the



FTSE4Good
Bursa Malaysia Index
since 2014

MSCI ESG Rating of

in 2022 **BBB**



*Further details on our corporate
governance achievements and future
plans and aspirations are set out in
the ensuing sections of this Corporate
Governance Overview Statement.*

CORPORATE GOVERNANCE PHILOSOPHY

MRCB is steadfast in its resolve to ensure that the highest standards of governance, integrity, and ethics are being practised in the conduct of its business. The Board consistently espouses and promotes value-creating governance through a deliberate and structured approach, with purposeful and systematic processes that align 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 achieved through the embedment of robust institutional governance practices, as well as globally recognised standards for sustainable business practices. All these practices are periodically reviewed, mindful of the constantly evolving operating landscape to ensure that we continue to act in the best interest of our stakeholders.

At MRCB, we maximise value by assiduously delivering on our purpose and ensuring relevance and sustainability of our business model. Accordingly, our commitment to sustainability is reflected in the way we do our business. We ingrain sustainability into our operations to create value by delivering property and infrastructure development solutions that aim to positively impact every facet of society and shape a better, healthier, and more equitable world for all.

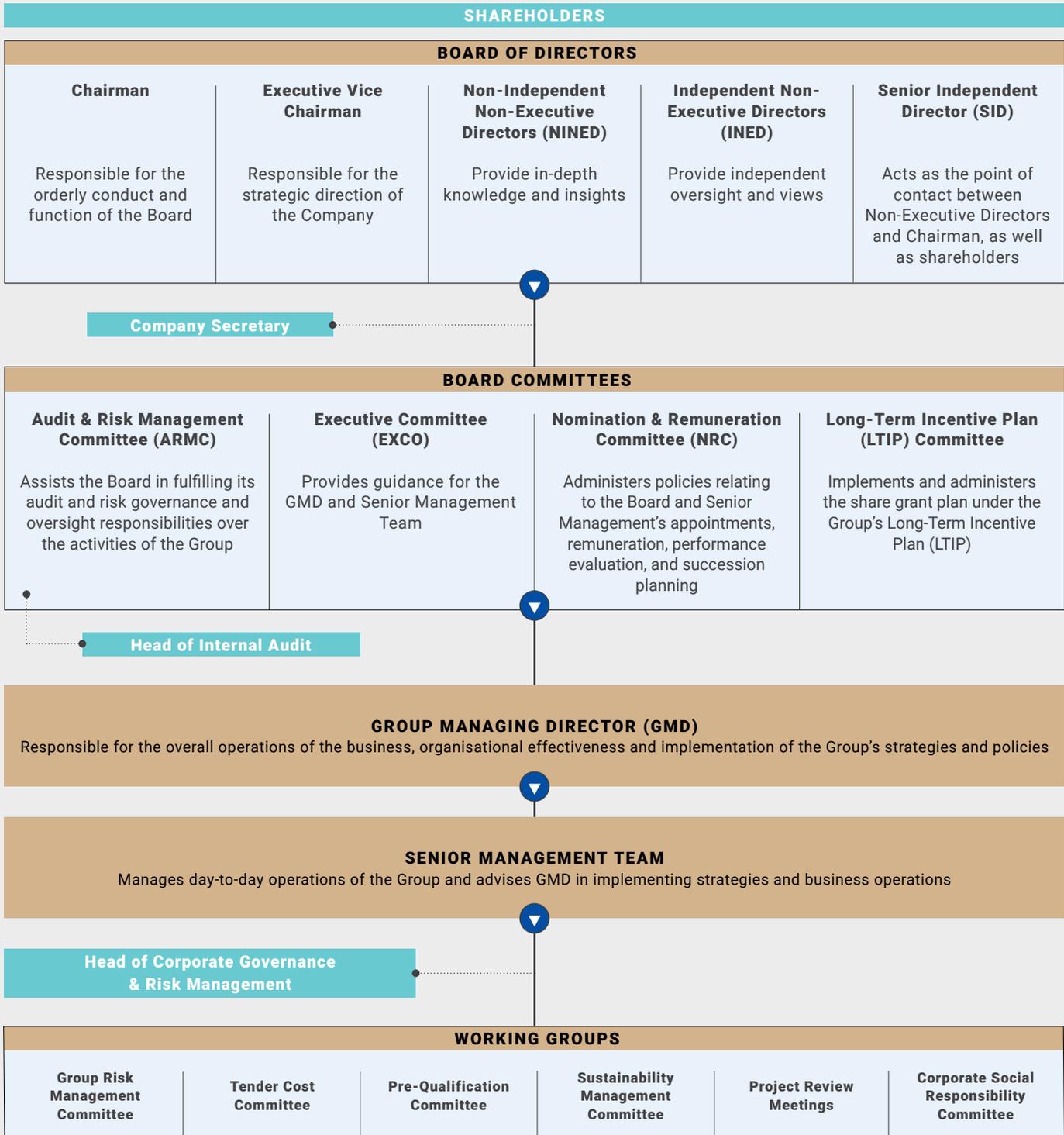
CORPORATE GOVERNANCE FRAMEWORK

The Board is resolute in ensuring that there is a strong and effective system of corporate governance in place 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 describes MRCB's governance framework, an overview of the key Committees of the Board and other Management Working Groups.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE PRACTICES

In this Statement, we provide an overview on the manner 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 MCG 2021, in addition to being benchmarked against the ASEAN Corporate Governance Scorecard and other applicable laws, regulations, and guidelines.

The Group has successfully implemented 41 out of the 43 Practices in the MCG 2021, and 3 out of the 5 optional Step-Up Practices. The four departures are outlined below:

Practice 5.2

For Large Companies, the Board comprises a majority Independent Directors.

Following the recent demise of our Independent Chairman, the number of Independent Directors has fallen from four to three members.

The Board is looking for appropriate candidates that can enhance the diversity, skillsets, and quality of the Board.

Practice 5.9

The Board comprises at least 30% women Directors.

We currently have two women Directors – Dato' Dr Junaidah Kamarruddin and Ms. Lim Fen Nee, who collectively account for 25% of the Board members.

The Board is looking for appropriate candidates that can enhance the diversity, skillsets, and quality of the Board.

Step-Up Practice 8.3

Companies fully disclose the detailed remuneration of each member of senior management on a named basis.

The top five Senior Management's total remuneration have been disclosed in bands of RM50,000. Their remuneration has been benchmarked against the industry and is aligned with the market, ensuring that they are externally competitive and internally equitable.

This approach strikes a balance between respecting personal privacy rights, whilst still providing sufficiently precise datapoints that facilitate stakeholder scrutiny.

Step-Up Practice 9.4

The Audit Committee should comprise solely of Independent Directors.

En. Mohamad Hafiz Kassim, a nominee of our major shareholder EPF, sits on the Audit & Risk Management Committee (ARMC), along with three other Independent Directors. The ARMC therefore comprised a majority of Independent Directors.

This Corporate Governance Overview Statement should be read in conjunction with the Corporate Governance Report (CG Report). The CG Report provides a detailed explanation on how the Company has applied the MCG 2021 Principles and complied with its Practices, as well as an explanation for the departures. Respective measures and timeframes to adopt the departures are also elaborated in the CG Report.



Please peruse our Corporate Governance Report at www.mrcb.com.my/corporate-governance.html.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The remainder of this Corporate Governance Overview Statement is presented based on the following core principles as set out within MCG 2021:



MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

BOARD LEADERSHIP

MRCB is led by its Board. The Board is responsible for the overall stewardship of the business and all affairs of the Group on behalf of our shareholders and all other stakeholders.

The Board therefore plays a crucial role in ensuring that suitable governance control systems and parameters are put in place. This is mainly achieved through the development and application 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 internal governance controls can be found at www.mrcb.com.my/corporate-governance.html.

BOARD OPERATIONS

Board Charter

The Board is firmly guided by a Board Charter that sets out the principal role of the Board, the functions, responsibilities and powers of the Board and its various committees, together with a schedule of matters reserved for the Board. This document was established by the Board 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 need to always exercise good judgement and conduct themselves to the highest ethical standards.

The Board Charter is reviewed and updated from time to time, with the last revision being made on 10 January 2022. 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, in line with the Group's core values. They are expected to always behave and act virtuously to protect and promote the reputation of the Group.

Upon their appointment, all Directors of the Group are given a copy of the Directors' Manual, Executive Handbook, and the Code, and are required to confirm they have read and understood the Code. Compliance with the provisions in these documents is deemed to be 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 sets out the expected standards of conduct and behaviour when 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, with the last revision 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Whistleblowing

The Group has a Whistleblowing Policy, which also allows reports to be submitted about members of the Board, that outlines the process for submitting confidential whistleblowing reports. In the past year, we have introduced a proprietary Whistleblowing e-form. This approach streamlines the reporting format and improves data handling and analysis. All submissions are automatically sent electronically to the Group Managing Director and Head of the Integrity & Discipline Department (IDD), as well as the Chairman, and the Chairman of the Audit & Risk Management Committee (ARMC) who is also the Senior Independent Director – for their further action.

The policy underscores the Group's commitment to developing a culture of openness and honesty, where a person who is aware of potential malpractice or misconduct is encouraged to report such matters in good faith. It is also designed to protect such whistleblowers against any potential reprisals, particularly if they are employees of the Group.

The Whistleblowing Policy has proved to be an effective tool to detect and act against instances of misconduct within the Group. During 2022, we received three (3) claims or incidents of non-compliance reported through whistleblowing channels that have been reviewed, investigated, and actioned on accordingly. All whistleblowing cases and the results of investigations are reported 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.

Conflict of Interest

The Directors have a fiduciary duty to always act in the best interest of the Group. The Directors also have a duty of confidentiality in relation to the Group's information.

A Director is therefore required to disclose to the Board:

- any material personal interest he / she has in a matter which relates to the affairs of the Group; and
- any other interest (direct or indirect) which he / she believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

Such disclosures should be made as soon as practicable upon the Director becoming aware of his / her interest. Details of such disclosures must be recorded in the minutes of the meeting at which the disclosure is made, or at the next meeting held following the disclosure. Interested 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 was established in 2019 with the goal of ensuring that actual, potential and perceived conflicts of interest are identified and managed effectively. It offers guidance on dealing with such situations as they arise.

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 and can be viewed at www.mrcb.com.my/corporate-governance.html.

Sustainability

Our commitment to sustainability is reflected in the way we operate. As a signatory of the Ten Principles of the UN Global Compact, we are committed to creating value by having a positive impact on society. Through joint efforts between the Board and Senior Management, we have progressively transformed our vision for sustainable growth into initiatives that are rooted within our business strategy. Details of the Group's sustainability initiatives and efforts are reflected in Our Approach to Sustainability on pages 16 - 29 of this report.

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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- 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 includes amongst others the following:
 - 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 among others, the development and implementation of business plans, major plans of action, and risk management;
 - 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 oversee the development and implementation of a shareholder communication policy for the Group and Company;
- 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 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.

SEPARATION OF POWER BETWEEN THE BOARD AND MANAGEMENT

The Board ensures that its Chairman is a non-executive member of the Board, and has no other positions on any of the Committees of the Board. This is to safeguard the objectivity of the Chairman and ensure there is a strong check and balance at the Board when deliberating on observations and recommendations put forward by the Committees of the Board.

Additionally, the Board practices a clear demarcation of duties and responsibilities between the Chairman, the Executive Vice Chairman, and the Group Managing Director to ensure there is a balance of power and authority in the Board. The positions are also held by three different individuals. Non-Executive Directors, who are wholly independent of Management and strictly do not participate in any day-to-day management activities of the Company, are relied upon to provide oversight of Management.

The Board also appoints a Senior Independent Director who acts as a trusted intermediary between the Non-Executive Directors and the Chairman, as well as the designated contact to whom shareholders' concerns may be raised.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)



Datuk Seri Amir Hamzah Azizan

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 taken 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 159 of this Integrated Annual Report.



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 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 to aid the Group in the management of its important external stakeholders.



For more information on the Executive Vice Chairman's profile, please refer to page 160 of this Integrated Annual Report.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

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 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 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 the fulfilment of 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 improvement 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 161 of this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)



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)

- Act as a sounding board for the Chairman and Group Managing Director on Board matters;
- Be 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;
- Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- Be the focal point for Board members for any concerns regarding the Chairman, or the relationship between the Chairman and the Group Managing Director; and,
- Act 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.



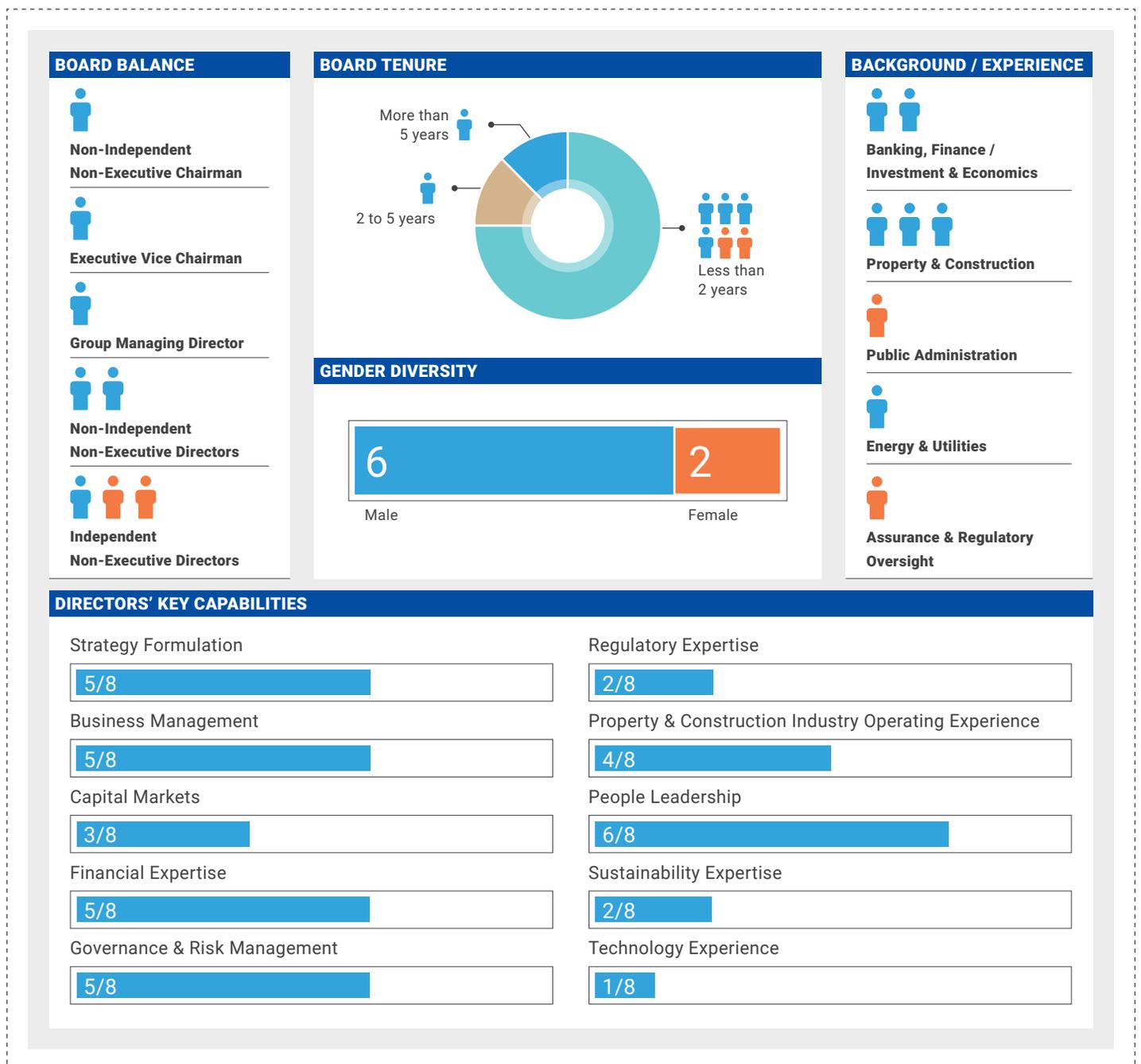
For more information on the Senior Independent Director's profile, please refer to page 164 of this Integrated Annual Report.

BOARD DIVERSITY & COMPOSITION

The composition of a Board remains a key factor in influencing the way a Board functions and the dynamics between its members. Diversity helps the Board to leverage the differences in background, industry experience, knowledge, and skills, to collectively provide oversight and to help the Group retain its competitive advantage. An effective Board should comprise members with an appropriate mix of skills, knowledge, experience, and perspectives that fit the Company's purpose, objectives and strategic goals. This facilitates an environment for constructive dialogue and enables the Board to consider the needs of a wide range of stakeholder interests.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MRCB's Board is made up of an eight-member strong team that possesses a diverse set of skills, experiences, and know-how, to better guide and navigate the Group. Three 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 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 in an effective and competent manner, with adequate diversity and inclusion being present in terms of Board balance, Board tenure, gender, age, and related experience.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

BOARD INDEPENDENCE

All Directors, regardless of their independent status, are always required to act in the best interests of MRCB and to 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 the development of any new interest in Company matters. The responsibility for such assessments, along with the identification and recommendation of suitable Board candidates lies with the Nomination & Remuneration Committee (NRC), which is chaired by the Senior Independent Director.

To date, all of our Independent Directors satisfy the following criteria:

- a) Independent from Management and free from any business or other relationship which could interfere with independent judgement, objectivity or the ability to act in the best interest of the Company.
- b) Not involved in the day-to-day operations of the Company other than when collective Board approval is required. This mitigates the risk of undue influence from third parties and allows Independent Non-Executive Directors to exercise fair judgement.
- c) Declared their interests or any possible 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 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 years. 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.

Independent Directors form a minority with three members on the current eight-member Board. The Board is keen to restore its previous majority independent Board position to provide the necessary check and balance to the Board's deliberations and informed decision-making process.

BOARD MEETINGS & ATTENDANCE

The Board holds regular meetings, not less than four times a year. All Board meetings are scheduled in advance before the start of the financial year to enable Directors to plan ahead, incorporate the meeting dates into their respective schedules and ensure full attendance at meetings. Scheduled Board meetings are typically convened immediately following 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 deliberated and assessed, 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 commits to convene 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.

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 able to join meetings remotely via video conferencing solutions. Directors may also submit their views and opinions to the other Directors and the Company Secretary via a secured collaborative software if they are unable to attend the session. In all cases, Directors are expected to personally attend to Board matters and must not appoint another person to participate on his / her 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 indicate the time expected to be spent on such new appointments. In any given circumstances, Directors are limited to holding not more than five directorships in listed issuers, in accordance with Bursa Malaysia's Listing Requirements.

All Directors participated fully in discussions and have been free to express their own opinions, exchange views and raise concerns on various matters at all Board meetings held during the financial year. The Directors' full commitment towards their duties and responsibilities was evidenced by their attendance at Board meetings held during the financial year. In summary, all Directors more than adequately complied with the minimum attendance requirement of at least 50% of the Board meetings pursuant to Paragraph 15.05(3)(c) of Bursa Malaysia's Listing Requirements.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

Schedule of Meetings in 2022

Meeting	Q1	Q2	Q3	Q4
Annual General Meeting	-	2 June	-	-
Executive Committee	28 January	21 April 19 May 27 June	18 July	4 November 19 December
Audit & Risk Management Committee	25 January 21 February 22 March	26 May	25 August	28 November
Nomination & Remuneration Committee	31 March	26 May	-	7 October
Long-Term Incentive Plan Committee	-	-	-	-
Board of Directors	10 January 15 January 28 February	4 April 31 May	30 August	30 November
Strategy Retreat	15 January	-	-	-

Directors' Attendance at Meetings in 2022

No.	Board Member	Attendance					AGM
		Board	Committees				
			EXCO	ARMC	NRC	LTIP	
Independent Chairman							
1.	Tan Sri Azlan Zainol	6/7	-	-	-	-	✓
Executive Vice Chairman							
2.	Tan Sri Mohamad Salim Fateh Din	7/7	-	-	-	-	✓
Group Managing Director							
3.	Imran Salim	7/7	7/7	-	-	-	✓
Non-Independent Non-Executive Directors							
4.	Dato' Mohamad Nasir Ab Latif	7/7	7/7	-	-	-	✓
5.	Datuk Seri Amir Hamzah Azizan	6/7	-	-	-	-	✓
6.	Mohamad Hafiz Kassim	7/7	-	6/6	3/3	-	✓
Independent Directors							
7.	Dato' Wan Kamaruzaman Wan Ahmad	7/7	7/7	6/6	3/3	-	✓
8.	Dato' Dr Junaidah Kamarruddin	7/7	-	6/6	3/3	-	✓
9.	Lim Fen Nee	7/7	-	6/6	-	-	✓
Overall attendance		96.8%	100%	100%	100%	-	100%

Notes:

- On 12 January 2023, Tan Sri Azlan Zainol ceased to be a Director and Independent Chairman upon his demise.
- On 19 January 2023, Datuk Seri Amir Hamzah Azizan was redesignated as Non-Independent Non-Executive Chairman.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

HIGHLIGHTS OF BOARD ACTIVITIES IN 2022



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
- Adoption of Directors' Fit and Proper Policy
- Anti-Bribery Management System (ABMS) updates including whistleblowing and gift register reviews
- Employee Anti-Bribery and Corruption (ABC) training updates
- IT and Cybersecurity updates
- Quarterly Health & Safety updates



Sustainability

- Scope 1 and Scope 2 carbon emissions data review
- Emission reduction strategies, science-based targets and expanding collection and disclosure of Scope 3 emissions data
- Climate Risks and Opportunities, and Task Force for Climate-Related Financial Disclosure (TCFD) Qualitative risk assessment reporting
- Sustainable procurement strategies for managing Scope 3 emissions
- External communications and Stakeholder engagement on ESG
- Changes to F4GBM Index inclusion criteria for carbon-intensive industries
- Adoption of new ILO-aligned Human Rights Policy
- Compliance with EPF's Sustainable Investment Policy
- Compliance with Bursa Malaysia's Enhanced Sustainability Disclosure Requirements
- Development of a new sustainable design policy



Financial

- Annual 2022 business plan and budget
- Audited Financial Statements for 2021
- Quarterly financial results
- Annual dividend
- Deliberation on acquisitions, disposals and tender proposals
- Cost Reduction initiatives
- Sukuk issuance
- Sustainable finance



People & Culture

- Succession Planning
- Talent management initiatives
- Learning & development initiatives
- Annual staff bonus and increments
- Workforce planning
- Corporate Social Responsibility (CSR) initiatives

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ACCESS TO INFORMATION

The quality of information provided to the Board is critical as it enables sound decision-making. In the course of discharging their duties, all Directors are provided with:

- a) Full and unrestricted access to timely and accurate information. The notice, agenda, and a full set of Board papers are typically distributed to the Directors via a secured collaborative software, at least five business days prior to each Board or Committee meeting. In addition to easing the distribution 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 obtain further information on the matters to be discussed, in order to be properly prepared for the meetings.
- b) Unrestricted access to the advice and services of the Company Secretary and Senior Management.
- c) Unrestricted access to the advice and services of independent professionals made available to Board members individually and collectively. Such advice and services are made available at the Company's expense and are wholly independent of Management's intervention.

In addition, the Board may collectively conduct or direct any investigation and may retain, at the Company's expense, any legal, accounting, or other services that it considers 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 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 Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

The Company Secretary keeps himself 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 Attended	Date	Organiser
1.	MAICSA Annual Conference 2022: Challenging the Challenges in Governance	5 & 6 October	The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
2.	In-House Training Programme: Computation of Percentage Ratios and Materiality Thresholds for Bursa Malaysia Announcements	19 & 20 October	MRCB / CKM Advisory Sdn Bhd

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their functions for the year under review.

DIRECTORS' INDEMNITY

We continue 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.

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. The following four Board Committees have been in operation during the year under review:

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
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 (LTIP) Committee	Implements and administers the share grant plan under the Group's LTIP

Each Committee is authorised by the Board to deal with and to deliberate on matters delegated to them as defined within their Terms of Reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings, and the minutes will be 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 218 - 225 of this Integrated Annual Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Powers delegated to Management

The Board delegates specified levels of authority and power to the Group Managing Director to manage the Company and its businesses. The Group Managing Director may further delegate aspects of his authority and power to the Management team as required; however, he always remains accountable to the Board for the Group's performance. The Group Managing Director and his Management team are required to report regularly to the Board on the progress being made by the Group's business units.

Limits of Authority

In order to enhance the accountability of the Group Managing Director and Senior Management, the Group has in place a Limits of Authority document which governs the limits of transactions that each level of Management can approve or commit the Group to and specifies transactions that need to be escalated and approved by the Board or Board Committees. Both financial and operational commitments are addressed within the document, 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 document are approved by the Board, and may be revised as and when required, with the last revision being on 27 March 2023.

DIRECTORS' TRAINING AND CONTINUING DEVELOPMENT

In line with 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, particularly in terms of sustainability and technological advancements, as well as ongoing changes to all applicable statutory and regulatory requirements.

Alongside the Mandatory Accreditation Programme (MAP) required by Bursa Malaysia, the Directors continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This enables the Directors to effectively discharge their duties and sustain active participation in Board deliberations.

The Board assesses the training needs of the Directors from time to time, and ensures Directors have access to continuing education programmes. The training programmes and seminars attended by the Directors throughout 2022 were as follows:

TAN SRI AZLAN ZAINOL

No.	Training / Seminar Attended	Date	Organiser
1.	Overview of Environmental, Social & Governance (ESG) and Climate Change	11 February	Kuala Lumpur Kepong Berhad (KLK) / KPMG Management & Risk Consulting Sdn Bhd
2.	Corporate Governance, MACC Act 2009 & AML / CFT: Evolving Challenges & Expectations in Regulatory Compliance Programme	16 June	MBSB Holdings and Bank
3.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

TAN SRI MOHAMAD SALIM FATEH DIN

No.	Training / Seminar Attended	Date	Organiser
1.	GSMA Mobile World Congress (MWC)	28 February - 2 March	Global System for Mobile Communications Association (GSMA) / Malaysian Communications and Multimedia Commission (MCMC)
2.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
3.	Plenipotentiary Conference 2022 (PP – 22)	26 - 30 September	International Telecommunication Union (ITU) / Malaysian Communications and Multimedia Commission (MCMC)
4.	Companies Act 2016, Practical Guide for Company Directors	4 October	Companies Commission of Malaysia (SSM)

IMRAN SALIM

No.	Training / Seminar Attended	Date	Organiser
1.	MIDF Conversations with Ang Xing Xian & Darrel Ang of CapBay	14 April	Kuala Lumpur Business Club
2.	EU-Malaysia Dialogue: Fighting Climate Change with Market Mechanism	25 May	Kuala Lumpur Business Club
3.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
4.	Advocacy Sessions for Directors & Senior Managers for Main Market Listed Issuers	13 September	Bursa Malaysia Berhad
5.	Fraud Prevention and Detection	8 November	Minority Shareholders Watch Group
6.	MARC360: Property Outlook 2023	15 December	Malaysian Rating Corporation Berhad

CORPORATE GOVERNANCE
OVERVIEW STATEMENT**DATO' MOHAMAD NASIR AB LATIF**

No.	Training / Seminar Attended	Date	Organiser
1.	EPF Climate Change and Workers Well-Being	17 January	Employees Provident Fund (EPF)
2.	PLUS Safety Day 22	22 January	PLUS Malaysia Berhad
3.	Overview on Corruption Risk Management & Organisation Anti-Corruption Plan	9 March	RHB Group Legal, Secretariat & Governance
4.	Sustainability for the Palm Oil Sector	17 March	Asia School of Business
5.	Sustainable Investment Policy	31 March	Employees Provident Fund (EPF)
6.	Sustainability in the Energy Sector	12 April	Asia School of Business
7.	Empowering and Rewarding the "Boardroom Brigade"	18 May	KPMG Board Leadership Centre
8.	Fiduciary Duties of Board and Investment Panel	6 July	Messrs Shook Lin & Bok
9.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
10.	Heavy Vehicle Technology and Safety Conference	17 August	Malaysian Institute of Road Safety Research (MIROS)
11.	Corporate Governance & Remuneration Practices for the ESG World	6 September	Asia School of Business
12.	Conflict of Interest	7 October	RHB Group Compliance
13.	Navigating Venture Capital and Technology and Technology Investment in Malaysia	19 October	Ernst & Young (EY)
14.	The Blue Economy	23 November	RHB Islamic Training
15.	ESG Disclosures: Improving the Quality of ESG Data and its Impact	23 November	Securities Industry Development Corporation (SIDC)

DATUK SERI AMIR HAMZAH AZIZAN

No.	Training / Seminar Attended	Date	Organiser
1.	Virtual Social Security Forum for Asia and the Pacific - The Future of Social Security Management	22 - 24 February	International Social Security Association (ISSA)
2.	World Economic Forum 2022	23 - 26 May	World Economic Forum
3.	World Social Security Forum - Social Security for Resilient and Inclusive Societies	24 - 28 October	International Social Security Association (ISSA)

MOHAMAD HAFIZ KASSIM

No.	Training / Seminar Attended	Date	Organiser
1.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
2.	CFO Transition Lab	16 November	Deloitte

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

DATO' WAN KAMARUZAMAN WAN AHMAD

No.	Training / Seminar Attended	Date	Organiser
1.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd

DATO' DR JUNAIDAH KAMARRUDDIN

No.	Training / Seminar Attended	Date	Organiser
1.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
2.	Khazanah Megatrends Forum 2022	3 & 4 October	Khazanah Nasional Berhad

LIM FEN NEE

No.	Training / Seminar Attended	Date	Organiser
1.	JC3 SC4 Capacity Building Climate Scenario Analysis & Stress Day 1 and Day 2	13 & 14 January	Bank Negara Malaysia (BNM) (JC3)
2.	JC3 SC4 Implementation and Application of CCPT & Insurance Sector	19 January	Bank Negara Malaysia (BNM) (JC3)
3.	BNM My Fintech Week 2022 & Financial Sector Blueprint Launch	24 - 28 January	Bank Negara Malaysia (BNM)
4.	BNM-FIDE Forum: MyFintech Week Masterclasses	27 January	FIDE Forum
5.	Mandatory Accreditation Programme for Directors (Bursa)	15 - 17 February	ICDM
6.	BNM-FIDE Forum Dialogue: Licensing Framework for Digital Insurers and Takaful Operators	23 February	FIDE Forum
7.	MIA Digital Month: Leading the Digital Transformation of the Accountancy Profession in Malaysia	2 March	Malaysian Institute of Accountants (MIA)
8.	Gender Equality Today for a Sustainable Tomorrow: Shifting Mindsets, Behaviours and Practices for Enduring Change	8 March	Malaysian Institute of Management (MIM)
9.	BNM-FIDE Forum Dialogue: Climate Risk Management and Scenario Analysis	8 March	FIDE Forum
10.	MIA Digital Month: Sharing on Digitalisation Grant	9 March	Malaysian Institute of Accountants (MIA)
11.	Risk Appetite, Tolerance and Board Oversight	17 March	Institute of Enterprise Risk Practitioners (IERP)
12.	Strategic Enterprise Risk Management - A Primer for Directors	17 March	Institute of Enterprise Risk Practitioners (IERP)
13.	Tax Season 2022: Here's How to Get a Jump-Start on the Upcoming Tax Season	24 March	HSBC
14.	MIA AccTech Conference 2022	29 & 30 March	Malaysian Institute of Accountants (MIA)

CORPORATE GOVERNANCE
OVERVIEW STATEMENT**LIM FEN NEE (CONT'D)**

No.	Training / Seminar Attended	Date	Organiser
15.	Audit Oversight Board's Conversation with Audit Committee	7 April	Securities Commission Malaysia (SC)
16.	Cybersecurity Awareness Training	12 April	Allianz Malaysia Berhad / LE Global Services Sdn Bhd
17.	HSBC 2 nd Quarter 2022 Foreign Exchange (FX) Market Outlook	18 May	HSBC
18.	JC3 Upskilling Sustainability Training (JUST) Series 2 Workshop 1 – The Power of ESG Data	19 May	Bank Negara Malaysia (BNM) (JC3)
19.	Audit Committee Conference 2022 - Beyond Effectiveness: Governance, Sustainability and Agility (Panellist Session - Pandemic Proof Sustainability: The AC Perspective)	23 & 24 May	Institute of Internal Auditors (IIA)
20.	FIDE MetaFinance: The Next Frontier of the Global Economy	23 May	FIDE Forum
21.	HSBC Mid-Year Investment Outlook 2022: Adapting to Disruptions	20 June	HSBC
22.	HSBC Property Outlook	19 July	HSBC
23.	Directors Guide to BCM and ISO 22301	28 July	Institute of Enterprise Risk Practitioners (IERP)
24.	Directors Guide to Crisis Management and Leadership during Crisis	28 July	Institute of Enterprise Risk Practitioners (IERP)
25.	JC3 JUST Series 2 Governance and Reporting Workshop 2: Implementation of Task Force on Climate-Related Financial Disclosures (TCFD)	2 & 3 August	Bank Negara Malaysia (BNM) (JC3)
26.	ICDM Power Talk – ESG Series 5: Climate Change and Carbon: From the Financial Risk & Reporting Perspectives	4 August	Institute of Corporate Directors Malaysia (ICDM)
27.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
28.	ICDM Power Talk – ESG Series 6: Characteristics of ESG & Sustainability Leadership	11 August	Institute of Corporate Directors Malaysia (ICDM)
29.	Bursa Malaysia-Maybank Sectorial Series: Why Malaysia (Malaysia Outlook and Lookouts)	15 August	Bursa Malaysia Berhad / Malayan Banking Berhad
30.	Malaysian Accounting Standards Board (MFRS) 17 Insurance Contract	18 August	Allianz Malaysia Berhad / KPMG Malaysia
31.	HSBC EVOKE Expert Series: The World Will Never be the Same Again	13 September	HSBC
32.	Data Privacy & Personal Data Protection Act 2010	13 September	Allianz Malaysia Berhad
33.	PIDM-FIDE Forum: Recovery and Resolution Planning Sharing Session	20 September	FIDE Forum

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

LIM FEN NEE (CONT'D)

No.	Training / Seminar Attended	Date	Organiser
34.	International Directors Summit 2022	26 - 28 September	Institute of Corporate Directors Malaysia (ICDM)
35.	Khazanah Megatrends Forum 2022	3 & 4 October	Khazanah Nasional Berhad
36.	Bank Negara Malaysia's requirement on Beneficial Ownership	5 October	Allianz Malaysia Berhad
37.	Guidelines for Reporting Framework on Beneficial Ownership under Companies Act 2016	5 October	Allianz Malaysia Berhad / Companies Commission of Malaysia (SSM)
38.	2022 IFAC EdExchange: The Future of Technology in Accounting Summit	17 - 19 October	International Federation of Accountants (IFAC)
39.	Digital Transformation for Small and Medium Practices	20 October	Malaysian Institute of Accountants (MIA)
40.	Economic Update, Blockchain Technology and Applications, Overview of Employment Act amendments, new Sexual Harassment Bill	3 November	Shangri-La Hotels (Malaysia) Berhad
41.	Cybersecurity Threats for Top Executive	8 November	Allianz Malaysia Berhad / LE Global Services Sdn Bhd
42.	The Emerging Trends Threats and Risk to the Financial Services Industry – Managing Global Risk Investment and Payment System	24 November	FIDE Forum
43.	Directors Guide in Risk Management in Technology (RMIT) (Series 18)	1 December	Institute of Enterprise Risk Practitioners (IERP)
44.	Audit Oversight Board's Conversation with Audit Committees	6 December	Securities Commission Malaysia (SC)

BOARD EFFECTIVENESS EVALUATION

The effectiveness of the Board is vital to the success of the Group. It is therefore 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 years to support this process to facilitate more rigorous and objective evaluations. The results of the BEE and the recommendations are discussed and deliberated at the Nomination & Remuneration Committee (NRC) meetings and the Board.

Scope of Evaluation



Board as a whole



All Board Committees



Contribution of Individual Directors

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MRCB is cognisant that periodic evaluations of its Board, its various committees, and respective Directors play a critical role in driving continuous improvement in Board effectiveness. It presents 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.

BDO Governance Advisory Sdn Bhd (BDO) was appointed by MRCB to undertake an independent evaluation of the effectiveness of the Board, its Committees, as well as the performance and contribution of each Director.

Surveys were distributed to the participants via an online platform hosted by BDO. Based on the survey results, the participants were also interviewed to solicit further feedback. These were followed by an analysis of the responses and insights provided by each participant.

Board Effectiveness Evaluation	Board Committee Evaluation	Individual Director Effectiveness
Participant(s) <ul style="list-style-type: none"> All Directors Senior Management Team 	Participant(s) <ul style="list-style-type: none"> All Board committee members 	Participant(s) <ul style="list-style-type: none"> All Directors

Four key areas and attributes were analysed in the evaluation, as set out below:

Board Role Clarity	Board members should demonstrate a clear understanding of their role as being that of governance, to provide oversight, add value and most importantly how their role differs from that of management.
Board Composition & Renewal	Addresses pertinent issues such as the size of the Board, process for recruiting new Directors, diversity and ongoing renewal, including succession plans for the Board.
Board Processes	How a Board comes together to address issues and make decisions is a critical determinant of its effectiveness. Factors include Chair Leadership, Committee Leadership, Performance Management of the Board, Boardroom Dynamics, Board Delegations, Board / CEO Relationship, Board / Management Relationship, Information Management, and Meeting Management.
Board Tasks	Describes what the Board does in terms of its main tasks. Factors include Purpose and Strategy, Board Priorities, Organisational Performance, Organisational Culture and Integrity, Governance of Risk and Compliance, Executive Talent and Succession, Executive Remuneration, Continuous Improvement, and Adding Organisational Value.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Additionally, open questions were included to allow the participants to highlight areas of strength and improvements to enhance Board effectiveness and ultimately, organisational performance.

Overall, the results of the evaluation were positive. Based on the survey responses, MRCB's Board was benchmarked in the top quartile of boards when compared with comparable boards in BDO's database of public-listed companies based in Malaysia and Australia. The Board was benchmarked in the top quartile for the following 13 effectiveness factors; Board Role Clarity, Board Composition and Renewal, Committee Leadership, Performance Management of the Board, Board Delegations, Board / CEO Relationship, Information Management, Organisational Performance, Organisational Culture and Integrity, Executive Talent and Succession, Executive Remuneration, Continuous Improvement, and Adding Organisational Value.

The findings and evaluation results were reviewed by the NRC on 23 March 2023 and subsequently presented to the Board on 27 March 2023.

Based on the findings of the BEE, the Board is satisfied with its performance and effectiveness, and that of the Board Committees.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Appointment of Directors

In line with updates to Paragraphs 15.01A and 15.08A(3) of Bursa Malaysia's Main Market Listing Requirements (MMLR) in the past year to strengthen Board effectiveness, MRCB has developed and applied a Directors' Fit and Proper Policy that sets out the approach and procedures to ensure a formal, rigorous and transparent process is being adhered to for the appointment and re-election of the Directors of MRCB and its subsidiaries. The said 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 via 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 was solely relied upon, the Nomination & Remuneration Committee (NRC) provides appropriate justification outlining why this was deemed to be sufficient.

In its selection of high-quality candidates who will be well-suited for the Board, the NRC develops and deliberates selection criteria based on competencies and attributes required for the position. All nominees are first vetted by the NRC, taking into consideration:

- Qualifications, skills, experience, relevant past performance, track record and competencies necessary for the position;
- Personal attributes, such as character, level of probity and integrity, reputation, time commitment and independence;
- Diversity in terms of gender, race, age, culture, experience, and socioeconomic background; and,
- Overall alignment with the Company's strategic direction.

In addition, the NRC also considers each nominee's ability to devote the time required 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. 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 truly qualified to serve as a Director. The candidates are also required to make the Fit and Proper Declaration. The NRC assesses all findings and makes a recommendation to the Board for its final approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

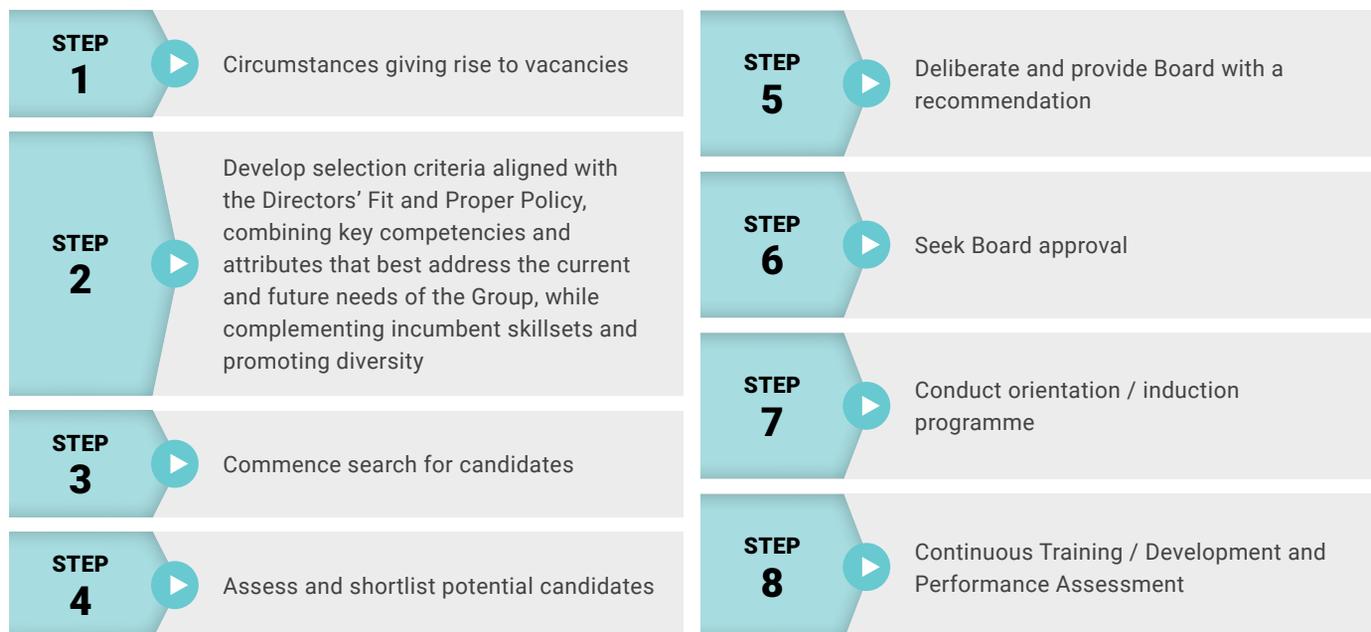
The Company Secretary further coordinates with the NRC to organise orientation sessions for newly appointed Directors to ease their onboarding process. Such sessions typically include an introduction to the Company's key activities, governance structures, key governance documentation such as the Code of Business Ethics (Code), ESG performance, recent financial performance, and strategy. Additional deep dive sessions on specific topics of interest are also arranged if required by the incoming Director.

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:

- i. Whether the Director has at any time failed to comply with the requirements under MRCB's Directors' Fit and Proper Policy;
- ii. Whether the Director has had any convictions; and,
- iii. Whether the Director has any conflict of interest.

Similarly, the NRC also identifies and recommends to the Board for its approval, candidates for the appointment of the Group Managing Director, Group Chief Financial Officer, Group Chief Operating Officer and Chief Corporate Officer. Independent advisors and / or professional recruitment firms may also be engaged to identify suitably qualified candidates that meet the identified skills, experiences, competencies, and diversity requirements for the vacant position.

Appointment of New Directors or Senior Management



CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

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

- One-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM at least once in every three (3) years.

Article 102

- The retiring Directors shall be those individuals who have served longest in office since their last appointment or election.

Article 103

- If still eligible and willing, the retiring Directors may be re-elected at an AGM by way of Ordinary Resolution.

Article 106

- Directors appointed as an addition 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 2022 pursuant to Articles 101 and 102

- Dato' Mohamad Nasir Ab Latif

During the Board meeting held on 4 April 2022, the Board gave its endorsement for Dato' Mohamad Nasir Ab Latif to be considered for re-election at MRCB's 51st AGM.

He was subsequently re-elected by way of Ordinary Resolution.

Directors eligible for re-election in 2022 pursuant to Article 106

- Tan Sri Mohamad Salim Fateh Din
- Datuk Seri Amir Hamzah Azizan
- Mohamad Hafiz Kassim
- Dato' Dr Junaidah Kamarruddin
- Lim Fen Nee

The Directors were appointed to the Board on dates after MRCB's 50th AGM (8 June 2021), as follows:

- Tan Sri Mohamad Salim Fateh Din – 1 September 2021
- Datuk Seri Amir Hamzah Azizan - 1 September 2021
- Mohamad Hafiz Kassim – 1 September 2021
- Dato' Dr Junaidah Kamarruddin – 1 July 2021
- Lim Fen Nee – 1 November 2021

In line with Article 106 of MRCB's Constitution, they shall hold office only until the next AGM at which they will have to seek re-election. During the Board meeting held on 4 April 2022, the Board gave its endorsement for all of them to be considered for re-election at MRCB's 51st AGM.

All of them were subsequently re-elected by way of Ordinary Resolution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 is disclosed in detail as follows:

- a) In deliberating the re-election of the retiring Directors, the NRC had taken into consideration the performance and contribution of each Director based on the outcome of the Board Effectiveness Evaluation conducted for the financial year 2021, the criteria prescribed by Paragraph 2.20A of Bursa Malaysia's MMLR on the qualification of Directors and the overall desired Board composition.
- b) Based on the outcome of the assessment on independence, the NRC was also satisfied that both Dato' Dr Junaidah Kamarruddin and Lim Fen Nee had met the criteria as required by Bursa Malaysia's MMLR and that they continued to bring independent and objective judgement to Board deliberations.
- c) In view thereof, the Board was satisfied with the performance and contributions of the retiring Directors and had endorsed the NRC's recommendation to seek shareholders' approval at MRCB's 51st AGM for the re-election of the retiring Directors based on the following justifications:

i. Tan Sri Mohamad Salim Fateh Din

- Tan Sri Mohamad Salim, a nominee of Gapurna, was appointed as the Executive Vice Chairman of MRCB on 1 September 2021.
- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, as a self-made man with a pioneering spirit, Tan Sri Mohamad Salim is a highly successful Malaysian entrepreneur who has a long list of achievements in both the property and construction industry in the country. He has brought valuable expertise, experience, insights and knowledge to the Board of MRCB, particularly in terms of strategic planning, industry expertise and business and stakeholder management experience.

ii. Datuk Seri Amir Hamzah Aziz

- Datuk Seri Amir Hamzah, a nominee of EPF, was appointed as the Non-Independent Non-Executive Director of MRCB on 1 September 2021.

- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, Datuk Seri Amir Hamzah brought significant depth of expertise to the Board of MRCB, particularly in terms of strategic planning, industry expertise, management experience, and financial expertise gained at some of Malaysia's leading local and multi-national corporations.

iii. Mohamad Hafiz Kassim

- Mohamad Hafiz, a nominee of EPF, was appointed as the Non-Independent Non-Executive Director of MRCB on 1 September 2021. He is also a member of the Audit & Risk Management Committee (ARMC) and NRC.
- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, Mohamad Hafiz has over 20 years of corporate experience with a focus on real estate, private equity, capital markets, auditing and accounting in many leading local and multi-national corporations. Given his experience and exposure, he brought significant depth of expertise to the Board, providing valuable insights to the Management in developing the Group's business strategies.

iv. Dato' Dr Junaidah Kamarruddin

- Dato' Dr Junaidah was appointed as an Independent Director of MRCB on 1 July 2021. She is also a member of the ARMC, NRC and Long-Term Incentive Plan (LTIP) Committee.
- Dato' Dr Junaidah brings over 27 years' experience gained across a diverse range of senior Government roles at key ministries such as the Ministry of Human Resources, Ministry of Finance, Ministry of Natural Resources & Environment, and the Prime Minister's Department. She also has significant experience in leading trade negotiations. The Government of Malaysia is a very important stakeholder of MRCB, given its position as the Group's largest client and regulator, and a source of future infrastructure development projects through its various national infrastructure development programmes and initiatives. Her wealth of experience within the civil service is valuable in guiding and providing advice and insights into MRCB's strategy and decision-making in relation to managing a very key stakeholder.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

v. **Lim Fen Nee**

- Lim Fen Nee was appointed as an Independent Director of MRCB on 1 November 2021 and also a member of the ARMC.
- She is a highly experienced professional with over 24 years' experience in the fields of accounting, assurance, and regulatory oversight. She has served with numerous leading private corporations and contributed to the development of key regulatory oversight frameworks during her time with the Securities Commission and on the Boards of accounting bodies such as ACCA Malaysia and Malaysian Institute of Accountants. Given her exposure and experiences, Lim Fen Nee has significantly contributed to the areas of financial reporting, assurance, risk management and governance.

vi. **Dato' Mohamad Nasir Ab Latif**

- Dato' Mohamad Nasir, a nominee of EPF, was appointed as the Non-Independent Non-Executive Director of MRCB on 24 August 2018. He is also the Chairman of the Executive Committee and Chairman of the LTIP Committee.
- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, given his invaluable exposure and experience in EPF and his Board positions at some of Malaysia's leading corporations, Dato' Mohamad Nasir brings his insightful and in-depth knowledge in diverse areas and leads effective Board deliberation on the Group's business direction / strategies.

Succession Planning

The Board has established a framework on succession planning to govern human capital development within the Group. As outlined within the Board Charter, the NRC has the responsibility to ensure adequate succession planning is conducted to ensure the orderly identification and selection of new Independent Directors in the event of an opening on the Board, whether such opening exists by reason of an anticipated retirement, the expansion of the size of the Board, or otherwise.

A Policy and Guidelines statement on Succession Planning for the Board and Senior Management has also been implemented and 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.

REMUNERATION

Directors' Remuneration

Directors' remuneration is governed by the Group's Remuneration Policy for the Board of Directors and Senior Management. The document was recently updated to appropriately reflect the different roles and responsibilities of Non-Executive Directors (NED), Executive Directors (ED) and Senior Management, which enabled us to successfully adopt and apply Practice 7.1 of MCCG 2021. The document is available on the Company's website, www.mrcb.com.my/corporate-governance.html.

The document outlines the Company's policies in preparing competitive remuneration packages for NEDs, EDs and Senior Management respectively, that are best suited to attract and retain experienced, qualified, high-calibre key talent who can drive the business, strategies, objectives, values, and long-term interests of MRCB. Remuneration packages are always commensurate with, and reflect the level of responsibility, accountability and experience required in each position, while encouraging value creation for MRCB and its stakeholders.

The Nomination & Remuneration Committee (NRC) reviews the remuneration packages of the NEDs at least once in every three years based on industry and market rates, and thereafter makes its 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.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Company provides a fair and reasonable remuneration for its Group Managing Director, to ensure that the Company attracts and retains a high-calibre Group Managing Director who has the skills, experience, and knowledge necessary to create value for the benefit of all shareholders. The remuneration for the Group Managing Director is based on his achievements and contributions, measured against his Key Performance Indicators. The Board determines the remuneration of the Group Managing Director, taking into consideration the recommendations of the NRC.

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 2022.

Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits -in-Kind (RM)	Other Emoluments (RM)	Total (RM)
Independent Chairman							
Tan Sri Azlan Zainol	200,000	144,000	-	-	20,532	-	364,532
Executive Vice Chairman							
Tan Sri Mohamad Salim Fateh Din	-	-	1,680,000	-	37,575	192,643	1,910,218
Group Managing Director							
Imran Salim	-	-	1,320,000	-	95,461	448,757	1,864,218
Non-Independent Non-Executive Directors							
Dato' Mohamad Nasir Ab Latif	150,000	169,000	-	-	7,011	-	326,011
Datuk Seri Amir Hamzah Azizan*	150,000	36,000	-	-	-	-	186,000
Mohamad Hafiz Kassim*	150,000	66,000	-	-	-	-	216,000
Independent Directors							
Dato' Wan Kamaruzaman Wan Ahmad	150,000	102,000	-	-	6,129	-	258,129
Dato' Dr Junaidah Kamarruddin	150,000	66,000	-	-	-	-	216,000
Lim Fen Nee	150,000	57,000	-	-	-	-	207,000
Total	1,100,000	640,000	3,000,000	-	166,708	641,400	5,548,108

* 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

Senior Management's remuneration consists of several components that are 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 said Key Performance Indicators are approved by the NRC. Further alignment to the long-term interests of the Company is achieved via the Long-Term Incentive Plan (LTIP), a deferred bonus scheme that grants shares upon successful achievement of Company-level key performance measures.

Remuneration packages of key Senior Management are reviewed every two years by the NRC. If applicable, any changes required are subsequently recommended to the Board. It is the responsibility of the Board to collectively review, and if deemed fit, to approve the remuneration packages.

In compliance with Practice 8.2 of the MCGG 2021, MRCB has set out a summary of the top five Senior Management members' remuneration for the financial year ended 31 December 2022 below, which includes basic salary, bonuses, benefits-in-kind, statutory contributions, and other emoluments. However, we note the departure from Step-Up Practice 8.3 of the MCGG 2021 as the total remunerations have been disclosed in bands of RM50,000. This approach strikes a balance between respecting personal privacy rights, while providing sufficiently precise datapoints that facilitate stakeholder scrutiny.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Senior Management	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments (RM)	Total (RM)
Ann Wan Tee (Group Chief Financial Officer)	1,300,001 - 1,350,000	50,001 - 100,000	-	50,001 - 100,000	250,001 - 300,000	1,700,001 - 1,750,000
Kwan Joon Hoe (Group Chief Operating Officer)	1,250,001 - 1,300,000	50,001 - 100,000	-	100,001 - 150,000	250,001 - 300,000	1,700,001 - 1,750,000
Amarjit Singh Chhina (Chief Corporate Officer)	900,001 - 950,000	50,001 - 100,000	-	50,001 - 100,000	200,001 - 250,000	1,250,001 - 1,300,000
Dato' Haji Ishak Bin Haji Mohamed (Executive Vice President)	1,050,001 - 1,100,000	50,001 - 100,000	-	0 - 50,000	0 - 50,000	1,150,001 - 1,200,000
Datuk Dell Akbar Khan Bin Hyder Khan (Executive Vice President)	850,001 - 900,000	50,001 - 100,000	-	0 - 50,000	0 - 50,000	950,001 - 1,000,000

Details of Senior Management's shareholdings in the Company during the financial year are set out below:

Senior Management	Number of ordinary shares			
	Balance as at 01.01.2022	Acquisition during the year	Disposal during the year	Balance as at 31.12.2022
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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 164), where he is supported by three other members who are suitably qualified, in line with the requirements of paragraph 15.09 of the Main Market Listing Requirements (MMLR).

For the financial year ended 31 December 2022, 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 218 - 221.

Financial Reporting

The Board is 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 in respect of the preparation of the annual audited financial statements is set out on page 9 of the 2022 Financial Report.

All financial results and financial statements are reviewed by the ARMC prior to being recommended to the Board for approval.

The ARMC meets regularly with the external auditors to discuss and review any audit findings that are highlighted by the external auditor for the Committee's attention. The ARMC further relies on the written assurance from the external auditors confirming their continued objectivity and independence throughout the audit engagement, in accordance with the terms of all applicable professional and regulatory requirements.

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 Management. A clear process is in place to identify, assess, respond, monitor, and report significant risks that may affect 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 207 - 217.

The Group has an internal audit function performed by the Group Internal Audit Department, 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 Department's ability to carry out its function without fear or favour. The principal role of the Group Internal Audit Department 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 responsible 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 held before a Board meeting to ensure that all critical issues, significant findings, and irregularities are communicated to the Board on a timely basis. Further information on the internal audit function is disclosed in the Audit & Risk Management Committee Report on pages 218 - 221.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Ongoing engagement and communication with stakeholders are vital in fostering 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. Communication is achieved through various means, such as 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 46 - 55 of this Integrated Annual Report.

CORPORATE INTEGRITY & ETHICS

Corporate Liability

The Corporate Liability provisions 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 developed to comply with the stringent standards and requirements specified within MRCB's Anti-Bribery Management System (ABMS), which is now in its 4th year of ISO 37001:2016 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 sufficiently 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 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.

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.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT**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 Securities, and are updated when required in a comprehensive and timely manner.

Channels of Communication

Our one-on-one and group meetings were conducted using various virtual meeting platforms and became the main avenue for MRCB to directly engage with institutional investors, investment analysts and brokers in 2022. In line with the timely release of MRCB's quarterly results announcements, we also continued to conduct our Quarterly Results Analysts' Briefings virtually, to ease participation and to 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. With the transition into the endemic phase, MRCB conducted a controlled site visit to the newly completed EPF Headquarters and our Kwasa Sentral property development site, as well as some physical engagements with investors. Press conferences were also conducted in 2022 and were managed by the Corporate Communications Department. A list of media-related events can be found on page 54.

MRCB is a corporate member of the Malaysian Investor Relations Association (MIRA) and Minority Shareholders Watch Group (MSWG). These memberships enable MRCB to ensure high standards and best practices of IR are maintained. Senior Management also maintains communications with MSWG to remain abreast of the latest developments on minority shareholders' rights protection and to be accessible to answer any questions.

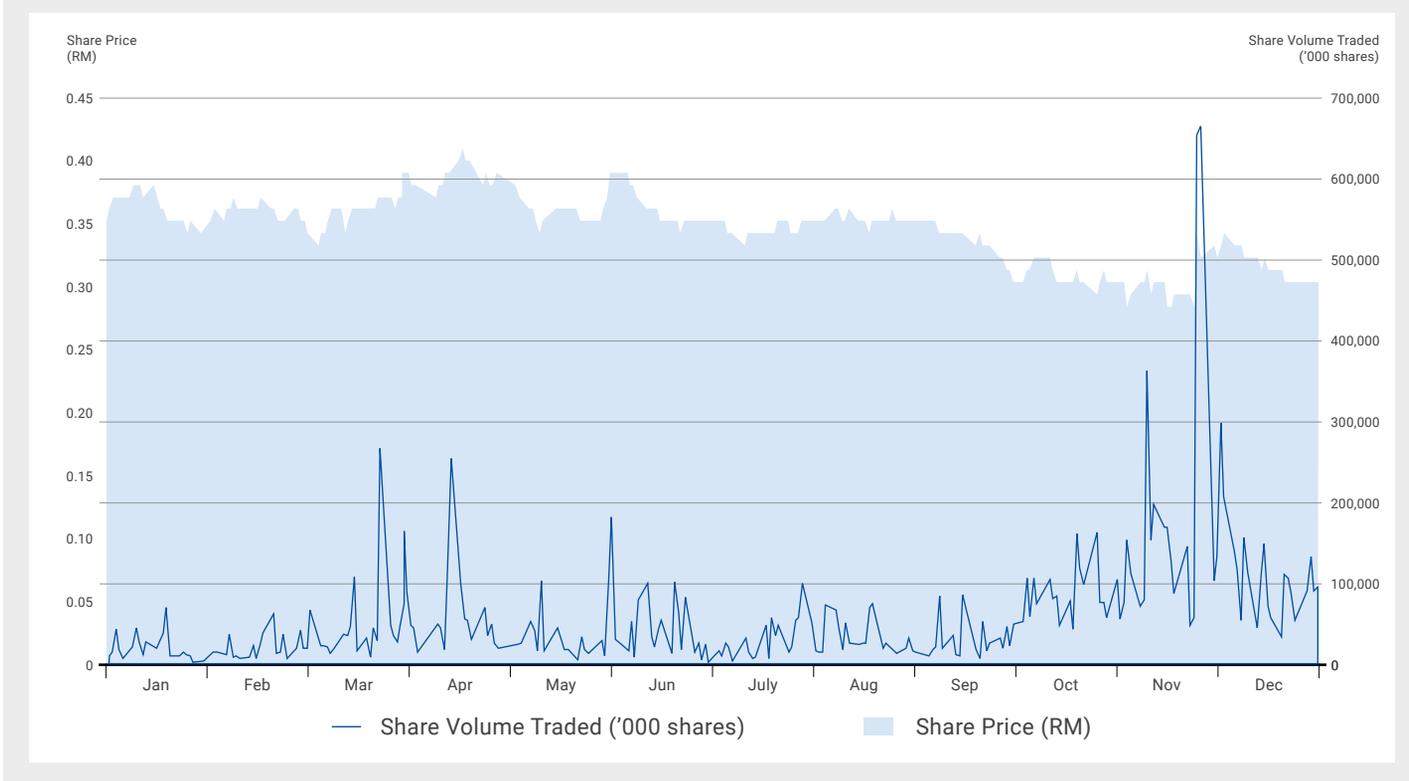
Key IR Activities in 2022**INVESTMENT
PROFESSIONALS
MET****58****RESEARCH
ANALYSTS
COVERING MRCB****8****INVESTMENT
CONFERENCES /
CORPORATE DAYS****1****QUARTERLY
ANALYSTS'
BRIEFINGS****4****MEETING
SESSIONS****17****SITE
VISITS****1****Target Price Forecasts (RM) by Analysts in 2022**

Research House	Target Price (RM)			
	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Affin Hwang	0.35	0.35	0.35	0.35
CGS-CIMB	0.39	0.37	0.34	0.35
HLIB	0.46	0.44	0.37	0.37
KAF	0.40	0.39	0.35	0.36
Kenanga	0.38	0.34	0.34	0.34
MIDF	0.44	0.44	0.44	0.40
RHB	0.44	0.43	0.45	0.45
UOB Kay Hian	0.37	0.37	0.37	0.37

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

MRCB SHARE PRICE MOVEMENT AND VOLUME TRADED CHART



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 ended 31 December 2022, the Company is proposing a first and final single-tier dividend of one 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 using 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 state 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 provided 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As required under Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR), all resolutions are put to vote by poll. The Company aims to leverage on technology solutions that enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at General Meetings.

MRCB conducted its 51st Annual General Meeting (AGM) in a virtual manner on 2 June 2022 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 updated 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 allowed 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 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 to provide additional context where necessary. A total of 82 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 raised were afforded due attention and received meaningful responses from the appropriate respondents directly within the session. The Chairman further ensured that the Q&A session was only closed after all queries had been satisfactorily addressed. A Q&A document that lists each individual question received on an "as-is basis" with no filters or modifications, save for minor contextual or grammatical edits where appropriate, along with the respective answers, was published on our corporate website within five business days of the AGM on 10 June 2022. The minutes of the AGM were similarly published 29 business days later – on 15 July 2022. Both documents can be accessed at www.mrcb.com.my/investor-relations/shareholder.html.

Although we are transitioning to COVID-19 endemicity, the Board is encouraged by the greater flexibility and accessibility to shareholders that virtual General Meetings afford and is satisfied with the improving 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 efforts to address the remaining departures.

Though we continue to make strides in our corporate governance journey, the Board recognises that our governance practices will only be as strong as the people entrusted with appreciating and implementing them. As such, continued development of our people is critical to extract 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 20 February 2023.

MATERIAL CONTRACTS

1. SALE AND PURCHASE AGREEMENT BETWEEN MRCB SEPUTEH LAND SDN BHD AND KOPERASI KAKITANGAN BANK RAKYAT BERHAD

MRCB Seputeh Land Sdn Bhd, a wholly owned subsidiary of Malaysian Resources Corporation Berhad (MRCB), had on 10 May 2022 entered into a Sale and Purchase Agreement with Koperasi Kakitangan Bank Rakyat Berhad (Koperasi), for the disposal of all that 34 parcels of retail units in Blok Komersial, VIVO 9 Seputeh to Koperasi for the total consideration of RM165,128,544.00. The transaction was completed on 25 October 2022.

2. LETTER OF AWARD BETWEEN JABATAN PENGAIRAN DAN SALIRAN MALAYSIA AND MALAYSIAN RESOURCES CORPORATION BERHAD (MRCB)

Jabatan Pengairan dan Saliran Malaysia had on 30 May 2022 awarded MRCB for the Muara Kuala Pahang river conservation project for the restoration works around Sungai Pahang, Pekan District, Pahang Darul Makmur under the Phase 3 Package 3 for the consideration price of RM380,000,000.00.

3. DEVELOPMENT AGREEMENT AND AGREEMENT TO LEASE BETWEEN MRCB NEW ZEALAND HOLDINGS PTY LTD, MALAYSIAN RESOURCES CORPORATION BERHAD AND AUCKLAND COUNCIL

MRCB New Zealand Holdings Ltd (MNZ), a wholly owned subsidiary of MRCB Australia Holding Company Pty Ltd, which in turn is a wholly owned subsidiary of MRCB International Sdn Bhd, which in turn is a wholly owned subsidiary of Malaysian Resources Development Sdn Bhd, which in turn is a wholly owned subsidiary of MRCB, and MRCB, had on 17 November 2022 entered into a Development Agreement and Agreement To Lease (DAATL) with Auckland Council (Council), for the acquisition of a long-term (125 year) leasehold interest in the property known as Bledisloe House located at 24 Wellesley Street West, Auckland (Property) and right to refurbish and develop the Property into a mixed-use development. Pursuant to the DAATL, MNZ will pay a rent prepayment of NZD42.5 million plus GST to Auckland Council in consideration for being granted the lease over the Property. The mixed-use development to be completed by MNZ at the Property has an estimated gross development value (GDV) of NZD154.5 million. Subsequently, the parties entered into a Deed of Assignment dated 17 November 2022 (DOA) with MRCB Bledisloe House Limited (MBHL) a wholly owned subsidiary of MNZ, for the assignment of rights, title, interests and benefits in the DAATL by MNZ to MBHL to the end and intent that (from the date of DOA) the developer under the DAATL shall be MBHL.

4. SALE AND PURCHASE AGREEMENT BETWEEN MRCB SPECTRUM SDN BHD AND NATURE CENTURY DEVELOPMENT SDN BHD

MRCB Spectrum Sdn Bhd (MSSB), a wholly owned subsidiary of MRCB, had on 6 December 2022 entered into a Sale and Purchase Agreement with Nature Century Development Sdn Bhd (NCDSB), for the disposal of all that parcel of freehold land held under Geran 163848, Lot 50700, Bandar Subang Jaya, Daerah Petaling, Negeri Selangor measuring approximately 12,947 square metres in area and bearing postal address of Lot 50700, Jalan SS 16, 47500 Subang Jaya, Selangor by MSSB to NCDSB for the total consideration of RM90,300,000.00. The transaction was completed on 30 December 2022.

5. TENANCY AGREEMENT BETWEEN KWASA SENTRAL SDN BHD AND KD DISTRICT COOLING SYSTEM SDN BHD

Kwasa Sentral Sdn Bhd (KSSB), a 70% owned subsidiary of Malaysian Resources Corporation Berhad (MRCB) and KD District Cooling System Sdn Bhd (KDDCS), a wholly-owned subsidiary of MRCB DCS Holding Sdn Bhd, which in turn is a wholly owned subsidiary of MRCB, had on 13 December 2022 entered into a Tenancy Agreement in respect of a District Cooling Plant to be developed in phases with estimated total lettable areas of 20,617 square meters or 221,920 square feet located within Bangunan Taman Kwasa Sentral, Persiaran Kwasa Sentral 3, Pusat Bandar Kwasa Damansara, 40150 Shah Alam, Selangor Darul Ehsan for initial term of 3 years with an option to renew for 7 subsequent terms of 3 years each and 1 succeeding term of 1 year with an estimated total consideration of RM62,197,430.

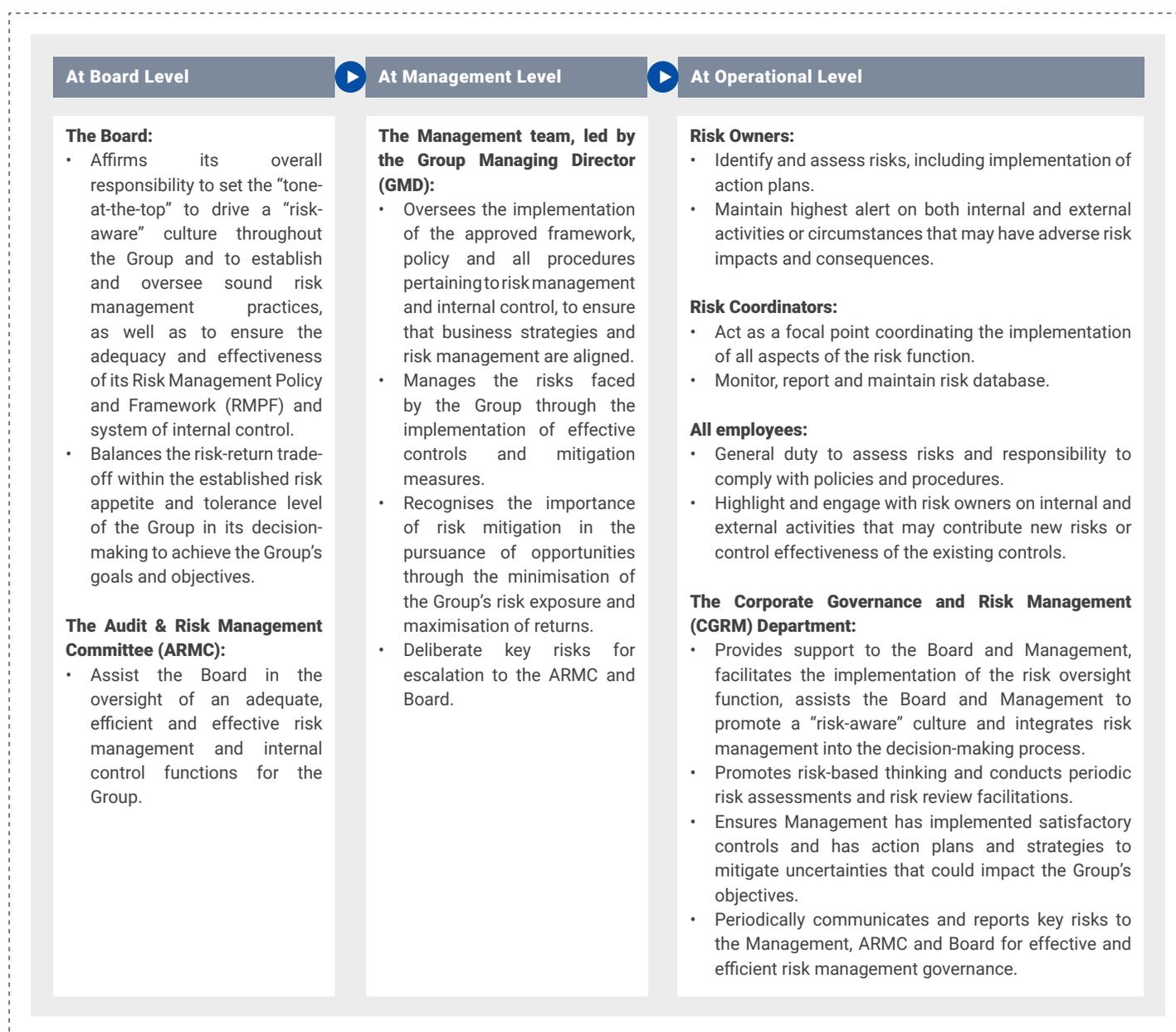
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control has been 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 manage 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 2022.

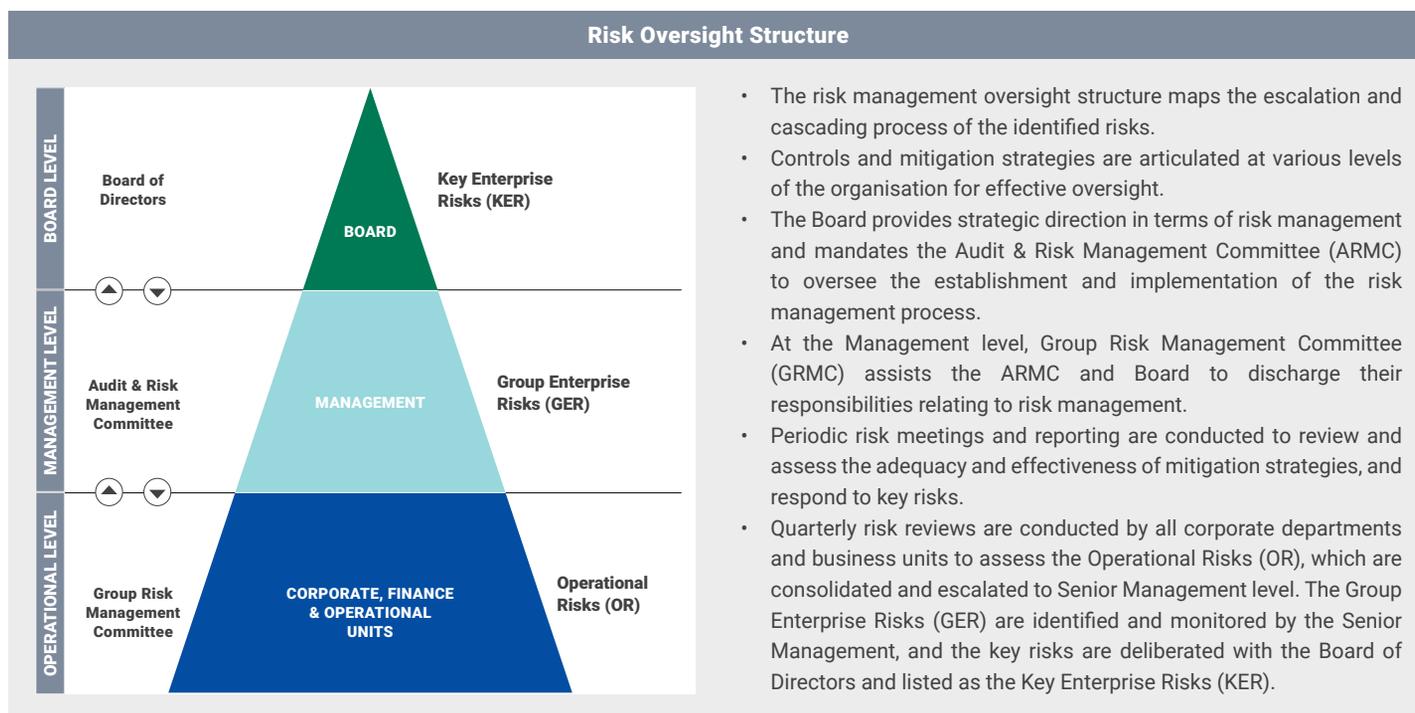
ROLES AND RESPONSIBILITY



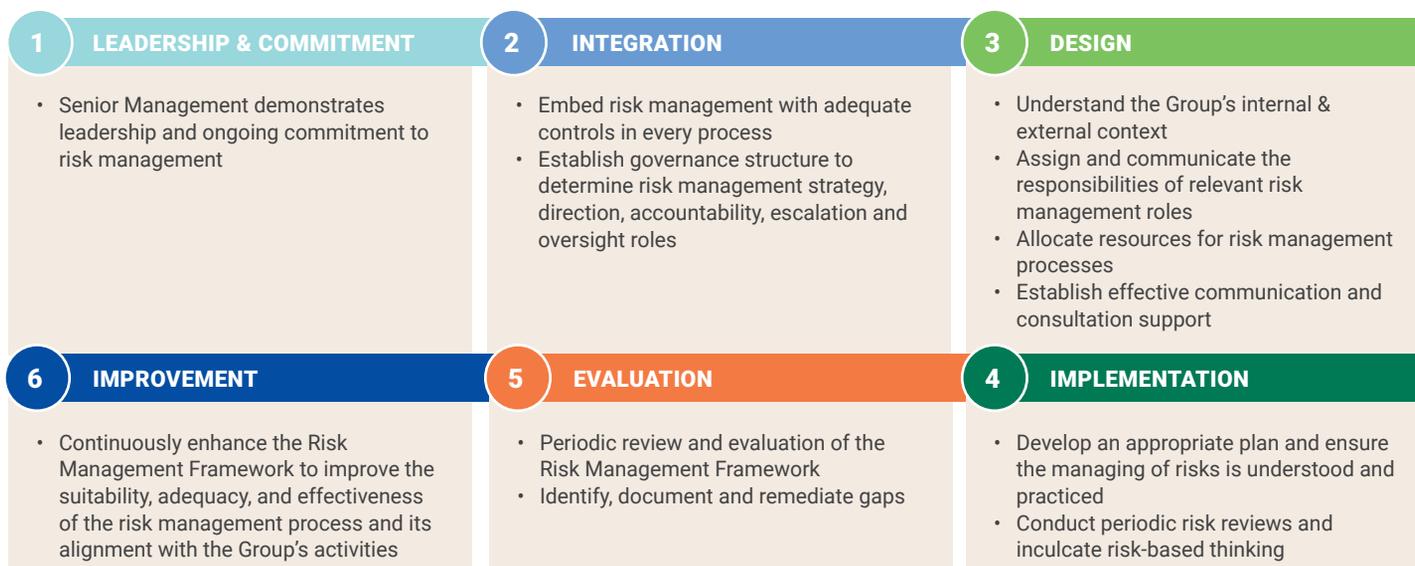
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 efficiency and effectiveness in the Group’s risk management function.



RISK MANAGEMENT POLICY AND FRAMEWORK (RMPF)

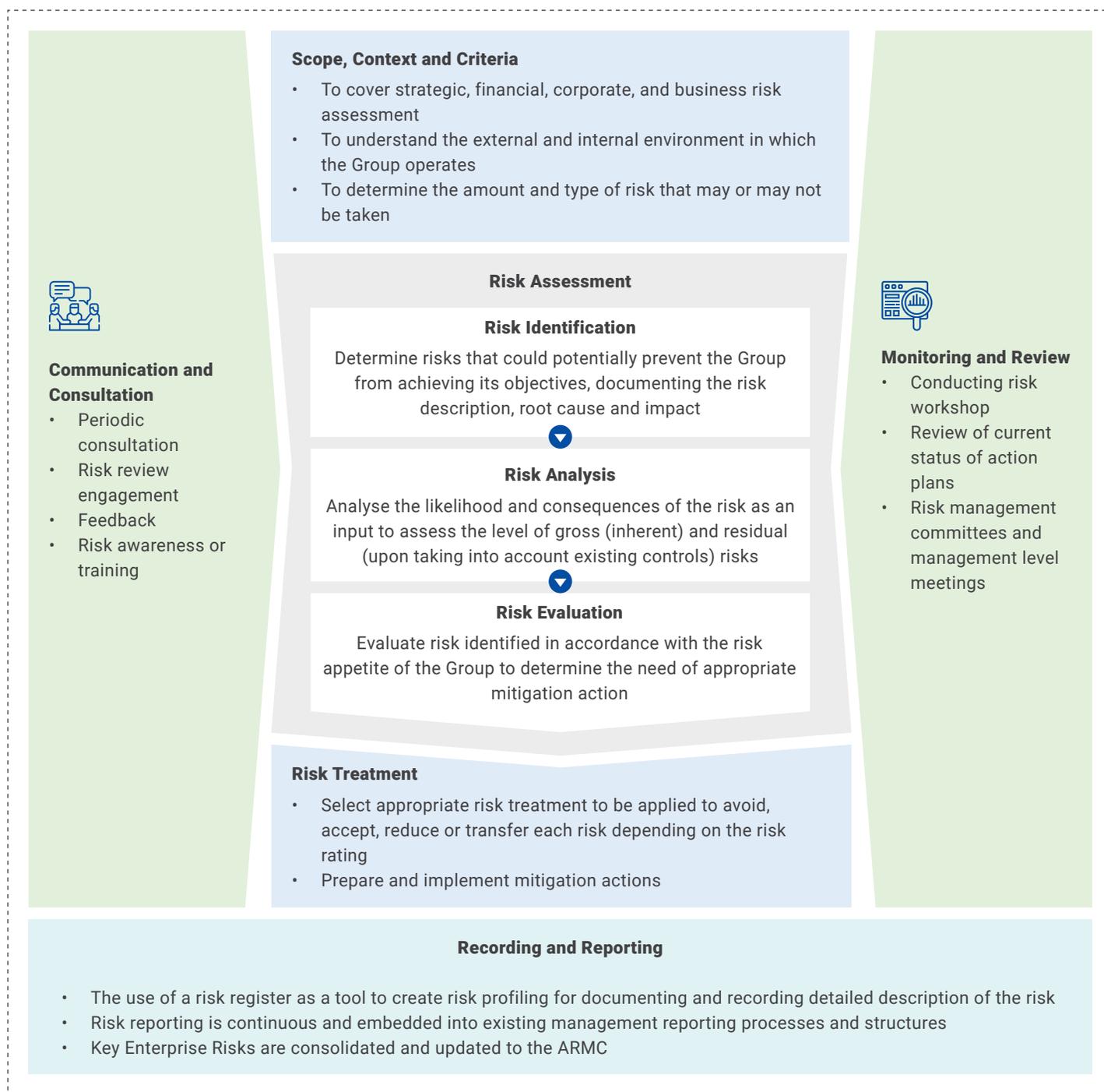


- The Group is exposed to a range of strategic, corporate, financial and business operational related risks associated with its core property development & investment and construction businesses.
- The Group’s RMPF adopts the globally accepted risk management standard of ISO 31000:2018 Risk Management – Guidelines, providing a robust platform to ensure effective risk management practices within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 & strategies and to prioritise material risks within the Group’s risk appetite and tolerance level. This is in line with the adoption of the ISO 31000:2018 guideline that is tailored to fit the Group’s business operations, in which the risk management process is structured and aligned with the Group’s strategies, processes, people, technology, and knowledge.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT IN 2022

The management of some of the significant risks faced by the Group for the financial year 2022 are outlined below. A more detailed description of the Group’s key risks and mitigations is provided on pages 72 - 81.

Climate Change

The Group is increasingly committed to climate action and continues to assess the key climate change risks and opportunities on the organisation, which is currently monitored under KER005: Environmental, Social and Governance (ESG) Risk. Key initiatives include:

- 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 reductions, and embedding low carbon strategies in our operations and in the design and construction of buildings and infrastructure.
- Setting a 4.2% annual Scope 1 and Scope 2 emissions reduction target.
- Identification of new business markets, such as the renewable energy segment, and waste-to-energy in particular to benefit from market opportunities in the transition to a low-carbon economy.
- 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 pages 140 - 144.
- Climate risks were included into the applicable business units’ risk registers in 2022.

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
BUSINESS OPERATIONS & COMPANIES	RISK OVERSIGHT FUNCTION	AUDIT OVERSIGHT FUNCTION
<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 and accountability, as well as to ensure resource allocation is well managed. • Heads of divisions, departments, business units and all employees of the Group are responsible and accountable to protect the Group from uncertainties through risk-based and controlled business processes. 	<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 risk management process implementation and escalation. 	<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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MAIN FEATURES OF INTERNAL CONTROL

Internal Control is an integral part of risk management, and a risk-based process is adopted as a main management control. The Group's internal control framework consists of the following five integrated components:



Internal Control Initiatives

The Group's internal controls, which have been in place throughout the year are divided into three (3) key elements, namely 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 Conduct (Code), and are required to acknowledge having read and understood the Code upon commencement of employment or upon appointment.
- Performance 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PEOPLE MANAGEMENT(CONT'D)



Anti-Bribery & Corruption Policy

- The Group has zero-tolerance of all forms of bribery and corruption, and is committed to conduct business ethically and in compliance with all applicable laws and regulations in the countries where it operates.
- Bribery and corruption in all its forms as it relates to MRCB's activities is prohibited.
- Bribery and corruption may take the form of anything of value, such as money, goods, services, property, privileges, employment positions or preferential treatment.
- MRCB personnel and its business associates are prohibited, whether directly or indirectly, to offer, give, receive or solicit 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.
- 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 worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- The Group's commitment towards 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 includes 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 as it relates to appointments to positions where a more than lower bribery or corruption risk has been identified.
 - Establishing and maintaining suitable reporting channels for all stakeholders to raise their concerns with regards to bribery and corruption issue.
- This policy is further strengthened with a strict Gift, Hospitality, Donations, & Similar Benefits Policy, which prohibits the giving and acceptance of any kind of gift from external parties, to safeguard the Group's interest from any conflict of interest, or anything that could influence impartial decision-making.
- 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 register of gifts received is presented to the Board of Directors every quarter.

STATEMENT ON RISK MANAGEMENT AND
INTERNAL CONTROL

PEOPLE MANAGEMENT (CONT'D)


**Anti-Bribery
Management
System (ABMS)**

- MRCB Group has implemented an Anti-Bribery Management System (ABMS), which complies with the ISO 37001 standard requirements, to prevent, detect, and respond to bribery risks, and demonstrate a culture of integrity, transparency, openness and compliance.
- Following a successful re-certification audit in 2022, MRCB's Anti-Bribery Management System is now in its 4th 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 the contracting party to comply with all anti-bribery and corruption laws of Malaysia. If it is proven that the contracting party, its personnel, or agents are involved in any corruption or illegal activities, the contract may be terminated. Legal action may also be taken in the event that our 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 towards the prevention of corruption.
- ABMS initiatives and efforts to increase anti-corruption awareness and provide necessary tools and knowledge among employees and external parties to prevent, detect, and respond to bribery risks were conducted throughout 2022 and will continue indefinitely. Key initiatives and efforts include:
 - Bribery Risk Assessment (BRA) and Bribery Risk Facilitation (BRF) of all departments to build a comprehensive picture of the risks that the Group faces, evaluate controls and evaluate the likelihood and impact of these risks, along with measures to address them reasonably with periodic monitoring
 - "Integrity Begins with Us" Roadshow
 - Continuous communication of anti-bribery policies
 - Integrity talks with guest speaker
 - ABMS awareness sessions for new staff induction, Graduate Employability Programme (GEP) trainees and Business Associates
 - ABMS coaching sessions with Heads of Divisions / Departments
 - "Integrity in Action" newsletter
 - Raising staff awareness on Corporate Liability provisions within Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 via internal communication
 - Development of Organisational Anti-Corruption Plan
 - Integrity Knowledge Sharing Session with government stakeholders
 - Mandatory Anti-Bribery and Corruption online assessment for all staff
- The implementation of the ABMS is aligned with the UN Sustainable Development Goal 16: Peace, Justice and Strong Institutions.


**Conflict of
Interest Policy**

- Proper identification and policies governing the management of conflicts of interest situations have been established to ensure business decisions are made in the best interests of the Group.
- This policy was developed to ensure actual, potential and perceived conflicts of interest are identified and managed effectively through a declaration process.
- Appropriate steps are taken to manage the conflict and to 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PEOPLE MANAGEMENT (CONT'D)



Whistleblowing Policy

- A whistleblowing process has been established 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 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 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

Company's website are automatically and electronically sent to the Group Managing Director and Head of the Integrity & Discipline Department (IDD), as well as the Independent Chairman, and 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 of Directors every quarter.
- The Whistleblowing Policy is aligned with the UN Sustainable Development Goal 16: Peace, Justice and Strong Institutions.

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 environment practices throughout the Group as aligned with the UN Sustainable Development Goal 3: Good Health and Well-Being, and monitors compliance with all relevant regulations and best practices.

- An ESH Report, which provides information on environment, safety and health-related incidents, notices and penalties issued by authorities, as well as audits and inspections carried out, is prepared and presented to the Board on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PROCESS MANAGEMENT(CONT'D)



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 to members of the Management, and the authorisation levels for various transactions and aspects of the Group's operations.
- The effectiveness of the LOA is reviewed periodically and where necessary, enhancements or revisions are proposed by the Management team.
- All changes to the LOA document are approved by the Board, and may be revised as and when required, with the last revision being on 27 March 2023.



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 adequately covered by insurance policies to ensure that the Group is insured against financial losses in the event of untoward incidents, like theft or fire.
- The Group is also in the midst of implementing an Enterprise Resource Planning (ERP) platform to integrate, digitalise and automate the management of the main business processes across the Group. This platform, which is expected to go live in 2023 after completion of the User Acceptance Test, 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 Management 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, 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 financial performance, approved by the Board 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 for 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 46 - 55.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

TECHNOLOGY MANAGEMENT



IT and Data Management

- 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 in it.
- 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;
 - Migration of production servers to a leading cloud and data centre service provider with Tier III design certification, riding on Microsoft Cloud's security;
 - Deployment of Microsoft Threat Protection solutions to enhance the identification and mitigation of cybersecurity incidents more efficiently and effectively;
 - Continuous monitoring and managing of Microsoft 365 Defender and other enhanced security features rolled out by Microsoft that provides the capabilities to detect and protect potential threats, as well as enable the Group to respond to threats faster with new unified alerts; and,
 - Development of a cybersecurity and disaster recovery plan.
- The Group has rolled out an extensive staff communication plan, which includes:
 - Security awareness trainings in the form of visually appealing, educational and awareness videos;
 - Continuous communication and information dissemination to employees on new cybersecurity risks through multimedia notifications sent to all employees; and,
 - Dissemination of monthly editorial messages on IT Security and the importance of safeguarding personal and confidential information.
- The Group has embedded a culture of technology management by publishing best practices and instructional resources via MRCB's Learning Hub.
- The Group continued its efforts towards combating cyber threats via advanced tools to mitigate against increased risks as a result of continued remote working and to ensure optimal business continuity:
 - Malwarebytes Endpoint Protection tools, a tool that provides external malware protection and remediation with precise threat detection, proactive threat blocking, prevention of zero-day exploits and thorough remediation, from the cloud; and,
 - Endpoint and server auditing tools ADAudit Plus, an Active Directory and Windows Server auditing tool that helps detect and respond to insider threats, privilege misuse, and other indicators of compromise.
- The Group has embarked on its Data Governance Framework Program aimed at managing and protecting all of the Group's data and complying with all local and international data protection and data privacy regulations:
 - Information governance policies have been drafted and reviewed, and are currently pending approval; and,
 - Data identification and collection have been initiated.
- The Group activated 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 2022, the Group IT has:-
 - Identified and classified sensitive data;
 - Detected and blocked suspicious data activity;
 - Monitored data access and usage; and,
 - Improved visibility and control.
- In 2022, there was no breach of security or data leakages as MRCB's cyber defence and system monitoring managed to detect, protect and prevent all cyber security attack attempts.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 risk management and internal control system of the Group 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



DATO' WAN KAMARUZAMAN WAN AHMAD

Chairman

The Audit & Risk Management Committee (ARMC) was established by the Board of Directors as a Committee of the Board, in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), to assist the Board in discharging its duties and responsibilities effectively. The ARMC is governed by a Terms of Reference, which sets out its key roles and responsibilities.

MEMBERSHIP OF THE ARMC

The ARMC comprises the following members:

Dato' Wan Kamaruzaman Wan Ahmad

Senior Independent Director
(Chairman)

Dato' Dr Junaidah Kamarruddin
Independent Director

Lim Fen Nee

Independent Director

Mohamad Hafiz Kassim

Non-Independent Non-Executive Director

Lim Fen Nee and Mohamad Hafiz Kassim are Fellows of the Association of Chartered Certified Accountants. Lim Fen Nee is 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 159 - 166.

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 2022 and all meetings had a 100% attendance.

The dates of the meetings held were as follows:



DATE

25 JAN 2022 | 21 FEB 2022 | 22 MAR 2022
26 MAY 2022 | 25 AUG 2022 | 28 NOV 2022

Attendance

Dato' Wan Kamaruzaman Wan Ahmad	100%	6
Dato' Dr Junaidah Kamarruddin	100%	6
Lim Fen Nee	100%	6
Mohamad Hafiz Kassim	100%	6

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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 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 the annual Board Effectiveness Evaluation exercise, with the intention of providing insights into the effectiveness of the ARMC. An assessment was carried out by BDO Governance Advisory Sdn Bhd for 2022. The objectives of the assessment were 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 was assessed on their role clarity, composition and renewal, processes, and tasks.

The results of the assessment, which were reviewed by the Nomination & Remuneration Committee and presented to the Board, were positive.

REPORTING TO THE EXCHANGE

In 2022, 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 2022 were as follows:

Financial Reporting

- i. 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.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Internal Audit

- i. 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 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 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 Corporate Governance Overview Statement and Corporate Governance Report for inclusion in the Integrated Annual Report.
- iii. Reviewed and recommended to the Board for approval, the ARMC Report for inclusion in the Integrated Annual Report.
- iv. Reviewed Related Party Transactions of the Group to ensure compliance with the Companies Act 2016, the MMLR and the Malaysian Financial Reporting Standards, and recommended 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 four 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 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.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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 2022, the GIA completed a total of eight (8) audit assignments, comprising audits of key property development and construction projects and other operating units and corporate functions of the Group, as well as data validation in relation to the Group-wide data migration from the existing systems to a new Enterprise Resource Planning (ERP) system. 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 RM1,115,888.

RISK MANAGEMENT FUNCTION

The ARMC is responsible to assist 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 its implementation through ensuring adequate and systematic risk assessment processes were integrated into the management system, business operation 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 207 - 217 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 2022, 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



DATO' MOHAMAD NASIR AB LATIF

Chairman

HIGHLIGHTS

**Total meetings
held in 2022**

7

**All members
attended all
meetings in
2022**

COMPOSITION OF THE COMMITTEE

The Executive Committee (EXCO) comprises the following members:

1. Dato' Mohamad Nasir Ab Latif (Non-Independent Non-Executive Director) – Chairman
2. Imran Salim (Group Managing Director)
3. Dato' Wan Kamaruzaman Wan Ahmad (Senior Independent Director)

MEETINGS AND ATTENDANCE

A total of seven (7) EXCO meetings were held during the financial year ended 31 December 2022 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2022	28 Jan	21 Apr	19 May	27 Jun	18 Jul	4 Nov	19 Dec
Dato' Mohamad Nasir Ab Latif	•	•	•	•	•	•	•
Imran Salim	•	•	•	•	•	•	•
Dato' Wan Kamaruzaman Wan Ahmad	•	•	•	•	•	•	•

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 2022

During the Financial Year Ended 31 December 2022, the EXCO undertook the following key activities:

- Reviewed the progress of key projects;
- Deliberated on major business proposals and transactions;
- Reviewed the projects budget;
- Deliberated on the Group's Business Continuity Plan; and
- Deliberated on MRCB Group's 2023 Business Plan.

NOMINATION & REMUNERATION COMMITTEE REPORT



DATO' WAN KAMARUZAMAN WAN AHMAD

Chairman

HIGHLIGHTS

**Total meetings
held in 2022**

3

**All members
attended all
meetings in
2022**

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 2022 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2022	31 Mar	26 May	7 Oct
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 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, 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>.

NOMINATION & REMUNERATION COMMITTEE REPORT

OUR FOCUS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

During the Financial Year Ended 31 December 2022, the NRC undertook the following key activities:

1. Nomination Function
 - Recommending the re-election of Directors retiring at the 2022 Annual General Meeting (AGM)
 - Recommending on the contract renewal for the Group Chief Operating Officer
 - Recommending the disclosure of the Report on the NRC for the Annual Report for the financial year ended 31 December 2021
 - Monitoring the conduct of the Board Effectiveness Evaluation (BEE) for 2022
 - Deliberating on the Fit & Proper Policy of MRCB
2. Remuneration Function
 - Deliberating the 2022 key performance indicator targets for the Group Managing Director and c-suites
 - Deliberating on the proposed new salary structure and compensation review

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 2022.

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 52nd AGM of the Company to be held on 7 June 2023. 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 52nd AGM are:

- Imran Salim
- Dato' Wan Kamaruzaman Wan Ahmad
- Dato' Dr Junaidah Kamarruddin

The retiring Directors have expressed their intention to seek re-election at the 52nd AGM of the Company. Their profiles are provided on pages 159 - 166.

For the purpose of determining the eligibility of the Directors for re-election at the 52nd AGM, the Board through the NRC, has assessed each of the retiring Directors, and considered the following:

- the findings of Board Effectiveness Assessment 2022 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 Director, and his or her ability to act in the best interest of the Company in decision making.

LONG-TERM INCENTIVE PLAN COMMITTEE REPORT



DATO' MOHAMAD NASIR AB LATIF

Chairman

HIGHLIGHTS

**Total meetings
held in 2022**

0

COMPOSITION OF THE COMMITTEE

The Long-Term Incentive Plan (LTIP) Committee comprises the following members:

1. Dato' Mohamad Nasir Ab Latif (Non-Independent Non-Executive Director) – Chairman
2. 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 2022.

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) 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) Arrange for periodic review of its own performance, constitution and terms of change it considers necessary to the Board for approval;
- iv) To act in line with directions of the Board of Directors; and
- v) To consider and examine such other matters as the LTIP Committee considers appropriate.

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 2022

During the Financial Year Ended 31 December 2022, the LTIP Committee by way of circular resolution, has recommended the extension of MRCB's LTIP for another five (5) years from 28 November 2022 to 27 November 2027.

ADDITIONAL COMPLIANCE INFORMATION

I) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There are no proceeds raised/utilised by the Company from corporate proposals during the financial year.

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 2022 were RM1,188,000 and RM195,000 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 2022 were RM264,000 and RM42,000 respectively, detail as follows:

Description	Group (RM'000)	Company (RM'000)
(i) Provision of Taxation Services by PricewaterhouseCoopers Taxation Sdn Bhd (PwC Tax)	152	20
(ii) Provision of consultation and advisory services by PwC Tax in relation to the corporate tax matters	112	22
Total	264	42

III) MATERIAL CONTRACTS INVOLVING INTEREST OF DIRECTORS OR MAJOR SHAREHOLDERS

KD District Cooling System Sdn Bhd, a wholly owned subsidiary of MRCB DCS Holding Sdn Bhd, which in turn is a wholly owned subsidiary of MRCB, had on 13 December 2022 entered into a Tenancy Agreement with Kwasa Sentral Sdn Bhd (KSSB), a 70% owned subsidiary of MRCB in respect of a District Cooling Plant to be developed in phases with estimated total lettable areas of 20,617 square meters or 221,920 square feet located within Bangunan Taman Kwasa Sentral, Persiaran Kwasa Sentral 3, Pusat Bandar Kwasa Damansara, 40150 Shah Alam, Selangor Darul Ehsan for initial term of 3 years with an option to renew for 7 subsequent terms of 3 years each and 1 succeeding term of 1 year with an estimated total consideration of RM62,197,430.

EPF is a major shareholder of MRCB and is the sole shareholder of Kwasa Land Sdn Bhd which in turn holds 30% equity interest in KSSB.

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 has 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 2022 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 and 2022.

As at 31 December 2022, 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

Statement of use	MRCB has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)

GRI	DISCLOSURES	LOCATION (PAGE NUMBER)	NOTES & OMISSION
GRI 2: GENERAL DISCLOSURES 2021			
Organization and reporting			
2-1	Organizational details	5, 11, 157, 241	
2-2	Entities included in the organization's sustainability reporting	2	
2-3	Reporting period, frequency and contact point	2, 132	
2-4	Restatements of information	120, 125, 145 - 148, 151, 152, 154	
2-5	External assurance	2, 229	
Activities and workers			
2-6	Activities, value chain and other business relationships	6-9, 38 - 39	
2-7	Employees	118	
2-8	Workers who are not employees	118, 125, 126	
Governance			
2-9	Governance structure and composition	24 - 25, 158, 173	
2-10	Nomination and selection of the highest governance body	194 - 195	
2-11	Chair of the highest governance body	159	
2-12	Role of the highest governance body in overseeing the management of impacts	176 - 177, 184, 201 - 205	
2-13	Delegation of responsibility for managing impacts	25	
2-14	Role of the highest governance body in sustainability reporting	25, 176 - 177	
2-15	Conflicts of interest	159 - 169, 176, 182, 213	
2-16	Communication of critical concerns	176	
2-17	Collective knowledge of the highest governance body	184, 187 - 192	
2-18	Evaluation of the performance of the highest governance body	219	
2-19	Remuneration policies	24, 19 8- 200, 248	
2-20	Process to determine remuneration	33, 198, 220, 223 - 224, 248	
2-21	Annual total compensation ratio	199	Reported on absolute figure.
Strategy, policies, and practices			
2-22	Statement on sustainable development strategy	30-37	
2-23	Policy commitments	31-33, 44, 120, 125, 130, 208 - 210	
2-24	Embedding policy commitments	76, 125 - 126, 170, 176	
2-25	Processes to remediate negative impacts	120	Partially reported under Sexual Harassment Policy.
2-26	Mechanisms for seeking advice and raising concerns	176, 214	
2-27	Compliance with laws and regulations	125, 132, 152	
2-28	Membership associations	20-21, 55	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION (PAGE NUMBER)	NOTES & OMISSION
GRI 2: GENERAL DISCLOSURES 2021			
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	46 - 54	
2-30	Collective bargaining agreements	Not applicable	MRCB has no unionised staff. As such, there are no collective bargaining agreements in place.
GRI 3: MATERIAL TOPICS 2021			
3-1	Process to determine material topics	56 - 62	
3-2	List of material topics	Material topics are addressed throughout the report.	
3-3	Management of material topics		
SERIES 200: ECONOMIC			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	95	
201-2	Financial implications and other risks and opportunities due to climate change	140 - 144	Will be undertaking quantitative assessment in 2023.
201-3	Defined benefit plan obligations and other retirement plans	Financial Report 2022: 42 - 43	
201-4	Financial assistance received from government	Financial Report 2022: 138	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	15, 32, 71, 110	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	54	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Not available	Shall improve disclosure in the future.
205-2	Communication and training about anti-corruption policies and procedures	44, 68, 77 - 78, 88	
205-3	Confirmed incidents of corruption and actions taken	176	
SERIES 300: ENVIRONMENTAL			
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	150	
302-2	Energy consumption outside of the organisation	149	
302-3	Energy intensity	151	
302-4	Reduction of energy consumption	146, 150, 151	
GRI 303: Water 2018			
303-1	Interactions with water as a shared resource	152	
303-2	Management of water discharge-related impacts	152	
303-3	Water withdrawal by source	152	
303-5	Water recycled and reused	152	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION (PAGE NUMBER)	NOTES & OMISSION
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	Currently not material to the business, will improve in the future.
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: Emission 2016			
305-1	Direct (Scope 1) GHG emissions	145 - 147	
305-2	Energy indirect (Scope 2) GHG emissions	145 - 147	
305-3	Other indirect (Scope 3) GHG emissions	146, 148, 149	
305-4	GHG emissions intensity	148	
305-5	Reduction of GHG emissions	145 - 147	
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	Currently not material to the business.
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	Not available	Shall improve disclosure in the future.
GRI 306: Waste 2020			
306-1	Waste generation and waste-related impacts	153	
306-2	Management of significant waste-related impacts	153	
306-3	Waste generated	153 - 154	
306-4	Waste diverted from disposal	154	
306-5	Waste directed to disposal	153	
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	152	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Not available	In the process of embedding environmental criteria in our pre-qualification assessment.
308-2	Negative environmental impacts in the supply chain and actions taken	Not available	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION (PAGE NUMBER)	NOTES & OMISSION
SERIES 400: SOCIAL			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	121 - 122	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	126	
401-3	Parental leave	126 - 127	
GRI 403: Occupational Safety & Health 2018			
403-1	Occupational health and safety management system	130	
403-2	Hazard identification, risk assessment, and incident investigation	131	
403-3	Occupational health services	131	
403-4	Worker participation, consultation, and communication on occupational health and safety	130	
403-5	Worker training on occupational health and safety	131	
403-6	Promotion of worker health	131	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	131	
403-8	Workers covered by an occupational health and safety management system	130	
403-9	Work-related injuries	132 - 133	
403-10	Work-related ill health	132 - 133	
GRI 404: Training & Education 2016			
404-1	Average hours of training per year per employee	122, 123	
404-2	Programmes for upgrading employee skills and transition assistance programs	124	
404-3	Percentage of employees receiving regular performance and career development reviews	124	
GRI 405: Diversity & Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	118, 119	
405-2	Ratio of basic salary and remuneration of women to men	120	
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	125	
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Not available	Shall conduct human rights risk and impact assessment moving forward.

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION (PAGE NUMBER)	NOTES & OMISSION
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not available	Shall conduct human rights risk and impact assessment moving forward.
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	230	100% of our auxiliary police underwent Standard Operating Procedure (SOP) training with topics related to human rights.
GRI 412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	Not available	Shall conduct human rights risk and impacts assessment moving forward.
412-2	Employee training on human rights policies or procedures	Not available	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not available	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	134 - 137	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Not available	Shall embed social criteria in our pre-qualification assessment in the future.
414-2	Negative social impacts in the supply chain and actions taken	Not available	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	216	
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Not available	Shall improve disclosure in the future.

INDEPENDENT ASSURANCE OPINION STATEMENT

FOR MALAYSIAN RESOURCES CORPORATION BERHAD



INDEPENDENT ASSURANCE OPINION STATEMENT

Malaysian Resources Corporation Berhad (MRCB) Integrated Annual Report 2022

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 1 January 2022 to 31 December 2022 (the “Reporting Year”), for the following sustainability subject matter.
 - Scope 1: Fuel consumption from stationary combustion
 - Scope 1: Fuel consumption from mobile combustion i.e., company-owned vehicle
 - Scope 2: Electricity consumption (owned and managed assets)
 - Scope 3: Electricity consumption (leased assets)
 - Health and Safety Data
 - Injury Rate
 - Incident Rate
 - Employment
 - Parental leave
 - Diversity and Equal Opportunity
 - Gender Gap
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.

INDEPENDENT ASSURANCE OPINION STATEMENT FOR MALAYSIAN RESOURCES CORPORATION BERHAD

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 robust internal verification processes.

Our work was carried out by a team of sustainability report assurers. 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 work was designed to gather evidence on which our conclusion is based. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant to MRCB's policies to check on the appropriateness of statements made in the Report;
- discussion with managers and staff on MRCB's approach to stakeholder engagement. We had no direct contact with external stakeholders;
- interview with staff involved in sustainability management, report preparation and provision of report information;
- review of key organizational developments;
- review of supporting evidence for claims made in the reports; and
- an assessment of MRCB's reporting and management processes concerning reporting against 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

The Report has reflected the fact that MRCB has engaged with its significant stakeholders through various channels such as procedures for handling complaints, grievance, and consultations; negotiations and interactions with stakeholders prior to any development or acquisition of land: stakeholder meeting; community engagement process; self-assessment questionnaires (SAQ), supplier audits, onsite verifications and follow-ups with suppliers; and more.

MRCB'S operation involves various methods of engaging its stakeholders on an on-going basis. The Report covers economic, social and environmental aspects of concern to its stakeholders with a fair level of disclosure. In our professional opinion, MRCB adheres to the principle of Inclusivity. Areas for enhancement of the Report were adopted by MRCB before 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.

INDEPENDENT ASSURANCE OPINION STATEMENT FOR MALAYSIAN RESOURCES CORPORATION BERHAD

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.

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, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901.

For and on behalf of BSI:



Ms Evelyn Chye
Managing Director

Verifier of the Report:



Mr. Shaiful Rahman
Lead Assuror

12 April 2023

ANALYSIS OF SHAREHOLDINGS

AS AT 23 MARCH 2023

Total Number of Issued Shares : 4,467,509,508
 Class of Shares : Ordinary shares
 No. of Shareholders : 42,529
 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	255,187,546	5.71

INFORMATION ON DIRECTORS SHAREHOLDINGS

NOS.	NAMES OF DIRECTORS	DESIGNATION	SHAREHOLDINGS	%
1.	DATUK SERI AMIR HAMZAH AZIZAN	CHAIRMAN	667	0.00
2.	TAN SRI MOHAMAD SALIM FATEH DIN	EXECUTIVE VICE CHAIRMAN	1,388,800	0.03
			*691,624,394	15.48
3.	IMRAN SALIM	GROUP MANAGING DIRECTOR	468,200	0.01
4.	MOHAMAD HAFIZ KASSIM	DIRECTOR	0	0.00
5.	DATO' MOHAMAD NASIR AB LATIF	DIRECTOR	0	0.00
6.	DATO' WAN KAMARUZAMAN WAN AHMAD	DIRECTOR	286,875	0.01
7.	DATO' DR JUNAIDAH KAMARRUDDIN	DIRECTOR	0	0.00
8.	LIM FEE 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	4,255	10.01	153,349	0.00
100 to 1,000	7,576	17.81	4,267,041	0.10
1,001 to 10,000	17,236	40.53	85,710,960	1.92
10,001 to 100,000	11,284	26.53	390,456,475	8.74
100,001 to less than 5% of issued shares	2,175	5.11	1,422,624,296	31.84
5% and above of issued shares	3	0.01	2,564,297,387	57.40
TOTAL	42,529	100.00	4,467,509,508	100.00

TOP 30 LARGEST SHAREHOLDERS

AS AT 23 MARCH 2023

NO.	NAME	HOLDINGS	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,617,485,447	36.21
2	GAPURNA SDN BHD	691,624,394	15.48
3	LEMBAGA TABUNG HAJI	247,774,446	5.55
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	173,752,526	3.89
5	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	35,891,400	0.80
6	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	29,857,401	0.67
7	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	29,404,100	0.66
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	20,599,056	0.46
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	17,962,800	0.40
10	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND J724 FOR SPDR S&P EMERGING MARKETS ETF	15,974,359	0.36
11	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	14,556,519	0.33
12	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	13,700,900	0.31
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	13,168,213	0.29
14	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (HEDGING)	13,100,000	0.29
15	LIM SOO KIOW	11,616,100	0.26
16	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	9,885,967	0.22

TOP 30 LARGEST SHAREHOLDERS

AS AT 23 MARCH 2023

NO.	NAME	HOLDINGS	%
17	LIM GAIK BWAY@ LIM CHIEW AH	9,861,295	0.22
18	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	8,866,127	0.20
19	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	8,841,990	0.20
20	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	8,600,929	0.19
21	MUHAMAD ALOYSIUS HENG	8,061,263	0.18
22	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO INTERNATIONAL PLC (CLIENT)	8,042,600	0.18
23	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	8,012,666	0.18
24	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR VANGUARD FTSE ALL-WORLD EX-US SMALL-CAP INDEX FUND	7,777,538	0.17
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	7,558,097	0.17
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MAH SIEW HOE (PB)	7,439,727	0.17
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	7,418,027	0.17
28	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	7,300,000	0.16
29	CHOONG YEAN YAW	7,295,100	0.16
30	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR ABU DHABI INVESTMENT AUTHORITY (EQUITIES)	6,962,900	0.16
Total		3,068,391,887	68.69

ANALYSIS OF WARRANT B HOLDINGS

AS AT 23 MARCH 2023

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.. LIM TZE LING	28,100,000	6.41
3. CHEE SZE HSIEN @ CHEE AH KOW (029)	27,000,000	6.16

INFORMATION ON DIRECTORS WARRANT HOLDINGS

NOS.	NAMES OF DIRECTORS	DESIGNATION	WARRANT HOLDINGS	%
1.	DATUK SERI AMIR HAMZAH AZIZAN	CHAIRMAN	0	0.00
2.	TAN SRI MOHAMAD SALIM FATEH DIN	EXECUTIVE VICE CHAIRMAN	*71,309,149	16.26
3.	IMRAN SALIM	GROUP MANAGING DIRECTOR	0	0.00
4.	MOHAMAD HAFIZ KASSIM	DIRECTOR	0	0.00
5.	DATO' MOHAMAD NASIR AB LATIF	DIRECTOR	0	0.00
6.	DATO' WAN KAMARUZAMAN WAN AHMAD	DIRECTOR	0	0.00
7.	DATO' DR JUNAIDAH KAMARRUDDIN	DIRECTOR	0	0.00
8.	LIM FEE NEE	DIRECTOR	0	0.00

* Held through Gapurna Sdn Bhd

DISTRIBUTION OF WARRANT HOLDINGS

Size of Shareholdings	No. of Holders Shareholders	Percentage of Shareholders (%)	No. of Share	Percentage of Share Capital (%)
less than 100	790	9.79	30,920	0.01
100 to 1,000	3,319	41.14	1,627,982	0.37
1,001 to 10,000	2,409	29.86	8,724,908	1.99
10,001 to 100,000	1,108	13.73	46,802,607	10.67
100,001 to less than 5% of issued warrant	439	5.44	254,922,591	58.13
5% and above of issued warrant	3	0.04	126,409,149	28.83
TOTAL	8,068	100.00	438,518,157	100.00

TOP 30 LARGEST WARRANT B HOLDINGS

AS AT 23 MARCH 2023

NO.	NAME	HOLDINGS	%
1	GAPURNA SDN BHD	71,309,149	16.26
2	LIM TZE LING	28,100,000	6.41
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SZE HSIEN @ CHEE AH KOW (029)	27,000,000	6.16
4	ER SOON PUAY	10,734,900	2.45
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR CHEE WAN	5,772,200	1.32
6	WONG CHOW YANG	4,000,000	0.91
7	FUNG HUI QI	3,863,400	0.88
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN (CEB)	3,785,000	0.86
9	LIM POH HOCK	3,665,000	0.84
10	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,624,441	0.83
11	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR SOH CHIN TIONG	3,350,000	0.76
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW CHEE LAP (E-SPG)	3,200,000	0.73
13	CHEN HARN SHEAN	3,187,200	0.73
14	TAY CHYE HOCK	3,000,000	0.68
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE YEN CHUAN	2,935,200	0.67
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG BENG CHOOI	2,900,100	0.66

TOP 30 LARGEST WARRANT B HOLDINGS

AS AT 23 MARCH 2023

NO.	NAME	HOLDINGS	%
17	WOON LAY KUEN	2,865,500	0.65
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR YONG HON SING (KKINABALU-CL)	2,795,000	0.64
19	ANG TIAM KING	2,720,000	0.62
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR WONG YUNG SOON (471299)	2,700,000	0.62
21	OH KIM SUN	2,685,000	0.61
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	2,674,660	0.61
23	TAN KONG HENG	2,639,300	0.60
24	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,634,201	0.60
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LIM CHUNG TOUNG (E-KKU)	2,500,000	0.57
26	WOON BOON KUEN	2,324,700	0.53
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHIN SIN MEW	2,320,000	0.53
28	CHEE SZE HSIEN @ CHEE AH KOW	2,256,600	0.51
29	ALLIANCEGROUP NOMINEES (ASING) SDN BHD TAN KONG HENG (8102918)	2,238,581	0.51
30	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,215,058	0.51
Total		215,995,190	49.26

PROPERTIES OF THE GROUP

31 DECEMBER 2022

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2022 (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	22,051	1982	Leasehold 47 years expiring on 2.10.2044	40	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 mixed commercial development	Lot 57 Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	9,600	13,220	1992	Leasehold 99 years expiring on 15.9.2092	-	Nil
Plaza Alam Sentral - 7 storey shopping complex	Plaza Alam Sentral, Jalan Majlis, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	68,233	58,771	1992	Leasehold 99 years expiring on 15.9.2092	23	Nil
Land for proposed commercial development	Lot 74 Sek. 70 Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	23,080	514,339	1998	Freehold	-	Yes
Industrial land	Lot 21191 & 21194, Jalan industry 2/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	18,210	6,269	1997	Freehold	-	Nil
4 storey shop office	Unit no. 17 & 19, Jalan Seksyen 3/3, Taman Kajang Utama, Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan.	990	520	1999	Freehold	23	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2022

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2022 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
2 storey shop office	No. 55 & 55A, Persiaran Dataran 4, Iskandar Perdana, 32610 Seri Iskandar, Perak Darul Ridzuan.	156	144	2005	Leasehold 99 years expiring on 18.3.2102	20	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
Several parcels of land for proposed mixed development	Lot 1210-1241, Lot 1271-1393, Lot 1399-1494, Lot 180, 213-232, PT 721-763, 1008, 1009, PT 1011, 5081-5736, PT5739, 5745, 5747, KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	201,590	46,472	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-03-1, Unit 1B-03-2, Block 1B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Wilayah Persekutuan.	759	2,152	2008	Freehold	15	Nil
Ascott Sentral - 21-storey block of service residence apartments	No. 211, Jalan Tun Sambanthan, 50470 Kuala Lumpur, Wilayah Persekutuan.	23,121	71,778	2007	Freehold	9	Yes
Celcom Axiata corporate office - 33-storey office building	Celcom Tower, Persiaran Barat, 46200 Petaling Jaya, Selangor Darul Ehsan.	8,326	373,866	2013	Leasehold 99 years expiring on 10.11.2110	5	Nil
Land for proposed mixed development	Lot 20031 & Lot 481117, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	18,993	48,199	2013	Leasehold 99 years expiring on 11.5.2113	-	Yes

PROPERTIES OF THE GROUP

31 DECEMBER 2022

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2022 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed mixed development	PT 36 & 37, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	1,880	7,579	2016	Freehold	-	Nil
Land for proposed mixed development	Lot 12 Section 26, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	18,702	316,862	2010	Leasehold 99 years expiring on 9.2.2108	-	Nil
Land for proposed commercial office and serviced apartment with car park	HS(D) 93833, PT 27759, Bukit Rahman Putra, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	18,421	51,076	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 Pulai, District of Johor Bahru, Johor.	269,431	77,390	2015	Freehold	-	Nil
2 units of single storey warehouse	Plot No. 143, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,490	774	2014	Freehold	9	Nil
Land for proposed future development	PT 712 (HSD 32876), PT 770 (173111), PT 771 (173112), PT 772 (173113), PT 773 (173114), Lot 62 (HSD 13404), PT 333 (HSD13256), PT 766 (173115), PT 767 (173117), PT 769 (173116), Seksyen 4, Bandar Betterworth, Daerah Seberang Perai Utara, Pulau Pinang.	72,495	305,723	2013/2014/ 2016/2017	Freehold	-	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2022

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2022 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Penang Sentral Transportation terminal	PT 770 (173111), Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.	19,559	198,464	2013/2014	Freehold	5	Nil
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	1,135,388	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	380,169	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	H.S.(D) 95206, PT 188, Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	17,989		2018	Freehold	-	Nil
Land for proposed commercial development	Lot 20007, Seksyen 72, Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	3,805	-	1998	Freehold	-	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2022

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2022 (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	31,988	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	19,863	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	52,497	2022	Freehold	-	Nil
Land for proposed future development	Lot 17182, Block 26, Mukim Muara Tuang, Daerah Samarahan, Sarawak.	89,314	31,283	2022	Leasehold 60 years expiring on 14.06.2082	-	Nil

Note – "0" denotes as amount less than RM1,000.

CORPORATE DIRECTORY

CORPORATE OFFICE

MALAYSIAN RESOURCES CORPORATION BERHAD

Level 30,
Menara Allianz Sentral,
No. 203, Jalan Tun Sambanthan,
Kuala Lumpur Sentral,
50470 Kuala Lumpur,

Tel : +603 2786 8080 (General Line)
Fax : +603 2780 7988

SUBSIDIARIES

PROPERTY DEVELOPMENT & INVESTMENT

MRCB LAND SDN BHD

Lot B-L1-12, Level 1, Block B
Blok Komersial VIVO 9 Seputeh
No. 29, Jalan Teluk Datok
Off Jalan Klang Lama
58000 Kuala Lumpur
Tel : +603 2786 8080 (General Line)
Fax : +603 2780 7988

ENGINEERING, CONSTRUCTION & ENVIRONMENT

MRCB BUILDERS SDN BHD

Lot B-L1-12, Level 1, Block B
Blok Komersial VIVO 9 Seputeh
No. 29, Jalan Teluk Datok
Off Jalan Klang Lama
58000 Kuala Lumpur
Tel : +603 2786 8080 (General Line)
Fax : +603 2780 7988

FACILITIES

MANAGEMENT & PARKING

SEMASA SENTRAL SDN BHD

Level 2, Stesen Sentral Kuala Lumpur,
50470 Kuala Lumpur.
Tel: +603 2786 8080 (General Line)
+603 2859 7070
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SEMASA PARKING SDN BHD

Unit 11 & 12, Level 2,
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Tel: +603 2786 8080
Fax: +603 2260 3306

ASSOCIATES

SENTRAL REIT MANAGEMENT SDN BHD

Level 35, Menara NU2,
No. 203, Jalan Tun Sambanthan,
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50470 Kuala Lumpur,
Tel: +603 2786 8080 (General Line)
Fax: +603 2780 7988

OVERSEAS

MRCB AUSTRALIA HOLDING COMPANY PTY LTD

MRCB PROJECT CARNEGIE PTY LTD

MRCB (LAND) AUSTRALIA PTY LTD

MRCB PROJECT INCORPORATED PTY LTD

21-23 Aristoc Road,
Glen Waverley Vic, 3150 Australia

MRCB PROJECT VISTA PTY LTD

MRCB NEW ZEALAND HOLDINGS LIMITED

MRCB AOTEA CENTRAL LIMITED

MRCB BLEDISLOE HOUSE LIMITED

Level 8, 57 Symonds Street,
Grafton, Auckland, 1010 New Zealand

MRCB (SINGAPORE) PTE LTD

30 Cecil Street
#19-08 Prudential Tower
Singapore, 049712

CORPORATE
DIRECTORY

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

Level 30, Menara Allianz Sentral,
No. 203, Jalan Tun Sambanthan,
Kuala Lumpur Sentral,
50470 Kuala Lumpur.
Tel: +603 2786 8080

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 OF THE 52ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 52nd Annual General Meeting (“AGM”) of Malaysian Resources Corporation Berhad (“MRCB” or “the Company”) will 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 **Wednesday, 7 June 2023 at 10.00 a.m.** for the following purposes:

AGENDA

Ordinary Business

1. To receive the Statutory Financial Statements of the Company for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.
Refer to Explanatory Note 1
2. 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:
 - (i) Mohd Imran Mohamad Salim **Resolution 1**
 - (ii) Dato’ Wan Kamaruzaman Wan Ahmad **Resolution 2**
 - (iii) Dato’ Dr Junaidah Kamarruddin **Resolution 3***Refer to Explanatory Note 2*
3. To approve the payment of the following Directors’ Fees for the financial year ending 31 December 2023:
 - (i) RM6,575 for the Late Tan Sri Azlan Zainol **Resolution 4**
 - (ii) RM197,534 for Datuk Seri Amir Hamzah Azizan **Resolution 5**
 - (iii) RM150,000 for Mohamad Hafiz Kassim **Resolution 6**
 - (iv) RM150,000 for Dato’ Mohamad Nasir Ab Latif **Resolution 7**
 - (v) RM150,000 for Dato’ Wan Kamaruzaman Wan Ahmad **Resolution 8**
 - (vi) RM150,000 for Dato’ Dr Junaidah Kamarruddin **Resolution 9**
 - (vii) RM150,000 for Lim Fen Nee **Resolution 10***Refer to Explanatory Note 3*
4. To approve the benefits extended to the Non-Executive Directors of the Company as detailed out in Note 4 of the explanatory notes, from 8 June 2023 until the next AGM of the Company.
Refer to Explanatory Note 4 **Resolution 11**
5. To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.
Refer to Explanatory Note 5 **Resolution 12**

Special Business

To consider and if thought fit, to pass with or without any modification, the following Ordinary Resolution:

6. Proposed Renewal of Share Buy-Back Authority **Resolution 13**

“THAT, subject to the Companies Act 2016 (“the Act”), provision of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, rules, regulations and guidelines, and the approvals of the relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company provided that:

NOTICE OF THE 52ND
ANNUAL GENERAL MEETING

- (a) the aggregate number of ordinary shares to be purchased by the Company shall not exceed ten per cent (10%) of the total number of issued shares of the Company at any point in time; and
- (b) the maximum fund to be allocated by the Company for the purpose of Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained profits of the Company at the time of the purchase;

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company shall have the absolute discretion to decide whether such shares so purchased are to be cancelled and/or retained as treasury shares, or to be dealt with in such manner as provided under Section 127(7) of the Act;

THAT the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of next AGM of the Company at which time the authority will lapse unless the authority is renewed by a resolution passed at that meeting, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting

whichever occurs first;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities and to do such acts and things as the Directors may deem fit and expedient in the interest of the Company.”

Refer to Explanatory Note 6

- 7. 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
28 April 2023

NOTICE OF THE 52ND ANNUAL GENERAL MEETING

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 29 May 2023 ("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 or any adjournment thereof.

EXPLANATORY NOTES:

A. FOR ORDINARY RESOLUTION

1. Statutory Financial Statements for the financial year ended 31 December 2022

The Statutory Financial Statements under Agenda 1 is meant for discussion only as it does not require shareholders' approval pursuant to Section 340(1)(a) of the Act and therefore, it will not be put for voting.

2. Ordinary Resolutions 1, 2 and 3 - 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.

Based on the recommendation of the Nomination & Remuneration Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-elections based on the following justification:

(a) Ordinary Resolution 1 – Re-election of Mohd Imran Mohamad Salim ("Imran")

Imran is the Group Managing Director of MRCB since 2 July 2018. Due to his experience and knowledge related to 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. Imran contributes tremendously to the Group and carried out his duties professionally and proficiently during his tenure as the GMD.

(b) Ordinary Resolution 2 – Re-election of Dato' Wan Kamaruzaman Wan Ahmad

Dato' Wan Kamaruzaman Wan Ahmad fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under MCGG 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 had also demonstrated sound leadership as the Chairman of the NRC in assisting the Board to oversee the nomination and remuneration process for the Board and Board committees as well as for critical management position 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.

NOTICE OF THE 52ND ANNUAL GENERAL MEETING

(c) Ordinary Resolution 3 – Re-election of Dato’ Dr Junaidah Kamarruddin

Dato’ Dr Junaidah Kamarruddin fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under MCGG 2021. She has demonstrated her independence through her engagement in the Board and Board Committee meetings and had also exercised due care and carried out her duties professionally and proficiently during her tenure as an Independent Director of the Company.

The profiles of Directors standing for re-election are set out on pages 159 to 166 of the Integrated Annual Report 2022.

3. Ordinary Resolution 4, 5, 6, 7, 8, 9 and 10 - Payment of Non-Executive Directors’ (“NED”) Fee For The Financial Year Ending 31 December 2023

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 2023 based on the rate of RM200,000 per year for the Chairman and RM150,000 per year for other Directors.

The Late Tan Sri Azlan Zainol passed away on 12 January 2023. Since he has served as Chairman of MRCB for 12 days in 2023, we are seeking the shareholders’ approval to pay RM6,575 to the estate of the late Tan Sri Azlan Zainol. Consequently, Datuk Seri Amir Hamzah Azizan has been redesignated as the Chairman of MRCB on 19 January 2023.

4. Ordinary Resolution 11 - 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 Nomination & Remuneration Committee	RM2,000 per month
	Chairman of the LTIP 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	

5. Ordinary Resolution 12 - Re-appointment of Auditors

The Board has at the meeting held on 27 March 2023 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.

B. FOR SPECIAL BUSINESS

6. Ordinary Resolution 13 - Proposed Renewal of Share Buy-Back Authority

The proposed ordinary resolution 13, if passed, will give the authority to the Company to purchase its own shares through Bursa Securities up to ten percent (10%) of the total number of issued shares of the Company.

For further information, please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 28 April 2023 which is available on MRCB’s website at <https://www.mrcb.com.my/investor-relations/shareholder.html>.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for election and re-election (as per Resolutions 1, 2 and 3) at the 52nd AGM of MRCB are provided in the Board of Directors section on pages 159 to 166 of the Company's Integrated Annual Report 2022.

The details of their interests in the securities of MRCB are set out in the Analysis of Shareholdings section on page 235 of the Company's Integrated Annual Report 2022.

PROXY FORM

(Please see the notes below before completing the form)



MALAYSIAN RESOURCES CORPORATION BERHAD

Registration No. 196801000388 (7994-D)

(Incorporated in Malaysia)

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			
	NRIC No./Passport No.:		
	Tel. No.:		
	Email address:		
And/or failing him/her			
Proxy 2			
	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 52nd 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 Wednesday, 7 June 2023 at 10.00 a.m and at any adjournment thereof.

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	Mohd Imran Mohamad Salim		
2	Dato' Wan Kamaruzaman Wan Ahmad		
3	Dato' Dr Junaidah Kamarruddin		
	To approve the payment of the following Directors' Fees for the financial year ending 31 December 2023:		
4	RM6,575 for the Late Tan Sri Azlan Zainol		
5	RM197,534 for Datuk Seri Amir Hamzah Azizan		
6	RM150,000 for Mohamad Hafiz Kassim		
7	RM150,000 for Dato' Mohamad Nasir Ab Latif		
8	RM150,000 for Dato' Wan Kamaruzaman Wan Ahmad		
9	RM150,000 for Dato' Dr Junaidah Kamarruddin		
10	RM150,000 for Lim Fen Nee		
11	To approve the benefits extended to the Non-Executive Directors of the Company, as detailed out in Note 4 of the explanatory notes, from 8 June 2023 until the next AGM of the Company.		
12	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
13	Proposed Share Buy-Back Mandate		

Dated this _____ day of _____ 2023

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 29 May 2023 ("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 or any adjournment thereof.

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BOARDROOM SHARE REGISTRARS SDN BHD

(Registration No. 199601006647 (378993-D))

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MRCB

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