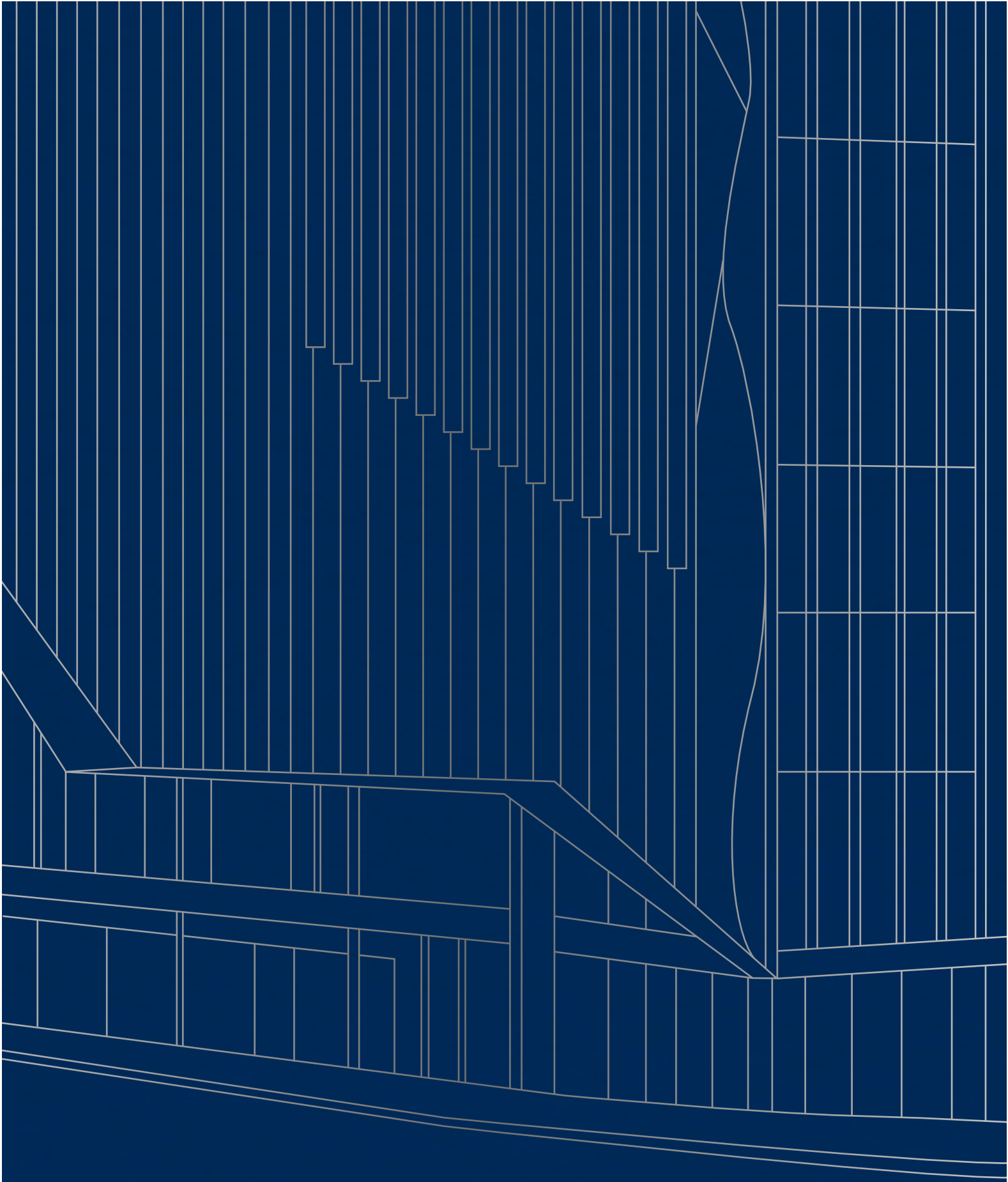




INTEGRATED ANNUAL REPORT 2025

The cover of MRCB's Integrated Annual Report 2025 reflects a forward-looking approach anchored in sustainable progress. It presents a refined architectural perspective of The Symphony Centre, Auckland, New Zealand – MRCB's first international Transit-Oriented Development (TOD).

By focusing on the building's structural form and design precision, the composition underscores the integration of residential and commercial components that define this landmark precinct. The development marks a significant milestone in MRCB's growth, demonstrating our ability to extend our TOD expertise into a mature international market while maintaining disciplined execution, quality standards, and sustainability commitments.

Through this project, we continue setting the standards in integrated urban development, delivering future-ready environments that support long-term value creation for our stakeholders.



Please scan for online report

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**MRCB Building
System (MBS)**
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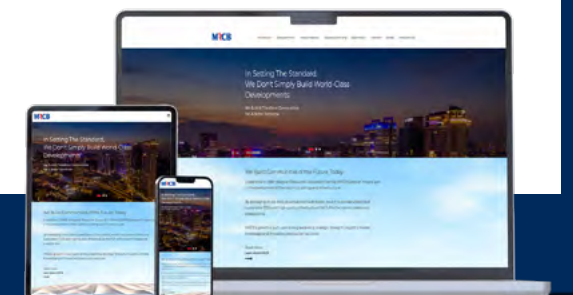


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BASIS OF THIS REPORT

SCOPE AND BOUNDARIES

This Integrated Annual Report provides an overview of Malaysian Resources Corporation Berhad’s (MRCB or the Group) performance and key achievements for the financial year ended 31 December 2025, and should be read together with the accompanying 2025 Financial Report for a comprehensive understanding of the Group’s performance.

The report covers the Group’s three core business segments:

- Property Development & Investment
- Engineering, Construction & Environment
- Facilities Management & Parking

The scope of reporting includes the Group’s operations across Malaysia, Australia, and New Zealand. Sustainability disclosures cover the domestic and international operations of subsidiaries under MRCB’s direct control and majority ownership. The reporting boundaries include financial and non-financial performance, covering material matters, key risks, opportunities, and value creation activities relevant to the Group. Where relevant, comparative information from previous years has been included to facilitate performance analysis. Preparing sustainability- and climate-related disclosures involves judgement, forward-looking assumptions, and estimates. Given evolving data, long time horizons, and changing regulatory and market conditions, certain metrics and financial effects carry measurement uncertainty and should be viewed as indicative rather than precise.

The preparation of this report is guided by:

- International Integrated Reporting (<IR>) Framework
- Malaysian Code on Corporate Governance 2021
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- National Sustainability Reporting Framework
- IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2)
- Task Force on Climate-related Financial Disclosures
- Bursa Malaysia’s Sustainability Reporting Guide and Toolkits (3rd Edition)
- Global Reporting Initiative Universal Standards 2021

The financial statements in the accompanying Financial Report are prepared in accordance with:

- International Financial Reporting Standards (IFRS)
- Malaysian Financial Reporting Standards (MFRS)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Malaysian Companies Act 2016

The disclosures in this report reflect our current application of the reporting standards and guidelines, based on our best knowledge, understanding, and interpretation at the time of publication.

REPORTING PERIOD

This report covers the financial year starting 1 January 2025 and ending 31 December 2025.

FINANCIAL AND NON-FINANCIAL REPORTING

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

MATERIAL MATTERS

Economic

BPI

Business Performance and Impact

PQCS

Product Quality and Customer Stewardship

Governance

GC

Governance and Compliance

ABAC

Anti-bribery and Anti-corruption

RSC

Responsible Supply Chain

Environment

CET

Climate and Energy Transition

SDRM

Sustainable Development and Resource Management

Social

HS

Health & Safety

PEH

Our People, Employment Practices, and Human Rights

SR

Stakeholder Relations

GROWTH PRINCIPLES & KEY ACTION PLANS

Strengthen Core for Sustainable Returns

Ensure Steady Pipeline of Projects

Diversification & Operational Expansion

Geographical Expansion

Enter into New Markets

Technology Adoption & Innovation

Achieve Lean & Efficient Operations

Leverage on MRCB Building System (MBS)

Quality Products & People

Uphold Good Governance

Develop a Skilled Workforce

ASSURANCE APPROACH

MRCB’s Integrated Annual Report outlines its corporate journey in creating long-term sustainable value for all our stakeholders and is guided by the <IR> Framework issued by the International <IR> Council. The accuracy of selected sustainability-related data disclosed in this Integrated Annual Report has been reviewed and verified by an independent external third party, British Standards Institution (BSI) and MRCB’s Internal Audit Department. The former’s Assurance Opinion Statement can be viewed on pages 345 to 347. MRCB’s accompanying Financial Report has been audited by an independent third party, PricewaterhouseCoopers PLT, which has audited our financial statements. Their audit opinion can be viewed on pages 10 to 16 of the 2025 Financial Report. [IFRS S1.50\(c\)](#)

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report may contain forward-looking statements relating to the Group’s future prospects, plans, and outlook. Words such as “expect”, “may”, “will”, “plan”, “anticipate”, “estimate”, and similar expressions are intended to identify such statements. These statements are based on current expectations, assumptions, and projections, and are subject to risks and uncertainties that may cause actual results or outcomes to differ materially. Such statements are provided for general guidance only and should not be relied upon as guarantees of future performance.

FEEDBACK

We continually strive to enhance the quality of our reporting and welcome constructive comments or enquiries regarding this report via the contact below:

Sustainability and Investor Relations Department
Email: investor.relations@mrcb.com

STAKEHOLDERS

Clients/Customers

Shareholders/
Investors/Analysts

Employees

Government/
Regulatory Bodies

Local
Communities/Civil
Society/NGOs

Vendors

Media

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs) ADOPTED

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

OUR SIX CAPITALS

HC

HUMAN CAPITAL
The skills, experience, capabilities, well-being, and engagement of our workforce that enable delivery of large-scale developments, TODs, infrastructure projects, and long-term organisational resilience.

IC

INTELLECTUAL CAPITAL
Our knowledge, expertise, proprietary technologies, digital systems, and solutions, including the MRCB Building System (MBS), drive innovation, operational efficiency, and the development of solutions for climate change adaptation and emerging infrastructure needs.

NC

NATURAL CAPITAL
Environmental resources affected by our activities, including energy, water, materials, land, emissions, and waste, are managed to reduce environmental impact and support resilient and sustainable development.

SRC

SOCIAL AND RELATIONSHIP CAPITAL
Our relationships with regulators, suppliers, partners, communities, and society, strengthened through engagement and CSR initiatives to maintain trust and our social licence to operate.

FC

FINANCIAL CAPITAL
The funds we generate or obtain, including equity, borrowings, operating cash flows, and asset monetisation, support growth, investment, and long-term financial resilience.

MC

MANUFACTURED CAPITAL
Our physical assets and infrastructure, including land banks, TODs, buildings, construction facilities, and modular systems, enable integrated developments and the delivery of complex infrastructure projects.

WHO WE ARE

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

At MRCB, we leverage our position as an industry leader and pioneer in Transit-Oriented Developments (TODs) and Green Buildings to drive long-term growth. We aim to provide vibrant and sustainable city-within-a-city developments through our TODs, which focuses on pedestrian-friendly living and working around high-quality mass transport systems. When competing to construct large infrastructure projects, we use our skills, expertise, and track record to build high-quality infrastructure that meets the population’s needs and expectations.

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, and Engineering and Construction

VALUES



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



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



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.



OUR PRESENCE

MALAYSIA

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

AUSTRALIA

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

NEW ZEALAND

We were awarded a mixed TOD project in Auckland, “The Symphony Centre”, scheduled to begin construction in 2026, and acquired redevelopment rights to a nearby project, the Bledisloe House.

OUR COMPETITIVE STRENGTHS

Pioneer and early developer of Malaysia’s first internationally certified green buildings.	Largest listed Bumiputera construction company in Malaysia.	Strong corporate governance practices, a constituent of the FTSE4Good Index since 2014, an MSCI ESG rating of “AA”, and a signatory to the Ten Principles of the United Nations Global Compact.	Innovated and developed a proprietary modular construction technology – MRCB Building System (MBS).	Possess a proven track record as an infrastructure developer, with experience in constructing rail and highway infrastructure, stadiums, and high-voltage power transmission projects.	Specialist in climate change adaptation infrastructure and environmental projects, such as river rehabilitation, coastal erosion prevention, and flood mitigation.	Robust pipeline of projects supported by a land bank of 1,228 acres with a GDV of RM33 billion, an unbilled construction order book of RM6 billion, and a strong balance sheet with a net gearing of 0.41 times.
--	---	---	---	--	--	--

WHAT WE DO: OUR EXPERTISE

PROPERTY DEVELOPMENT & INVESTMENT

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

MRCB was the pioneer of Transit-Oriented Developments (TODs) and Green Buildings in Malaysia through its ongoing flagship and award-winning Kuala Lumpur Sentral Central Business District (CBD) project, which has attracted some of the world's leading corporations as tenants due to its high-quality buildings and excellent transportation connectivity. MRCB's other TOD projects, including PJ Sentral Garden City, Penang Sentral, Kwasa Sentral, and The Symphony Centre in New Zealand, feature excellent transportation connectivity and integration at their core. MRCB also has a presence in the industrial property and logistics market, and residential developments in Australia and New Zealand. The Group's property investment activity is largely through its 27.94% equity stake in Sentral REIT, a commercial property real estate investment trust that owns 10 buildings valued at RM2.6 billion as of 31 December 2025.

REVENUE

RM171.1 million

PROPERTY SALES

RM927.4 million

URBAN LAND BANK

**1,228 acres
RM33 billion GDV**

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



WHAT WE DO: OUR EXPERTISE

ENGINEERING, CONSTRUCTION & ENVIRONMENT

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

In addition to constructing world-class commercial and residential buildings, MRCB's Engineering, Construction & Environment Division has an enviable track record as an infrastructure developer, including constructing major rail and highway infrastructure, stadiums, and high-voltage power transmission projects comprising substations, overhead transmission lines, and underground cabling. Its environmental business undertakes climate change adaptation projects, including flood mitigation projects and erosion mitigation for coastal areas.

REVENUE

**RM944.8
million**

EXTERNAL CLIENT CONSTRUCTION ORDER BOOK

**RM18.0
billion**

UNBILLED ORDER BOOK

**RM5.7
billion**



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

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

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

REVENUE

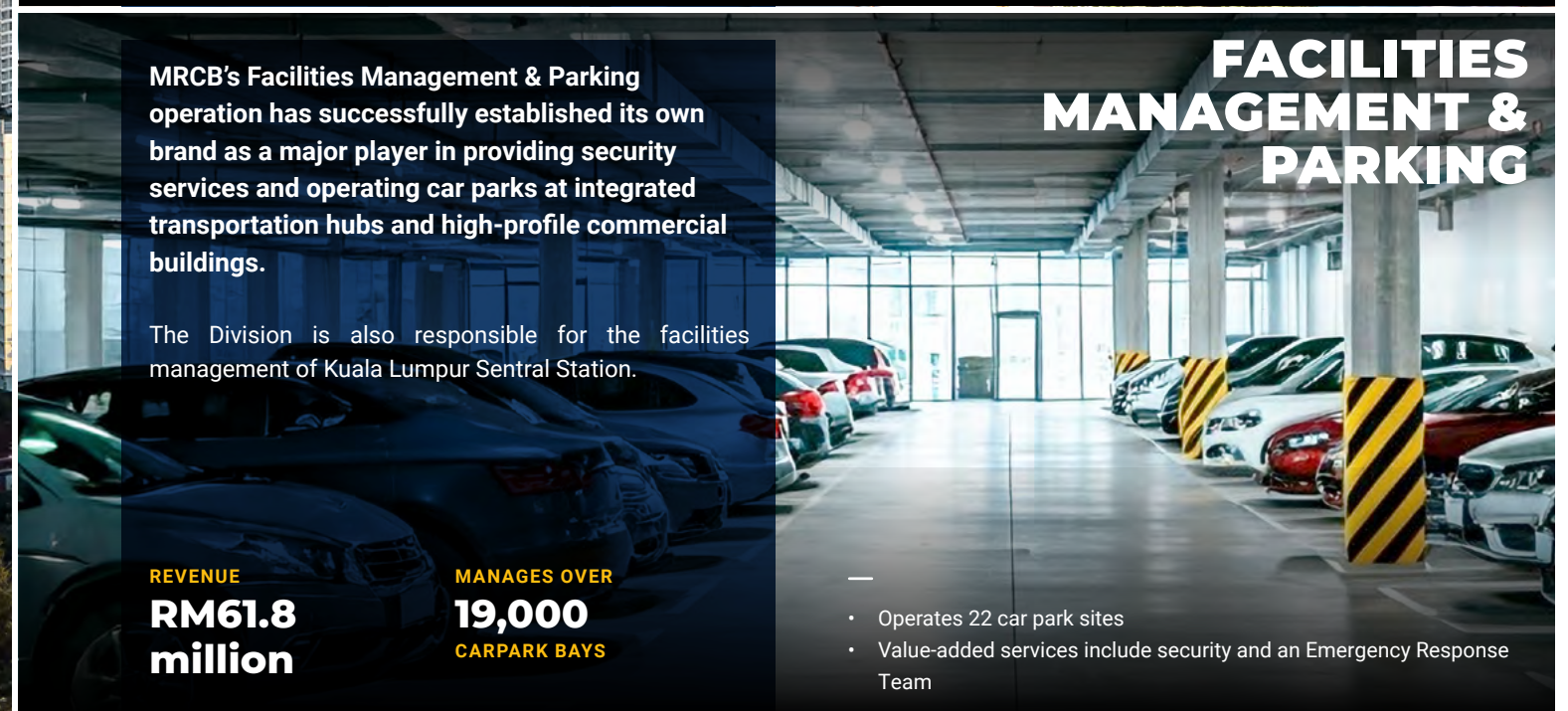
**RM61.8
million**

MANAGES OVER

**19,000
CARPARK BAYS**

FACILITIES MANAGEMENT & PARKING

- Operates 22 car park sites
- Value-added services include security and an Emergency Response Team



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 1,228 acres of development land with an estimated RM33 billion Gross Development Value (GDV), coupled with a strong balance sheet, have strengthened our position as a sustainable and dominant player. Our commitment towards sustainable development remains an inseparable part of our business, and we will continue to provide seamless integration between public transport, and working and living areas.

KL SENTRAL CBD

Where Business and Connectivity Converge

KL Sentral CBD represents the pinnacle of integrated Transit-Oriented Developments across the region.

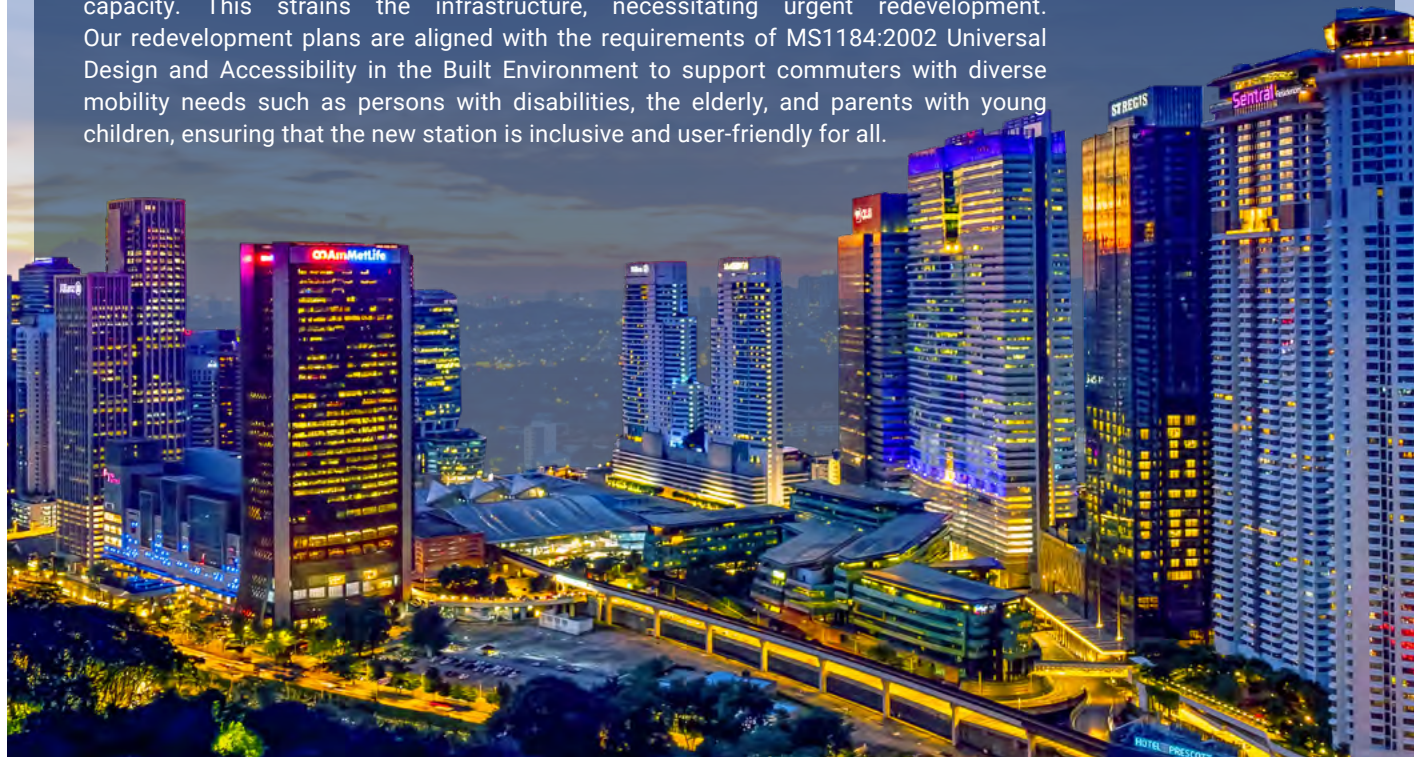
Conceptualised as a “city-within-a-city”, KL Sentral CBD champions an integrated “Live, Work, and Play” concept, and has remained MRCB’s crowning jewel for over 20 years. KL Sentral CBD is an exclusive urban commercial centre built around Malaysia’s largest transit hub, KL Sentral Station, with its nine different rail lines, offering unparalleled connectivity. This area has become a destination of choice for large international and domestic corporations who are attracted by the convenience it offers and the wide array of lifestyle amenities, including retail, food and beverage, and healthcare facilities. KL Sentral Station has also been granted the “XKL” Global Destination Code by the International Air Travel Association (IATA) with baggage check-in facilities, enabling quick access to the airport and seamless connectivity to destinations across the region and beyond. Today, daily commuter traffic exceeds 220,000, double the station’s original design capacity. This strains the infrastructure, necessitating urgent redevelopment. Our redevelopment plans are aligned with the requirements of MS1184:2002 Universal Design and Accessibility in the Built Environment to support commuters with diverse mobility needs such as persons with disabilities, the elderly, and parents with young children, ensuring that the new station is inclusive and user-friendly for all.



72 acres



RM18
billion GDV



OUR TRANSIT-ORIENTED DEVELOPMENTS (TODs)

PJ SENTRAL GARDEN CITY

Enhancing Urban Living in Petaling Jaya

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



12 acres



RM3.3
billion GDV



OUR TRANSIT-ORIENTED DEVELOPMENTS (TODs)

PENANG SENTRAL**Strengthening Northern Connectivity**

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

Situated in Butterworth, it is conceptualised as a mixed development around an integrated multimodal transport hub encompassing the Keretapi Tanah Melayu Berhad's (KTMB's) rail network, the Penang ferry service, intercity buses, and taxis. Its strategic importance will be further elevated with the development of the 29.5km Mutiara Line LRT, which will terminate at Penang Sentral, positioning it as a future mass transit anchor for Penang and the Northern Corridor. Construction of the line is scheduled to begin in 2026. On average, Penang Sentral accommodates approximately 180 express bus trips and 250 stop-and-go bus trips daily, amounting to a total of 430 daily bus trips. Penang Sentral will be an economic catalyst for the Northern Region (Penang, Kedah, Perlis, and Perak). The activation of this transportation hub, which emphasises safety, security, and convenience for all users, enhances comfort and improves efficiency for commuters and tourists alike. It also offers a centralised ticketing system alongside a variety of retail and food and beverage outlets, providing business opportunities for small and medium enterprises as well as renowned local and international brands.



23 acres



RM2.7
billion GDV



OUR TRANSIT-ORIENTED DEVELOPMENTS (TODs)

KWASA SENTRAL**A Growing Township**

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

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



64 acres



RM10.9
billion GDV



OUR TRANSIT-ORIENTED DEVELOPMENTS (TODs)

THE SYMPHONY CENTRE, NEW ZEALAND

First TOD in New Zealand

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

Located at the intersection of Mayoral Drive and Wellesley Street in the heart of the Auckland's Central Business District in New Zealand, this development will comprise a mix of retail, commercial, and residential space that will be built above the City Rail Link Aotea Station in Auckland, once it is completed. It will be the only mixed-use building in New Zealand to be integrated directly over a railway 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.



1 acre



NZD0.5
billion GDV



OUR TRANSIT-ORIENTED DEVELOPMENTS (TODs)

IPOH SENTRAL

Revitalising Ipoh with Connectivity and Modern Living

Strategically located near the iconic Ipoh KTM station, Ipoh Sentral is positioned to strengthen the city's role as a vibrant, modern hub.

Envisioned as the largest mixed-use development in Ipoh, the project seeks to rejuvenate the grandeur of the adjacent railway station, while enhancing connectivity and promoting sustainable living.

By integrating transportation, urban planning, and sustainability in a single initiative, Ipoh Sentral will redefine urban living for the people of Perak. The development offers substantial economic, environmental, and social benefits, including increased property values, job creation, and improved community amenities.

Ipoh Sentral is designed to support local businesses, encourage a healthier urban lifestyle, and serve as a dynamic hub for residents and visitors alike. This transformative project promises to drive economic growth, foster vibrant communities, and position Ipoh as a city with seamless transit and integrated living at its heart.



67 acres



RM6.3
billion GDV



2025 KEY HIGHLIGHTS

2025 KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS



GROUP
REVENUE

RM1.2 billion

2024: RM1.6 billion



PROFIT
BEFORE TAX

RM73 million

2024: RM75 million



NET
GEARING

0.41 times

2024: 0.27 times



SHAREHOLDERS'
FUNDS

RM4.6 billion

2024: RM4.6 billion



NET ASSETS
PER SHARE

RM1.03

2024: RM1.03



DIVIDEND

1.00 sen

BUSINESS HIGHLIGHTS



GROSS DEVELOPMENT
VALUE OF LAND BANK

RM33 billion



UNBILLED CONSTRUCTION
ORDER BOOK

RM5.7 billion



ACHIEVED PROPERTY
SALES OF

RM927.4 million



TOTAL
LAND BANK

1,228 acres



LRT3 PHYSICAL
CONSTRUCTION PROGRESS

99.6%

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS

42%

of MRCB employees
are women

36.1

Average training hours
per employee

**Completed Full GHG
Emissions Inventory**

(Scopes 1, 2 & 3) and
Re-baselining Assessment



FTSE4Good



Maintained

4-STAR

rating in the FTSE4Good
Bursa Index
(Top 20% of PLCs)



QLASSIC score:

80%

(Kwasa Utama C8 – Plot 2)



5-STAR SHASSIC

rating for the FINAS project under the Group's
construction arm

Complied with the
Malaysian Code on Corporate Governance:

41

out of 43 Practices

4

out of 5 Step-Ups

ZERO

Customer Data Breaches



500

Total prisoners/offenders
upskilled via PEKA@
MRCB Programme

MSCI

ESG
RATING

AA



AWARDS

**PLATINUM - EXCELLENCE
AWARD (1ST PLACE)**

for Companies with RM2 Billion to
RM10 Billion in Market Capitalisation at the
**National Annual Corporate Report Awards
(NACRA) 2025**

GOLD AWARD

at the 2025 Australasian Reporting
Awards

**RANKED 16TH AMONG
847 PUBLIC-LISTED
COMPANIES**

at the National Corporate Governance
and Sustainability Awards (NACGSA)
2025 - Top 50 Excellence Awards

GOLD AWARD

at the 2025 International Annual Report
Competition (ARC) Awards

3-STAR LISTER

in the UN Global Compact Network
Malaysia & Brunei (UNGCMYB) ESG
Select List

HOW WE ARE STRUCTURED



AWARDS AND RECOGNITION



PROPERTY DEVELOPMENT

- 1. THE EDGE MALAYSIA'S BEST MANAGED & SUSTAINABLE PROPERTY AWARDS (BMSPA) 2025**
Bronze, Mixed Development (Entire)
– Below 10 Years Category for our Sentral Suites Residential Development
- 2. ASIA PACIFIC PROPERTY AWARDS**
Sustainable Residential Development Australia Award
Winner for 26 VISTA
- 3. PROPERTYGURU ASIA PROPERTY AWARDS AUSTRALIA**
Best Apartment Development (Queensland)
Winner for MARIS
- 4. FIABCI-MALAYSIA'S GOLDEN JUBILEE CELEBRATION**
Top 5 Winners of the Malaysia Property Award™ (1992-2024) with 6-time wins

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

- 5. AUSTRALASIAN REPORTING AWARD 2025**
Gold Award for MRCB's 2024 Integrated Annual Report
- 6. 2025 INTERNATIONAL ANNUAL REPORT COMPETITION AWARDS**
Gold Winner for Combined Annual & Sustainability Report: Non-Traditional
- 7. TEMASEK HOLDING'S STEWARD LEADERSHIP 25 (SL25) AWARDS 2025**
Fast-Tracking Urban Development With Sustainable Modular Design from the MRCB Building System
- 8. UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI ESG SELECT LIST 2025**
3-Star Lister for exemplary achievements across the following categories:
 - ESG Trailblazer for Kompleks Sukan Shah Alam
 - Future-Fit & Responsible Workforce for PEKA@MRCB
 - ESG Breakthrough Innovation for the MRCB Building System
- 9. MALAYSIAN INSTITUTE OF ACCOUNTANTS NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2025**
Platinum Excellence Award
(Best in the RM2 to RM10 Billion Market Capitalisation Category)
- 10. ESG PLUS AWARDS 2025**
Social Impact & Inclusion Award for Community Development & Social Responsibility
- 11. MINORITY SHAREHOLDERS WATCH GROUP'S NATIONAL CORPORATE GOVERNANCE & SUSTAINABILITY AWARDS 2025**
Overall Excellence Award 2025 Top 20
- Ranked 16th out of 847 Public-Listed Companies

KEY MILESTONES

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

2001 - 2015

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

2016 - 2019

- Awarded the Kwasa Damansara Infrastructure Project Delivery Partner (PDP) for RM112.3 million
- Undertook a Private Placement raising RM408.0 million
- Introduced the No-Gift Policy
- Raised RM1.7 billion through a Rights Issue
- Completed the Group's re-branding exercise
- Embarked on Digitalisation
- Signed the Corruption-Free Pledge
- Awarded the LRT3 fixed price contract to MRCB's 50%-owned MRCB George Kent Sdn Bhd for RM11.4 billion
- Awarded the Bukit Jalil Management contract for a provisional total project sum of RM11.0 billion
- Launched Penang Sentral
- Commenced implementation of an Anti-Bribery Management System
- Disposed of the Eastern Dispersal Link Expressway for RM1.3 billion
- Subscribed EPF to 80% in Bukit Jalil Sentral Property for RM1.1 billion
- Achieved ISO 37001:2016 Certification for our Anti-Bribery Management System
- Launched the MRCB Building System (MBS)
- Launched the PEKA@MRCB programme
- Licensed our MBS technology to a company 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' Report
- Won a Gold Award at the Australasian Reporting Awards

2020

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

2021

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

2022

- Launched the Ipoh Raya Integrated Park on 9 June 2022, a first-of-its-kind bespoke six-phased sustainable integrated logistics park in Perak
- Completed the Mass Rapid Transit Line 2 Package V210, benefitting 533,000 riders a day
- Completed the Damansara-Shah Alam Elevated Expressway Package CB2 (DASH), benefitting over 40 residential areas
- Entered into share sale agreement to acquire 39% equity stake in Sentral REIT's manager, Sentral REIT Management Sdn Bhd, increasing MRCB's stake to 80%
- Acquired Bledisloe House in Auckland, New Zealand, which will be refurbished, with an expected GDV of NZD137 million
- Purchased 0.766 acres of prime land in Surfers Paradise on the Gold Coast, Australia, for AUD17 million
- Ranked 2nd out of 864 companies assessed, and received the Excellence Award and Industry Excellence Award for the Property Sector at the 2021 MSWG-ASEAN Corporate Governance Scorecard Awards
- Received Gold Award at the 2022 Australasian Reporting Awards
- Received the Platinum Award for Companies with Less than RM2 Billion in Market Capitalisation at the National Annual Corporate Report Awards (NACRA) 2022
- Achieved ISO 37001:2016 Anti-Bribery Management System re-certification

2023

- Completed the sale of Menara CelcomDigi to Sentral REIT for RM450 million
- Disposed of Plaza Alam Sentral and its adjoining land to PKNS for RM178 million
- Disposed of residential units in VIVO, TRIA 9 Seputeh, and St Regis to PKNS for a consideration of RM80.0 million
- Launched VISTA, a 51-storey RM1.5 billion GDV residential development in Gold Coast, Australia
- Launched Residensi Tujuh, a RM385 million GDV residential development in Kwasa Sentral, the first residential development to be built with MRCB's sustainable modular construction technology, MBS
- Completed construction of the Sungai Besi-Ulu Kelang Elevated Expressway (Suke) CA2 Package
- Completed the Sentral Suites and TRIA 9 Seputeh residential property projects in Kuala Lumpur
- Received Gold Award at the 2023 Australasian Reporting Awards
- Received Gold Award for Governance, Reporting & Transparency in the Large Corporation Category at the ESG Positive Impact Awards
- Received Silver Award for Most Consistent Performer Over Five Years at The Edge ESG Awards 2023
- Increased our overall FTSE4Good Bursa Malaysia Index score from 3.2 to 3.6
- Achieved an MSCI ESG Rating upgrade to "A" from "BBB"

2024

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

2025

- Awarded the RM2.5 billion contract to construct five reinstated LRT3 stations and other related infrastructure
- Awarded the RM2.9 billion contract for the redevelopment of the Kompleks Sukan Shah Alam
- Acquired seven parcels of strategic commercial and industrial land totalling 36.6 acres within Cyberjaya City Centre for RM287.7 million
- Entered into a Joint Venture Development Agreement (JVDA) with Ipoh Sentral Sdn Bhd to develop the RM6.3 billion GDV Ipoh Sentral Transit-Oriented Development (TOD) in Perak
- Formed a 70:30 joint venture with Melaka Corporation (via its subsidiary) to develop Phase 1 of a new 300-bed private hospital in Melaka Tengah, with an estimated Gross Development Cost of RM520 million
- Initiated the acquisition of an 80% stake in Bukit Jalil Sentral Property Sdn Bhd from EPF for RM1.6 billion in cash, which, upon completion, will gain full ownership of three parcels of prime commercial land in Bukit Jalil
- Commenced development of the RM93 million Olympic House Malaysia in Bukit Jalil



Ipoh Sentral development



LRT3 project

- Signed a Memorandum of Understanding (MoU) with RUA AlHaram AlMakki Company, the Public Investment Fund-owned master developer of the King Salman Gate project in Makkah, to explore collaboration opportunities within the development
- Received Gold Award for the 2023 Integrated Annual Report at the 2025 Australasian Reporting Awards
- Received the 2025 Steward Leadership Excellence Award for our MRCB Building System
- Awarded Platinum Excellence Award, the highest placing possible in the RM2 billion to RM10 billion market capitalisation category at the National Annual Corporate Report Awards 2025 (NACRA)
- MRCB ranked 16th among 847 public-listed companies for Overall Excellence at the National Corporate Governance & Sustainability Awards 2025
- Received the Sustainable Residential Development Award at the Asia Pacific Property Awards for the Australian development, 26 VISTA
- We maintained our 4-Star rating in the FTSE4Good Bursa Malaysia Index. This places MRCB in the top 20% of all Malaysian public-listed companies assessed by FTSE Russell
- Maintained an "AA" rating in the MSCI ESG ratings

REFLECTIONS FROM THE CHAIRMAN

GEARING
FOR GROWTHDEAR
STAKEHOLDERS,

MRCB's performance in 2025 reflected the combined effects of decelerated sales activity in the domestic property segment and the completion of several major construction projects, both of which shifted the pattern of revenue recognition during the year.

These movements were anticipated and closely monitored. The recalibration efforts of recent years, such as rescheduling selected domestic property projects, strengthening the balance sheet, and prioritising higher-value land parcels, continued to anchor how we paced projects, deployed capital, and prepared for upcoming launches.

What carried greater significance was the strengthening of the business, with a replenished order book, a more strategically positioned land bank, and international projects advancing towards tangible value creation. Together, these factors give the Group a clear and stable outlook over the coming years.

DATO' MOHAMAD NASIR AB LATIF
Chairman

PREFER LISTENING?

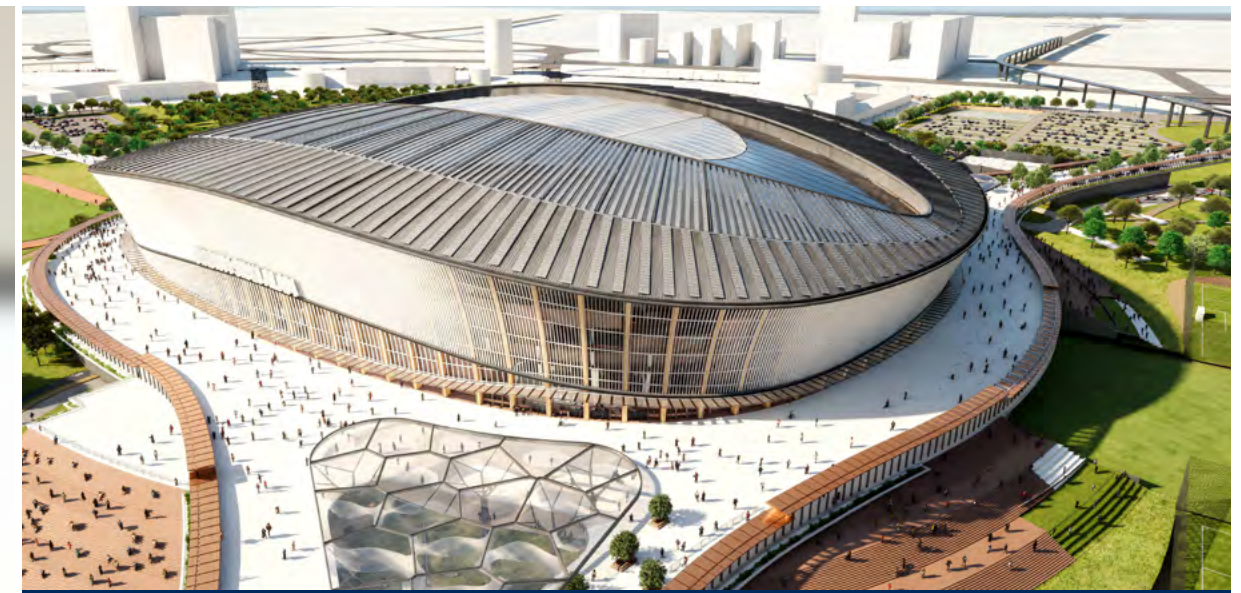


Tune in to the Chairman's Message, available via our AI-powered podcast series on our corporate website.

Visit the Podcast section at <https://iar.mrcb.com.my/>



REFLECTIONS FROM THE CHAIRMAN



A visual representation of the proposed redevelopment of Kompleks Sukan Shah Alam

A SOLID MULTI-YEAR ORDER BOOK

The Group secured approximately RM5.5 billion in new construction project wins during 2025, anchored by major nation-building infrastructure projects, comprising three key awards: the RM2.9 billion Kompleks Sukan Shah Alam (KSSA) redevelopment, five reinstated Light Rail Transit 3 (LRT3) stations and other related infrastructure works with a contract sum of RM2.4 billion and the construction of an additional lane on the North-South Expressway (PLUS) from Senai to Sedenak valued at RM160.1 million. These substantial construction contract wins provide us with clear multi-year revenue visibility.

These significant wins also demonstrate our ability to plan, manage, and deliver highly complex, long-cycle infrastructure projects, reinforcing our position as one of the few Malaysian companies with proven capability in this space. They also reflect the confidence public-sector clients and other key stakeholders place in the Group's delivery record, supported by disciplined tendering, structured project planning, and strong mobilisation capacity.

The Board views the current construction pipeline as a multi-year engine that provides stability, buffers short-term recognition volatility, and creates a strong platform for growth when layered with our property development strategy.

OPTIMISING PROPERTY PORTFOLIO FOR
SUSTAINABLE CONTRIBUTION

Our Malaysian property projects experienced slower-than-expected approval cycles this past year, which delayed planned launches amounting to approximately RM1.9 billion. However, this represents a temporary timing issue. We expect several of these launches to move forward in the early part of 2026, once final regulatory requirements are met.

The Property Development & Investment (PDI) Division achieved property sales of RM927.4 million in 2025, supported largely by strong take-up at our international developments. These results underscore the value of expanding our footprint into mature and stable markets. Our VISTA and MARIS projects in Gold Coast, Australia are progressing well, supported by strong sales. These developments embody the Board's long-term view that diversification remains vital to smoothing earnings cycles and enhancing value creation across geographies.

In New Zealand, our landmark Transit-Oriented Development continues to attract strong government engagement. The project is poised to transform the Auckland central business district (CBD) and create long-term urban regeneration benefits, validating our strategy of pursuing catalytic developments in high-growth international cities.

REFLECTIONS FROM THE CHAIRMAN

MONETISING STRATEGIC ASSETS AND RECYCLING CAPITAL

A key priority for the Board is ensuring that MRCB accelerates value extraction from its land bank. This is especially a priority with respect to assets on its balance sheet, where the Group does not have full control. These assets have historically slowed the pace of development, monetisation, and value creation. During the year, the Group secured control of select Cyberjaya precincts through a land swap exercise. This has enabled us to advance commercial negotiations for the sale of the land.

In the same vein, the Bukit Jalil land transaction, in which we will acquire full control of 76 acres of very strategically located land from the Employees Provident Fund (EPF), gives us absolute decision-making authority to move forward with the planning, optimisation, and the monetisation of this strategic asset.

These actions reflect a decisive shift towards portfolio optimisation. Taking control of assets allows us to pursue strategic partnerships, unlock trapped value, and redeploy capital into higher-yielding projects. This approach is central to the Group's growth strategy, particularly as we enter an investment cycle requiring greater upfront capital deployment.

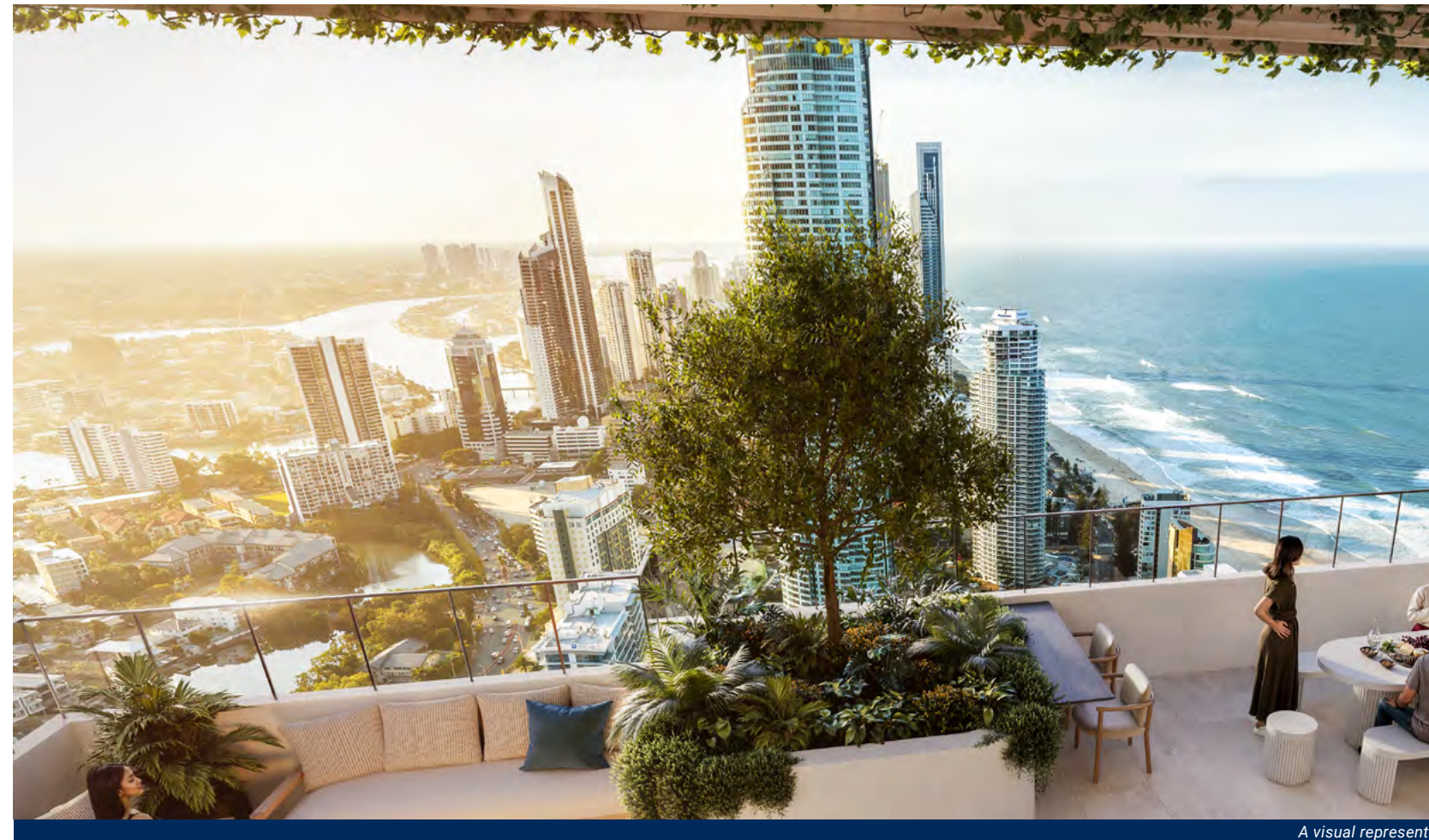
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A key priority for the Board is ensuring that MRCB accelerates value extraction from its land bank. This is especially a priority with respect to assets on its balance sheet where the Group does not have full control. ”

RECOGNISING A NEW STRATEGIC REALITY

MRCB must now operate with a more ambitious growth posture. Historically, the Group has remained conservative in its net gearing to safeguard financial resilience and ensure disciplined capital management. That prudence served us well. However, the Board recognises that a low-gearing stance is not compatible with a development-led business model that requires upfront capital deployment and longer gestation periods.

To build the next phase of growth, we must invest ahead of value creation. This calls for higher net gearing levels being applied deliberately and in a measured way, supported by project-based funding structures. Gearing for growth is both a theme and a strategic necessity. It reflects a conscious shift in how we fund, accelerate, and unlock the value of our assets, and how we position ourselves to secure larger, more complex opportunities that will provide a consistent stream of revenue in Malaysia and abroad over the long term.

This approach enables the Group to broaden its development footprint, support new project commencements, monetise strategic lands, and reduce the cyclicity that arises when too much of the portfolio moves in the same direction at the same time.



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

REFLECTIONS FROM THE CHAIRMAN

EMBEDDING SUSTAINABILITY INTO VALUE CREATION

The Group continues to build sustainability into its operations as a strategic enabler. Our approach prioritises real operational gains, such as increased workforce productivity, circular construction methods, and reduced dependency on foreign labour. The adoption of modular construction techniques and the expansion of our casting yard capability demonstrate how sustainability drives tangible outcomes in quality, efficiency, and safety.

The near-zero-waste outcome achieved during the demolition of the KSSA underscored the Group's progress in circularity and responsible resource management. This forms part of our broader sustainability priorities, which include advancing our Scope 1 and 2 decarbonisation plan and completing a Scope 3 emissions baseline. The establishment of this baseline in 2025 will enable more precise target-setting and alignment with national and sectoral pathways.



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

REFLECTIONS FROM THE CHAIRMAN

**STRENGTHENING PEOPLE, CAPABILITY, AND GOVERNANCE**

Competent leadership and a skilled workforce remain critical enablers for MRCB's next phase of growth. This year, the Group refreshed its succession planning and introduced a more structured learning and development framework. The Board is encouraged by the improvement in employee engagement scores, driven by better training access, clearer development pathways, and more consistent capability-building across job grades.

Our governance structure continues to ensure that decisions on capital allocation, gearing, risk management, and sustainability reporting remain transparent, coherent, and aligned with long-term value creation. The Board continues to emphasise clarity in articulating materiality, particularly for sustainability risks that are not financially material but require ongoing oversight.

We have strengthened stakeholder engagement through quarterly investor briefings and discussions with key partners, ensuring transparency and coherence on our capital strategy, sustainability agenda, and project governance.



REFLECTIONS FROM THE CHAIRMAN

DIVIDENDS

While the Group continues to navigate an investment cycle that requires significant upfront capital, the Board remains committed to delivering sustained returns to shareholders. For the year under review, the Board declared a first and final single-tier dividend of 1.00 sen per ordinary share, reflecting the Group's performance and the funding needs of our ongoing pipeline, while balancing reinvestment priorities with stable distributions.

This approach ensures shareholders continue to benefit from progress across our core business. At the same time, we strengthen the foundations for future cash flow generation and long-term value creation.

NAVIGATING A CHANGING OPERATING ENVIRONMENT

Malaysia's operating landscape continues to evolve, with rising input costs, inflationary pressure, and the forthcoming carbon tax on steel. While these factors affect the entire industry, the Board believes MRCB has the operational discipline, procurement capability, and contract management expertise to navigate these pressures effectively.

More broadly, the national infrastructure agenda, including urban regeneration, asset revitalisation, energy transition, and transportation modernisation, continues to offer opportunities where MRCB's experience, track record, and scale provide clear competitive advantages.

POSITIONING FOR SUSTAINED PROGRESS

While our revenue recognition timeline remains staggered, the Board is confident that the Group has restored a healthy "conveyor belt" of projects across all business segments. With RM5.5 billion in new construction wins secured in 2025, and RM2.2 billion in Malaysian property launches planned for 2026, the Group enters the coming years with stronger visibility.

Our priorities remain consistent as we move forward. We will take on higher gearing in a controlled way, expand only where it strengthens returns, and free up capital through planned monetisation. At the same time, we will continue investing in people, technology, and sustainability to improve capability and support future growth.

The Group now stands on a firmer footing, supported by a stronger operational presence in Malaysia, Australia, and New Zealand, clearer visibility across long-term projects, and renewed momentum in both property and construction. These foundations position us for sustained progress.

On behalf of the Board, I would like to thank the authorities, relevant Ministries, and regulators, as well as our shareholders, partners, clients, and employees for their continued support. We will continue to guide the Group with integrity, discipline, and clarity as we navigate this next cycle of opportunity.

DATO' MOHAMAD NASIR AB LATIF

Non-Independent Non-Executive Chairman

GROUP MANAGING DIRECTOR'S REVIEW

STRENGTHENING
OUR BASE FOR
FUTURE GROWTHDEAR
STAKEHOLDERS,

As the year unfolded, our operational performance reflected the maturing stages of several major construction projects and the longer approval processes required for upcoming property developments in Malaysia.

These factors influenced the pattern of revenue recognition in 2025, but they do not define our trajectory.

Our priority remained on strengthening the engine for the period ahead. We move forward with a replenished order book, renewed development momentum, and a capital strategy designed to support our ambition to scale. We remain firmly focused on execution, discipline, and delivering value across all markets in which we operate.

DATO' IMRAN SALIM
Group Managing Director

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GROUP MANAGING DIRECTOR'S REVIEW

Q & A

GROUP PERFORMANCE AND OPERATING
LANDSCAPE

Q.1

HOW WOULD YOU DESCRIBE MRCB'S OVERALL PERFORMANCE
IN 2025?

We delivered 2025 with a clear focus on rebuilding the continuous project pipeline needed to sustain revenue recognition across our construction and property segments in the years ahead.

The lower earnings recorded during the year were expected. They reflected the natural tapering of the Light Rail Transit 3 (LRT3) project, which achieved almost 100% physical construction completion, and the delayed timing of several domestic property launches. Even with these short-term effects, we strengthened the foundations for future growth.

In 2025, the Group recorded revenue of RM1,197.8 million, down 27% year-on-year, and profit before tax of RM73.2 million, 2% lower compared to the previous year. These results reflect the timing of revenue recognition across our property development and construction cycles, with earnings expected to normalise as new projects ramp up through 2026 and beyond.

Our Engineering, Construction & Environment (ECE) Division continued to anchor the Group's performance for the year. The ECE Division recorded revenue of RM944.8 million and operating profit of RM113.1 million in 2025. Projects such as the Kompleks Sukan Shah Alam (KSSA) redevelopment, the reinstated LRT3 stations, and the additional lane construction on the North-South Expressway (PLUS) have given us the visibility and scale required to support a multi-year performance runway. These project wins also reaffirmed our ability to deliver long-cycle, complex work, something very few contractors in Malaysia can execute at this scale and with this level of consistency.

Our overall results reflected a temporary recognition gap in earnings rather than weakness in demand or capability. What matters more is the momentum we have built. By the year-end, we had secured an external construction order book of RM5.5 billion. This comprised the three major awards: the KSSA project at RM2.9 billion; five reinstated LRT3 stations and other related infrastructure works at RM2.4 billion; and the PLUS expressway additional lane construction at RM160.1 million.

Our Property Development & Investment (PDI) Division recorded revenue of RM171.1 million and narrowed its operating loss to RM11.5 million in FY2025. During the year, we progressed our international developments and strengthened sales momentum in Australia and New Zealand.

Taken together, 2025 gave us the clarity and visibility to continue moving forward with confidence. We closed the year with a healthier portfolio, stronger mobilisation across the Group, and a steady pipeline of projects that positions MRCB for more consistent delivery in the years ahead.

GROUP MANAGING DIRECTOR'S REVIEW

Q.2

WHAT WERE THE MAIN DRIVERS BEHIND THE SOFTER FINANCIAL RESULTS?

The softer results came from the timing of our property development and construction cycles rather than underlying demand or execution issues. Our PDI Division achieved RM927.4 million in sales mostly from its VISTA and MARIS developments in Gold Coast, Australia.

However, revenue declined by 41%, as earlier projects had almost reached full sell-through, resulting in a smaller pool of completed units available for sale and revenue recognition. At the same time, several domestic property projects earmarked for launch during the year were deferred due to planning approval delays, which shifted revenue recognition into future periods.

On the construction front, LRT3 delivered 99% physical completion by mid-year, resulting in an expected tapered contribution. The ECE division's operating profit declined 26% to RM113.1 million in 2025, reflecting lower contributions from the LRT3 project as it neared completion, while the newly secured projects, such as the KSSA redevelopment, LRT3 station reinstatement works, and PLUS expressway additional lane, remain in either early construction or design and mobilisation phases. The reinstated LRT3 stations had yet to commence physical construction works in the year under review. These dynamics temporarily lowered revenue recognition but strengthened our set-up for the next cycle.

What counts is that these factors point to progress. Strong take-up of completed units shows demand for our products, the near-completion of LRT3 reflects disciplined delivery, and the start-up of newly secured projects gives us the runway to rebuild earnings momentum as we move forward. We expect stronger contributions from these major projects as they transition from preparatory phases into active construction from 2026 onwards.



A completed LRT3 station by MRCB, forming part of the broader rail infrastructure that strengthens public transport connectivity across the Klang Valley

“

The softer results came from the timing of our property development and construction cycles rather than underlying demand or execution issues. ”

PDI DIVISION

RM171.1 million
in revenue

ECE DIVISION

RM944.8 million
in revenue

GROUP MANAGING DIRECTOR'S REVIEW

STRATEGIC DIRECTION: GEARING FOR GROWTH

Q.3

WHY IS MRCB EMBRACING HIGHER GEARING AT THIS STAGE OF ITS JOURNEY?

Because growth requires investment, a development-led organisation such as MRCB cannot generate long-term value without funding and investing capital in its projects to catalyse land monetisation and support major construction contracts. Our net gearing increased to 0.41x as of 31 December 2025, from 0.27x at year-end 2024, with net debt of RM1,890 million. Our interest coverage ratio improved to 1.48x, and finance costs increased moderately at RM114.8 million in 2025, demonstrating that higher gearing remains serviceable and well-managed. This will rise as we consolidate and mobilise several large projects.

This is a deliberate strategy. Our borrowings are tied to real projects with tangible asset values and clear cash flow pathways. Gearing becomes an enabler, providing the scale needed to secure more opportunities and accelerate our development cycle, and more importantly, to provide revenue and profits available for recognition.



A visual representation of the proposed Ipoh Sentral development

Q.4

HOW ARE YOU ENSURING THAT HIGHER GEARING REMAINS WELL-MANAGED?

We manage gearing by aligning it with real asset values and defined monetisation milestones. All borrowings are anchored to tangible asset values, with net debt expected to moderate naturally as asset monetisation progresses across our strategically located, fully controlled land parcels, including in Cyberjaya and Bukit Jalil, through 2026-2027.

In Cyberjaya, our position strengthened significantly following the land-swap agreements signed in March 2025, which involved the acquisition of seven parcels for RM287.7 million and the divestment of our 70% stake in CSB Development Sdn Bhd for RM219.0 million. Following completion, the transaction has enhanced our control over key land parcels within Cyberjaya City Centre and allows us to advance a structured development plan. It also supports ongoing commercial discussions for disposal, positioning the land for future capital recycling and inflows.

For Bukit Jalil, we have gained shareholders' approval for the acquisition of the remaining 80% stake in Bukit Jalil Sentral Property Sdn Bhd for RM1.6 billion. The transaction, once completed, will provide us with complete control over a 76-acre strategic land bank with an estimated Gross Development Value (GDV) of RM21.0 billion. The site is located within the technology

growth corridor in southern Kuala Lumpur and offers several monetisation pathways, including disposal, joint development partnerships, and the potential for a hyperscale data centre campus. These options would allow value to be unlocked in phases, supporting MRCB's capital recovery and future earnings.

On 11 July 2025, the Group formalised a Joint Venture Development Agreement for the RM6.3 billion GDV Ipoh Sentral, a long-term mixed Transit-Oriented Development (TOD) in Bandar Ipoh. The project held its groundbreaking ceremony on 16 August 2025, a key milestone that signals project activation and the start of value realisation.

By tying higher gearing to catalytic assets such as the Cyberjaya and Bukit Jalil lands, we anchor our leverage to projects with clear value-creation potential. As these developments progress and monetisation events occur, we expect gearing to normalise as value is extracted. We will, of course, continue to enforce strict cash flow discipline, maintain strong governance oversight, and pace capital deployment in line with project visibility. Together with predictable contributions from our international projects, this ensures that higher gearing remains strategic, manageable, and aligned with our long-term growth plans.

GROUP MANAGING DIRECTOR'S REVIEW

RESETTING THE PROPERTY DEVELOPMENT CYCLE

Q.5 WHAT LED TO THE SLOWER PROPERTY CONTRIBUTION IN MALAYSIA FOR 2025?

The softer property contribution from the PDI Division primarily stemmed from timing. Several Malaysian launches were delayed due to extended approval processes and evolving regulatory requirements. Planned launches totalling RM1.9 billion were pushed back from 2025, reducing near-term revenue recognition. These projects are now expected to proceed in 2026, subject to final approvals.

Operational contributions for the year came mainly from the sales of our reduced pool of completed units, particularly Sentral Suites, VIVO, TRIA, and Alstonia. Reported profit, however, was supported by the reversal of previously recognised impairment losses and provisions that were no longer required following enhancements in development plans and the completion status of certain projects.

The overall demand trend in Malaysia has also shifted. Buyers are increasingly preferring completed or near-completed units, which reinforces the need for us to focus on delivery and handover. With approvals now moving forward, we expect momentum to return as our deferred launches in Malaysia move into development from early 2026.

Q.6 HOW ARE THE INTERNATIONAL PROPERTY PROJECTS PERFORMING?

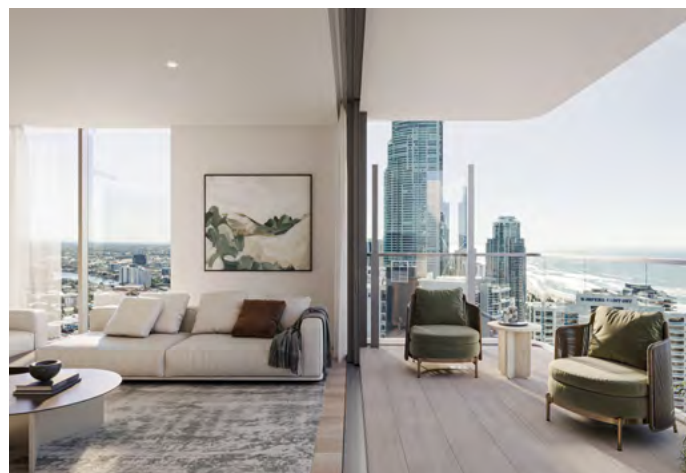
Our international developments continued to perform strongly. To date in 2025, we have launched RM2.2 billion worth of international properties, including MARIS, a 192-unit apartment development in Southport, Gold Coast, and The Symphony Centre, a 21-storey mixed-use retail, commercial, and residential building in Auckland, alongside the adjacent Bledisloe House.

In Australia, VISTA, one of our strongest international anchors, maintained solid performance, recording cumulative sales of RM841.9 million, representing 72% of all units sold. MARIS, launched in June 2025, achieved a strong initial uptake of RM499.8 million in sales by the end of the year, representing 78% of all units sold. These numbers speak to the strength of the Gold Coast market and the quality of our locations.

Given MARIS's smaller scale relative to VISTA, it will contribute earlier to earnings upon completion. Combined, these projects generated RM1.3 billion in unbilled sales, which strengthens our recognition profile over the next several years. They also validate our strategy of diversifying into mature, high-demand urban markets in Australia, where buyer confidence remains resilient.

Our TOD in Auckland, New Zealand, advanced through its first phase with the launch of The Symphony Centre in March 2025, an important component of the city's wider regeneration plan. The underlying train station, to be delivered by external parties, is still progressing towards completion. Construction of The Symphony

Centre will commence once the station is completed and the site is handed over, after which subsequent phases will proceed accordingly. Government interest remains high, reinforced by the New Zealand Prime Minister's engagement and visit to our project during the year. Once the station reaches operational readiness and is handed over, our subsequent phases, including Bledisloe House, will proceed with clearer visibility. The broader TOD will significantly reshape mobility patterns and pedestrian footfall in the central business district (CBD), increase commercial activity, and strengthen the long-term value of our portfolio in New Zealand.



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

GROUP MANAGING DIRECTOR'S REVIEW

Q.7 HOW DO YOU SEE THE MALAYSIAN PROPERTY CYCLE EVOLVING FROM HERE?

We remain confident in the fundamentals of our Malaysian property pipeline. Although sales of completed stock supported the segment in 2025, domestic contributions will only gain momentum once new launches commence. We expect our property revenues to normalise in 2027 and to strengthen and gain strong momentum in both 2028 and 2029, in line with construction progress.

CONSTRUCTION SEGMENT DELIVERING SCALE AND MOMENTUM

Q.8 WHAT IS THE CURRENT MOMENTUM IN THE ENGINEERING, CONSTRUCTION AND ENVIRONMENT (ECE) SEGMENT?

While revenue recognition moderated in 2025 as major projects neared completion, our ECE Division strengthened its forward pipeline. We secured RM5.5 billion in new projects during 2025, held a tender book of RM8.4 billion at year's end, and continued direct negotiations on a further RM1.0 billion of construction projects. This positions the division for sustained revenue recognition as progress milestones are achieved through 2026 and beyond. Our current tender book encompasses railway infrastructure, airport upgrades, road and highway projects, power-cable enhancements, water reservoir works, and other infrastructure opportunities such as climate change adaptation projects, providing substantial forward opportunities.

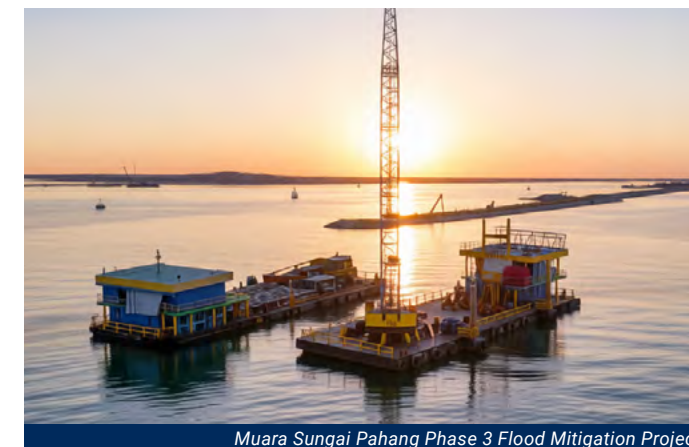
We completed the demolition of the main stadium structure under the KSSA redevelopment project, which was executed with a focus on engineering efficiency and material recovery. We achieved an exceptional 99.99% recycling rate, with only 0.01% of demolition materials sent to landfills, an outstanding circularity achievement for a project of this scale. All 649,803 tonnes of crushed concrete were reused for flood mitigation works and to raise platform levels for the new development. Earthworks, preparation, and test piling commenced at the end of 2025, with full construction mobilisation expected in 2026, with a four-year execution timeline that provides stable, multi-year revenue contributions.

On the LRT3 front, the new project to construct five reinstated stations and other related infrastructure works are currently in the design and mobilisation phases, with financial progress yet to commence. We are expecting to begin formal construction works in 2026. The existing and original LRT3 project's near completion record gives us a strong operational base to deliver this next

phase efficiently. These reinstated packages provide stable, multi-year contributions and further reinforce our established delivery track record in rail infrastructure.

Our PLUS Expressway enhancement package, the Muara Sungai Pahang Phase 3 and Sungai Langat Phase 2 flood mitigation infrastructure works, and ancillary civil engineering projects continued to progress steadily. While smaller in scale, these projects broaden the ECE segment's technical depth, support workforce utilisation, and diversify revenue sources across multiple infrastructure classes.

As our major projects transition from preparatory phases into active construction in 2026, we expect contributions from the KSSA project, the reinstated LRT3 stations, and our other infrastructure projects like the Muara Sungai Pahang flood mitigation project to support a more balanced and predictable revenue and profit profile in the coming years.



Muara Sungai Pahang Phase 3 Flood Mitigation Project

GROUP MANAGING DIRECTOR'S REVIEW

CAPITAL & ASSET OPTIMISATION

Q.9 HOW IS MRCB STRENGTHENING ITS CAPITAL BASE WHILE EXPANDING ITS PORTFOLIO?

We strengthen our capital base by committing capital to high-value projects while releasing capital from assets that no longer align with our long-term plans. The Cyberjaya land swap gives us consolidated ownership of the Cyberjaya land, enabling us to advance commercial negotiations for a disposal. For Bukit Jalil, the proposed acquisition of the remaining 80% stake from the Employees Provident Fund (EPF), which, once the disposal is completed, will give us full control of the Bukit Jalil land, a 76-acre integrated development within a rapidly growing technology and infrastructure corridor. Full ownership will allow us to plan holistically, structure more accelerated development, and explore options, including a potential hyperscale data centre cluster. These pathways create flexibility in how and when we monetise the land, lifting both value and development certainty.

Our decision to raise gearing into the 70% to 80% range supports this next cycle. Higher gearing allows us to mobilise projects earlier, secure opportunities at scale, and move decisively across Malaysia, Australia, and New Zealand. As monetisation progresses in Cyberjaya and Bukit Jalil, and as KSSA and our LRT3 stations construction projects commence revenue recognition from 2027 onwards, gearing will begin to normalise in line with monetisation progress. These steps give us a balance sheet structure that will anchor our ability to invest in revenue generation.

“
We strengthen our capital base by committing capital to high-value projects while releasing capital from assets that no longer align with our long-term plans.”



A visual representation of the proposed redevelopment of Stadium Shah Alam

GROUP MANAGING DIRECTOR'S REVIEW

Q.10 ARE THERE OTHER ASSETS UNDER EVALUATION FOR RECYCLING OR REDEVELOPMENT?

Yes. We continue to evaluate several land parcels and non-core assets for disposal, redevelopment, or partnership structures. We are actively pursuing these monetisation opportunities.

This disciplined recycling of capital strengthens our ability to fund new project investments without straining operational liquidity. It also ensures that we channel capital into projects that will drive the Group's next cycle of growth.

BUILDING CAPABILITY, RESILIENCE, AND SUSTAINABILITY

Q.11 HOW IS SUSTAINABILITY INFLUENCING DAY-TO-DAY DELIVERY?

Sustainability is embedded in practical workflows. Our sustainability priorities emphasise capability building, resource efficiency, and climate discipline, all areas where sustained operational benefits directly support business performance.

The demolition of the KSSA exemplifies our commitment to circular construction. By recycling and reusing more than 99% of demolition materials, we significantly reduced waste, avoided landfill impact, and enabled their reuse in flood mitigation works and earth platforms.

We refined our Scope 1 and 2 decarbonisation plan, mapping the trajectory of our own internal decarbonisation strategies alongside the national decarbonisation pathway. Energy efficiency investments, including car park automation, energy-efficient voltage regulators, solar installations, and district cooling upgrades, form the backbone of this plan. Having completed our full Scope 3 emissions baseline this year, we now have a comprehensive view of our footprint and can calibrate our targets and strategies accordingly.

We are also expanding the use of the MRCB Building System (MBS) in our projects. MBS is our proprietary modular construction method, which has been licensed to other industry players internationally and is designed to reduce emissions, minimise construction waste, and enhance on-site safety. By manufacturing key components in controlled environments and assembling them efficiently on-site, MBS cuts down on material movements, reduces high-risk activities, limits waste generated during construction, and shortens construction timelines. Its wider adoption will support sector-wide modernisation and contribute to the next wave of industrialised construction in Malaysia.



MRCB Building System (MBS)

GROUP MANAGING DIRECTOR’S REVIEW

Q.12 WHAT IS BEING DONE TO STRENGTHEN THE WORKFORCE AND LEADERSHIP BENCH?

“Employee engagement scores have improved, driven by more structured training and clearer progression pathways.”

We strengthened our Learning and Development (L&D) framework to ensure our workforce possesses the right skills and to be aligned with our strategic objectives. Employee engagement scores have improved, driven by more structured training and clearer progression pathways.

Succession planning was refreshed during the year, with expanded coverage across key positions and deeper talent pools. These measures ensure MRCB continues to build a capable and confident workforce aligned with our strategy for future growth.



A visual representation of The Symphony Centre in Auckland, New Zealand

GROUP MANAGING DIRECTOR’S REVIEW

OUTLOOK
Q.13 WHAT DO THE NEXT THREE YEARS LOOK LIKE FOR THE GROUP?

We see the next three years as a clear progression in delivery and momentum. We are rebuilding our pipeline of property development projects, expanding our international footprint, and securing multi-year construction visibility. Our capital strategy supports this scale, and our teams are ready to deliver.

Near-term visibility is anchored by:

Construction

- RM5.7 billion unbilled order book with major projects comprising KSSA, LRT3 stations, and PLUS Expressway packages commencing active execution from 2026
- RM8.4 billion in tender opportunities across railway, airports, roads, and water infrastructure

Property

RM2.2 billion in domestic launches expected in 2026, and RM1.3 billion in unbilled sales from Australia and New Zealand projects

The operating landscape remains challenging. Input costs have risen due to supply-chain effects from the Sales and Services Tax and broader inflationary pressures from the conflict in the Middle East. The upcoming carbon taxes on steel will likely introduce additional cost layers. While these pressures affect industry players across the board, our procurement discipline, design optimisation, and project phasing strategies aim to mitigate the impact on margins.

Property demand shows location-specific sensitivity driven by pricing, design, and completed-building preference to validate product and design quality. Buyers prefer to ‘see and feel’ finished units before committing, which aligns with our experience across several Malaysian projects and the Australian market. We therefore expect stronger take-up after project completions, especially in developments with strong architectural quality and integrated transport connectivity.

The combination of a RM5.7 billion unbilled order book, strong international pipeline, upcoming domestic launches, and an expanding capital allocation provides the Group with a stable platform for sustained growth. Several high-potential opportunities remain in advanced discussion and, if secured, will further strengthen our diversification and growth profile.

CLOSING

We move forward with stronger visibility, a clearer delivery runway, and the capital framework to support our ambitions. Our decisions to lift gearing, accelerate asset monetisation, rebuild a continuous project pipeline, and deepen our international presence reflect a strategy that is deliberate and grounded in execution. As a team, we aim to deliver consistently, scale intelligently, invest deliberately, and monetise actively to sustain the momentum already in motion.

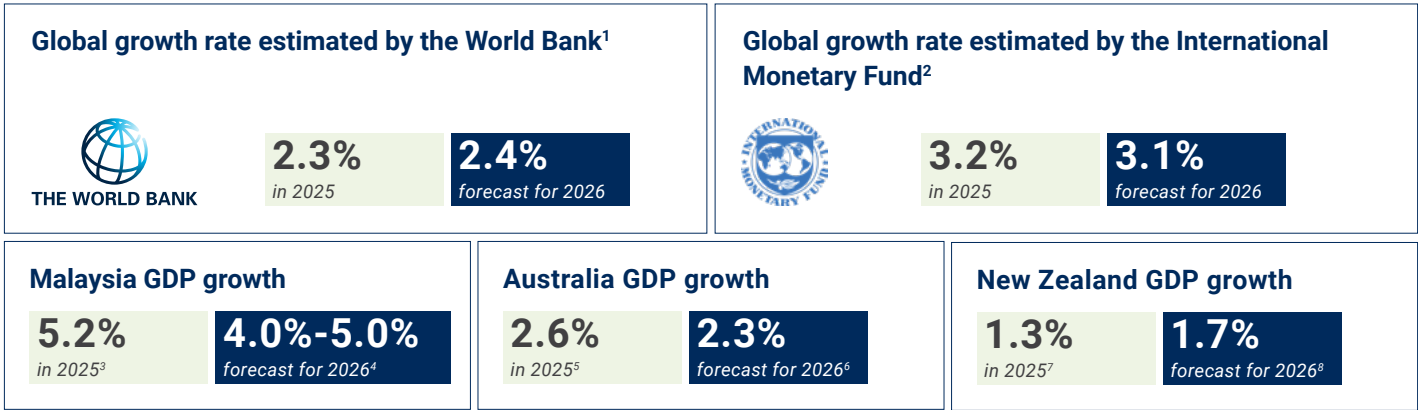
I would like to express my appreciation to the Board, regulators, employees, partners, clients, and all stakeholders for their support throughout a demanding operational year. The discipline, focus, and professionalism demonstrated across the organisation continue to drive our progress and give us confidence as we activate the next cycle of projects.

The Group remains firmly geared for growth, supported by an expanding portfolio and an agile organisation ready to deliver complex, high-impact developments across all our markets.

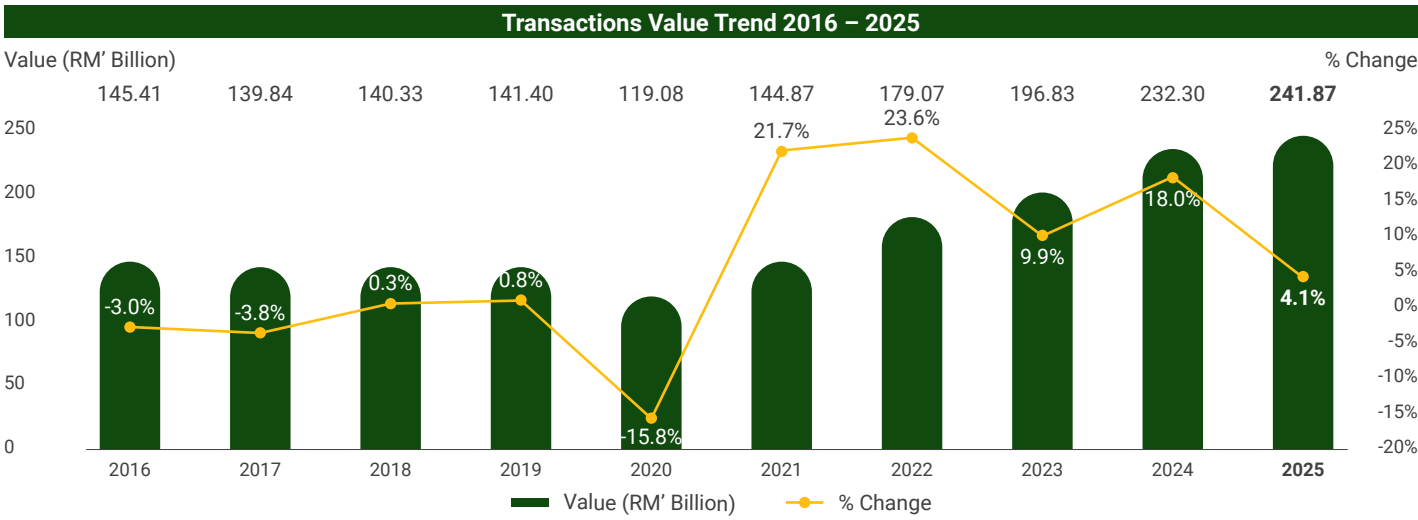
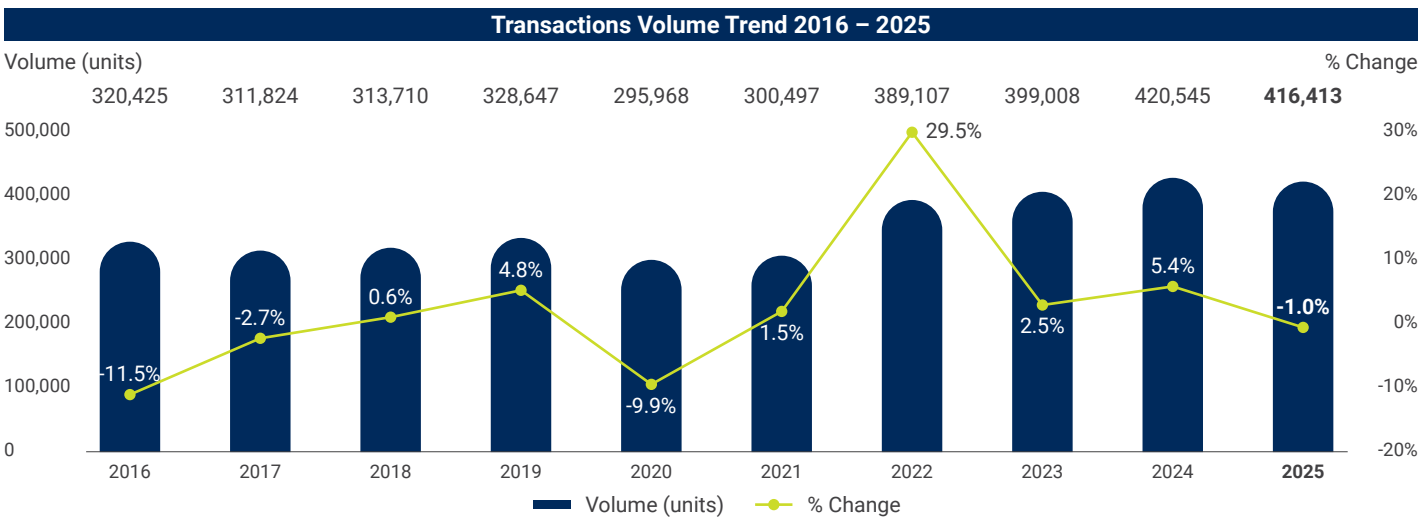
DATO’ IMRAN SALIM
Group Managing Director

OPERATING CONTEXT

ECONOMIC LANDSCAPE



Property Sector in Malaysia⁹



¹ World Bank Global Economic Prospects – June 2025

² International Monetary Fund World Economic Outlook – October 2025

³ BNM: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025

⁴ BNM: 2025 Annual Report (31 Mar 2026)

⁵ ABS: National Income, Expenditure and Product, December 2025 (4 Mar 2026)

⁶ ANZ: The Australian economic outlook for 2026 (11 Feb 2026)

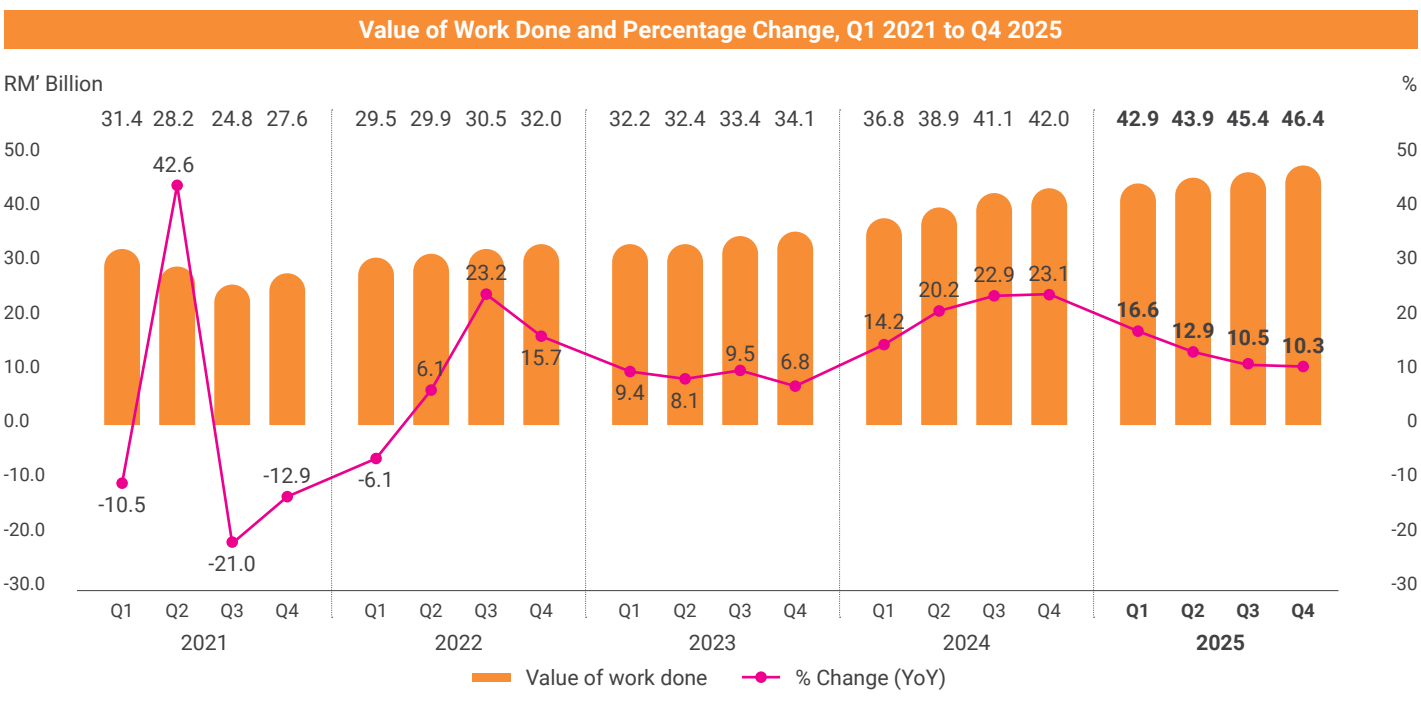
⁷ StatsNZ: Gross domestic product: December 2025 quarter

⁸ NZTreasury: Half Year Economic and Fiscal Update 2025

⁹ NAPIC 2025 Property Market Report

OPERATING CONTEXT

Construction Sector in Malaysia¹



Outlook

Malaysia’s economy is expected to expand between 4% and 5.0% according to Bank Negara Malaysia. Growth, according to the Ministry of Finance, will be anchored by private consumption, boosted by the implementation of further salary adjustments through the Public Service Remuneration System, continuation of targeted assistance programmes, and robust tourism activities in conjunction with Visit Malaysia 2026.²

This forecast is echoed by S&P Global Ratings which lifted its 2026 gross domestic product (GDP) growth forecast for Asia-Pacific to 4.3% from 4.0%, with the Malaysian economy now projected to grow at a faster pace of 4.5%. In its Economic Outlook Asia-Pacific First Quarter (Q1) 2026: Signs of Relief report, S&P points to resilient domestic demand, stronger technology exports, and reduced tariff uncertainty for the improved outlook.³

For the Malaysian construction sector, earnings growth is expected to rise 26% in 2026 and 28% in 2027 due to renewed tender flows under the Government’s 13th Malaysia Plan (13MP).

Research houses opine that the outlook is supported by continued hyperscale data centre rollouts and an early revival in industrial building jobs. Order book prospects for Malaysian contractors are anchored by a RM430 billion development expenditure allocation under the 13MP, representing a RM15 billion increase over the 12MP’s estimated allocation of RM415 billion⁴.

A slew of major public projects is expected to resume or restart in 2026, which is expected to give the construction and property sectors a boost. These include the Mutiara Line LRT systems package valued at RM3 billion to RM6 billion, the main terminal building works for Penang International Airport estimated at RM1 billion, an elevated automated rapid transit (e-ART) system in Johor, the RM6 billion Large Scale Solar 6 scheme, the RM5 billion Northern Perak Water Supply Scheme, and the RM5 billion Ulu Padas Water Supply Scheme in Sabah. In Sarawak, ongoing state-driven development covers the Trans-Borneo Highway, the Sarawak-Sabah Link Road, the Kuching Autonomous Rapid Transit system, and works under the Northern Coastal Highway.⁵

¹ DOSM Q4 2025 Construction Statistics

² MOF: 2026 Budget

³ The Edge: S&P raises 2026 GDP forecasts to 4.3% for Asia-Pacific, 4.5% for Malaysia (24 Nov 2025)

⁴ NST: Hyperscale data centres, 13MP tenders to power FY26-FY27 construction earnings (7 Dec 2025)

⁵ The Malaysian Reserve: Construction sector entering new upcycle on MP13 (17 Dec 2025)

OPERATING CONTEXT

OPERATING CONTEXT

KEY MARKET TRENDS & OUTLOOK

KEY MARKET TREND 1

PROPERTY MARKET STABILISES

The Malaysian property sector continued to show resilience and stability in the first half of 2025 in spite of global economic uncertainties. Domestic demand is bolstered by government initiatives such as the Step-Up Financing Scheme and lower Overnight Policy Rate (OPR) to 2.75%.¹

The Malaysian House Price Index (MHPI) in Q3 2025 recorded an annual growth rate of 0.1% at 229.1 points with an average price of RM494,384 per unit².

Potential Impact

- Sustain healthy property sales and revenue
- Robust revenues, cash flow, and funding for further growth

Operating Landscape

The Malaysian property sector is expected to be stable with sustainable growth in 2026, with an environment that supports genuine demand while reducing speculative activity.

The Real Estate and Housing Developers’ Association (REHDA) expects the property sector to benefit from large infrastructure projects and initiatives, such as the Johor Bahru-Singapore Rapid Transit System, the Johor-Singapore Special Economic Zone, the elevated Autonomous Rapid Transit in Johor, Penang’s Light Rail Transit Laluan Mutiara, the Juru-Sungai Dua elevated highway, the East Coast Rail Link, and Mass Rapid Transit 3.

REHDA also foresees stronger emphasis on environmental, social, and governance compliance and sustainable development, alongside urban renewal initiatives such as redevelopment of housing over 50 years old, particularly in Selangor³.

Response

In 2025, we recorded RM927.4 million in residential and commercial property sales, mainly from newly launched MARIS (RM499.8 million), VISTA (RM229.8 million), TRIA 9 Seputeh (RM125.5 million), and Sentral Suites (RM31.3 million).

MARIS, which has a GDV of AUD207 million (~ RM620 million), was launched in June 2025 with 81% of its 192 units sold by the end of 2025. This has helped lift the Group’s total sales which represented a 11% increase compared to the corresponding period in 2024.

We also launched The Symphony Centre, 78-unit residential property with a GDV of NZD537 million (~RM1.13 billion) in Auckland in March 2025 and the adjacent heritage-listed Bledisloe House with a GDV of NZD150 million (~RM351 million) which will be leased off-market en bloc.

Closer to home, property launches in Malaysia are scheduled for 2026 amounting to RM2.2 billion GDV.

 [For more details of the property launches, please refer to page 111.](#)

Capitals

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Growth Principles



Material Matters

BPI

¹ MOF Valuation and Property Services Department Press Release: Property Market Remains Resilient In The First Half Of 2025 (4 Sep 2025)

² MOF Valuation and Property Services Department Press Release: Property Market Report Q3 2025

³ Star: Rehda expecting stable growth trajectory for property sector next year (17 Dec 2025)

KEY MARKET TREND 2

EVOLVING CUSTOMER TRENDS

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

Potential Impact

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

Operating Landscape

Integrated commercial and residential developments anchored around transportation hubs continue to see high demand from Malaysian property buyers. Besides location, affordability, access to amenities, and lifestyle preferences, high-rise developments continue to attract urban dwellers and investors, especially those that provide direct access to public transportation.¹

There are opposing views among property market observers regarding younger home buyers. On the one hand, there are concerns about a mismatch between strong demand for affordable homes and a growing supply of mid- to high-end units.² On the other hand, there is confidence that there are many buyers focusing on quality and liveability, driven by connectivity, prime locations, trusted developers, and efficient, sustainably-designed homes.³

On the commercial side, businesses still need to fulfil sustainability requirements and carbon emissions reduction targets and are therefore looking to own or relocate to high-energy efficient green buildings. This is reflected on the residential side too, with more Malaysians asking for homes that are not only affordable, but also environmentally sustainable, energy-efficient, and socially responsible. Developers are seen to be responding by embedding these principles into their projects, from preserving large tracts of green spaces within township masterplans, to embedding low-carbon and smart-city features that enhance liveability while reducing environmental impact.⁴

Response

TODs make up 65% of the Gross Development Value (GDV) of our property development land bank, and these developments will span into the next decade, generating revenues over the long-term. MRCB continues to develop properties within its TODs that integrate commercial, residential, and other types of developments around or integrated with mass transportation infrastructure.

This approach integrates age-friendly design, accessibility, and safety features with on-site or nearby care services, wellness facilities, and communal spaces. Assisted living allows seniors to maintain independence while having access to support when needed, fostering dignity, comfort, and social connection. We aim to address the evolving needs of an ageing population while creating sustainable, community-based living environments.

We continue to actively explore micro-homes and co-living spaces as a strategic response to rising urban living costs, limited land availability, and shifting demographic trends among the younger generation. These housing formats allow MRCB to optimise land use within its integrated and TODs, increase residential density without compromising liveability, and deliver more attainable housing options for young professionals, singles, and mobile urban dwellers.

We are also mindful of the buyer and user demographics of our properties and construction projects. Globally, one in every six people (16%) are disabled and in Malaysia, 17% of the population is expected to be above the age of 60 by 2040. As such, we strive to be compliant with MS1184:2002 Universal Design and Accessibility in the Built Environment in all of our relevant developments to ensure accessibility for persons with disabilities and the elderly. This approach reflects our commitment to creating inclusive spaces that can be accessed and enjoyed by all members of the community.

We are also looking to tailor projects for the ageing population, with a growing focus on the assisted living concept.

¹ iProperty: Property Buying Trends among Malaysian in 2025 (17 Apr 2025)

² NST: Mismatch widens as housing supply overlooks majority demand (28 June 2025)

³ Business Today: Changing Landscape Of Malaysia’s Property Market: What 2026 Holds? (20 Dec 2025)

⁴ Property Guru: Budget 2026: Building a Future-Proof Housing Market for Malaysia (3 Oct 2025)

OPERATING CONTEXT

Response (Cont'd.)

We are currently in discussions with relevant local authorities to implement these in future developments in KL Sentral, PJ Sentral, and Ipoh Sentral. These discussions focus on aligning with regulatory requirements, planning guidelines, and community needs, while exploring suitable models for age-friendly and assisted living developments.

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

In 2019, we launched MRCB Building System (MBS), an innovative prefabricated, prefinished modular construction method which uses our proprietary patented Candle-Loc Connection System.

 Please refer to page 122 of this report for more information.

Capitals 	Growth Principles 	Material Matters  
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KEY MARKET TREND 3

ENVIRONMENTAL STEWARDSHIP

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

Potential Impact

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

Operating Landscape

The focus on sustainability and ESG continued in 2025, with large businesses in Malaysia preparing to adopt and meet sustainability reporting standards, International Financial Reporting Standards (IFRS) S1 and S2, as required by the Securities Commission through the National Sustainability Reporting Framework (NSRF).¹ This adoption was also repeated by Bursa Malaysia in further enhancements to sustainability reporting requirements in the Main Market Listing Requirements.

Response

We have adopted the IFRS S1 and S2 for our sustainability reporting in last year’s Integrated Annual Report and continue to do so for this report. This is to ensure that our sustainability reporting is fully compliant with the NSRF by 2027.

¹ The Edge: Centralised Sustainability Intelligence (CSI) Solution: Advancing sustainability for Corporate Malaysia (29 Sep 2025)

OPERATING CONTEXT

Response (Cont'd.)

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

We also contribute to to the United Nations Sustainable Development Goals (SDGs) 9 and 11 by applying four green building rating systems to increase efficiency in the use of energy, water, and materials in our property projects. These include Malaysia’s Green Building Index (GBI), Malaysia’s Green Real Estate (GreenRE), Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCrest), and the US Green Building Council’s Leadership in Energy and Environmental Design (LEED). We also measure and make comprehensive ESG disclosures and publish the data on our website, where it is publicly available. In improving our construction process, we have also innovated the MBS, a modular construction technology that improves efficiency and reduces carbon footprints and the waste that goes to landfills. In 2023, MRCB developed its Sustainable Financing Framework, rated GOLD by MARC Ratings Berhad, which provides guidelines for the Group’s future fundraising through sustainable debt instruments.

MRCB continues to adopt the recommendations of the now disbanded Task Force on Climate-related Financial Disclosures (TCFD) and conducted a quantitative assessment of the physical climate risks on its assets in 2023 and a quantitative assessment of its transition risks in 2024. We have also committed to reducing carbon emissions targets aligned to the 1.5°C scenario, through medium- and long-term Scope 1, 2, and 3 emissions reduction targets.

In 2024, MRCB became a signatory of Bursa Malaysia’s Centralised Sustainability Intelligence (CSI) Platform to achieve high-quality sustainability disclosures. As a result of the support of the platform MRCB initiated reporting on six categories of Scope 3 emissions in 2024, and completed a full Scope 3 emissions inventory and new GHG baseline in 2025.

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

In 2025, we maintained our 4-Star rating in the FTSE4Good Bursa Malaysia Index. This places MRCB in the top 20% of all Malaysian public-listed companies assessed by FTSE Russell. MRCB has been a constituent of the FTSE4Good Bursa Malaysia Index since its launch in 2014 and our MSCI ESG rating also improved from “A” to “AA” in early 2025, and we maintained this rating in early 2026.

Internally, we organised a “MRCB Sustainability Day” to deepen our employees’ understanding of crucial sustainability matters, such as climate change and its direct relevance to business operations. This event, which included a talk by an external speaker and a documentary viewing, was attended by 581 employees, of which more than 300 were physically in attendance at three locations.

We also organised in-house training sessions on the National Sustainability Reporting Framework (NSRF) and sustainable procurement to train relevant colleagues on the sustainable reporting requirements and work towards a sustainable supply chain, respectively. To generate further awareness and understanding about sustainability, we added three online courses on our newly launched Learning Management System (LMS) for employees to explore and complete at their own pace.

We have embarked on actively engaging and onboarding our suppliers onto Bursa Malaysia’s Centralised Sustainability Intelligence (CSI) platform for improved and transparent collection of our Scope 3 data, as well as to elevate the overall sustainability performance of our supply chain. In 2025, we organised a physical workshop on sustainability focusing on human rights and greenhouse gas (GHG), and a CSI platform walkthrough for 19 of our top 50 suppliers.

 Full information on our environmental performance can be read on page 152.

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OPERATING CONTEXT

KEY MARKET TREND 4

COMPETITIVE LANDSCAPE

A 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 cash flow and higher indebtedness

Operating Landscape

The dwindling number of available large infrastructure construction projects available for tender over the past three years has added to the competitive landscape. Nevertheless, Budget 2026 allocated RM81 billion¹ for federal development expenditure on infrastructure, with RM13 billion allocated for water treatment plants, RM3.0 billion to replace over 820km of ageing pipes, and RM2.3 billion to upgrade airports in Penang, Sabah, and Sarawak.²

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

Response

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

MRCB secured RM5.5 billion worth of construction contracts in 2025, namely the five reinstated LRT3 stations and other related infrastructure works worth RM2.4 billion, the Kompleks Sukan Shah Alam redevelopment worth RM2.9 billion and the contract to add additional lanes on the North-South Expressway between Senai and Sedenak worth RM160.1 million. Our current tender book stands at RM8.4 billion and we are still in negotiations on the redevelopment of Kuala Lumpur Sentral Station, which is expected to add at least another RM1 billion to our order book.

While we continue to tender and conduct direct negotiations and submit innovative proposals for other large infrastructure projects, such as climate change adaptation infrastructure, we have also entered into new business markets and new geographical areas to diversify revenues and reduce competitive threats and concentration risk.

In diversifying away from commercial and residential developments, MRCB’s entry into the industrial and logistics development segment in 2022 via its Ipoh Raya Integrated Park was followed by the 2024 completion of an electronics production facility with a Fortune 500

company in the Chuping Valley Industrial Area (CVIA) in Perlis, valued at RM121.5 million. In 2025, we secured and began work on a RM160.1 million project to add lanes on the North–South Expressway from Senak to Sedenai. We also continued advanced negotiations on a waste-to-energy service agreement and are tendering for infrastructure construction projects in East Malaysia.

MRCB is diversifying into healthcare, having recently entered into a joint venture agreement with the Melaka state government to develop a specialist hospital and related facilities for medical tourism in the state valued at a Gross Development Cost of RM520 million.^{3,4}

In Australia, VISTA in Surfers Paradise, Gold Coast, a 280-unit 51-storey high-rise development with a GDV of AUD572 million (~RM1,717 million) has seen 72% of its units sold. Following this, we also launched MARIS in the Gold Coast, a 20-storey residential development with 192 units and a GDV of AUD207 million (~RM620 million), in June 2025 which saw 78% of its units sold by the end of 2025.

MRCB also has a presence in New Zealand through The Symphony Centre with a GDV of NZD537 million (~RM1,257 million) in Auckland City Centre, which was launched in March 2025. We are also refurbishing Bledisloe House, a heritage building located directly beside The Symphony Centre in the Aotea precinct of the Auckland Central Business District with a GDV of NZD150 million (~RM351 million).

Capitals



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Material Matters



¹ The Edge Prop: Budget 2026: RM419.2b tabled with focus on infrastructure, civil servant housing and green transition (10 Oct 2025)

² The Edge: Highlights of Budget 2026 (10 Oct 2025)

³ Melaka Hari Ini FB page

⁴ The Edge: MRCB forms JV with Melaka Corp for RM520m hospital project

OPERATING CONTEXT

KEY MARKET TREND 5

REGULATORY ENVIRONMENT

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

Potential Impact

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

Operating Landscape

MRCB is governed by a range of statutory requirements for publicly listed companies, health, safety, and environmental regulations, 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, legislation, and disclosure requirements.

Response

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

Our commitment towards upholding good corporate governance is evidenced by our compliance with 41 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices.

In 2025, MRCB was awarded the Platinum Excellence Award, the highest placing possible in the RM2 billion to RM8 billion market capitalisation category at the National Annual Corporate Report Awards 2025 (NACRA). This recognition reflects MRCB’s commitment to transparency, strong governance, and forward-looking disclosures that align with global expectations on sustainability and long-term value creation.

MRCB was also ranked 16th among 847 public-listed companies for Overall Excellence at the National Corporate Governance and Sustainability Awards 2025 organised by the Minority Shareholders Watch Group.

We were also named Asia Pacific’s Top 25 on Temasek Holdings’ Steward Leadership 25 (SL25) 2025 Awards for the MRCB Building System (MBS), our proprietary modular construction innovation.

MRCB also received the Community Engagement and Social Responsibility Award for our PEKA@MRCB programme, at the ESG Plus Awards 2025. Since its inception in 2019, the programme has provided 500 low-risk prisoners with the opportunity to rebuild their lives through structured training in construction and real employment.

Continuing our climate action journey, we completed a comprehensive Scope 3 emissions inventory and GHG baseline assessment exercise, deepening our insight into indirect impacts across our value chain. We have also conducted an internal assessment evaluating the impact of our decarbonisation initiatives on our net zero 2050 pathway. The results of the Scope 3 assessment and the decarbonisation strategy are being used to plan for current and future initiatives to further reduce our emissions and meet our net zero goals.

We have also engaged with our suppliers on our Human Rights policies by disseminating educational information on the subject via Electronic Direct Mail (EDM) to 1,886 suppliers and business partners, including subcontractors, consultants, IT service providers, and other service providers.

 Full information on our Corporate Governance Overview Statement can be read on pages 264 to 297.

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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

Operating Landscape

Climate change has created an urgent need for efficient and sustainable solutions in construction. We believe modular construction will grow in demand as clients begin to realise the benefits of having up to 90% of construction undertaken off-site within a controlled environment, leading to a faster and more efficient construction, better quality control, less waste sent to landfills, lower environmental pollution, and a lower-carbon footprint.

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

Response

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

In 2025 we launched MRCB Learnhub, our internal learning management system, designed to deliver personalised, career-focused development for employees. Aligned with MRCB’s strategic direction, the system allows for self-paced learning of bite-sized materials anytime, anywhere.

As an organisation that always strives to be future-ready, MRCB has embarked on several internal initiatives to harness the power of artificial intelligence (AI). In 2025, we developed an Enterprise AI and Digitalisation roadmap and planned 20 pilot projects to streamline and further automate our core business processes, reduce reliance on time consuming manual and repetitive tasks, enhance data visibility and insight generation, and accelerate operational turnaround times without proportional increases in cost or manpower. In addition to these pilot projects, we also established the MRCB AI Lab by leveraging on the Government’s GEP Protege scheme to recruit high-potential fresh graduates. The Lab focuses on developing, testing, and deploying digital solutions across MRCB. Parallel to this, we have also begun gradually migrating workplace tools to Google Workspace for improved AI capabilities.

Capitals



Growth Principles



Material Matters



OUR STAKEHOLDERS

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

We believe in the power of partnerships to achieve our sustainability goals. Our stakeholder engagement strategy provides a framework for establishing and nurturing these partnerships, with a focus on addressing specific contexts and challenges as stakeholder engagement can also relate to business.

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

STAKEHOLDER ENGAGEMENT PROCESS

Our stakeholder engagement process follows a structured five-step approach.



Total Number of Stakeholders Engaged in 2025 **36,590** (2024: 169,267)

 Clients/ Customers	 Shareholders/ Investors/Analysts	 Employees	 Government/ Regulatory Bodies	 Local Communities/Civil Society/NGOs	 Vendors	 Media
3,844 (2024: 3,355)	1,552 (2024: 1,517)	1,318 (2024: 1,483)	606 (2024: 2,113)	27,189 (2024: 158,220)	1,886 (2024: 2,385)	195 (2024: 194)

OUR STAKEHOLDERS

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 property developments and infrastructure development solutions, shaped by market trends and informing our long-term growth strategy. Their trust and satisfaction are fundamental to sustaining our business.		Engagement Platforms & Frequency ▶ Customer satisfaction surveys ▶ Engagement activities and roadshows ▶ Marketing events	
Risks • Changing customer lifestyles, preferences and infrastructure needs across residential, commercial, and public projects • Loss of clients or project opportunities due to heightened competition or unmet expectations	Opportunities • Expansion into new and adjacent markets to diversify revenue streams • Development of integrated solutions, leveraging design, engineering and construction capabilities to deliver higher-value, end-to-end projects	Value Proposition Deliver integrated development and infrastructure solutions across property and engineering and construction, spanning Transit-Oriented Development, commercial and residential assets, and specialised infrastructure projects. This is supported by our innovative MRCB Building System (MBS) technology, bespoke green buildings, specialised infrastructure development capabilities, and energy and climate adaptation solutions.	
Key Concerns and Expectations For residential property buyers • Seamless customer experience across all touchpoints throughout the buyer's journey • High-quality project delivery • Protection and responsible use of personal data • Timely project completion and handover For corporate and other clients • Innovative solutions that address future sustainability requirements while improving operational efficiency • Green design, low-carbon construction, and climate-resilient infrastructure capabilities • Faster and more efficient construction timelines			
Response and Contributions in 2025 For residential property buyers • Achieved a 96% overall Customer Service Excellence Score in purchaser satisfaction surveys for the TRIA, Sentral Suites, and Alstonia developments. • Conducted engagement initiatives including open houses, roadshows, and property previews, reaching over 3,400 potential customers. • Strengthened data protection measures through continued investments in IT infrastructure and cybersecurity systems. • Maintained zero incidents of customer data breaches or leakages, supported by robust data protection measures and continuous system monitoring. • Applied recognised Green Building rating systems across selected developments. • Continued the construction of Residensi Tujuh, our first residential development utilising MBS technology, which delivers reduced GHG emissions, improved build quality, lower waste generation, and accelerated construction timelines. • Maintained flexible and innovative purchasing options, including bulk sales for commercial and residential properties. For corporate and other clients • Partnered with real estate agents on exclusive bulk-unit allocation programmes to broaden market reach and create tailored purchasing opportunities. • Continued the staff sales referral programme, enabling employees to connect buyers with residential offerings while enhancing personalised customer engagement.			
Key Indicators Overall Customer Service Excellence Score (Customer Experience) 2025: 96% 2024: 95% 2023: 80% Average QLASSIC Score 2025: 80% 2024: 81% 2023: >70% Property Sales (RM' Million) 2025: 927.4 2024: 836.0 2023: 831.3 First Residential Development Using MBS Technology - Residensi Tujuh 2025: Achieved sales of RM108 million GDV with 169 units sold 2024: Achieved sales of RM101 million GDV with 159 units sold			

SHAREHOLDERS/INVESTORS/ANALYSTS			
Why We Engage Shareholders provide financial strength and continued access to capital, while analysts provide independent and objective assessments of the Group's performance, strategy, and prospects.		Engagement Platforms & Frequency ▶ Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) ▶ Analysts' briefings ▶ Corporate website ▶ Investor Relations mobile application ▶ Sessions with Minority Shareholders Watch Group (MSWG) ▶ Meetings and engagement sessions with institutional investors and investment analysts, including participation in investor conferences	
Risks • Loss of investor confidence • Misaligned expectations and inadequate understanding of the Group's strategy • Weak share price performance, potentially leading to value erosion and constrained access to capital		Opportunities • Strengthen engagement and communication with the investment community to enhance transparency and provide clearer insights into the Group's performance, strategy, and long-term value creation • Stronger share price performance	
Value Proposition Sustainable returns and long-term growth, underpinned by transparent disclosure, disciplined capital management, and strong corporate governance.			
Key Concerns and Expectations • Transparent, timely, and accurate disclosure of corporate information • Strong corporate governance practices			
Response and Contributions in 2025 • Addressed and published all shareholder questions submitted before and during the physical AGM held at M Resort & Hotel, Kuala Lumpur, attended by 945 shareholders and proxies. • Secured shareholder approval for the acquisition of an 80% equity interest in Bukit Jalil Sentral Property Sdn Bhd (BJSP) at a physical EGM held at M World Hotel, Selangor, attended by 442 shareholders and proxies. • Conducted 12 investor relations engagements, reaching 108 investors, analysts, and fund managers. • Maintained active and ongoing communication with analysts via email and telephone to address queries, and provide timely corporate updates. • Continued to publish all quarterly financial results presentations on the Group's website to ensure equal access to information. • Developed and published a Quarterly ESG Brief, providing regular updates on MRCB's ESG performance and initiatives via the corporate website. • Integrated ESG-related matters into all quarterly analysts' briefings and investor meetings to enhance understanding of sustainability risks and opportunities. • Participated in two ESG-specific conferences with a total of 220 participants consisting of investors, analysts, fund managers, and other professionals. • Conducted a dedicated ESG engagement session with a key major long-term institutional shareholder, providing detailed updates on MRCB's sustainability commitments, strategy, and performance. • Conducted an Analyst Satisfaction Survey to gather structured feedback, assess the effectiveness of our investor relations engagements, and identify areas for improvement. • Maintained a 4-Star rating in the FTSE4Good Bursa Malaysia Index, placing MRCB in the top 20% of Malaysian public-listed companies assessed by FTSE Russell. • Maintained an "AA" rating in MSCI ESG Ratings, reflecting strong ESG risk management and disclosure practices. • Received the Platinum Award (1st place), at the National Annual Corporate Report Awards (NACRA) 2025 in the RM2 billion to RM10 billion market capitalisation category. • Received a Gold Award, the highest award category, at the 2025 Australasian Reporting Awards for the 2024 Annual Report.			
Key Indicators Profit Before Tax (RM' Million) 2025: 73 2024: 75 2023: 134 Dividend Payout (sen) 2025: 1.00 2024: 1.00 2023: 1.00 FTSE4Good Bursa Malaysia Index score 2025: 3.7 2024: 3.9 2023: 3.6 Analyst BUY Recommendations (%) 2025: 67% 2024: 67% 2023: 40%			

OUR STAKEHOLDERS

OUR STAKEHOLDERS

EMPLOYEES		
Why We Engage Our employees are the foundation of our productivity, innovation, and long-term competitiveness. By nurturing a diverse and capable workforce, we build the skills, knowledge, and organisational resilience required to sustain our market position and execute our strategy effectively. Engagement Platforms & Frequency Focus groups and employee surveys Y Internal social media platforms, including Viva Engage D Electronic Direct Mail (EDM) communications and video/multimedia content via digital displays in common office areas W Health and wellness programmes M Employee e-newsletter M		
Risks	Opportunities	Value Proposition
• Intense competition for skilled talent • Demotivated workforce leading to reduced productivity • A workforce misaligned with the Group's strategic objectives • Evolving expectations of a younger and more diverse workforce • Challenges in attracting and retaining talent	• Adoption of flexible work arrangements to enhance employee well-being and performance • Strengthening health and wellness initiatives, including mental health support • Capacity building through structured upskilling and reskilling programmes aligned with the Group's strategic plans • Continuous training and talent development programmes • Fostering a lean, agile, and performance-driven work culture	Competitive remuneration and benefits, clear career progression pathways, and a healthy work-life balance. Equal opportunities, a safe and supportive working environment, and continuous learning and development.
Key Concerns and Expectations		
• Clarity on business direction and organisational performance • Work-life balance and flexible work arrangements • Career development and advancement opportunities • Health, safety, and employee well-being • Access to relevant training and skills development		
Response and Contributions in 2025		
Employee Engagement and Feedback • Conducted the 2025 Employee Engagement Survey, achieving a 91% response rate, reflecting sustained employee engagement following the Group's first survey in 2023. • Leveraged insights from the 2023 baseline survey to drive targeted improvements and interventions implemented across 2024 and 2025, including enhancements to performance management, more robust learning and development initiatives, and employment stability. • Continued strengthening the Performance Management System, supported by targeted training for leaders to enhance the quality of performance discussions, feedback, and employee development conversations. Capability, Learning, and Leadership Development • Strengthened the Group's Learning & Development (L&D) framework, encompassing a Training Needs Analysis, Individual Development Plans and structured Talent Development Programmes to support workforce capability and strategic alignment. • Launched the MRCB Learn Hub in 2025, a mobile-enabled digital learning platform, to provide employees with access to bite-sized learning content, live training sessions, and collaborative learning, supporting flexible and continuous learning. • Delivered targeted learning initiatives, including in-house training on International Financial Reporting Standards (IFRS), to enhance technical competencies across relevant functions. • Organised a Sustainability Day, attracting 581 participants across physical and virtual sessions, to strengthen internal awareness and capabilities in sustainability-related topics. • Advanced leadership and succession readiness through the Succession Planning Programme by engaging 57 key talents in structured development interventions, including strategy simulations, leadership workshops, C-suite engagement sessions, and executive coaching, supporting succession planning for 33 critical positions. • Achieved an average of 36.1 training hours per employee, reflecting strong participation in learning and development programmes and a continued focus on workforce upskilling.		

EMPLOYEES (CONT'D.)		
Response and Contributions in 2025 (Cont'd.)		
Well-being, Benefits, and Workplace Support • Implemented a range of health, wellness, and awareness initiatives, including the Workplace Wellness and Awareness Programme, free health screenings under the PERKESO SEHATi programme, the MRCB Wellness Challenge 2025, and expanded health screenings covering dental, facial skin health assessment, and heart health. • Enhanced access to professional counselling services by extending session durations to provide deeper and more meaningful support for employees addressing personal and work-related challenges. • Continued financial well-being support measures, including one-off ex-gratia payments for selected lower-income employees, alongside the Mid-Month Payout (MMP) and Earned Wage Access (EWA) programmes, to help mitigate the impact of rising living costs. • Sustained the Long-Term Medication (LTM) scheme to reduce healthcare costs for employees on long-term medication.		
Workforce Stability, Inclusion, and Communication • Strengthened workforce stability through improvements to employment practices and talent retention initiatives. • Supported flexible work arrangements, including targeted flexibility for employees with caregiving responsibilities for special-needs children or family members. • Rolled out the Viva Engage platform in 2025, enabling employees to share updates, access announcements, and strengthen two-way communication and engagement across the organisation. • Promoted employee engagement through recreational and social activities organised by Kelab Kebajikan dan Rekreasi MRCB (KKRM).		
Key Indicators		
Employee Turnover (%) 2025: 19.1 2024: 27.8 2023: 23.0	Average Training Hours Per Employee 2025: 36.1 2024: 27.5 2023: 6.4	Total Salaries and Benefits Paid (RM' Million) 2025: 196.9 2024: 175.4 2023: 238.6

OUR STAKEHOLDERS

GOVERNMENT/REGULATORY BODIES		
Why We Engage Government and regulatory bodies provide policy direction, regulatory oversight, and incentives that shape industry practices and national development priorities. Engagement ensures regulatory compliance while enabling MRCB to align its business activities with the national agenda.		Engagement Platforms & Frequency - Engagement sessions with government and regulatory agencies M - Site visits Y
Risks	Opportunities	Value Proposition
- Changes in regulations that may impact operations and project timelines - Non-compliance, potentially resulting in financial penalties and reputational damage	- Support and drive initiatives aligned with national development priorities - Demonstrate industry leadership by setting benchmarks in regulatory compliance and best practices - Leverage business development and expansion opportunities arising from government-led initiatives and national policy priorities	Ethical business conduct, strong regulatory compliance, and proactive identification and delivery of projects that support national development objectives. Contribution through taxation and leadership in innovation and industry standards.
Key Concerns and Expectations		
- Full compliance with applicable laws, regulations, and standards - Active participation in national, community, and industry initiatives - Demonstrate industry leadership and responsible business conduct		
Response and Contributions in 2025		
- Contributed RM49.3 million in tax payments during the year, supporting national fiscal development. - Strengthened regulatory engagement by working closely with local and international legal and regulatory experts, as well as local councils and planning authorities, to facilitate land acquisition and development processes while addressing regulatory requirements and potential project risks. - Maintained certification under internationally recognised management systems, including ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), and ISO 45001:2018 (Occupational Health & Safety Management Systems). - Continued collaboration with the Construction Industry Development Board (CIDB) through its subsidiary Akademi Binaan Malaysia (ABM) by providing a tower crane training site to support Technical and Vocational Education and Training (TVET) programmes. - Achieved a 5-Star SHASSIC rating with a 98.9% score for the FINAS design-and-build project delivered by the Group's construction arm, reflecting strong safety and health performance as assessed by CIDB. - Demonstrated strong corporate governance practices by complying with 41 out of 43 Practices under the Malaysian Code on Corporate Governance (MCCG) 2021, together with 4 out of 5 optional Step-Up Practices. - Conducted ongoing training and awareness programmes on anti-bribery and corruption and MRCB's Whistleblowing Policy, reinforcing ethical conduct across the organisation. Refer to the Corporate Governance Overview Statement on pages 264 to 297. - Ranked 16th at the National Corporate Governance and Sustainability Excellence Awards 2025 organised by the Minority Shareholders Watch Group (MSWG) - Participated in relevant industry and regulatory forums and events to remain informed of regulatory developments and contribute to industry dialogue.		
Key Indicators		
Lost Time Injury Rate 2025: 0.22 2024: 0.17 2023: 0.00	Tax Payments (RM' Million) 2025: 49.3 2024: 49.7 2023: 33.2	SHASSIC CIDB Rating 2025: 99% 2024: 97% 2023: 93%

LOCAL COMMUNITY/CIVIL SOCIETY/NGOS		
Why We Engage Our developments have direct and indirect impacts on the environment and the livelihoods of surrounding communities. Engagement with local communities, civil society organisations, and non-governmental organisations (NGOs) provides valuable perspectives that strengthen our corporate citizenship and enhance the sustainability of our projects.		Engagement Platforms & Frequency - Community development programmes M - Community briefings on project developments Q - Social media engagement D - General enquiry emails D
Risks	Opportunities	Value Proposition
Adverse social or environmental impacts arising from our developments, may potentially lead to community dissatisfaction and reputational damage	- Implement community-based initiatives that support social inclusion and uplift underprivileged groups - Generate positive economic spillover effects for communities surrounding our developments and enhance goodwill and our reputation	Creating shared value through economic multipliers generated by our projects, promoting sustainable practices, and contributing meaningfully to community development and social well-being.
Key Concerns and Expectations		
- Continuity and long-term impact of community programmes - Clear communication on project timelines and potential community implications - Effective management and mitigation of social and environmental impacts arising from the Group's activities		
Response and Contributions in 2025		
- Contributed over RM1.9 million to community development initiatives supporting education, welfare, social inclusion, and community well-being. Refer to the Social section – Stakeholder Relations on pages 236 to 245. - Engaged proactively with local communities and members of the public to provide updates, address concerns, and manage feedback relating to the Group's projects. - Continued implementation of Peluang Kedua Anda @ MRCB (PEKA@MRCB), with a cumulative 500 prisoners trained since inception, supporting social reintegration and employability outcomes. - Strengthened the management of climate-related risks at project sites and communicated mitigation measures transparently to help communities and civil society stakeholders better understand how climate considerations are integrated into project planning and how potential impacts are managed. - Participated in a corporate social responsibility (CSR) initiative organised by Yayasan MRCB with the Orang Asli community in Kampung Bongor, Sungai Kejar, Royal Belum, Perak, benefitting approximately 650 community members through mobile health screenings, health awareness and educational activities, alongside community engagement initiatives, with the participation of 55 volunteers from Yayasan MRCB and MRCB. - Implemented the MRCB MADANI Schools Initiative in 2025, adopting five schools in Penang, Perak, and Perlis under the Sekolah Angkat MADANI programme to upgrade facilities and integrate digital learning tools, supporting educational development and benefitting approximately 3,618 students and teachers, with the programme continuing into 2026.		
Key Indicators		
Community Development Initiatives 2025: 21 2024: 10 2023: 21	Number of Beneficiaries from MRCB's CSR Activities 2025: 18,919 2024: 158,220 2023: 99,613	Cumulative Number of Prisoners trained through PEKA@MRCB 2025: 500 2024: 470 2023: 460

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Featured Highlight



[Learn more about Yayasan MRCB's Orang Asli community programme on page 246](#)

OUR STAKEHOLDERS

VENDORS		
Why We Engage Our suppliers and contractors (collectively referred to as “vendors”) are important to MRCB’s success. We rely on them for critical inputs and services. They are key partners in achieving our project objectives, operational efficiency, and sustainability outcomes. Engagement Platforms & Frequency ▶ Health and safety training ▶ Sustainability readiness surveys ▶ On-site briefings ▶ Anti-bribery and corruption workshops Q Y D M		
Risks	Opportunities	Value Proposition
• Delays in project delivery • Non-compliance with anti-bribery and corruption requirements and sustainability standards • Labour supply disruptions • Health and safety incidents	• Upskill vendors, subcontractors, and business associates • Increase utilisation of local labour to reduce reliance on foreign labour • Create efficiency, value-engineering opportunities, and improved health and safety performance	Strong governance practices, safe and humane living and working conditions, and opportunities to become pre-qualified vendors within MRCB’s supply chain.
Key Concerns and Expectations		
• Safe, humane, and conducive work sites and workers’ living quarters • Fair management of performance and non-performance issues • Clear guidance, training, and adherence to Standard Operating Procedures to ensure safe working conditions • Transparent and fair pre-qualification, procurement, and tender processes		
Response and Contributions in 2025		
• Continued strengthening the e-Procurement system to reinforce transparency, efficiency, and governance across procurement and tender processes. • Ready to provide and maintain Centralised Labour Quarters (CLQs) to ensure adequate accommodation and healthy living conditions for foreign workers, if any are employed at project sites. In 2025, MRCB did not directly employ foreign workers at any of our project sites. • Ensured the ongoing application of the Sustainable Design Policy, including sustainable procurement principles, to integrate sustainability considerations into vendor engagement and sourcing decisions. • Strengthened vendor engagement on Scope 3 greenhouse gas (GHG) emissions measurement and disclosure. • Engaged and assisted to onboard vendors onto Bursa Malaysia’s CSI platform to improve Scope 3 data transparency and supply chain sustainability, supported by a 2025 physical sustainability workshop on human rights and GHG emissions, and a CSI walkthrough for 19 of our top 50 vendors. • Conducted Sustainable Procurement training with the UN Global Compact Network Malaysia & Brunei (UNGCMYB) for 28 colleagues from MRCB’s Procurement team, Development Directors, Project Directors, and Project Leads from PDI, strengthening internal capability to support responsible sourcing and vendor engagement. • Conducted 13 targeted Integrity, Anti-bribery and Anti-corruption training sessions for vendors to reinforce ethical business conduct and compliance expectations.		
Key Indicators		
Procurement Spending on Local Vendors (%) 2025: 90.0 2024: 98.1 2023: 99.6	Anti-Bribery and Anti-Corruption Workshops and Attendance 2025: 13 workshops, 86 attendees 2024: 12 workshops, 111 attendees 2023: 12 workshops, 219 attendees	Scope 3 supply chain coverage (%) by value 2025: 98% 2024: 97% 2023: 88%

MEDIA		
Why We Engage The media plays a critical role in disseminating corporate information to our wider stakeholder base, shaping public understanding and confidence in MRCB’s brand, performance and long-term direction. Engagement Platforms & Frequency ▶ Press releases ▶ Media engagement sessions ▶ Press conferences and media briefings Q Y Q		
Risks	Opportunities	Value Proposition
• Misrepresentation or inaccurate reporting due to misunderstanding of MRCB’s business, strategy, or performance • Limited ability to clarify or correct inaccuracies arising from weak media relationships	• Strengthen relationships with media practitioners to enhance outreach, visibility, and effectiveness of corporate communications	Timely access to accurate corporate updates, business performance, and industry insights, supported by open and transparent engagement.
Key Concerns and Expectations		
• Timely, accurate, and consistent information on corporate, industry, and business developments • Access to Senior Management for clarification and commentary • Transparency and responsiveness		
Response and Contributions in 2025		
• Issued 17 press releases and four media articles to provide timely and accurate updates on corporate announcements, business developments, and key milestones. • Achieved 455 media mentions, reflecting sustained media coverage of the Group’s activities and announcements. • Conducted 7 media events across print and digital platforms, reaching a total of 195 media attendees, to communicate the Group’s strategy, provide updates on infrastructure and development projects, and address media queries. • All media events comprised press conferences and press interviews held during key corporate events, enabling direct interaction with the media. Refer to the Press Conferences section on page 56. • Recorded over 1.5 million social media impressions, extending the reach of corporate messages and enhancing public awareness of the Group’s initiatives.		
Key Indicators		
Media Mentions and Published Articles 2025: 455 2024: 433 2023: 512	Media Events and Attendance 2025: 7 events, 195 media attendees 2024: 9 events, 194 media attendees 2023: 8 events, 109 media attendees	Number of Social Media Interactions 2025: 1,511,778 2024: 848,323 2023: 576,524

OUR STAKEHOLDERS

OUR STAKEHOLDERS

KEY HIGHLIGHTS OF OUR STAKEHOLDER ENGAGEMENT ACTIVITIES IN 2025

Integrated ESG Engagement Sessions

In 2025, we continued to integrate ESG topics into analysts’ briefings and investor meetings, rather than addressing them as standalone sessions. ESG matters remained a key area of interest among the finance, investment, and professional communities.

MRCB also conducted a dedicated ESG presentation for a major institutional shareholder, providing a comprehensive update on the Group’s sustainability commitments, ESG strategy, key initiatives, and performance.

MRCB also participated in two ESG-focused conferences, attended by a total of 220 investors, analysts, fund managers, and other professionals. These conferences served as platforms to share insights on MRCB’s ESG strategy, performance, and future priorities, while facilitating knowledge exchange with peers and sustainability practitioners.

Qualitative assessments conducted after each session indicated positive feedback, with participants expressing satisfaction with the relevance and depth of ESG discussions.



MRCB’s ESG Brief is updated on a quarterly basis and made available on the Investor Relations section of our website:

<https://www.mrcb.com/investor-relations/overview.html>

Press Conferences

Several on-site press conferences were conducted to engage with the media and communicate certain initiatives to the public in 2025.

Signing Ceremony of the Ipoh Sentral Development Agreement between Ipoh Sentral Sdn Bhd and Country Annexe Sdn Bhd 23 January 2025 No. of Media Personnel: 11	Launch of the Sentuhan Madani Kiosk at the KL Sentral Station 13 March 2025 No. of Media Personnel: 17	Iftar Gathering with YB Dato’ Seri Dr. Wan Azizah Dr. Wan Ismail, Member of Parliament for Bandar Tun Razak 16 March 2025 No. of Media Personnel: 8	Letter of Acceptance Handover Ceremony for the Kompleks Sukan Shah Alam 16 May 2025 No. of Media Personnel: 40
Groundbreaking Ceremony for the Ipoh Sentral Development 16 August 2025 No. of Media Personnel: 44	Launch of the Urban Transformation Centre (UTC), Seberang Perai 8 November 2025 No. of Media Personnel: 45	LRT3 Press Conference 10 December 2025 No. of Media Personnel: 30	

Responsible Procurement and Vendor Assessment

Our commitment to a sustainable supply chain prioritises procurement from local vendors, with foreign sourcing undertaken only where absolutely necessary for business requirements. This approach helps reduce transportation-related greenhouse gas (GHG) emissions while supporting the local economy. In 2025, 90% or RM892 million of our total spend on vendors and contractors was with local companies, as verified by our Internal Audit Department.

To strengthen supply chain sustainability, we collaborated with the UN Global Compact Network Malaysia & Brunei (UNGCMYB) to enhance ESG readiness and deepen engagement with vendors on sustainability expectations, human rights, and GHG emissions. As part of this effort, a sustainability workshop was attended by 19 of MRCB’s top 50 vendors to assist them to onboard onto Bursa Malaysia’s Centralised Sustainability Intelligence (CSI) platform. The onboarding of vendors onto CSI improves Scope 3 data collection.

In 2025, we developed a comprehensive Scope 3 emissions inventory across our supply chain, building on prior measurement efforts to strengthen data completeness and transparency, covering 98% of the total value procured.

UNGC Communication on Progress (CoP) 2025

In our commitment to the UNGC and its Ten Principles, MRCB completed its annual submission of the Communication on Progress (CoP) report in July 2025, available on UNGC’s website. The report consists of a statement on the initiatives undertaken this year with respect to human rights, labour, environment, and anti-corruption.

MEMBERSHIPS AND PARTNERSHIPS

CEO Action Network (CAN)

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

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

 More information on how our strategy and initiatives aligned with CAN is available in Our Approach to Sustainability section on pages 128 to 141.

30% Club Malaysia

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

EUROCHAM Malaysia

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

Climate Governance Malaysia (CGM)

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

OUR STAKEHOLDERS

British Malaysian Chamber of Commerce (BMCC)

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

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

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

Minority Shareholders Watch Group (MSWG)

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

Malaysian Institute of Corporate Governance (MICG)

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

Real Estate and Housing Developers' Association Malaysia (REHDA)

MRCB is a member of REHDA, the principal industry body and trade association representing property developers in Malaysia. Through its membership, the Group stays informed of regulatory and policy developments affecting the real estate and housing sector. REHDA also provides a platform for industry engagement, advocacy, and knowledge sharing, enabling MRCB to participate in discussions on housing policies, regulatory matters, and sustainable development within the industry. While REHDA does not have a formal climate-specific policy, its sustainability-related initiatives, including promoting awareness and engaging regulators on sustainability and climate-aligned developments, are generally supportive of MRCB's climate-related commitments. The Group monitors the positions of industry associations it participates in to ensure alignment with its climate-related objectives, and will engage with such associations or reassess its participation where positions are found to be inconsistent.

United Nations Global Compact Network Malaysia & Brunei (UNGCMYB)

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

Malaysia Australia Business Council (MABC)

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

Malaysia New Zealand Chamber of Commerce (MNZCC)

The MNZCC plays an important role in promoting trade, investment, and business collaboration between Malaysia and New Zealand. The Chamber provides a platform for engagement, networking, and advocacy on business and regulatory matters affecting its members. MRCB became a member of MNZCC in 2025, supporting the Chamber's efforts to strengthen bilateral business relations and facilitate dialogue with relevant stakeholders.

OUR MATERIAL MATTERS

UNDERSTANDING OUR MATERIAL MATTERS

MRCB's material matters comprise our sustainability- and climate-related risks and opportunities that shape our ability to create long-term value. They guide strategic decisions, strengthen risk management practices, and inform capital allocation. These matters form the foundation of our long-term value creation strategy, and ensure our business priorities and resource allocation remain focused and resilient.

In 2025, we conducted a comprehensive materiality assessment through a double-materiality lens to ensure our material matters are stakeholder-relevant and financially significant for transparent and impactful reporting. This refinement reflects evolving industry practices and aligns with international reporting standards.

Impact materiality (GRI / UN SDGs)	Matters in which MRCB's operations may materially affect the economy, environment, or society.
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UN SDGs: United Nation's Sustainable Development Goals
GRI: Global Reporting Initiative Universal Standards 2021

Financial materiality (IFRS S1 / S2)	Matters that can reasonably be expected to influence corporate value, cash flows, cost of capital, or access to finance.
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IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 - Climate-related Disclosures

Following our 2025 assessment, we refreshed our material matters to ensure continued relevance in response to evolving stakeholder expectations, sector developments, and market dynamics. This chapter outlines our assessment process, the evaluation and update of the material matters, and their alignment with sustainability disclosure standards and frameworks.

Materiality Assessment Process

MRCB applied a double materiality approach, evaluating both the financial impact of the material matters on the Group and their external impact on society and the environment. The 2025 assessment followed a rigorous five-step methodology.

MATERIALITY ASSESSMENT PROCESS

01

EVALUATION OF MATERIAL MATTERS

Our existing material matters were reviewed to ensure they reflected the evolving expectations of our stakeholders and aligned with the latest industry practices and disclosure standards.

02

COMPARATIVE ANALYSIS

A benchmarking exercise against local and international industry peers was conducted to assess the relevance of our material matters.

03

INPUT FROM STAKEHOLDERS

A materiality survey was shared with internal and external stakeholders to identify the topics most important to our business. Respondents were asked to rank the relevance and importance of each topic to help us determine priority areas.

- Internal stakeholders: Employees and the Board of Directors.
- External stakeholders: Clients and customers, regulators, banks, investment analysts, financial advisors and professional accounting firms, rating agencies, vendors, non-governmental organisations (NGOs), and the media.

04

ANALYSIS OF RESULTS, FINANCIAL IMPACT ANALYSIS, AND PRIORITISATION

Results from the survey were assessed based on their importance to stakeholders, and the financial impact of each matter was evaluated in line with IFRS S1 and S2. Key internal stakeholders, including the Finance Department, were also engaged to support the prioritisation of material matters.

05

APPROVAL

The updated material matters were presented to the Board for endorsement and approval.

OUR MATERIAL MATTERS

Materiality Assessment Criteria

To further enhance the transparency and robustness of our reporting, we considered specific assessment parameters.

Criteria	Description	IFRS S1 and S2 Relevance
Quantitative Thresholds	o Minimum scale of financial impact Impact exceeding more than 1% of Group revenue	Aids in determining the financial significance of sustainability risks or opportunities
Qualitative Thresholds	o Impact on cash flow - Influence on access to financing or borrowing terms - Regulatory or compliance implications	Helps define materiality based on business prospects and resilience
Time Horizon	o The time horizons used to assess the potential impact of the material matters Short, medium and long-term	For more information on our time horizon, please refer to Our Approach to Sustainability on page 134.

UPDATED MATERIAL MATTERS (2025)

The comprehensive materiality assessment streamlined the 20 material matters identified in 2022 into ten updated material matters in 2025. The refined material matters remain comprehensive and focused on issues that are most financially and strategically significant to our stakeholders and the business, while aligning with leading global sustainability and disclosure standards.

The following table shows the transition to the updated 2025 material matters and definitions. Their effect on the Group’s prospect is discussed in the related material matter section.

Material Matters (2022)	Updated Material Matters (2025)	Update	Definition	Related Material Matter Discussion
Economic				
1. Economic and Business Performance 2. Indirect Economic Impacts	1. BPI Business Performance and Impact	Streamlined	The economic performance of our business including both direct and indirect impacts on our stakeholders and the broader economy.	More information and the associated indicators can be found on pages 99 to 121.
3. Product Quality and Responsibility 4. Customer Engagement	2. PQCS Product Quality and Customer Stewardship	Streamlined	Delivering high-quality products and services that meet quality standards and customer needs.	More information and the associated indicators can be found on pages 107, 109, 118 and 120.

OUR MATERIAL MATTERS

Material Matters (2022)	Updated Material Matters (2025)	Update	Definition	Related Material Matter Discussion
Governance				
5. Governance and Compliance	→ 3. GC Governance and Compliance	Retained	Strengthening corporate governance through transparency, accountability, and regulatory compliance. Robust policies and oversight mechanisms ensure ethical business conduct, covering cybersecurity, data protection, fair competition, and stakeholder engagement.	More information and the associated indicators can be found on pages 143 to 145.
6. Ethics and Principles	→ 4. ABAC Anti-bribery and Anti-corruption	Enhanced	Upholding integrity and ethical business practices through compliance, anti-bribery and anti-corruption measures, and responsible stakeholder engagement. Ensuring transparency and accountability to foster trust and strengthen corporate responsibility.	More information and the associated indicators can be found on pages 146 to 148.
7. Responsible Procurement and Supplier Assessment	→ 5. RSC Responsible Supply Chain	Enhanced	Ensuring our value chain complies with regulations and adopts industry best practices to promote accountability and operational excellence among our vendors, partners, and stakeholders.	More information and the associated indicators can be found on pages 149 to 151.
Environment				
8. Physical Climate Risks 9. Climate Transition Risks 10. GHG Emissions	→ 6. CET Climate and Energy Transition	Streamlined	Managing physical risks from climate change and transition risks in the shift to a low-carbon economy, while reducing GHG emissions and enhancing energy efficiency for long-term sustainability.	More information and the associated indicators can be found on pages 154 to 192.

OUR MATERIAL MATTERS

Material Matters (2022)	Updated Material Matters (2025)	Update	Definition	Related Material Matter Discussion
Environment				
11. Materials Management 12. Sustainable Construction 13. Waste 14. Biodiversity	7. SDRM Sustainable Development and Resource Management	Streamlined	Implementing sustainable design and practices in our development projects while ensuring responsible use and management of materials, resources, and waste. This includes minimising environmental impact and protecting biodiversity where relevant.	 More information and the associated indicators can be found on pages 193 to 203.
Social				
15. Health and Safety	8. HS Health and Safety	Retained	Prioritising health and safety as a fundamental commitment across our business operations.	 More information and the associated indicators can be found on pages 205 to 215.
16. Employee Engagement and Well-being 17. Diversity and Equal Opportunity 18. Labour Practices 19. Human Rights	9. PEH Our People, Employment Practices, and Human Rights	Streamlined	Upholding fair labour standards, integrating human rights principles across our business operations while fostering a supportive and inclusive work environment for our workforce.	 More information and the associated indicators can be found on pages 216 to 235.
20. Local Community Engagement	10. SR Stakeholder Relations	Enhanced	Strengthening relationships with key stakeholders, including clients, investors, regulators, local communities and the media. This involves transparent communication, collaboration, and responsible business practices to drive sustainable growth.	 More information and the associated indicators can be found on pages 47 to 58 and 236 to 245.

OUR MATERIAL MATTERS

Materiality Assessment and Financial Impact Analysis

IFRS S1.30(a) / S1.32 / S1.34 / S1.35 / S2.22(b)(iii)

In 2025, we evaluated our material matters in alignment with IFRS S1 and S2. While we have identified various sustainability and climate-related risks and opportunities within our operating geographies - Malaysia, Australia and New Zealand, our assessment concludes that none currently exceed our financial materiality thresholds. Our evaluation considered current and anticipated effects on the business model and value chain, financial position, and performance, using a mix of qualitative judgement and available quantitative inputs. We also considered potential adjustments, investment and disposal considerations, changes in performance and cash flows, as well as forward-looking analysis where relevant. These matters are managed through existing mitigation processes and internal risk frameworks.

IFRS S2 Alignment

Material Matter	IFRS Alignment
 CLIMATE AND ENERGY TRANSITION 	We have consolidated these previously separate topics into a single, unified material matter: Climate and Energy Transition. This integrated material matter reflects the interconnected nature of climate risks and opportunities, and supports a more strategic response to regulatory changes, carbon pricing, and the broader shift towards a low-carbon economy. We completed a phased climate risk assessment from 2021 to 2024, covering both physical and transition risks, moving from qualitative analysis to quantitative evaluation of our exposure. Climate Risk Assessments 2021-2022 ▶ Qualitative physical risk analysis ▶ Qualitative transition risk analysis 2023 ▶ Quantitative physical risk analysis 2024 ▶ Quantitative transition risk analysis Our qualitative and quantitative climate assessments have strengthened our understanding of MRCB's exposure and resilience. While these assessments provide clearer insights into both physical and transition risks, our 2025 evaluation concludes that these risks currently do not carry significant financial materiality as they fall outside our established financial thresholds and are not expected to have a material impact on the Group's financial position or performance at this time.  <i>For more details on our Climate Risk Assessments, please refer to pages 165 to 183.</i>
 SUSTAINABLE DEVELOPMENT AND RESOURCE MANAGEMENT 	While not assessed as financially material at the moment, Sustainable Development and Resource Management remain relevant. Practices such as energy-efficient design, the use of low-carbon materials, and responsible resource management continue to support operational efficiency, regulatory compliance, and the transition to a low-carbon business. This matter remains strategically important and will be monitored as sustainability expectations and regulatory requirements evolve.

OUR MATERIAL MATTERS

IFRS S1 Alignment

Material Matter	IFRS Alignment
SUSTAINABILITY-RELATED MATERIAL MATTERS IFRS S1	We also evaluated the financial implications of our remaining material matters in alignment with IFRS S1. These include:
	ABAC Anti-bribery and Anti-corruption
	GC Governance and Compliance
	RSC Responsible Supply Chain
	HS Health and Safety
	PEH Our People, Employment Practices, and Human Rights
	SR Stakeholder Relations
Our assessment concludes that these material matters do not currently pose significant financial risks as they fall outside our established financial materiality thresholds. This is supported by robust internal controls and strategies already in place to mitigate these risks, which reduce the likelihood of adverse incidents. Nevertheless, they remain fundamental to our social licence to operate and are disclosed because of their high relevance to our stakeholders.	

INTEGRATION WITH STRATEGY, RISK MANAGEMENT, AND PERFORMANCE

The Board-approved Strategic Roadmap is anchored on four Growth Principles: Strengthen Core for Sustainable Returns; Diversification & Operational Expansion; Technology Adoption & Innovation; and Quality Products & People. These principles are the main channels through which our material matters are operationalised in business planning, capital allocation, and project selection.

Our material matters are systematically incorporated into our Enterprise Risk Management framework and Key Enterprise Risks (KER). They are also aligned with the Global Reporting Initiative (GRI) standards and mapped to the relevant UN SDGs.

Sustainability-related KPIs are embedded in management performance frameworks and cascaded through relevant functions, with specific targets influencing senior management and wider employee remuneration.

 For more details on MRCB's Strategic Roadmap, please refer to Our Strategic Roadmap on pages 90 to 91.

 For more details on sustainability-linked KPIs, please refer to Our Approach to Sustainability on page 133.

OUR MATERIAL MATTERS

Our Material Matters and Key Enterprise Risks

Material Matter	Key Enterprise Risks	Relevant Stakeholders	Corresponding GRI	SDG Indicators
Economic				
BPI Business Performance and Impact	KER 1 - Project Delivery Risk KER 2 - Liquidity Risk KER 3 - Marketing Risk KER 8 - Quality Risk	  	201: Economic Performance 203: Indirect Economic Impacts	   
PQCS Product Quality and Customer Stewardship	KER 1 - Project Delivery Risk KER 8 - Quality Risk	  	203: Indirect Economic Impacts 418: Customer Privacy	 
Governance				
GC Governance and Compliance	KER 4 - Business Continuity Risk KER 5 - Environmental, Social, and Governance (ESG) Risk KER 6 - Regulatory Risk	  	2-27: Compliance with laws and regulation	
ABAC Anti-bribery and Anti-corruption	KER 1 - Project Delivery Risk KER 4 - Business Continuity Risk KER 5 - Environmental, Social, and Governance (ESG) Risk	   	205: Anti-corruption 206: Anti-competitive Behaviour	
RSC Responsible Supply Chain	KER 1 - Project Delivery Risk KER 5 - Environmental, Social, and Governance (ESG) Risk	  	204: Procurement Practices 308: Supplier Environmental Assessment 414: Supplier Social Assessment	   
Environment				
CET Climate and Energy Transition	KER 5 - Environmental, Social, and Governance (ESG) Risk	   	302: Energy 305: Emissions	  
SDRM Sustainable Development and Resource Management	KER 1 - Project Delivery Risk KER 5 - Environmental, Social, and Governance (ESG) Risk KER 7 - Health, Safety, and Environment Risk	   	101: Biodiversity 301: Materials 303: Water and Effluents	   

OUR MATERIAL MATTERS

Material Matter	Key Enterprise Risks	Relevant Stakeholders	Corresponding GRI	SDG Indicators
Social				
HS Health and Safety	KER 1 - Project Delivery Risk KER 5 - Environmental, Social, and Governance (ESG) Risk KER 7 - Health, Safety, and Environment Risk		403: Occupational Health and Safety	  
PEH Our People, Employment Practices, and Human Rights	KER 1 - Project Delivery Risk KER 4 - Business Continuity Risk KER 5 - Environmental, Social, and Governance (ESG) Risk		401: Employment 402: Labour/Management relations 404: Training and Education 405: Diversity and Equal Opportunity	  
SR Stakeholder Relations	KER 5 - Environmental, Social, and Governance (ESG) Risk		413: Local Communities	   



The Symphony Centre, Auckland, New Zealand

OUR APPROACH TO VALUE CREATION

As a pioneer of green buildings and Transit-Oriented Developments (TODs), and a leading infrastructure construction company, we are committed to understanding the continuously evolving stakeholder needs and expectations that will enable us to create value for all. By assessing internal and external factors, such as the operating environment, our business strategies, our Capitals, and Material Matters, we aspire to set new standards by optimising our resources and realising our potential.

MINDFUL GOVERNANCE

1

ASSESSING OUR CONTEXT

OPERATING CONTEXT

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

Property & Construction Market

Competitive Landscape

Evolving Customer Trends

Regulatory Environment

Environmental Stewardship

Technology & Digitalisation

Pages 38 - 46

RISKS & OPPORTUNITIES

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

KER 1
Project Delivery Risk

KER 5
Environmental, Social, and Governance (ESG) Risk

KER 2
Liquidity Risk

KER 6
Regulatory Risk

KER 3
Marketing Risk

KER 7
Health, Safety, and Environment Risk

KER 4
Business Continuity Risk

KER 8
Quality Risk

Pages 78 - 89

2

ENGAGING STAKEHOLDERS & IDENTIFYING MATERIAL MATTERS

STAKEHOLDER ENGAGEMENT

Value creation revolves around our stakeholders, as they are central to our business. Through engagement, we gain a deeper understanding of how they perceive “value” and how their contributions support the Group in creating it. Our stakeholders also play a pivotal role in shaping our material matters.

Clients/Customers

Shareholders/ Investors/Analysts

Employees

Government/Regulatory Bodies

Local Communities/ Civil Society/NGOs

Vendors

Media

Pages 47 - 58

MATERIAL MATTERS

In 2025, the Group conducted a comprehensive materiality assessment, streamlining 20 material matters identified in 2022 into ten updated priorities. This refined focus guides decision-making and resource allocation towards issues most financially and strategically significant to our stakeholders and the business, enabling sustainable long-term value creation.

Economic

Environment

Governance

Social

Pages 59 - 66

OUR APPROACH TO VALUE CREATION

3

TAKING STOCK OF CAPITALS & FORMULATING OUR STRATEGY

CAPITALS

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

HC Human Capital

IC Intellectual Capital

NC Natural Capital

SRC Social and Relationship Capital

FC Financial Capital

MC Manufactured Capital

Pages 72 - 77

STRATEGY

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

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

QUALITY PRODUCTS & PEOPLE

STRENGTHEN CORE FOR SUSTAINABLE RETURNS

TECHNOLOGY ADOPTION & INNOVATION

DIVERSIFICATION & OPERATIONAL EXPANSION

Talented Workforce

Governance

Automation & Digitalisation

Core Values

Pages 90 - 91

4

MONITORING, MANAGING, AND REPORTING ON VALUE CREATION

VALUE CREATION

Successfully managing different types of capital and executing strategic plans can meet both stakeholder expectations and organisational priorities, ensuring long-term value creation. While these actions may sometimes have negative short-term consequences, we create value by balancing stakeholder concerns, risk mitigation, and exploring opportunities for sustainable growth and responsible business.

We rely on our resources

To drive our business activities

Resulting in value creation for our stakeholders

Governed by our strategy and strong Corporate Governance

Pages 70 - 71

5

EMBEDDING SUSTAINABILITY IN OUR VALUE CHAIN

APPROACH TO SUSTAINABILITY

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

Aligning our business strategies with sustainable development goals

Implementing sustainability-driven innovations in our projects and processes

Cultivating a culture of sustainability among our employees and stakeholders

Measuring and reporting on our sustainability performance and impact

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

Pages 128 - 141

OUR VALUE CREATING BUSINESS MODEL

As a pioneer of Transit-Oriented Developments (TODs) and a leading infrastructure 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	VISION Setting the Standard	MISSION Leading the Field Sustainably through Innovation in Property Development, Engineering, and Construction	VALUES - Courageous - Creative - Driven - Customer Centric - Accountable
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OUR VALUE CREATION PROCESS...

KEY INPUTS

- HC

Human Capital
 - 1,318 skilled professionals
 - RM2.3 million invested in learning and development
 - 53 health and safety trainings
 - Workforce composition: 42% female, 58% male
- IC

Intellectual Capital
 - 50+ years of industry experience, including 20 years in TOD expertise
 - Patented **MRCB Building System (MBS) technology**
 - Enterprise Resource Planning (ERP) system implementation
 - Initiated digital and AI-enabled initiatives to support productivity, reporting, and decision-making
- NC

Natural Capital
 - ISO 14001:2015 compliant Environmental Management Systems
 - 1,228 acres of land bank
 - Net zero GHG emissions target by 2050
- SRC

Social and Relationship Capital
 - 36,590 stakeholders engaged
 - 1,886 approved suppliers/subcontractors
- FC

Financial Capital
 - RM4.4 billion share capital
 - RM2.5 billion total borrowings
- MC

Manufactured Capital
 - RM32.8 billion GDV land bank (1,228 acres)
 - RM2.8 billion GDV in ongoing property projects
 - RM2.6 billion ongoing infrastructure projects
 - RM5.7 billion unbilled construction order book
 - Robust tender book supporting future order book replenishment

OUR BUSINESS ACTIVITIES



OUTPUTS

- HC

- Achieved **zero lost time injuries** across **8.1 million** man-hours for key projects (LRT3, Sungai Pahang, FINAS, and KSSA)
 - 7.8% mean employee gender pay gap
 - 36.1 average training hours per employee
- IC

- MBS technology patented in **58** countries, pending in **five** more
 - Licensed our **MBS technology** in Singapore and Hong Kong
 - Won Gold award at the 2025 Australasian Reporting Awards and Platinum Award at the NACRA 2025
 - Achieved zero customer data breaches and leakages
- NC

- 34,097 tCO₂e Scope 1 and 2 emissions
 - 170,951 tCO₂e Scope 3 emissions
 - All commercial projects qualify for Green Building Index accreditation
 - Secured full ownership of strategic land parcels in Bukit Jalil and Cyberjaya
 - Rebased our GHG emissions baseline year from 2020 to 2024 to better reflect our current Group-wide business footprint
- SRC

- 3,844 customers engaged across key developments
 - 21 community initiatives benefitting 18,919 people
 - 500 prisoners/offenders trained through PEKA@MRCB
 - 17 investor engagements, including two ESG-specific sessions
 - 11 industry awards and recognitions
- FC

- RM1.2 billion revenue
 - RM73.2 million profit before tax, RM47 million profit after tax
 - RM657.5 million cash and bank balances
 - RM927.4 million in property sales
- MC

- LRT3 progress: **99.6%** (construction), **98.5%** (financial)
 - Secured **RM5.5 billion** in new project wins
 - Launched The Symphony Centre, NZ (GDV: NZD537 million) and MARIS, AU (GDV: AUD207 million)
 - MBS fabrication yard is operational – boosting efficiency, reducing waste, and accelerating delivery

... IS GOVERNED BY MINDFUL GOVERNANCE

VALUE CREATED

- RM196.9 million paid in salaries and benefits
 - 5-Star SHASSIC rating for the FINAS project
 - RM0.9 million revenue per employee
- Remained a 4-Star rating in the FTSE4Good Bursa Index (Top 20% of all PLCs)
 - Pioneered Malaysia's transition to modular construction through Residensi Tujuh
 - Expanded MBS technology internationally
 - Maintained MSCI ESG rating of "AA"
- Completed comprehensive GHG inventory (Scope 1, 2 and 3) for FY2024. Expanded Scope 3 disclosures to include all relevant categories to our business (10 out of 15)
 - Expanded our Scope 3 emissions measurement and reporting from our supply chain to 98% of value procured
 - Improved long-term value and development potential of land in Bukit Jalil and Cyberjaya
- RM892 million (90% of procurement) spent on local suppliers
 - 96% customer satisfaction score (based on surveys)
 - RM1.9 million spent on community initiatives
- RM45 million dividend payout to shareholders
 - Net gearing at 0.41 times
 - RM1.7 billion market capitalisation
 - RM49 million in tax contributions
- RM927.4 million in property sales
 - RM1.4 billion unbilled property sales
 - RM5.7 billion unbilled construction order book
 - QLASSIC scores: 80% (Kwasa Utama C8 – Plot 2)

STAKEHOLDERS IMPACTED & UN SDGs ALIGNMENT



COMPETITIVE ADVANTAGES

Pioneer and early developer of Malaysia's first internationally certified green buildings.	Largest listed Bumiputera construction company in Malaysia.	Strong corporate governance practices, a constituent of the FTSE4Good Index since 2014, an MSCI ESG rating of "AA", and a signatory to the Ten Principles of the United Nations Global Compact.	Innovated and developed a proprietary modular construction technology – MRCB Building System (MBS).	Possesses an enviable track record as an infrastructure developer, including the construction of railways and highways, stadiums, and high-voltage power transmission projects.	Specialist in climate change adaptation infrastructure and environmental projects, such as river rehabilitation, coastal erosion prevention, and flood mitigation.	Long pipeline of projects through a land bank of 1,228 acres with a GDV of RM32.8 billion, an unbilled construction order book of RM5.7 billion, and a strong balance sheet with a net gearing of 0.41 times.
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OUR VALUE CREATING BUSINESS MODEL

OUR VALUE CREATING BUSINESS MODEL

TRADE-OFFS BY CAPITAL

IFRS S1.33(c)

The six Capitals represent the resources and relationships we rely on to achieve our strategic objectives and create value for our stakeholders. In managing these Capitals, we often encounter trade-offs between short, medium and long-term priorities. We aim to maximise positive outcomes while minimising any negative impacts, including those related to sustainability considerations. The following outlines each Capital, the trade-offs involved, and how we manage them to support long-term value creation.

HC

HUMAN CAPITAL

Human Capital comprises the skills, experience, capabilities, well-being, and engagement of our workforce. Our people play a critical role in delivering large-scale developments, TODs, infrastructure projects, and emerging business areas, while supporting operational excellence and long-term organisational resilience.

Value Creation

Human Capital, through a capable, engaged, and future-ready workforce, supports project delivery, innovation, leadership continuity, sustainable business growth, and value creation.

Key Trade-Offs	How We Manage the Trade-Offs
• Talent retention vs cost management Investing capital in competitive remuneration, benefits, and development supports retention, but may increase operating costs. • Capability development vs short-term productivity Time and resources invested in training and upskilling may temporarily affect productivity, but strengthen long-term execution quality and leadership depth. • Workforce flexibility vs workforce stability A project-based workforce requires flexibility, while permanent employment requires engagement, continuity, and organisational knowledge.	• Implementing structured learning and development programmes aligned with business strategy and succession planning, balancing training investment and time away from operations with the need to build critical skills for productivity and project delivery. • Investing in leadership development and talent pipelines to support continuity, talent retention, and reduce reliance on external hiring. • Enhancing employee engagement, well-being, and workplace inclusivity to improve retention and performance. • Strengthening occupational safety and health practices to protect employees while maintaining operational efficiency, managing more stringent safety controls, and short-term productivity to reduce incidents, legal costs, and delays. • Transitioning suitable contract roles to permanent positions to balance workforce flexibility with stability, accepting reduced cost flexibility in exchange for improved knowledge, talent retention, and more reliable delivery.

Climate and Sustainability-Related Considerations

Evolving sustainability expectations require new skills and knowledge across the organisation, including expertise and knowledge in sustainable construction, renewable energy, supply chain management, and climate-related practices. While building these capabilities requires investment in training and talent development, it strengthens MRCB’s ability to execute its sustainability strategy, manage future transition requirements, and support long-term organisational resilience.

- 2025 Focus
- Strengthened workforce capability through enhancements to the Learning and Development framework, including digital learning via the MRCB Learn Hub, sustainability-related learning, and technical training such as IFRS.
 - Continued mandatory ethics, anti-corruption, and compliance training to reinforce a strong culture of integrity.
 - Advanced leadership and succession readiness through structured succession planning, leadership development programmes, and executive coaching for identified key talents.
 - Continued building an internal sustainability-focused talent pool by strengthening knowledge and capabilities across the organisation, including exposure to climate, ESG, renewable energy, and responsible supply chain topics.
 - Enhanced employee engagement, well-being, and workplace support through wellness initiatives, flexible work arrangements, and expanded access to mental health counselling and other healthcare programmes.
 - Strengthened internal communication and engagement through employee surveys and the rollout of digital engagement platforms.

IC INTELLECTUAL CAPITAL

Intellectual Capital comprises MRCB’s knowledge, expertise, proprietary technologies, systems, and processes that support our property development and construction activities. This includes our experience in TODs, green building, engineering know-how, digital platforms, Building Information Modelling (BIM), and proprietary solutions such as the MRCB Building System (MBS).

MRCB leverages its intellectual capital to develop innovative solutions for climate change adaptation and emerging infrastructure needs, including flood mitigation, renewable energy and energy transition infrastructure, industrial and logistics developments, sustainable stadiums, and waste-to-energy projects, supporting new and diversified long-term revenue streams.

Value Creation

Intellectual Capital enables value creation by strengthening MRCB’s competitive position as a TOD and green building developer and an engineering company with innovative, forward-looking delivery solutions, while supporting operational efficiency, quality, and long-term growth.

Key Trade-Offs	How We Manage the Trade-Offs
• Investment in innovation vs short-term financial returns Investments in proprietary technologies, digital systems, and advanced platforms are intended to deliver long-term benefits but may not generate immediate financial returns, placing pressure on short-term profitability and cash flow. • Standardisation vs flexibility Standardised systems and processes improve efficiency and control but require ongoing refinement to meet diverse project and market requirements. • Digitalisation vs organisational readiness The adoption of new digital tools improves productivity and decision-making but requires investment in training, cybersecurity, and organisational readiness.	• Investing selectively in proprietary technologies such as MBS, focusing on solutions that deliver measurable efficiency, sustainability, and quality improvements. • Continuously upgrading digital and enterprise systems to improve operational efficiency, project coordination, and data-driven decision-making, accepting higher upfront investment and change-management efforts to drive long-term cost efficiency and cost competitiveness. • Protecting intellectual property through patents, licensing arrangements, and robust governance frameworks. • Strengthening cybersecurity controls and awareness to safeguard systems, data, and operational continuity, helping to minimise disruption, financial loss, and reputational damage. • Embedding innovation into business processes to support emerging segments such as climate adaptation, energy transition, and sustainable infrastructure.

Climate and Sustainability-Related Considerations

Innovation and digitalisation play an important role in supporting sustainable construction, climate adaptation, and resource efficiency. While ongoing investment in technology, systems, and cybersecurity increases short-term costs, these capabilities enhance MRCB’s ability to deliver resilient assets, reduce inefficiencies, and support long-term resilience and value creation.

- 2025 Focus
- Continued deploying and scaling proprietary construction technologies, including MBS, across development and construction projects.
 - Strengthened intellectual property protection and international adoption of MBS through patents and licensing.
 - Enhanced enterprise-wide digital platforms, including ERP, construction management, CRM, and defect management systems.
 - Maintained a strong cybersecurity posture through investment in advanced security tools, monitoring, and employee training and awareness programmes (more details can be viewed on page 82).
 - Leveraged on digital and AI-enabled tools to improve productivity, reporting, and decision-making across the Group, supported by an Enterprise AI and digitalisation roadmap and centralised initiatives to develop, test, and deploy AI-driven solutions.

OUR VALUE CREATING BUSINESS MODEL

OUR VALUE CREATING BUSINESS MODEL

NC

NATURAL CAPITAL

Natural Capital comprises the environmental resources impacted by MRCB’s activities, including energy, water, materials, land, and the emissions and waste generated through development and construction. Managing Natural Capital is critical to reducing environmental impact, enhancing resource efficiency, and supporting the delivery of resilient and sustainable developments.

Value Creation

Natural Capital contributes to value creation by reducing MRCB’s environmental footprint, improving operational efficiency, managing climate-related risks, and delivering responsible developments that meet regulatory, investor, and market expectations.

Key Trade-Offs

How We Manage the Trade-Offs

- Business growth vs environmental footprint**
As MRCB expands its development and construction activities across locations and markets, energy use, material consumption, and emissions increase, resulting in a higher environmental impact and associated costs.
- Upfront investment in decarbonisation vs short-term cost**
Investments in low-carbon design, sustainable materials, and emissions reduction initiatives, increase near-term costs and profitability, but reduce long-term climate risks and operational inefficiencies.
- Operational efficiency vs supply chain constraints**
Sourcing sustainable and locally compliant materials supports environmental objectives but may limit supplier options or increase procurement costs.

- Monitoring and managing energy, water, and material consumption through digital tracking tools to reduce consumption, emissions, and operating costs.
- Integrating sustainable design and procurement considerations at the early project design stage to minimise environmental impact and avoid future mitigation and compliance costs.
- Leveraging modular construction technologies such as MBS to reduce material waste, energy use, and emissions.
- Strengthening sustainable procurement practices to prioritise compliant, locally sourced, and lower-impact materials.
- Enhancing emissions measurement, management, and governance, and implementing robust strategies to support decarbonisation and climate resilience.

Climate and Sustainability-Related Considerations

Climate change presents both physical and transition risks to MRCB’s assets, developments, and construction activities, including exposure to extreme weather, emissions regulations, and evolving stakeholder expectations. While addressing these challenges requires investment in understanding climate impacts, reducing emissions, mitigation strategies, and adopting more sustainable design, this investment helps strengthen asset resilience, support regulatory compliance, and contribute to long-term business sustainability.

2025 Focus

- Enhanced our assessment and disclosure of climate-related impacts, in line with recognised frameworks.
- Strengthened the management and monitoring of Scope 1 and Scope 2 GHG emissions, following the rebasing of our baseline year from 2020 to 2024 to better reflect our current Group-wide business footprint, while enhancing emissions boundary governance.
- Further strengthened Scope 3 emissions tracking and reporting following the completion of a comprehensive GHG emissions inventory covering Scope 1, 2 and 3, and expanded disclosures across relevant categories.
- Enhanced emissions tracking and reporting through digital platforms, including Bursa Malaysia’s Centralised Sustainability Intelligence Platform.
- Continued to adhere to the Sustainable Design Policy and sustainable procurement principles across development and construction projects, embedding sustainability considerations from the design stage to project delivery.
- Supported ongoing decarbonisation efforts through energy efficiency measures and modular construction.

SRC

SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital reflects MRCB’s relationships with key stakeholders, including regulators, suppliers, subcontractors, business partners, communities, and society at large, supported by community and CSR initiatives. These relationships are essential to maintaining trust, securing social license to operate, and enabling the effective delivery of development and construction activities.

Value Creation

Social and Relationship Capital supports value creation by strengthening stakeholder confidence in MRCB’s business, enhancing collaboration across the value chain, and reinforcing the Group’s reputation as a responsible and reliable partner.

Key Trade-Offs

How We Manage the Trade-Offs

- Responding to diverse stakeholder expectations vs resource allocation**
Increasing expectations around environmental, social, and governance matters require the allocation of financial and non-financial resources, which may not always generate immediate or measurable business returns.
- Short-term cost considerations vs long-term trust and relationships**
Investments in community engagement, CSR initiatives, and integrity programmes increase near-term costs but support long-term relationships, risk management, and operational continuity.

- Engaging proactively with regulators, suppliers, subcontractors, and business partners to understand expectations and address concerns early, helping to reduce disputes, delays, and compliance risks.
- Supporting communities through community engagement and CSR initiatives aligned with societal needs and business priorities in the areas where we operate.
- Collaborating with industry bodies and institutions to support skills development, workforce capability, and industry standards.
- Promoting ethical business practices through integrity, anti-bribery, and anti-corruption awareness programmes across the value chain to reduce misconduct risk and protect our reputation.
- Prioritising CSR initiatives that balance community impact with long-term stakeholder trust.

Climate and Sustainability-Related Considerations

Growing stakeholder focus on responsible business conduct, ethical practices, and social impact influences how MRCB engages with communities and partners. While meeting these expectations requires sustained effort and investment, strong stakeholder relationships help mitigate social risks, support regulatory compliance, and strengthen long-term business resilience.

2025 Focus

- Strengthened community engagement through targeted initiatives, including support for indigenous communities and disaster relief efforts.
- Continued partnerships with industry bodies and training institutions to support skills development and employability in the construction sector.
- Continued programmes that help individuals reintegrate into the workforce through skills training, including PEKA@MRCB.
- Invested in CSR initiatives across community development, health, education, and disaster relief.
- Promoted integrity and ethical conduct through continued anti-bribery and anti-corruption awareness programmes for employees, suppliers, and business partners.

OUR VALUE CREATING BUSINESS MODEL

FC

FINANCIAL CAPITAL

Financial Capital comprises the funds we generate or obtain to operate, invest, and grow. This includes equity, borrowings, cash flow generated from our operations, and asset monetisation. Maintaining financial resilience enables MRCB to deliver stable returns while supporting long-term strategic execution.

Value Creation

Financial Capital enables value creation by funding project execution and strategic investments, while sustaining long-term growth through disciplined capital allocation and cash flow management.

Key Trade-Offs

- Short-term investor returns vs long-term value creation**
Upfront investment in Transit-Oriented Developments (TODs), infrastructure, and sustainable technologies may reduce near-term profitability but strengthen long-term resilience.
- Debt levels vs financial flexibility**
New borrowings enable project execution but affect gearing temporarily.
- Sustainability investments vs immediate financial performance**
Climate-adaptive and low-carbon design may increase upfront costs but reduce long-term risks and enhances our ability to access future capital.

How We Manage the Trade-Offs

- Disciplined capital allocation to high-impact, long-term value creation projects, including the prioritisation of initiatives that align with and advance our climate and sustainability-related targets.
- Active debt management to maintain a healthy gearing position and optimise funding costs, including consideration of sustainability-linked or green financing where applicable.
- Monetisation of non-core assets and completed inventory to strengthen liquidity.
- Cost optimisation and cash flow controls.

Climate and Sustainability-Related Considerations

Climate and sustainability-related risks and opportunities, such as low-carbon design, greener materials, and climate-resilient infrastructure, may increase costs and capital expenditure requirements. However, meeting these expectations also opens opportunities for MRCB to access sustainable financing with more advantageous terms, attract long-term investors, and enhance the value and resilience of our developments.

2025 Focus

- Maintained prudent gearing.
- Continued inventory monetisation.
- Allocated capital to TODs, climate-responsive infrastructure, and modular construction (MBS).
- Undertook strategic equity investments to consolidate ownership of key development assets, strengthening long-term value creation potential.
- Explored renewable energy opportunities.

MC

MANUFACTURED CAPITAL

Manufactured Capital comprises the physical assets and infrastructure that support MRCB's property development and construction activities, including our strategically located land bank, Transit-Oriented Developments (TODs), residential and commercial buildings, construction facilities, and modular construction systems. These assets also underpin our Engineering & Construction business through the delivery of complex infrastructure such as rail systems, highways, stadiums, flood mitigation works, and energy-related projects. They also enable the Group to deliver integrated developments, execute technically demanding infrastructure projects, and support long-term urban growth and resilience.

Value Creation

Manufactured Capital enables value creation through the development of integrated, connected communities, the delivery of high-quality infrastructure, and the adoption of efficient construction methods that enhance asset performance, productivity, and long-term economic and social outcomes.

Key Trade-Offs

- Urban land development vs preservation of green spaces**
Further development of urban land banks supports economic growth and connectivity, but may reduce green spaces and impact natural capital.
- Project scale and complexity vs execution risk**
Large, complex infrastructure projects offer long-term value and high barriers to entry, but require careful management of delivery risks, timelines, and resources.
- Investment in modern construction methods vs upfront cost**
Adopting modular construction, sustainable materials, and green building increases initial investment but improves build quality, energy efficiency, and lifecycle performance.

How We Manage the Trade-Offs

- Applying TOD principles and integrated master planning to optimise land use, enhance connectivity, and reduce urban sprawl, supporting higher long-term asset values and more efficient infrastructure use.
- Selectively tendering for complex engineering and construction projects with higher pre-qualification requirements, including rail infrastructure, flood mitigation, climate adaptation, energy transition, renewable energy, and sustainable stadium developments.
- Leveraging the MRCB Building System (MBS) to enhance construction efficiency, reduce material waste, and improve quality control across both development and infrastructure projects.
- Embedding green design principles and targeting Green Building Index (GBI) accreditation where applicable, to improve environmental performance and long term asset attractiveness.
- Prioritising locally sourced materials and experienced delivery partners to strengthen supply chain resilience, lower emissions, and execution certainty.

Climate and Sustainability-Related Considerations

Climate adaptation requirements, sustainable material sourcing, and environmental design standards may increase upfront development and construction costs. However, these considerations support the delivery of resilient assets, reduce lifecycle environmental impacts, lower-carbon emissions, and strengthen the long-term durability, relevance, and value of MRCB's developments and infrastructure projects.

2025 Focus

- Advanced TOD developments locally and overseas, including the launch and progression of a key international TOD project.
- Delivered and made progress on large-scale infrastructure projects, including rail, highways, a sustainable stadium, and flood mitigation works.
- Completed the LRT3 construction works and continued system testing activities.
- Utilised the application of MBS to support faster, more efficient, and sustainable project delivery.
- Continued aligning commercial developments with green building standards.
- Expanded tender participation in energy transition and renewable energy-related infrastructure projects.

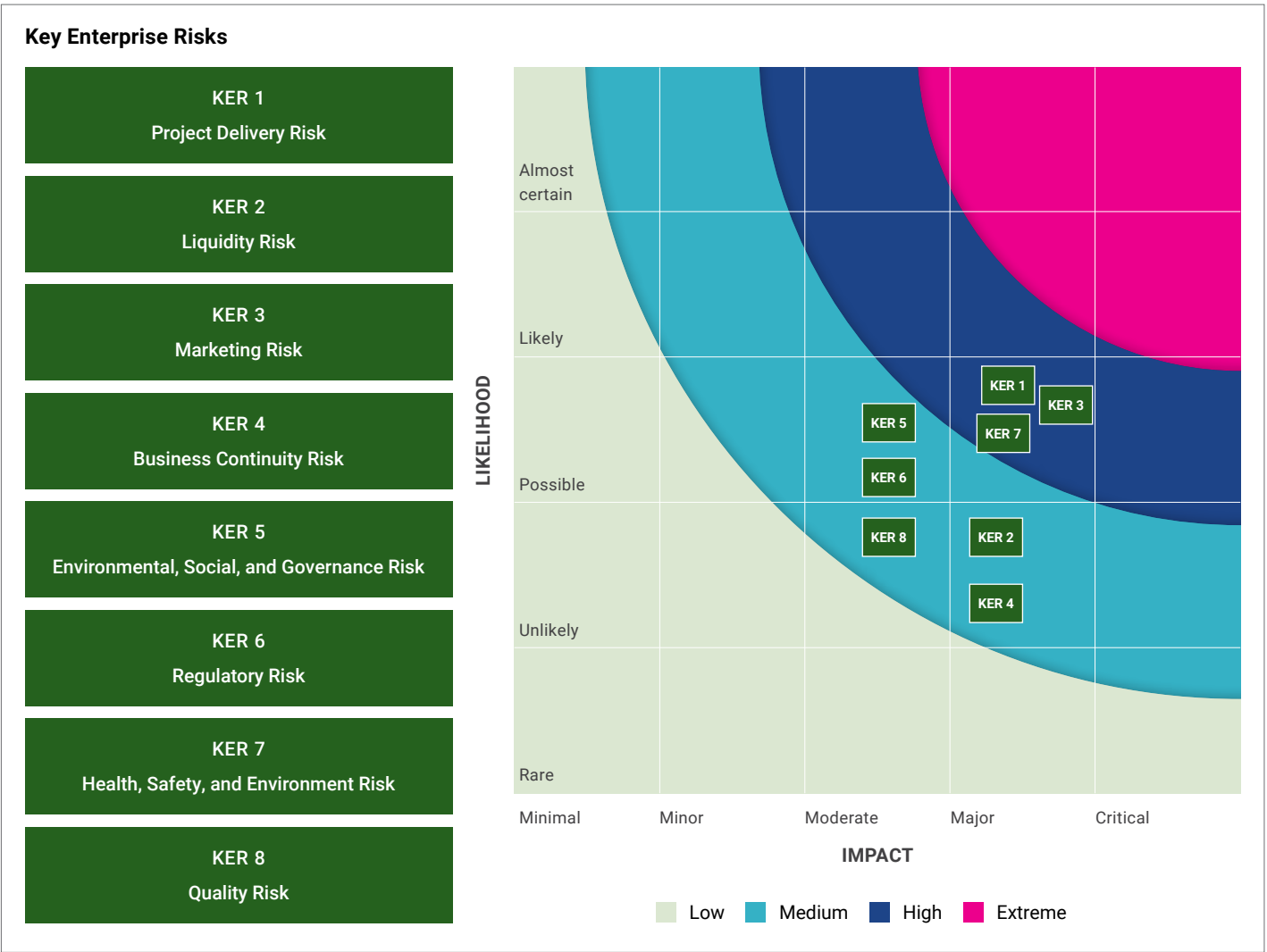
OUR RISKS AND MITIGATIONS

MRCB aims to maintain a strategic balance between mitigating potential risks and seizing opportunities for value creation. Our risk-based approach is specifically designed to protect our ability to generate sustainable value and achieve our long-term objectives.

We are guided by a robust Enterprise Risk Management (ERM) Process (the Process) that is systematically integrated into both strategy formulation and execution to address the Group’s top risks. The objective of the Process is to proactively identify potential events that may substantially impact the Group. It was designed in alignment with the ISO 31000:2018 standard, reflecting our commitment to adhering with international best practices. This alignment ensures consistency and resilience across our risk management practices.

The Group’s key risks are outlined below. We utilise a risk matrix to assess the likelihood and impact of each risk, thereby determining the overall exposure relative to our business strategies. The Board, through its Audit and Risk Management Committee, has identified eight Key Enterprise Risks (KERs) that could affect the Group’s ability to meet its strategic objectives. The Audit and Risk Management Committee is further supported by the Senior Management to ensure these risks are effectively monitored and managed within the Group’s defined risk appetite and tolerance levels.

The heatmap below provides an overview of the residual risk ratings of the KERs:



OUR RISKS AND MITIGATIONS

KER 2

LIQUIDITY RISK

Status

Adequate liquidity and access to financing are critical for MRCB to sustain business obligations and maintain cash flow. The Group faces the risk that insufficient funds could severely impede its ability to meet short-term and long-term financial commitments. This can stem from delayed payments, unexpected project costs, supply chain disruptions, slow-paying clients, and simultaneous project startups, which can strain cash flow and potentially force the company to take on expensive financing or sell assets at suboptimal pricing.

Potential Impact on Value

- Inability to operate or develop our land bank
- Disruptions to project delivery timelines due to inability to meet payment obligations
- Increased indebtedness and reduced profitability
- Exposure to potential legal action from creditors or financial institutions arising from the failure to meet financial obligations
- Inability to attract capital or investors
- Reputational damage

Mitigation Strategies

- Diversify funding sources for efficient flow of capital and funding.
- Maintain an optimal liquidity position through continuous monitoring and reporting of liquidity risk indicators.
- Conduct cash flow projections and forecasting.
- Capitalise on opportunities to refinance debt to lock in lower cost of capital.
- Conduct regular reviews and assessments of trade debtors, cash flow, and funding plans.
- Monetise existing inventory of completed unsold stock.
- Expand the use of MRCB Building System (MBS) to benefit from faster, more efficient construction with fewer defects, resulting in faster construction and cash flow.
- Seek opportunities to dispose of non-core land holdings and other non-core assets to unlock value and improve liquidity position.

Results in 2025

- Proactive management of cash flow, resulting in net gearing of 0.41 times.
- Sold RM927.4 million of residential properties.
- Sold RM180.3 million of our completed unsold stock.
- Achieved a sales rate of 28% of GDV for Residensi Tujuh, our first development utilising our proprietary modular construction technology, MRCB Building System (MBS).
- Sold 72% of all VISTA units in Gold Coast, Australia achieving a sales rate of 49% of GDV (RM841.9 million).
- Sold 78% of MARIS units in Gold Coast, Australia achieving a sales rate of 81% of GDV (RM620 million).
- Restructured Cyberjaya land to optimise its development and disposal.

Material Matters	Capitals	Stakeholders Affected	Growth Principles

★ Featured Highlight

Learn more about our MRCB Building System (MBS) on page 122

OUR RISKS AND MITIGATIONS

KER 3

MARKETING RISK

Status

MRCB’s business success hinges on a well-executed product strategy that accurately anticipates market demands. This entails curating product offerings that are specifically tailored to the needs of our target demographics and local socioeconomic conditions. The Group faces the risks associated with ineffective marketing strategies and an inability to balance rising material costs with competitive pricing structures. Failure to align product, marketing, and pricing strategies could negatively impact our sales performance, profitability, operating cash flow, and ability to service our debt.

Potential Impact on Value

- Lack of demand for our products
- Accumulation of unsold inventories, leading to increased holding and debt servicing costs
- Shortfall in revenue generation and negative impact on profits and cash flow
- Increased competitive pressure
- High levels of borrowings and net gearing

Mitigation Strategies

- Conduct continuous market demand assessments and market surveys to determine product design, sales approaches, and strategic property launches.
- Engage actively with existing stakeholders and clients to ensure that product design and quality standards meet evolving market expectations.
- Expand the distribution network by engaging and enlisting new agents to broaden the marketing reach of MRCB’s properties.
- Optimise pricing strategies to enhance product affordability and improve end-financing eligibility for prospective buyers.
- Facilitate collaboration with agents, financiers, and valuers to ensure property pricing aligns with market valuations and target customer profile.
- Introduce innovative sales campaigns, such as the “Easy Ownership Scheme” and low down-payment incentives.
- Implement robust performance metrics and consistent market research to facilitate data-driven, proactive adjustments to marketing strategies.

Results in 2025

- Achieved property sales of RM927.4 million.
- Achieved a sales rate of 96% of GDV for Sentral Suites Residence, a sales rate of 98% of GDV for TRIA 9 Seputeh, and a sales rate of 93% for VIVO Residence.
- Achieved a 49% sales rate for VISTA, Gold Coast, Australia and executed a phased sales strategy to maximise the opportunity of implementing price increases.
- Launched The Symphony Centre in Auckland, New Zealand (GDV ~RM1,257 million).
- Launched MARIS in Gold Coast, Australia (GDV ~RM620 million) and achieved a sales rate of 81%.
- Prepared for Malaysian launches worth GDV RM2.2 billion, including Parcel A (9 Seputeh), Tower 1 & Tower 5 (PJ Sentral), Kolektif (KL Sentral), and Bukit Rahman Putra Phase 3.
- Implemented a Tenanted Sale Programme for Sentral Suites (Retail) to increase its attractiveness to buyers.
- Explored bulk sales for commercial units.
- Partnered with real estate agents through an exclusive bulk-unit allocation programme to expand our reach to a wider client base for residential and commercial property unit sales.
- Continued operating a staff sales referral programme, offering incentives to staff who successfully introduce buyers of our residential units.

Material Matters	Capitals	Stakeholders Affected	Growth Principles

OUR RISKS AND MITIGATIONS

KER 4	BUSINESS CONTINUITY RISK	Status	
MRCB's operations are susceptible to significant external disruptions, ranging from global health crises to climate change-related disasters and cybersecurity threats. A lack of preparedness for such occurrences poses a critical threat to business continuity. The inability to rapidly adapt to these challenges, specifically through the adoption of digital technologies and investment in critical IT infrastructure, could severely impact the Group's operational resilience. Failure to maintain and execute a robust Business Continuity Plan may result in prolonged downtime and an inability to sustain core business functions during crises.			
Potential Impact on Value - Operational disruptions result in poor construction progress, which limits the ability to recognise revenue - Reputational damage - Inability to market our products, leading to liquidity issues, high indebtedness, and financial stress - Potential breach and loss of confidential data or sensitive information due to cyberattacks - Potential monetary fines and legal implications			
Mitigation Strategies		Results in 2025	
- Conduct continuous update to the Business Continuity Plan and related policies and procedures to ensure adaptability to evolving operational environments. - Conduct continuous review of Information Security Controls and server logs to proactively detect and neutralise unauthorised access attempts. - Perform annual IT audits through external consultants, covering security architecture, access controls, data backups, disaster recovery readiness, and IT controls. - Strengthen staff vigilance by extensively communicating emerging cybersecurity threats and conducting regular simulated phishing campaigns to test and improve staff readiness. - Evaluate third-party risks by assessing subcontractors and suppliers on their cybersecurity controls and data protection compliance prior to engagement. - Review and develop robust policies and procedures that adapt to the changing environment. - Leverage cloud-based technology to ensure data redundancy and facilitate seamless remote work integration during physical disruptions. - Sustain strategic investment in advanced IT Security software and Disaster Recovery Plans. - Establish and enforce a comprehensive Data Governance Framework.		- Recorded no customer data breaches in 2025. - Implemented Intrusion Prevention System (IPS) for real time threat protection. - Implemented Microsoft 365 E5 Security for all employees and deployed Microsoft Defender for Cloud. - Adopted e-invoicing to comply with Lembaga Hasil Dalam Negeri's (LHDN) e-invoicing requirements. - Held quarterly phishing simulations and cybersecurity awareness campaigns for employees to recognise and mitigate cyberthreats. - Adopted artificial intelligence power tools such as Microsoft CoPilot to streamline operations and boost productivity, enabling our workforce to focus on higher value adding tasks. - Fully deployed all Enterprise Resource Planning software modules and operations across the organisation. - Implemented a cloud-based construction management platform that improved collaboration in managing projects from design to completion. - Implemented a digital Defect Management System for the identification, documentation, tracking, and resolution of property issues and defects.	
Material Matters	Capitals	Stakeholders Affected	Growth Principles
GC ABAC PEH	FC IC HC		

OUR RISKS AND MITIGATIONS

KER 5	ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) RISK	Status	
Building organisational resilience through a robust ESG framework is a strategic priority. This focus is driven not only by regulatory mandates, but also by the heightened expectations of financial institutions, investors, and increasingly discerning customers. These stakeholders demand that the Group delivers value, while also ensuring operations are run sustainably, ethically, and with minimal adverse impact on the environment and community at large. Effective management of ESG risks is essential to safeguard the company's reputation, attract investment, and drive long-term value creation through the integration of sustainable and ethical business practices.			
Potential Impact on Value - Significant fines and penalties from breaching of environmental laws and regulations - Adverse environmental impact on surrounding communities and reduced resource efficiency - Incurrence of financial costs from remediation, possible litigations, or fines - Reputational damage, resulting in loss of sales and cash flow - Inability to attract capital from banks and investors due to reduced ESG ratings			
Mitigation Strategies		Results in 2025	
- Institutionalise a dedicated oversight committee to implement, monitor, and develop ESG-related strategies and initiatives. - Establish and monitor science-based GHG emissions reduction targets. - Evaluate climate and transition risks on the company and its assets and formulate targeted strategies to mitigate and manage these risks. - Undertake ESG assessments across the supply chain and expand Scope 3 emissions measurement and disclosure. - Integrate sustainability data clauses in the supply chain process. - Create a comprehensive strategy that integrates and embeds sustainability principles deeply into the core business and corporate strategy. - Communicate the requirements of our human rights policy internally and externally. - Continuously communicate the importance of ESG to the business, internally and externally. - Elevate disclosure transparency by aligning ESG data points and targets with global best practices and evolving regulatory requirements. - Forge strategic ESG-related partnerships to leverage collective expertise. - Expand and enhance the use of MRCB Building System (MBS) to reduce carbon emissions and lower construction wastage.		- Held Sustainability Management Committee (SMC) meeting and engagements with individual business units (Engineering, Construction & Environment (ECE), Property Development & Investments (PDI), Facilities Management (FM), and Parking Services (PS)) to explore and implement decarbonisation strategies. - Developed a comprehensive GHG emissions inventory (Scope 1, 2, and 3) for the 2024 reporting year, and consequently revised our emissions targets, rebasing them from 2020 to 2024. - Adopted Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Platform as a digital tool to track and effectively manage our GHG emissions, including those generated by our supply chain. - Organised a physical workshop on sustainability, focusing on human rights and GHG emissions computation, and a CSI platform walkthrough for 19 of our top 50 suppliers. - Disseminated our Human Rights Policies via Electronic Direct Mail (EDM) to 1,886 suppliers and business partners. - Maintained an MSCI ESG Rating of "AA". - Maintained a 4-star rating in the FTSE4Good Bursa Malaysia Index, ranking within the top 20% of all listed companies assessed. - Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices. - Awarded the National Annual Corporate Report Awards 2025 (NACRA) – Platinum Excellence Award (ranking 1st in the RM2 Billion to RM10 Billion Market Capitalisation category).	

OUR RISKS AND MITIGATIONS

KER 5

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

Mitigation Strategies	Results in 2025		
- Strengthen Diversity, Equity, and Inclusion (DEI) awareness and practices, embedding it into our business. - Conduct Employee Commuting Survey and engage in sustainability training and awareness programmes internally and externally.	- Achieved the Gold Award for MRCB’s Integrated Annual Report 2024 at the Australasian Reporting Awards 2025. - Received the Overall Excellence Award at the National Corporate Governance and Sustainability Awards (NACGSA) 2025, ranking 16th out of 847 public-listed companies assessed. - Recognised as a 3-Star Lister on the ESG Select List for exemplary achievements in ESG Trailblazer, Future-Fit & Responsible Workforce, and ESG Breakthrough Innovation. - Received the ESG Plus Awards 2025 for Community Engagement & Social Responsibility. - Enhanced IFRS S1- and S2-aligned sustainability reporting disclosures and formed a cross-department working group to monitor progress and enhance disclosure. - Organised in-house training sessions on the National Sustainability Reporting Framework (NSRF) and sustainable procurement. - Organised an “MRCB Sustainability Day” to deepen employees' understanding of crucial sustainability matters, attended by 581 employees. - Achieved 50% physical construction progress for Residensi Tujuh, our first residential development that uses the more sustainable modular construction technology.		
Material Matters GC ABAC RSC SDRM CET HS PEH SR	Capitals MC FC NC HC IC SRC	Stakeholders Affected	Growth Principles

OUR RISKS AND MITIGATIONS

KER 6

REGULATORY RISK

Status

The Group operates within a complex and dynamic regulatory landscape. Our ability to conduct business relies on compliance with a comprehensive framework of statutes, regulations, standards, and internal governance protocols. This encompasses not only the internal policies and procedures that guide our daily operations, but also the rigorous statutory requirements mandated for public-listed companies. Furthermore, the Group must navigate industry-specific regulations and others concerning disclosure, financial reporting, and corporate governance, alongside extensive contractual obligations across our value chain.

Potential Impact on Value

- Significant fines and penalties for non-compliance
- Stop-work orders cause delays and higher costs for remediation or rectification works
- Reputational damage
- Inability to attract future capital from banks and investors
- Delays, inefficiencies, and quality issues reduces profitability

Mitigation Strategies	Results in 2025
- Provide regular updates to the Board regarding emerging regulatory developments. - Maintain active engagement with government bodies and regulators to anticipate and assess the potential impacts of proposed regulatory changes. - Benchmark governance practices against locally and internationally recognised standards. - Conduct periodic reviews and updates of internal Policies and Procedures. - Execute regular compliance audits led by both internal and external auditors. - Conduct regular communication, awareness, and training exercises with internal and external stakeholders. - Perform rigorous due diligence and gap assessments on third-party partners. - Mitigate financial exposure through risk transfer mechanisms, including securing comprehensive liability insurance and enforcing robust contractual indemnities with suppliers and subcontractors.	- Conducted Quarterly Risk Reviews to review, monitor, and mitigate potential risks through risk action plans. - Successfully completed SIRIM surveillance audits and continued certification for Quality Management Systems ISO 9001:2015, and Environmental Management Systems ISO 14001:2015, and Occupational Health & Safety Management Systems ISO 45001:2018. - Complied with 41 out of the 43 Practices prescribed in MCCG 2021, together with 4 out of the 5 optional Step-Up Practices. - Awarded the National Annual Corporate Report Awards 2025 (NACRA) – Platinum Excellence Award. - Achieved the Gold Award for MRCB’s Integrated Annual Report 2024 at the Australasian Reporting Awards 2025. - Received the Overall Excellence Award at the National Corporate Governance and Sustainability Awards (NACGSA) 2025, ranking 16th out of 847 public-listed companies assessed. - Developed five new policies, including a Sustainable Design Policy, and reviewed and enhanced 22 other policies. - Achieved ISO 37001:2016 Anti-Bribery Management System (ABMS) recertification. - Successfully achieved Anti-Bribery Management System ISO 37001:2016 certification for our Engineering, Construction & Environment (ECE) Division. - Assessed 100% of MRCB’s operations for bribery and corruption and fraud related risks through Bribery Risk Assessments and Bribery Risk Facilitation exercises. - Delivered Integrity, Anti-Bribery, and Anti-Corruption Awareness Programmes to our external stakeholders, attended by representatives from 84 companies. - Communicated anti-bribery policies, procedures, and guidelines via Electronic Direct Mail (EDM) to 1,886 suppliers.

OUR RISKS AND MITIGATIONS

KER 6REGULATORY RISK (CONT'D.)			
Mitigation Strategies	Results in 2025		
	- Strengthened our Integrity, Anti-Bribery and Anti-Corruption internal culture through comprehensive awareness programmes: - Conducted "Integrity Breeds Integrity (IBI)" training for 712 employees in stages. - Achieved a 95% completion rate for the Anti-Bribery and Anti-Corruption E-Learning Assessment, with a pass score of 80% and above. - Conducted 69 Bribery Risk Facilitation (BRF) sessions involving 118 employees. - Conducted specialised Anti-Bribery, Anti-Corruption, and Anti-Fraud briefing sessions for employees without laptop access, including drivers, pantry attendants, and dispatch staff, which were completed in stages throughout 2025. - Conducted an "Anti-Bribery Management System ISO 37001:2016 Internal Audit Training & Workshop" specifically for internal auditors. - Conducted a Corporate Liability Section 17A of the MACC Act 2018 (Amendment) training for Heads of Departments. - Conducted a Regulatory Compliance Assessment (RCA) for key departments, including Corporate Secretarial, Facilities Management, Government and Authority Liaison, Human Resources, Taxation, Semasa Security, and Semasa Parking Sdn Bhd. Please refer to pages 146 to 148 for further details on our Anti-bribery and Anti-corruption initiatives.		
Material Matters	Capitals	Stakeholders Affected	Growth Principles
GC	ICHC	\$	

OUR RISKS AND MITIGATIONS

KER 7HEALTH, SAFETY, AND ENVIRONMENT (HSE) RISK		Status
The Group’s core operations are inherently exposed to significant Health, Safety, and Environment (HSE) risks. These interconnected hazards pose a direct threat to the physical well-being of our workforce, the general public, and the surrounding ecosystem. Given the dynamic and high-risk nature of construction sites, the failure to effectively mitigate these risks could result in severe accidents, occupational illnesses, or environmental degradation. Stringent management of HSE protocols is critical in ensuring operational safety and compliance.		
Potential Impact on Value - Significant fines and penalties for non-compliance and reputational damage - Operational disruptions due to stop-work orders being issued by authorities, resulting in poor construction progress, which limits the ability to recognise revenue - Inability to attract future capital from banks and investors - Property damage, environmental degradation, severe injuries, or fatalities - Inability to attract workers for our current and future development projects - Reputational damage		
Mitigation Strategies	Results in 2025	
- Establish robust frameworks, policies, and procedures that guide operational excellence. - Institutionalise a systematic process for identifying hazards, assessing their potential impact, implementing control measures, and monitoring effectiveness to prevent incidents and maintain regulatory compliance. - Maintain certified management systems aligned with international standards, specifically ISO 45001:2018 (Occupational Health and Safety) and ISO 14001:2015 (Environmental Management). - Raise awareness among our workforce and other stakeholders on HSE best practices through continuous training and awareness programmes, including safety “toolbox” briefing sessions at construction sites. - Execute regular safety audits and site inspections to validate compliance with safety standards and identify areas for immediate rectification. - Ensure continuous site supervision to actively monitor environmental conditions and manage emerging HSE issues in real-time. - Conduct comprehensive Social Risk Impact Assessments, focusing on the labour and working conditions of contractors and subcontractors.	- Conducted 53 training and awareness modules for 1,115 staff and 99 subcontractors and site workers, including a Competent Staff training for 99 HSE personnel to strengthen their expertise and ensure they perform effectively and in full compliance with all requirements. - Continued construction of the Residensi Tujuh project using our MBS modular construction technology, which significantly improves safety and reduces accidents, with much of the work undertaken in controlled, ground-level conditions. - Zero fatalities across all projects. - Recorded zero lost time injury for the following projects: - LRT3 project: 3,800,681 man-hours - KSSA: 446,600 man-hours - FINAS: 652,760 man-hours - Saujana Putra Casting Yard: 330,496 man-hours - Parcel A Sales Gallery: 54,436 man-hours - Kuala Sungai Pahang project: 346,480 man-hours - Kwasa Utama project WPC02: 960,740 man-hours - Kwasa Utama project WPC03: 64,008 man-hours - Sungai Langat: 34,432 man-hours - Achieved zero safety and environment-related fines throughout the year, reflecting strong governance and proactive risk management. - Conducted a pre-assessment for the Safety and Health Assessment System in Construction (SHASSIC) for the FINAS, National Film Development Corporation Malaysia, Headquarters construction project, resulting in a SHASSIC score of 98.91%, a 5-Star rating. - Successfully completed SIRIM surveillance audits and continued certification of Environmental Management Systems ISO 14001:2015 and Occupational Health & Safety Management Systems ISO 45001:2018.	

OUR RISKS AND MITIGATIONS

KER 7HEALTH, SAFETY, AND ENVIRONMENT (HSE) RISK (CONT'D.)			
Mitigation Strategies		Results in 2025	
		- Completed scheduled Safety and Environment Audits across all sites with high compliance scores. - Conducted the Ex-Sentral Emergency Preparedness Exercise at Station Sentral Kuala Lumpur. This large-scale drill involved relevant authorities and agencies, including the Fire Department, the Royal Malaysian Police, Construction Industry Development Board, Department of Safety & Health, Kuala Lumpur Hospital, and all major rail operators such as Express Rail Link, Prasarana and Keretapi Tanah Melayu. - Launched a QR Code Hazard Reporting System at MRCB HQ and Project Sites to enable quick and efficient reporting of any imminent danger, work-related hazards, and hazardous situations, improving response time and preventive actions. - Enforced health requirements at project sites through an integrated Occupational Safety and Health Act (OSHA) Checklist, including Chemical Hazardous Risk Assessment (CHRA), Noise Risk Assessment (NRA), and Ergonomic Assessments. - Conducted HSE awareness programmes for internal and external contractors, alongside training sessions and toolbox talks to reinforce safe work practices at project construction sites. - Implemented a digital communications awareness programme to all employees to cultivate a culture of safety first.	
		Please refer to pages 205 to 215 for further details on Health and Safety.	
Material Matters	Capitals	Stakeholders Affected	Growth Principles
SDRM HS	HC FC SRC		

OUR RISKS AND MITIGATIONS

KER 8QUALITY RISK				Status
Quality risk encompasses the potential failure to deliver projects that adhere to specified standards, design requirements, and stakeholder expectations. This exposure typically stems from utilising poor materials, design errors, and unskilled labour. Failure to effectively manage these risks can compromise the structural integrity, functionality, and value of the final product.				
Potential Impact on Value - Low property values - Low demand for products and reduced sales - Negative impact on revenue and cash flow due to significant cost overruns associated with rework, rectification, and defects liability claims - Delays in project handover - Accumulation of unsold inventories - Fines for non-compliance with regulatory standards - Reputational damage				
Mitigation Strategies			Results in 2025	
- Enforce a comprehensive Quality, Environment, Safety, and Health (QESH) Policy, integrated with certified management systems including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. - Enhance quality control and defect minimisation through the strategic adoption of modular construction using our MRCB Building System (MBS) technology. - Conduct stakeholder engagement sessions to measure customer satisfaction and gain valuable feedback. - Execute a quality assurance regime involving periodic audits, full-scale mock-up reviews, and the enforcement of Control of Non-Conformances and Corrective Action, or Prevention inspections to ensure construction quality. - Strengthen communication and collaboration with subcontractors and suppliers. - Develop and implement periodic awareness programmes and continuous education on quality.			- Achieved a 5-Star SHASSIC rating for FINAS, National Film Development Corporation Malaysia, Headquarters construction project. - Achieved 50% physical construction progress for Residensi Tujuh, our first residential development using our MBS modular construction technology. - Achieved QCLASSIC score of 80% for Pusat Perniagaan Cita Rasa (Kwasa Utama C8 Plot 2 development). - Achieved a 96% overall Customer Service Excellence Score in purchaser satisfaction surveys for the TRIA, Sentral Suites, and Alstonia developments.	
Material Matters		Capitals	Stakeholders Affected	Growth Principles
GC PQCS		IC FC HC SRC	\$	

★

Featured Highlight



Learn more about our MRCB Building System (MBS) on page 122

OUR STRATEGIC ROADMAP

BUILDING MEANINGFUL PLACES FOR A BETTER TOMORROW

Our strategic roadmap sets out what we will deliver now and how these actions establish the foundation for future ambitions, providing a clear pathway for sustainable value creation and long-term competitiveness.

OUR PURPOSE DRIVES OUR PROGRESS THROUGH 4 GROWTH PRINCIPLES									
STRENGTHEN CORE FOR SUSTAINABLE RETURNS		DIVERSIFICATION & OPERATIONAL EXPANSION		TECHNOLOGY ADOPTION & INNOVATION		QUALITY PRODUCTS & PEOPLE			
Ensure Steady Pipeline of Projects		Geographical Expansion		Enter Into New Markets		Achieve Lean and Efficient Operations	Leverage on MRCB Building System (MBS)	Uphold Good Governance	Develop a Skilled Workforce

7 KEY ACTION PLANS DRIVE OUR STRATEGIC GROWTH

Develop land in strategic locations, and bid for complex, high-value infrastructure projects.

Expand overseas presence through disciplined market entry and execution.

Grow renewable energy, solar, energy transition, and climate change adaptation opportunities.

Improve operational efficiency and data security.

Deliver projects using modular building systems and license the MRCB Building System.

Embed strong ethics, governance, and health and safety standards in project delivery.

Build performance-driven talent aligned to the Group's purpose and priorities.

OUR SHORT TO MEDIUM-TERM PRIORITIES: 2025 -2027 (EXECUTION FOCUS)

Strengthen Core for Sustainable Returns

Focus on high-barrier infrastructure and strategic developments.

Launch new developments and progress project pipeline.

Maintain strong order book and unbilled sales for earnings visibility.

Optimise land bank through consolidation, monetisation, and phased development.

Expand Overseas Presence

Expand presence in Australia and New Zealand.

Pursue opportunities in East Malaysia and selected regional markets.

Build a diversified international pipeline.

Enter Into Energy, Climate, and Other Infrastructure Markets

Grow capabilities in energy and climate infrastructure, including renewable and environmental solutions.

Pursue opportunities in airports, stadiums, and public infrastructure.

Expand into industrial, logistics, co-living, healthcare, and assisted-living developments.

Evaluate opportunities based on feasibility, risk, and returns.

Advance Digitalisation & Efficiency

Improve productivity through digitalisation, automation, and Artificial Intelligence (AI).

Strengthen cost control and reporting through integrated systems and data analytics.

Scale Modular Construction (MBS)

Complete Residensi Tujuh and expand modular delivery across developments.

Establish MBS to enhance quality, safety, and efficiency.

Expand licensing and adoption in external markets.

Strengthen Governance & HSE Culture

Maintain strong governance, ethics, and compliance.

Uphold safety and quality standards across projects.

Align with regulatory and ESG requirements.

Build a High-Performance Workforce

Build a capable workforce aligned to strategic objectives.

Strengthen leadership and succession bench strength.

Enhance technical and project delivery capabilities.

OUR LONG-TERM PRIORITIES: 2028 AND BEYOND (AMBITION)

Sustained Growth & Core Stability

Maintain a balanced portfolio of development and construction activities.

Sustain a stable pipeline to support long-term revenue generation.

International Contribution

Scale Australia and New Zealand into sustainable long-term earnings contributors.

Expand into selected international markets to diversify earnings and strengthen the global portfolio.

Convert development pipelines into realised and recurring income streams over time.

New Revenue Streams

Develop climate infrastructure and renewable energy as new earnings drivers.

Expand environmental and energy-related businesses into sustainable and recurring revenue streams.

Digital & Operational Advantage

Strengthen operational efficiency through digital integration.

Enable better decision-making through data-driven and predictive analysis.

Modular Construction Leadership

Position modular construction as a competitive advantage.

Expand its application across projects and markets.

High Standards & Governance

Maintain strong environmental, safety, and governance practices.

Further integrate sustainable design and construction approaches.

Future-Ready Workforce

Build a resilient and adaptable workforce.

Develop capabilities aligned with future industry needs.

MEASURING OUR OUTCOMES

Key Indicators

Revenue

Profit before tax

Finance cost

Unbilled property sales and construction order book

Land bank

Key Indicators

International property sales

Revenue from international projects

International land bank/project GDV

New international launches

Key Indicators

Contract awards

Project launches in new property market segments

Value of projects secured in new markets

Key Indicators

Productivity (Revenue/Employee)

Cost savings

Data breaches

Digital adoption across systems

Key Indicators

Revenue from licensing MBS technology

Number of MBS projects

Key Indicators

SHASSIC Score

QLASSIC Score

Customer Satisfaction Surveys

Anti-Bribery & Anti-Corruption Training

MCCG Compliance

MSWG-ASEAN Corporate Governance Scorecard

FTSE4Good Bursa Malaysia Index Score

MSCI ESG Rating

Key Indicators

Number of staff trained

Average training hours per employee

Please refer to Our Performance: Property Development & Investment on pages 99 to 112 and Our Performance: Engineering, Construction & Environment on pages 113 to 121 for the performance of our core businesses.

Please refer to Our Performance: Property Development & Investment on pages 99 to 112 for the performance of our core businesses abroad.

Please refer to Our Performance: Engineering, Construction & Environment on pages 113 to 121 for our core businesses expansion into different markets.

Please refer to Our Performance: Social on pages 204 to 245 for information on business operations and employee matters.

Please refer to MRCB Building System (MBS): Building Faster, Smarter, and Greener on pages 122 to 127 for information on MBS.

Please refer to Our Approach to Sustainability on pages 128 to 141 and Our Performance: Social on pages 204 to 245 for sustainability, safety, and customer satisfaction performance.

Capital

HC

NC

FC

MC

Material Matters

PQCS

BPI

SDRM

Capital

HC

NC

FC

MC

Material Matters

PQCS

BPI

SDRM

CET

Capital

HC

IC

NC

SRC

FC

MC

Material Matters

PQCS

BPI

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Material Matters

ABAC

PQCS

BPI

RSC

HS

PEH

SDRM

CET

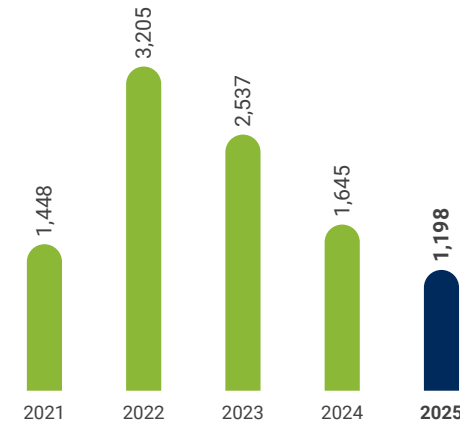
5-YEAR GROUP FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
FINANCIAL RESULTS (RM' MILLION)					
Revenue	1,448	3,205	2,537	1,645	1,198
Gross Profit	180	446	331	270	299
Profit/(loss) before taxation	61	154	134	75	73
Profit/(loss) after taxation	7	54	101	64	47
Profit/(loss) attributable to equity holders	16	65	101	64	47
FINANCIAL POSITION (RM' MILLION)					
Total cash & bank balances and investment securities	680	593	1,072	1,000	658
Total assets	9,205	9,229	8,845	9,034	9,458
Total borrowings	1,932	2,057	1,801	2,259	2,549
Total net assets	4,513	4,531	4,594	4,615	4,619
Share capital	4,356	4,356	4,356	4,356	4,356
Total equity	4,540	4,537	4,600	4,620	4,621
FINANCIAL RATIOS					
Basic earnings/(loss) per share (sen)	0.36	1.45	2.26	1.43	1.06
Return on average shareholders' funds (%)	0	1	2	1	1
Return on total net assets (%)	0	1	2	1	1
Share price at year end (RM)	0.36	0.295	0.445	0.525	0.380
Price earning ratio (times)	100.00	20.34	19.69	36.71	35.85
Dividend per share (sen)	1.00	1.00	1.00	1.00	1.00
Dividend yield (%)	2.8	3.4	2.2	1.9	2.6
Net assets per share attributable to equity holders (RM)	1.01	1.01	1.03	1.03	1.03
Net gearing ratio (times)	0.28	0.32	0.16	0.27	0.41
Market capitalisation (RM' Million)	1,608	1,318	1,988	2,345	1,698
Average shareholders' funds (RM' Million)	4,532	4,522	4,563	4,605	4,617
Weighted average no. of shares (No. of shares' Million)	4,447	4,468	4,468	4,468	4,468
Share capital (No. of shares' Million)	4,468	4,468	4,468	4,468	4,468
BANK BORROWINGS (RM' MILLION)					
Bank borrowings	523	646	390	848	937
Sukuk	1,409	1,411	1,411	1,411	1,612
Total borrowings	1,932	2,057	1,801	2,259	2,549
Less:					
Total cash & bank balances, and investment securities	(680)	(593)	(1,072)	(1,000)	(658)
Total net borrowings	1,252	1,464	729	1,259	1,891

5-YEAR GROUP FINANCIAL HIGHLIGHTS

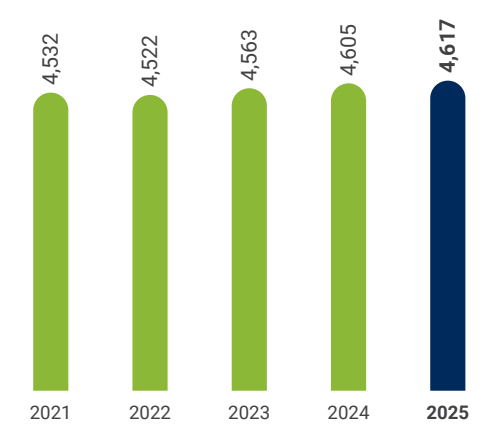
REVENUE

(RM' Million)



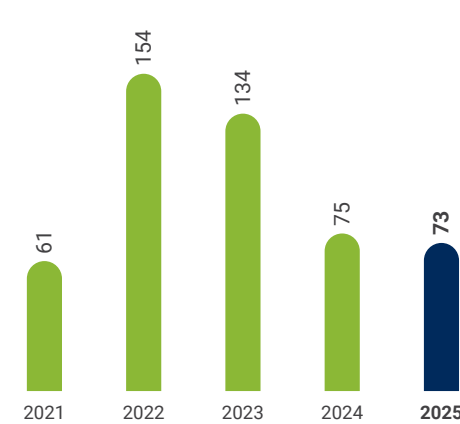
AVERAGE SHAREHOLDERS' FUNDS

(RM' Million)



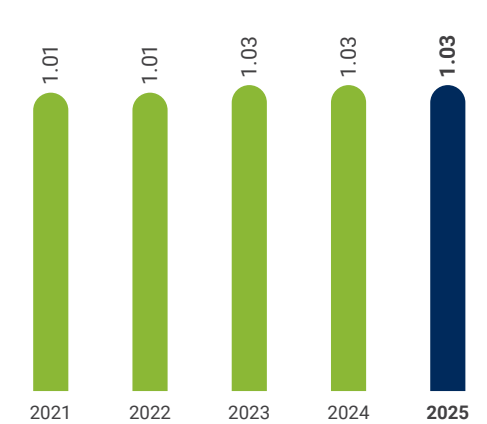
PROFIT/(LOSS) BEFORE TAXATION

(RM' Million)



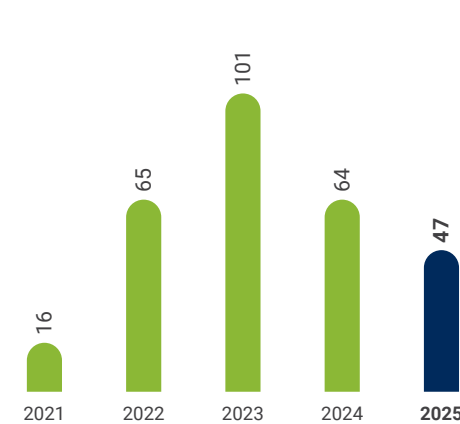
NET ASSETS PER SHARE

(RM)



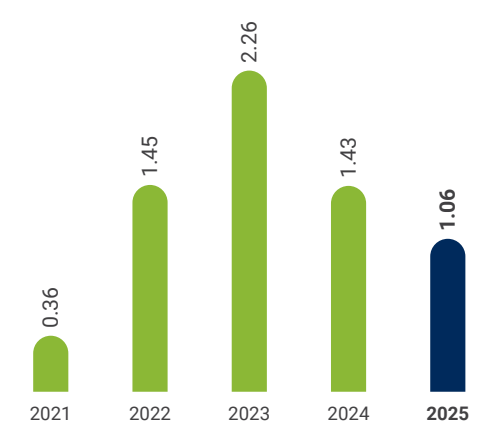
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS

(RM' Million)

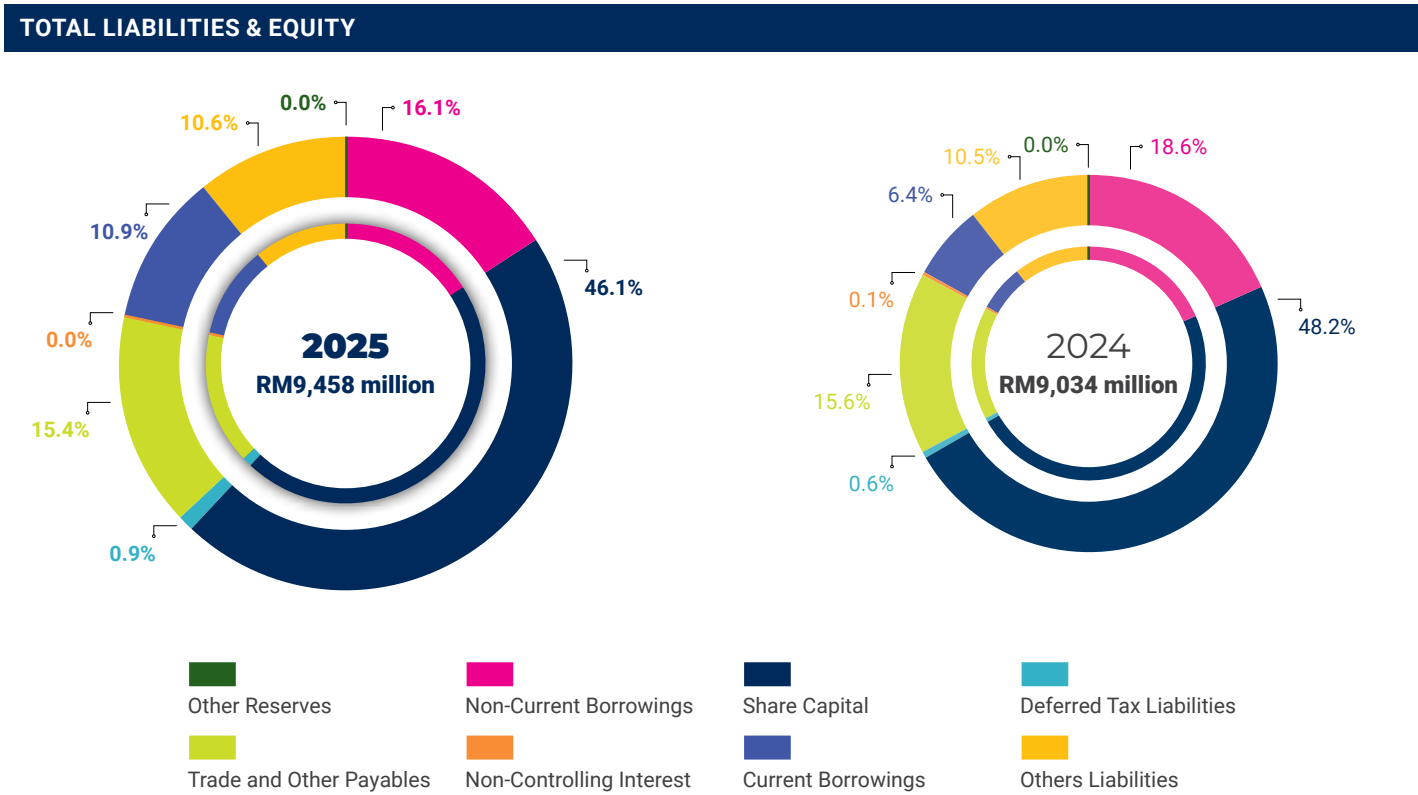
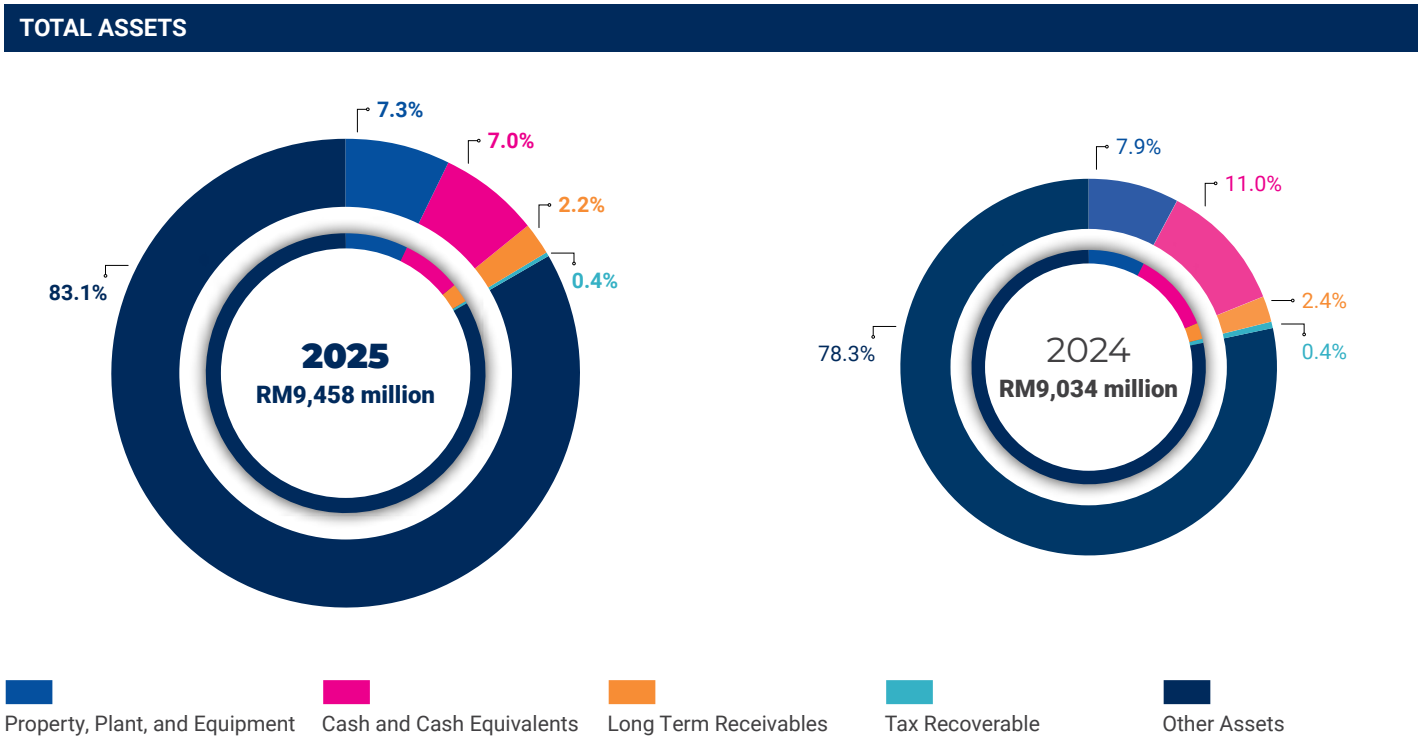


BASIC EARNINGS/(LOSS) PER SHARE

(Sen)



SIMPLIFIED STATEMENT OF FINANCIAL POSITION



"0.0%" denotes as percentage less than 0.1%.

GROUP SEGMENTAL FINANCIAL POSITION

RM' MILLION	2021	2022	2023	2024	2025
REVENUE					
Property development & investment	498	915	738	288	171
Engineering, construction & environment	903	2,234	1,734	1,283	945
Facilities management & parking	35	46	51	56	62
Others	12	10	14	18	20
Total Revenue	1,448	3,205	2,537	1,645	1,198
OPERATING PROFIT/(LOSS) BY SEGMENT**					
Property development & investment	153	177	149	(18)	(11)
Engineering, construction & environment	(41)	70	87	167	113
Facilities management & parking	(1)	(1)	(2)	9	(1)
Others	6	(5)	(9)	26	41
Total Segment Results	117	241	225	184	142

** Earnings before interest, tax and unallocated corporate expenses

GROUP QUARTERLY FINANCIAL POSITION

2025 RM' MILLION For the period ended	First Quarter 31/3/2025	Second Quarter 30/6/2025	Third Quarter 30/9/2025	Fourth Quarter 31/12/2025	Financial Year 2025
Revenue	218	298	310	372	1,198
Profit/(loss) before taxation	5	3	24	41	73
Profit/(loss) after taxation	9	15	5	18	47
Profit/(loss) attributable to equity holders	9	15	5	18	47
Basic earnings/(loss) per share (sen)	0.19	0.34	0.11	0.42	1.06
Dividend per share (sen)	-	-	-	1.00	1.00
Net assets per share attributable to equity holders (RM)	1.04	1.03	1.03	1.03	1.03

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

STATEMENT OF VALUE ADDED

VALUE ADDED

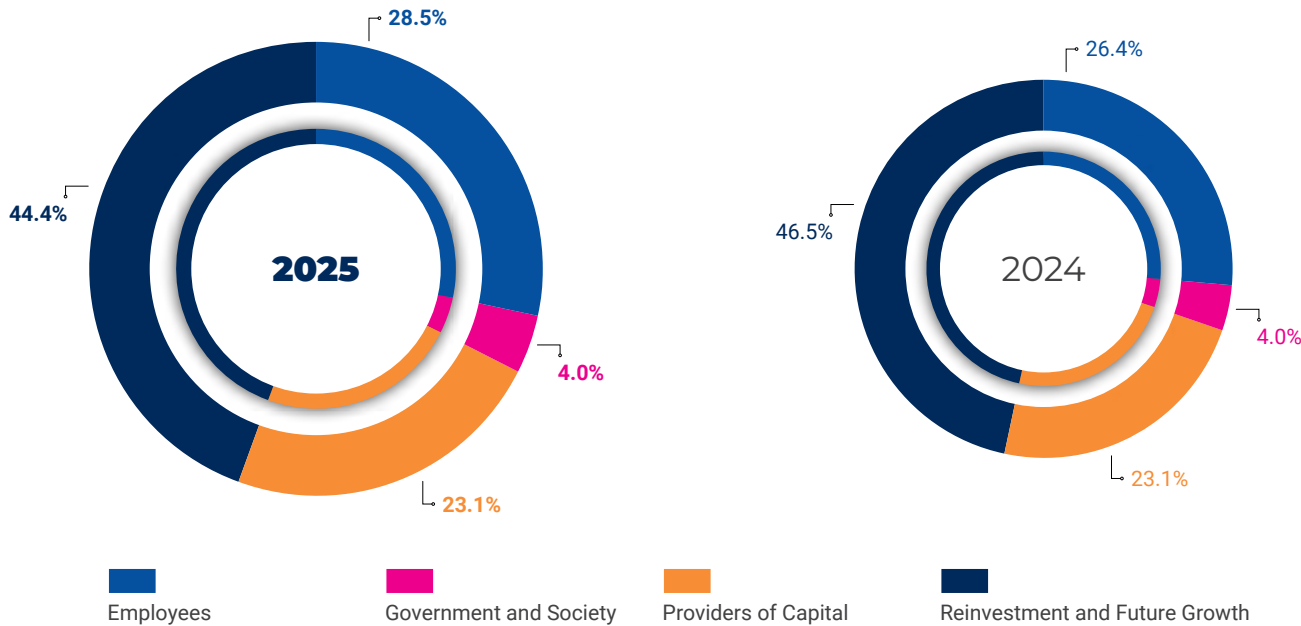
RM' MILLION	2025	2024
Total revenue	1,198	1,645
Direct and indirect costs	(1,155)	(1,533)
Value added from operation	43	112
Other operating income	36	33
Other gains	23	1
Share of results of associates	15	15
Share of results of joint ventures	(1)	(5)
Finance income	72	27
Total value added	188	183

DISTRIBUTION ADDED

RM' MILLION	2025	2024
Employees		
Staff costs	197	175
Government and Society		
Corporate Taxation and CSR Expenses	28	26
Providers of Capital		
Dividends declared	45	45
Finance costs	115	109
Non-controlling interest	(0)	(0)
	159	154
Reinvestment and Future Growth		
Retained earnings, depreciation and amortisation	306	309
Total value distributed	690	664

"0" denotes as amount less than RM1,000,000.

PERCENTAGES FOR DISTRIBUTION ADDED



2025 FINANCIAL CALENDAR

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS			
27 FEBRUARY 2025	30 MAY 2025	27 AUGUST 2025	27 NOVEMBER 2025
FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER
Ended 31 DECEMBER 2024	Ended 31 MARCH 2025	Ended 30 JUNE 2025	Ended 30 SEPTEMBER 2025

DIVIDEND		
First and Final Single Tier Dividend of 1 SEN per Ordinary Share for the Financial Year Ended 31 December 2024	Announcement Date 27 FEBRUARY 2025	EX Date 30 APRIL 2025
	Entitlement Date 2 MAY 2025	Payment Date 20 MAY 2025

GENERAL MEETINGS	
MRCB'S 54TH ANNUAL GENERAL MEETING was held at President Ballroom, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur.	Notice Date 30 APRIL 2025
	Meeting Date 4 JUNE 2025
MRCB'S EXTRAORDINARY GENERAL MEETING was held at Grand Ballroom, M World Hotel, No.1, Persiaran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.	Notice Date 25 NOVEMBER 2025
	Meeting Date 18 DECEMBER 2025

OUR PERFORMANCE:
PROPERTY DEVELOPMENT & INVESTMENT

WHAT WE DO

The Property Development & Investment (PDI) Division undertakes property development and investment activities across Malaysia and selected international markets.

We manage projects across the property lifecycle, from land acquisition and master planning through development, sales, and ongoing asset management.

Our approach centres on Transit-Oriented Development (TOD), urban regeneration, and selective international expansion. These focus areas allow us to unlock land value progressively, optimise capital deployment, and respond to changing market and regulatory conditions, while building resilient urban ecosystems.



Alstonia Hilltop Homes, Bukit Rahman Putra

**2025
Key Highlights**

Revenue
**RM171.1
million**

Operating Loss
**RM11.5
million**

Property Sales
**RM927.4
million**

Unbilled Property Sales
**RM1.4
billion**

Land Bank
1,228 acres

GDV of Land Bank
**RM32.8
billion**

65%
of GDV from TODs

Sentral REIT & Sentral
REIT Management Profit
Contribution
**RM15.9
million**

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

OUR CORE STRENGTHS

Transforming Urban Spaces through Transit-Oriented Development

We anchor our development strategy on Transit-Oriented Development (TODs) that integrate residential, commercial, and public spaces around major transport infrastructure. This approach enables higher development intensity, efficient land use, and phased value realisation.

Expanding TOD Expertise across Strategic Locations

We apply our TOD capability across key locations nationwide, including our flagship KL Sentral CBD, PJ Sentral Garden City, Penang Sentral, Kwasa Sentral, and the upcoming Ipoh Sentral. These developments support urban regeneration and strengthen connectivity within major growth corridors.

International Expansion to Diversify Earnings and Capability

We selectively pursue residential and TOD projects in established international markets to diversify earnings and manage development cycles. In Australia, VISTA and MARIS on the Gold Coast continue to see strong buyer demand. In New Zealand, the Symphony Centre in Auckland forms part of a longer-term TOD within a major urban regeneration precinct.

Pre-Selling and Pre-Leasing Expertise

We prioritise pre-selling and pre-leasing to improve cash flow visibility, manage development risk, and enhance capital efficiency. For bespoke commercial and green-certified buildings, we secure anchor tenants and long-term leases early in the development cycle, strengthening project bankability and supporting execution certainty.

Strategic Diversification and New Growth Segments

We diversify beyond traditional residential and commercial developments by expanding into industrial and logistics assets, pursuing land acquisition opportunities outside the Klang Valley and Selangor, and selectively exploring climate change adaptation projects. This approach broadens our pipeline and supports capital recycling.

Sustainable and Quality-Centric Development

We embed quality and buildability to guide planning, design, and delivery across our portfolio. MRCB applies sustainable design principles, green building standards, and efficient construction methodologies to enhance long-term asset performance. Our developments adhere to QCLASSIC standards, while our modular MRCB Building System (MBS) improves construction quality, efficiency, and site safety where applied.

Green Building Certifications

Recognised green building certification frameworks across key markets guide our developments.



Malaysia's Green Building Index (GBI)



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



Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST)



Singapore-based Building Construction Authority (BCA) Green Mark

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

2025 KEY DEVELOPMENTS

For the year under review, the PDI Division focused on advancing its international development portfolio, managing the transition in its domestic development cycle, and preparing its pipeline for the next phase of launches. Activity during the year reflected the timing of project launches, approvals, and construction readiness across markets.

The Division expanded its international portfolio with the launch of approximately RM2.2 billion in developments during the year. In Australia, MARIS, a 192-unit residential project in Southport, Gold Coast, was launched in June 2025. The project received a strong market response, with a significant proportion of units sold within the year.

To support delivery certainty, preferred construction partners were appointed for both VISTA and MARIS through an Early Contractor Involvement process. Construction pricing was locked in with Tier-1 builders, providing greater cost certainty ahead of building commencement. Early works commenced on both projects, with construction to continue through 2026.

In New Zealand, we launched The Symphony Centre in Auckland in March 2025. The project forms part of a longer-term mixed-use TOD within a central urban regeneration area. While construction commencement remains dependent on third parties completing and handing over the underlying station infrastructure over which the development is to be constructed, the launch was an important step in establishing the project's market presence. Remediation works at the Bledisloe House, located opposite The Symphony Centre were completed during the year, including facade and lift upgrades, positioning the asset for a leasing campaign ahead of fit-out works scheduled to commence in 2026.

In Malaysia, development activity during the year focused on managing the tail end of completed projects while preparing for the next phase of launches. Sales were supported by completed developments such as Sentral Suites, VIVO, TRIA, and Alstonia, as the available pool of completed inventory continued to deplete.

Several domestic projects originally planned for launch in 2025 were deferred due to delayed approval processes. These deferrals shifted launch timings without altering the underlying development pipeline. Projects with an estimated GDV of approximately RM2.2 billion are now scheduled for launch from 2026, subject to approvals.

Planned developments at PJ Sentral, 9 Seputeh, KL Sentral CBD, and Bukit Rahman Putra form the core of the near- to medium-term pipeline. These projects are structured for phased

execution, allowing flexibility in product mix, capital deployment, and development sequencing to align with market conditions, infrastructure readiness, and regulatory timelines.

As of end-2025, the PDI Division maintained a land bank of approximately 1,228 acres with an estimated gross development value (GDV) of RM32.8 billion, providing long-term development visibility across TODs, residential projects, and selected industrial assets.

During the year, the Division undertook a series of strategic land consolidation initiatives to strengthen its domestic portfolio and enhance development readiness.

In Cyberjaya, we undertook a strategic land consolidation exercise through a series of land-swap agreements, strengthening our ownership position within a key technology growth corridor. The transaction involved the acquisition of seven parcels of land for RM287.7 million, alongside the divestment of our 70% equity interest in CSB Development Sdn Bhd to Cyberview Sdn Bhd for RM219.0 million.

Following the completion of the transaction, this has enhanced our control over key land parcels within Cyberjaya City Centre, improving planning flexibility and execution efficiency. The exercise also supports ongoing commercial discussions for potential disposal, in line with our strategy of unlocking value through asset optimisation and capital recycling.

In Bukit Jalil, we advanced towards full ownership of a strategically located 76-acre land parcel through the proposed acquisition of the remaining 80% equity interest in Bukit Jalil Sentral Property Sdn Bhd (BJSP) from the Employees Provident Fund (EPF) for RM1.6 billion. Prior to the transaction, BJSP was a joint venture between MRCB and EPF, with MRCB holding a 20% equity interest and EPF holding the remaining 80%.

Shareholders' approval for the acquisition was obtained at an Extraordinary General Meeting held on 18 December 2025. The acquisition is expected to be completed in April 2026, following which BJSP will become an indirect wholly-owned subsidiary of MRCB, allowing full control over the planning, development and monetisation of the land.

These initiatives position the Division to unlock value through phased development, strategic partnerships, or potential disposal, while enhancing capital efficiency and long-term earnings visibility.

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

2025 FINANCIAL PERFORMANCE

Revenue (RM' Million)



Operating Loss (RM' Million)



The PDI Division recorded lower revenue compared with the previous year, reflecting the timing of revenue recognition across the development cycle. Revenue for the year amounted to RM171.1 million, driven mainly by sales from a smaller pool of completed units across projects such as Sentral Suites, VIVO, TRIA, Alstonia, and the ongoing Residensi Tujuh development. Several domestic projects had yet to reach stages where significant revenue could be recognised, limiting contributions from the Malaysian portfolio during the year.

Despite lower revenue, the PDI Division recorded a reduced operating loss of RM11.5 million in 2025, compared to a loss of RM17.6 million the year before. This was supported mainly by

the reversal of impairment losses and the write-back of cost provisions that were no longer required following refinements to development plans and the completion status of certain projects.

International property sales remained resilient. The Division achieved property sales of RM927.4 million, driven largely by its Australian developments. VISTA in the Gold Coast continued to record steady demand, while MARIS, launched during the year, achieved strong take-up that contributed to overall sales.

Unbilled sales increased during the year in line with sales progress at the ongoing international developments. As of end-2025, the Division achieved RM1.4 billion in unbilled property sales, largely attributable to VISTA and MARIS in Australia. These unbilled sales will be recognised progressively as construction advances for the Malaysian developments, while revenues for the Australian developments will be recognised when units are handed over to buyers after financial settlement has been achieved, providing visibility for future revenue recognition.

The Group's 27.94% equity interest in Sentral REIT, together with its associated company, Sentral REIT Management Sdn Bhd, continued to provide recurring income and portfolio stability during the year, contributing to a combined profit after tax of RM15.9 million, supported by stable occupancy across the REIT's income-generating assets.



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

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

COMPLETED AND ONGOING DEVELOPMENTS, AND REVENUE CONTRIBUTIONS IN 2025

Development	Description (acreage/units)	GDV (RM/AUD/NZD)	Status as of 31 December 2025	Revenue Contribution in 2025
1. Alstonia Hilltop Homes, Bukit Rahman Putra	31 units of superlink villa and 214 condominium units built on 4.11 acres (16,646 sqm)	RM247.8 million	100% completed	RM7.0 million
2. Jabil's Production Facility, Chuping Valley Industrial Area (CVIA), Perlis	One-storey production facility including a warehouse and an operation office (9,372 sqm)	RM121.5 million	100% completed	RM8.0 million (Rental)
3. Residensi Tujuh, Kwasa Sentral	29-storey serviced apartment complex with 573 residential units built on 94 acres	RM384.9 million	60% construction progress	RM50.4 million
4. Kalista, Bukit Rahman Putra	46 units of freehold semi-detached and superlink homes built on 4.52 acres	RM101.6 million	100% completed	RM0 million
5. VIVO 9 Seputeh, Jalan Klang Lama	287 residential high-rise apartment units with amenities, built on 7.96 acres	RM1,239.8 million	100% completed	RM8.8 million
6. Sentral Suites, KL Sentral	Commercial high-rise development with amenities comprising 1,434 serviced apartment units and 41 retail units built on 4.6 acres	RM1,642.9 million	100% completed	RM34.8 million
7. TRIA 9 Seputeh, Jalan Klang Lama	734 residential high-rise apartment units with amenities, built on 4.57 acres	RM931.1 million	100% completed	RM19.5 million
8. Lilium, Bandar Seri Iskandar	90 units of double-storey landed terrace houses	RM31.9 million	100% completed	RM1.3 million
9. VISTA, Surfers Paradise, Queensland, Australia	51-storey residential high-rise development with 280 apartment units equipped with amenities, built on a 3,100 sqm site	AUD572.3 million	0% construction progress	N/A

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

2025 SALES PERFORMANCE

Sales performance during the year was weighted towards international projects that remain under construction. As of the end of 2025, VISTA in the Gold Coast achieved cumulative sales of approximately RM841.9 million, representing 49% of the GDV available for sale. The project continued to record steady demand, supported by its location, product positioning, and phased sales release strategy.

MARIS, located in Southport, Gold Coast, recorded sales of approximately RM499.8 million, achieving 81% of GDV available for sale within the year. The strong take-up following the launch reflects the very robust buyer interest at the development’s lower price point and contributed significantly to the PDI Division’s overall sales performance.

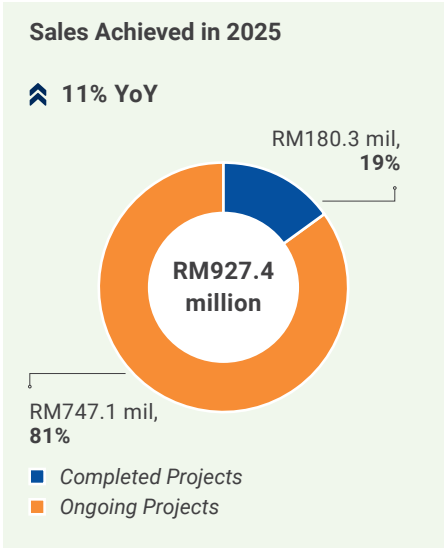
In Malaysia, Residensi Tujuh recorded cumulative sales of approximately RM108 million, equivalent to 28% of GDV available for sale.

Project	Total Project GDV (RM' Million)	% Sales Achieved* as of 31 December 2025	Breakdown of Sales in 2025** (RM' Million)
Completed Projects			
Sentral Suites – Residential	1,537	96%	17.8
Sentral Suites – Commercial	106	87%	13.5
Kalista, Bukit Rahman Putra	102	93%	0.0
VIVO 9 Seputeh – Residential	973	93%	7.8
VIVO 9 Seputeh – Commercial	266	79%	0.0
TRIA 9 Seputeh	931	98%	125.5
St. Regis	165	83%	6.3
1060 Carnegie – Commercial	29	56%	0.0
Lilium, SIDEK	32	100%	1.0
Alstonia, Bukit Rahman Putra	248	73%	8.4
Ongoing Projects			
VISTA, Gold Coast	1,717	49%	229.8
MARIS, Gold Coast	620	81%	499.8
Residensi Tujuh, Kwasa	385	28%	7.8
Adonis, SIDEK	32	31%	9.7
TOTAL	7,143		927.4

Note:

* % Sales Achieved are the total value of SPAs signed and stamped from the project’s launch up to the reporting period, as a percentage of the project’s total gross GDV, and are adjusted for SPAs that have been terminated by purchasers

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



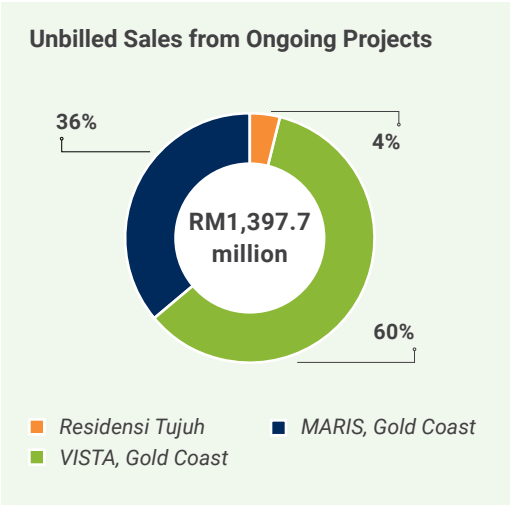
OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

UNBILLED SALES FROM ONGOING PROJECTS

Unbilled sales increased in 2025, comprising signed and stamped sale and purchase agreements pending revenue recognition, which will be recognised progressively in line with construction progress. They include completed and unsold units in Malaysia, as well as properties under development in Malaysia and Australia. Together, these unbilled sales provide visibility on future revenue as projects advance towards completion and handover.

As of end-2025, PDI recorded RM1.4 billion in unbilled property sales. The majority of this balance relates to the Australian developments, primarily VISTA and MARIS in the Gold Coast, which recorded strong sales take-up during the year. Unbilled sales were also supported by ongoing Malaysian developments, including Residensi Tujuh and Adonis within the Seri Iskandar Development (SIDEK) in Perak.



Project	Construction Progress (%)	Revenue Recognised* in 2025 (RM' Million)	Unbilled Sales (RM' Million)
Residential Projects			
VISTA, Gold Coast	0%	-	841.9
MARIS, Gold Coast	0%	-	499.8
Residensi Tujuh, Kwasa	60%	58.1	49.1
Adonis, SIDEK	20%	1.3	6.9
TOTAL		59.4	1,397.7

Note:

* Revenue Recognised refers to properties that have been sold to buyers, which will be recognised progressively as the properties are constructed

VISTA and MARIS, which account for 96% of unbilled sales, will contribute to revenue and operating profit upon physical completion and the handover of units to purchasers.

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

LAND BANK

MRCB's land bank currently comprises approximately 1,228 acres, with an estimated GDV of RM32.8 billion. During the year under review, the Division strengthened its domestic land position through targeted land optimisation initiatives, including the acquisition of land in Cyberjaya in 2025. For Bukit Jalil, shareholders' approval was obtained for the acquisition of the remaining stake, positioning the Group to secure full control upon transaction completion and to unlock development potential.

In addition to its existing land holdings, PDI conducted due diligence on potential new development sites in the Gold Coast during the year, supporting the replenishment of its international development pipeline. The land bank provides long-term development visibility and underpins the Division's phased project rollout across multiple development cycles.

	Land Size Acres	GDV (RM' Million)	% Stake	Start	Target Completion
Transit-Oriented Developments					
KL Sentral CBD (Lot F, R, & J)	7.02	3,306	100%	2026	2033
PJ Sentral Garden City	11.91	3,291	100%	2013	2033
Penang Sentral	22.65	2,689	100%	2015	2031
Kwasa Sentral	64.30	10,851	70%	2018	2030
The Symphony Centre, New Zealand*	1.00	1,257 (NZD537 million)	100%	2025	2029
Total	106.88	21,394			
Commercial Developments					
Pulai Land, Johor	67.52	770	100%	TBD	TBD
Total	67.52	770			
Residential Developments					
9 Seputeh	17.63	2,522	100%	2014	2032
Bukit Rahman Putra (Phase 3)	4.55	374	100%	2026	2029
Bandar Sri Iskandar (Phase 2D)**	58.84	227	100%	2025	2027
VISTA, Gold Coast, Australia	0.77	1,717 (AUD572 million)	100%	2026	2030
MARIS, Southport, Australia	0.43	620 (AUD207 million)	100%	2026	2029
Total	82.22	5,460			
Industrial Developments					
Ipoh Raya Integrated Park, Perak	822.07	984	100%	TBD	TBD
Total	822.07	984			
Other					
Bledisloe House, Auckland, New Zealand	0.73	351 (NZD150 million)	100%	TBD	TBD
Metro Spectacular Land, Jalan Putra	4.45	252	100%	2026	2027
Muara Tuang Land, Samarahan	22.07	871	100%	TBD	TBD
Cyberjaya City Centre Land	45.80	379	100%	TBD	TBD
Bukit Jalil Land***	76.32	2,327****	100%	TBD	TBD
Total	149.37	4,180			
Grand Total	1,228.06	32,788			

Note:

* 1.00 acre is comprised of air rights to develop above the Te Waihorotiu Station

** Excluding Phase 3, which has a land size of 177 acres and a GDV yet to be determined

*** Pending transaction completion

**** Estimated land value based on current market value

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

ENSURING QUALITY

QLASSIC Standards

We adhere to the Quality Assessment System in Construction (QLASSIC) for Property to guide quality assurance across our completed developments. This ensures finished products meet established industry benchmarks for workmanship and build quality.

QLASSIC assessments focus on the aesthetic and functional quality of completed units, including flooring, walls, ceilings, and built-in components. We apply structured quality control checks throughout the construction process to ensure delivery aligns with design specifications and required standards. Under QLASSIC, a score of 70% meets contractual requirements.

In 2025, Kwasa Utama C8 - Plot 2 (Commercial) achieved a score of 80%, exceeding the contractual threshold and demonstrating strong workmanship and finishing quality.

Project Sites	Category	2025
Kwasa Utama C8 - Plot 2	Commercial	80%

PDI PERFORMANCE DRIVEN BY MRCB'S KEY STRATEGIES AND INITIATIVES IN 2025

STRENGTHEN CORE FOR SUSTAINABLE RETURNS	
Key Action Plan: Ensure Steady Pipeline of Projects	
KEY INITIATIVES	OUTCOMES
Advance sales of ongoing developments	• Achieved property sales of RM927.4 million, driven mainly by strong take-up at international projects, particularly VISTA and MARIS in Australia.
Progress international launches	• Launched MARIS in Southport, Gold Coast, achieving strong initial take-up and contributing to contracted sales.
Prepare the next phase of domestic launches	• Advanced planning and approval processes for upcoming Malaysian developments, positioning projects for launch once regulatory requirements are satisfied.
Strengthen land and project pipeline	• Advanced land optimisation initiatives in Bukit Jalil and Cyberjaya, strengthening development readiness, and improving site configuration for future projects. • Progressed due diligence on potential new development sites in the Gold Coast to replenish the international development pipeline.

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

DIVERSIFICATION & OPERATIONAL EXPANSION	
Key Action Plan: Geographical Expansion Enter Into New Markets	
KEY INITIATIVES	OUTCOMES
Strengthen international development platform	Expanded active development portfolio in Australia and New Zealand through continued progress at VISTA, MARIS, The Symphony Centre, and Bledisloe House.
Evaluate new international opportunities	Assessed multiple overseas development opportunities through structured feasibility and due diligence processes aligned with return and risk thresholds.

TECHNOLOGY ADOPTION & INNOVATION	
Key Action Plan: Achieve Lean and Efficient Operations Leverage on MRCB Building System (MBS)	
KEY INITIATIVES	OUTCOMES
Advance application of modular construction technology, MRCB Building System (MBS) in new markets	- Engaged with the State Government of Victoria in Australia, to assess the feasibility of a modular construction pilot project, leveraging delivery experience and technical capabilities to pursue further growth opportunities. - Utilised MBS in MRCB's Residensi Tujuh development, the first residential property in Malaysia to utilise MBS construction technology. - Expanded MBS' patents to 58 countries.
Leveraged digital tools and technology adoption for digital project and sales management	- Deployed sales, contract status tracking, and customer relationship management (CRM) systems across Australia and New Zealand to support consolidated reporting and real-time visibility. - Standardised the use of the Autodesk Construction Cloud platform to support project coordination, documentation, and site management, while exploring further enhancements to improve workflow, progress tracking, and cost visibility. - Identified opportunities to improve data visibility and reporting, noting that project and operational data currently reside across multiple systems, with plans to progressively integrate data to support clearer insights and decision-making. - Initiated exploratory discussions on process automation and AI applications to identify potential efficiency improvements, with implementation planned in phases beyond 2025.
Strengthen cost and risk management	- Improved feasibility assessment, cost tracking, and contract management processes to address heightened construction cost volatility across overseas markets. - Leveraged the Enterprise Resource Planning (ERP) system to digitise and automate processes across procurement, property, and finance functions.

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Featured Highlight



Learn more about our MRCB Building System (MBS) on page 122

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

QUALITY PRODUCTS & PEOPLE	
Key Action Plan: Uphold Good Governance Develop a Skilled Workforce	
KEY INITIATIVES	OUTCOMES
Maintain quality and safety standards	Continued adherence to recognised quality, safety, and governance standards across ongoing developments, supporting safe and well-managed project execution.
Achieve targeted QLASSIC standards to ensure product quality	- Exceeded QLASSIC's requirement of 70% (commercial). - Achieved 80% QLASSIC score for Kwasa Utama C8 - Plot 2.
Achieve targeted SHASSIC safety standards	Achieved a 5-star rating with a 98.9% score for the FINAS design-and-build project, demonstrating strong delivery quality and people capability across the Group.

RISKS AND MITIGATION EFFORTS

RISK	MITIGATION EFFORTS	RESULTS
Extended planning and approval timelines for domestic property developments	- Engaged specialist consultants to address additional technical and regulatory requirements. - Phased project planning to accommodate longer approval lead times.	- Maintained project readiness while approvals progressed. - Ensured compliance with new regulatory requirements for property developments.
Escalating construction costs and heightened competition for contractors	- Entered Early Contractor Involvement processes with Tier 1 builders in Australia. - Engaged independent quantity surveyors to validate trade pricing and cost assumptions. - Undertook detailed contract reviews to balance risk allocation. - Standardised product specifications to streamline procurement. - Shifted to original equipment manufacturer (OEM) materials and approved alternative brands. - Executed bulk material purchases.	- Secured preferred construction partners and improved cost certainty for VISTA and MARIS ahead of construction commencement. - Achieved lower construction costs per square foot in our upcoming Malaysian project, reflecting effective control over material and procurement cost pressures.
Construction contract risk arising from conservative market terms and extended negotiations	- Strengthened internal and external legal and commercial review processes. - Adopted disciplined negotiation approaches to manage contractual risk exposure.	Achieved more balanced construction contracts that support execution certainty while protecting project viability.

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

RISK	MITIGATION EFFORTS	RESULTS
Investment risk from misalignment between apartment pricing and construction costs in Australia and New Zealand	- Enhanced feasibility assessment processes using updated market intelligence, cost benchmarks, and value engineering strategies. - Strengthened in-market capabilities to assess risk and returns.	Improved accuracy of feasibility assessments, supporting more informed development decisions.
Shifting buyer expectations towards sustainability may reduce the attractiveness of developments that do not meet environmental and efficiency standards	Integrated sustainable design principles in line with the Sustainable Design and Planning Policy.	Improved alignment of new developments with buyer expectations and sustainability standards.
Risk of weak take-up if product mix does not match buyer demand	- Strengthened market studies and buyer profiling to understand location-specific demand. - Refined unit mix, sizing, and pricing to better match target buyer segments. - Timed launches to align with market readiness and affordability conditions	Identified and scheduled selected projects for launch in 2026 and 2027, ensuring product offerings are aligned with expected buyer demand and market conditions.
Potential impact on buyer confidence due to construction timing and market uncertainty	- Maintained regular communication with sales agents and buyers. - Focused marketing efforts on projects with strong location fundamentals and demand resilience.	Sustained sales momentum at international projects despite extended construction lead times.
Dependence on third-party infrastructure delivery for Transit-Oriented Development in New Zealand	- Maintained close engagement with relevant authorities and stakeholders. - Structured project phasing to align with infrastructure completion timelines.	Maintained project readiness while managing timing risk arising from third-party infrastructure handover for The Symphony Centre and related assets.

OUTLOOK AND PROSPECTS

PDI's outlook remains anchored on disciplined execution, pipeline readiness, and selective growth across domestic and international markets. While near-term development activity continues to be shaped by regulatory requirements, construction cost pressures, and infrastructure dependencies, the Division enters the next phase with a strengthened land position, growing unbilled sales, and improved construction readiness across key projects.

In Australia and New Zealand, residential market conditions are now improving in line with the turn in the interest rate cycle, although there remains continued pressure from the mismatch between apartment pricing and construction costs. Against this backdrop, the Division will maintain a disciplined approach to feasibility, pricing, and delivery as projects progress through their next stages, while focusing on developments in market segments where there are shortages of residential or commercial supply.

Progress made during 2025 positions the PDI Division to advance its development pipeline as approvals are secured and projects move into subsequent phases, supported by a diversified land bank and an expanding international platform. Market conditions may also present selective opportunities to acquire or partner on development sites at attractive entry values, including through joint ventures or asset repositioning. Any such opportunities will be assessed against strict feasibility, return, and risk thresholds.

OUR PERFORMANCE:

PROPERTY DEVELOPMENT & INVESTMENT

STRENGTHEN CORE FOR SUSTAINABLE RETURNS

LAUNCH READINESS AND EXECUTION TIMING

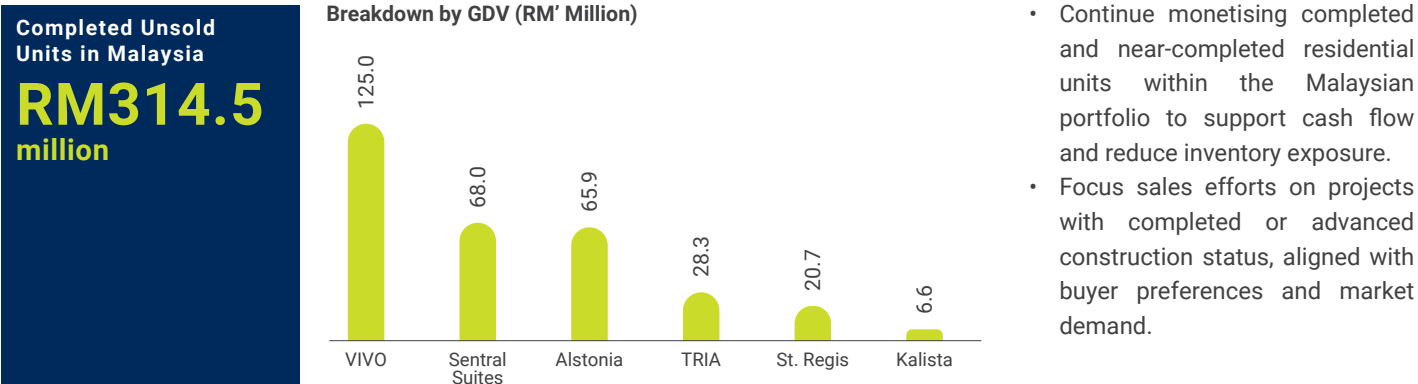
- Align domestic project launches with regulatory timelines and prevailing market conditions to preserve execution certainty.
- Maintain flexibility in development phasing to respond to changes in approval and infrastructure readiness.
- Progress a pipeline of new projects, with RM2.2 billion in property launches targeted for 2026, subject to planning approvals and market conditions.

Property Project in the Pipeline: RM4.4 billion GDV 2026 Launches: RM2.2 billion GDV	2025 Launches	Launch Date	GDV	Units
	The Symphony Centre, Auckland	March 2025	~RM1,257 million (NZD537 million)	78
	MARIS, 20 Queen Street, Southport	June 2025	~RM620 million (AUD207 million)	192
	Bledisloe House, Auckland	Leasing Off-Market	~RM351 million (NZD150 million)	En Bloc
	Total 2025		~RM2,228 million	270 units
	2026 Target Launches			
	Parcel A, 9 Seputeh	Q2	RM424 million	483
	Kolektif (Lot R), KL Sentral CBD	Q3	RM205 million	494
	Tower 5, PJ Sentral	Q4	RM482 million	Office Building
	Tower 1, PJ Sentral	Q4	RM700 million	900
	Bukit Rahman Putra, Phase 3	Q4	RM374 million	283 residential, 97 commercial
	Total 2026		RM2,185 million	2,257 units

LAND BANK OPTIMISATION AND PIPELINE REPLENISHMENT

- Advance land optimisation initiatives in Bukit Jalil and Cyberjaya to improve development readiness and monetisation.
- Selectively evaluate new development sites in established international markets to replenish the medium-term pipeline.
- Proactively manage land holdings to support phased development and longer-term revenue visibility, while optimising opportunities to monetise non-core or low-yielding land banks to strengthen the balance sheet.

MONETISATION OF COMPLETED INVENTORY



OUR PERFORMANCE:
PROPERTY DEVELOPMENT & INVESTMENT

 DIVERSIFICATION & OPERATIONAL EXPANSION

INTERNATIONAL PROJECT PROGRESSION

- Strengthen the international development platform in Australia and New Zealand to support a more diversified earnings base.
- Advance VISTA and MARIS in Australia as key contributors as construction and handover milestones are achieved.
- Align progress at The Symphony Centre and related assets in New Zealand with third-party infrastructure delivery.

DELIVERY DISCIPLINE AND COST MANAGEMENT

- Strengthen construction mobilisation through Early Contractor Involvement and disciplined contractor engagement.
- Manage construction cost pressures through robust feasibility assessments and cost-control measures.
- Apply sustainable and buildable design principles to enhance long-term asset performance.

FUNDING AND EXECUTION SUPPORT

- MRCB's current gearing position provides the capacity to engage multiple funding sources, supporting flexibility in structuring project-level financing as projects move into execution phases.

 TECHNOLOGY ADOPTION & INNOVATION

SUSTAINABLE CONSTRUCTION AND INNOVATION

- Continue evaluating modular construction methodologies, particularly for international projects, where buildability and cost control remain key feasibility considerations.
- Promote wider adoption of MBS.
- Continue integrating sustainable design principles, environmentally responsible materials, and innovative construction methods in line with the Sustainable Design and Planning Policy and Green Building standards.

 QUALITY PRODUCTS & PEOPLE

GOVERNANCE, QUALITY, AND CAPABILITY

- Maintain strong governance and procurement frameworks to support consistent execution across jurisdictions.
- Strengthen internal capabilities in project controls, contract management, and delivery oversight as activity increases.
- Uphold high-quality, safety, and compliance standards across all developments.

OUR PERFORMANCE:
ENGINEERING, CONSTRUCTION & ENVIRONMENT

WHAT WE DO

MRCB's Engineering, Construction & Environment (ECE) Division delivers integrated engineering and construction capabilities across large-scale infrastructure, building, and environmental works in Malaysia.

The Division plans, engineers, and executes complex projects, including rail and road infrastructure, power transmission infrastructure, and major civil works. It also undertakes river rehabilitation, flood mitigation and other climate change adaptation initiatives that enhance environmental resilience. Through disciplined project management, technical depth, and practical construction methods, ECE drives safe, timely, and quality delivery. The Division also supports Transit-Oriented Development and infrastructure-led growth, and strengthens the Group's ability to execute projects with high prequalification requirements and operational complexity.



Damansara-Shah Alam Elevated Expressway (DASH)

2025
Key Highlights

Revenue
RM944.8 million

Operating Profit
RM113.1 million

Projects Secured in 2025
RM5.5 billion

78%
of Infrastructure Projects
in External Client Order
Book

Construction Unbilled
Order Book
RM5.7 billion

Tender Book
RM8.4 billion

UN SDGs



MRCB Material Matters

- BPI** Business Performance and Impact
- PQCS** Product Quality and Customer Stewardship

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

OUR CORE STRENGTHS

National Infrastructure Delivery

We deliver complex, large-scale national infrastructure, with a proven track record across urban rail and expressway projects, including the Light Rail Transit (LRT) system and major elevated highways such as the Sungai Besi-Ulu Kelang Elevated Expressway (SUKU) and the Damansara-Shah Alam Elevated Expressway (DASH), supporting connectivity, mobility, and long-term urban growth.

Complex, Iconic, and Accessible Facilities

We bring deep technical capability to the delivery of complex facilities, particularly large public venues. Landmark achievements include the redevelopment of Kuala Lumpur Sports City (KLCS) and the National Stadium Bukit Jalil (NSBJ), projects recognised internationally for innovation, scale, and execution excellence. The KLCS and NSBJ redevelopment was compliant with MS1184:2002 Universal Design and Accessibility in the Built Environment, and designed with accessibility considerations to support visitors with diverse mobility needs, including persons with disabilities.

Climate Change Adaptation and Environmental Engineering

We apply specialist expertise in climate change adaptation projects, including flood mitigation, river rehabilitation, and coastal protection, delivering targeted engineering solutions that address complex environmental and hydrological challenges.

Power Infrastructure Expertise

We construct high-voltage power transmission infrastructure with a focus on technical precision, systems, and reliability, supporting stable energy distribution for Malaysia's expanding economic and industrial base.

International Standards and Delivery Discipline

We operate in line with recognised international standards, underpinned by disciplined project management, strong governance and a consistent focus on quality, safety, and on-time delivery.



Quality Management
Systems ISO 9001:2015



Environmental
Management Systems ISO
14001:2015



Occupational Health &
Safety ISO 45001:2018

INITIATIVES AND PROGRESS IN 2025

KEY DEVELOPMENTS

The ECE Division's performance in 2025 was shaped by the timing of its projects, as major works moved towards completion while newer contracts had yet to reach active construction stages. This sequencing influenced revenue recognition during the year, while also strengthening ECE's order book and laying the groundwork for the next phase of long-cycle project delivery.

The Light Rail Transit 3 (LRT3) project continued to anchor the ECE Division's activities and achieved 99.6% physical construction progress at the end of 2025, resulting in a tapering of revenue contribution consistent with the project's maturity.

The ECE Division replenished its medium- to long-term pipeline by securing RM5.5 billion in new construction projects during the year. In 2025, ECE secured the contract for the construction of five reinstated LRT3 stations and other related infrastructure and systems works, valued at approximately RM2.4 billion. Awarded in the first quarter of 2025, the project reaffirmed the strategic role of LRT3 in Malaysia's public transportation network. Design activities commenced during the year, with construction works expected to begin in 2026.

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

Other key awards included the RM2.9 billion Kompleks Sukan Shah Alam (KSSA) redevelopment, secured in the second quarter of 2025, and the RM160.1 million North-South Expressway (PLUS) Phase 1, Package B, which is for the construction of an additional lane from Senai to Sedenak. Although both projects were still in their initial phases during the reporting period, they strengthened the Division's forward order book and positioned it for improved earnings visibility in subsequent years.

Progress also remained steady on ECE's climate adaptation and flood mitigation works. The Muara Sungai Pahang Phase 3 flood mitigation project recorded 83% physical construction progress by the end of 2025, while the Sungai Langat Phase 2 flood mitigation project advanced through its initial construction phases, achieving 16% construction progress. These projects continued to demonstrate ECE's technical capability in delivering specialised environmental infrastructure that addresses flood resilience and river management challenges.

As of the end of 2025, ECE's tender book stood at RM8.4 billion, comprising tenders submitted across rail infrastructure, highways, airport upgrades, power safety, and water-related projects.

2025 FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE OVERVIEW

Revenue (RM' Million)

2025	944.8	26%
2024	1,282.8	

Operating Profit (RM' Million)

2025	113.1	32%
2024	166.4	

The ECE Division accounted for 79% of Group revenue in 2025. Financial outcomes for the year reflected the achievement of large project completion milestones across the Division's order book, with contributions weighted towards projects approaching completion and limited revenue recognition from newly secured contracts that were still progressing through preparatory stages.

Revenue for the year was mainly derived from continuing works on the LRT3 project, as well as the Muara Sungai Pahang Phase 3 and Sungai Langat Phase 2 flood mitigation projects. As LRT3 advanced towards final construction completion, the level of revenue recognised declined in line with its delivery profile, while contributions from newer projects remained modest during their early design and mobilisation phases.

Operating profit mirrored this pattern. Several significant projects secured during the year, including the Kompleks Sukan Shah Alam redevelopment, the reinstated LRT3 stations and associated infrastructure works, and the PLUS Expressway additional lane project, had not yet reached construction intensity levels that would translate into material earnings within the reporting period.

Notwithstanding this timing effect, ECE closed the year with a substantially strengthened construction portfolio. The external construction unbilled order book stood at RM5.7 billion as at year-end, providing depth, scale, and visibility across multiple infrastructure classes. As these projects progress into active construction stages, they are expected to support a more even and sustained contribution to revenue and profitability in the years ahead.



Muara Sungai Pahang Flood Mitigation Project

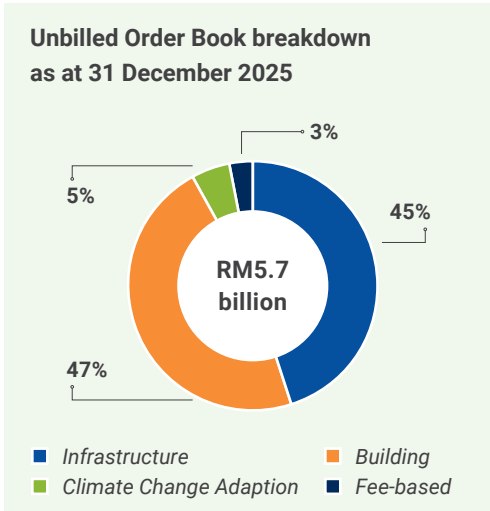
OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

PROJECT PORTFOLIO STATUS

2025 CONSTRUCTION ORDER BOOK

As at the end of December 2025, MRCB’s unbilled order book stood at RM5.7 billion, representing the portion of contracts yet to be recognised as revenue and providing the clearest view of earnings over the medium term. Anchored by large-scale infrastructure, complex facilities, and climate adaptation projects, these projects are moving from mobilisation into active construction, and will drive revenue in the coming years. The total construction order book amounted to RM18 billion.



Projects	Contract Value (RM' Million)	Financial Progress End 2025	Unbilled (RM' Million)
Buildings			
FINAS Headquarters	220	95%	17
Kompleks Sukan Shah Alam – Demolition Works	28	100%	0
Kompleks Sukan Shah Alam – Construction	2,910	5%	2,695
Infrastructure			
LRT3	11,432	99%	172
Five (5) reinstated LRT3 Stations and other infrastructure works	2,403	6%	2,259
PLUS Highway – Additional Lane	160	1%	160
Climate Change Adaptation			
Muara Sungai Pahang Phase 3	380	83%	64
Sungai Langat Phase 2	250	16%	208
Fee-based Orders			
Kwasa Land – PDP Infra	175		143
Semarak City Phase 1 – management contract	27		22
TOTAL	17,985		5,740

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

PORTFOLIO PIPELINE

As at the end of 2025, ECE maintained a healthy future project portfolio comprising awarded contracts, projects under negotiation, and active tenders. The pipeline spans railway infrastructure and systems, highways and roadworks, airport upgrades, power cable systems, and water-related infrastructure. This breadth supports ongoing order book replenishment and sustains delivery momentum beyond the current portfolio of secured projects.

Projects Secured YTD 2025

RM5.5 billion

Project Name	Contract Value	Project Timeline
• Five (5) reinstated LRT3 Station and other related infrastructure works	RM2.4 billion	Start: 2025 Target Completion: 4 years
• Kompleks Sukan Shah Alam	RM2.9 billion	Start: 2025 Target Completion: 4 years
• Additional lane on North-Expressway (PLUS) from Senai to Sedenak (Phase 1, Package B)	RM160.1 million	Start: 2025 Target Completion: 2.5 years

Project Under Negotiation

RM1.0 billion

Project Name
• Redevelopment of KL Sentral Station

Current Tender Book

RM8.4 billion

Project Name
• Penang Airport expansion (Package 3) • Energy grid infrastructure • Road construction • Penang LRT – contractor and system works • River Water Reservoir • Integrated River System • Public facilities

COMMITMENT TO SAFETY AND QUALITY

SHASSIC 5-STAR SAFETY RATING

The Construction Industry Development Board (CIDB) Safety and Health Assessment System in Construction (SHASSIC) is a recognised benchmark for evaluating safety and health management practices at construction sites. A 5-star SHASSIC rating reflects the effective implementation of robust safety and health systems, covering governance, site practices, risk controls, and workforce protection.

In 2025, the Group achieved a 5-Star SHASSIC rating for the FINAS Headquarters design-and-build project, as detailed below:

Project	SHASSIC Rating	Score
FINAS Headquarters	5-Star	98.9%

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

QLASSIC STANDARDS

The Quality Assessment System in Construction (QLASSIC), administered by the Construction Industry Development Board (CIDB), is a standardised framework for assessing workmanship quality in building projects. Based on the Construction Industry Standard (CIS 7:2006), QLASSIC evaluates completed works through structured site inspections against defined quality benchmarks. The system promotes consistency in construction quality and supports the principle of delivering works correctly at the first instance.

In 2025, Kwasa Utama C8 - Plot 2 achieved an 80% QLASSIC score in the Commercial category, exceeding the contractual target of 70% set by the client.

Project	Category	Score
Kwasa Utama C8 - Plot 2	Commercial	80%

ECE PERFORMANCE DRIVEN BY MRCB KEY STRATEGIES AND INITIATIVES IN 2025

STRENGTHEN CORE FOR SUSTAINABLE RETURNS	
Key Action Plan: Ensure Steady Pipeline of Projects	
KEY INITIATIVES	OUTCOMES
Current tenders for new infrastructure projects	RM8.4 billion worth of project tenders: - Penang LRT Laluan Mutiara - System Turnkey Contractor covering Engineering, Procurement, Design, Construction, Testing, Commissioning, and Maintenance - Penang Airport expansion (Package 3) - Integrated River Systems - River Water Reservoir projects - Road construction projects - Public facilities - Energy grid infrastructure
Prospective tenders	Upcoming project opportunities including: - Penang LRT - Civil Packages - Flood mitigation projects - Sewage treatment plants - Federal road maintenance - Battery Energy Storage System (BESS) installations - Large-scale solar projects

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT



DIVERSIFICATION & OPERATIONAL EXPANSION

Key Action Plan: Geographical Expansion | Enter into New Markets

KEY INITIATIVES	OUTCOMES
Continue overseas expansion	Expanded overseas market exploration into Taiwan by pursuing rail and urban transit infrastructure opportunities, including light rail and metro systems, leveraging the Group’s rail delivery experience in other markets.
Explore new markets, including the renewable energy segment	- Supply of industrial grade water via a desalination plant in Johor. - Water reclamation project in Cyberjaya. - Battery Energy Storage Systems (BESS).
Enhance growth through strategic acquisition	Federal roads maintenance services – Zone 2 (Melaka, Negeri Sembilan, and Selangor).



TECHNOLOGY ADOPTION & INNOVATION

Key Action Plan: Achieve Lean and Efficient Operations | Leverage on MRCB Building System (MBS)

KEY INITIATIVES	OUTCOMES
Application of modular construction technology, MRCB Building System (MBS)	- Constructing MRCB’s first residential development using MBS at Residensi Tujuh, demonstrating faster, safer, more controlled, and environmentally friendly construction outcomes. - Commercialised MBS through licensing arrangements in Hong Kong and Singapore, with patent protection secured across 58 countries.
Deploy Enterprise Resource Planning (ERP) system for automation and digitalisation	- Optimised operations, enhanced cost efficiency, and streamlined workflows, improving transaction efficiency across Procurement, Construction, and Financial modules. - Fully implemented and activated all ERP modules enterprise-wide.
Digitalising operations for enhanced efficiency	- Enhanced operational efficiency, minimised paperwork, and optimised processes. - Introduced the Autodesk Cloud Construction management platform to improve collaboration and streamline project management from design to completion.



Featured Highlight



Learn more about our MRCB Building System (MBS) on page 122

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

QUALITY PRODUCTS & PEOPLE	
Key Action Plan: Uphold Good Governance Develop a Skilled Workforce	
KEY INITIATIVES	OUTCOMES
Adhere to global quality standards and safety benchmarks	Maintained certifications in ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, and ISO 45001:2018 for Occupational Health and Safety.
Ensure high safety standards	- Embedded essential safety practices across all stages of construction at project sites to strengthen risk control and incident prevention. - Received a SHASSIC 5-star rating for the FINAS design-and-build project, demonstrating strong safety performance supported by disciplined site management and competent project teams. - Recorded zero Lost Time Injury for LRT3, Muara Sungai Pahang, and Kwasa Utama C8 projects.

RISKS AND MITIGATION EFFORTS

RISK	MITIGATION EFFORTS	RESULTS
Timing mismatch between completion of mature projects and ramp-up of newly secured contracts, affecting near-term revenue recognition	- Actively replenished the order book by securing large, long-cycle infrastructure projects to restore delivery continuity. - Managed project sequencing to balance completion of mature projects with early mobilisation of new awards.	- Secured RM5.5 billion in new construction projects in 2025, including the reinstatement of five LRT3 stations, the Kompleks Sukan Shah Alam redevelopment, and the PLUS Expressway additional lane project. - Closed the year with a strengthened external construction order book, supporting medium-term delivery visibility.
Intensifying competition for large infrastructure projects, putting pressure on margins and win rates	- Leveraged specialist expertise in complex facilities, climate adaptation, and environmental engineering to compete in technically demanding segments. - Focused on projects with higher barriers to entry and longer delivery horizons.	Secured major awards in 2025, including the RM2.9 billion Kompleks Sukan Shah Alam project and RM2.4 billion reinstated LRT3 stations, reinforcing MRCB's position in complex infrastructure delivery.
Rising input costs and execution complexity are impacting project profitability	- Applied disciplined cost management, value engineering, and project controls across active sites. - Expanded the use of industrialised construction methods, including MBS, where applicable.	Improved cost efficiency and execution control on selected projects, while maintaining delivery standards and competitiveness.

OUR PERFORMANCE:

ENGINEERING, CONSTRUCTION & ENVIRONMENT

OUTLOOK AND PROSPECTS

The outlook for the ECE Division is shaped by the progression of a strengthened project portfolio into more active execution phases. With several major contracts secured and mobilisation underway, the Division enters the next period with improved visibility across its infrastructure and climate change adaptation construction projects. As newly awarded projects transition from preparatory stages into construction, delivery activity is expected to normalise gradually and broaden beyond projects that have reached completion.

STRENGTHEN CORE FOR SUSTAINABLE RETURNS

MAJOR INFRASTRUCTURE AND FACILITIES PROJECTS

- Anchor near- to medium-term outlook on long-cycle infrastructure projects secured during the year, including the five reinstated LRT3 stations and related infrastructure works, the KSSA redevelopment, and the PLUS Expressway additional lane project. These projects provide scale, execution continuity, and a multi-year delivery profile, supporting steadier activity levels as construction ramps up.
- Continue to pursue other large complex infrastructure opportunities under negotiation, including major transport and urban infrastructure assets, which could further strengthen the order book if secured.

DIVERSIFICATION & OPERATIONAL EXPANSION

EXPANDING OPPORTUNITIES ACROSS PRIORITY MARKETS

- Target opportunities aligned with national development priorities and public sector spending programmes, particularly in transport connectivity, utilities, and water-related infrastructure.
- Focus on East Malaysia and other growth corridors, where demand for essential infrastructure remains supported by long-term development needs.

CLIMATE ADAPTATION AND ENVIRONMENTAL ENGINEERING

- Position climate change adaptation as a structural growth area, supported by ECE's established track record in environmental and hydrological engineering.
- Progress ongoing flood mitigation projects, including Sungai Langat Phase 2 and Muara Sungai Pahang Phase 3, to reinforce specialist capabilities in flood mitigation, water management, and resilience infrastructure.

TECHNOLOGY ADOPTION & INNOVATION

ADVANCING SUSTAINABLE AND EFFICIENT CONSTRUCTION

- Integrate sustainability considerations into project delivery through disciplined design, materials selection, and construction methods.
- Expand application of MBS to support efficiency, quality control, and reduced environmental impact, reinforcing MRCB's capability in modular and industrialised construction and support long-term competitiveness in an increasingly sustainability-focused construction landscape.

MRCB BUILDING SYSTEM (MBS) BUILDING SMARTER, FASTER AND GREENER



The MRCB Building System (MBS) transforms construction through a manufacturing-led approach that delivers speed, safety, quality, and lower environmental impact.

The MRCB Building System (MBS) represents a fundamental shift from traditional construction to a precision-driven, off-site manufacturing approach.

By transferring a significant portion of construction activities into a controlled factory environment, MRCB is able to deliver faster project completion, improved safety, higher quality, and reduced carbon emissions — addressing key industry challenges while advancing its sustainability agenda.

UP TO
**50% FASTER
CONSTRUCTION**

**30% REDUCTION
IN MANPOWER**

**LOWER EMISSIONS
WASTE, AND SITE DISRUPTION**

TRANSFORMING CONSTRUCTION CHALLENGES INTO OPPORTUNITIES

The Malaysian construction industry continues to face structural challenges that impact cost, quality, safety, and delivery timelines:



HIGH RELIANCE
ON FOREIGN
LABOUR



INCONSISTENT
QUALITY AND
CONSTRUCTION
DEFECTS



SAFETY RISKS IN
HARSH SITE
CONDITIONS



OPERATIONAL
INEFFICIENCIES
AND MATERIAL
WASTAGE



PROJECT DELAYS
AND COST
OVERRUNS

MRCB addresses these challenges through the MRCB Building System (MBS) — a manufacturing-led approach that redefines how buildings are constructed.

MBS shifts construction from site-based execution to factory-controlled manufacturing, enabling simultaneous improvements across productivity, safety, quality, and environmental performance.

DELIVERING VALUE ACROSS FOUR CORE BENEFITS



Lower
Environmental
Impact

- Reduced carbon emissions and energy use
- Lower material wastage
- Cleaner, quieter construction sites



Improved
Safety

- High-risk works shifted off-site
- Reduced exposure to weather and working-at-height
- Safer, controlled environments



Higher
Efficiency

- Better planning and inventory control
- Reduced errors, rework, and material losses
- Less reliance on unskilled labour



Faster
Construction

- Off-site and on-site works run concurrently
- Up to 50% shorter project timelines



DELIVERING MEASURABLE IMPACT

The impact of MBS is reflected in measurable improvements across time, manpower, and environmental efficiency.

Up to
50% faster construction
time vs conventional methods

30% reduction
in on-site manpower requirement

85–90%
construction activities shifted off-site into controlled manufacturing

Patented in 58 countries
with ongoing global expansion

These outcomes demonstrate MBS’s ability to deliver greater efficiency, consistency, and sustainability at scale. MBS has also gained international recognition, reflecting its scalability and applicability across diverse construction environments.

FROM CONVENTIONAL CONSTRUCTION TO INDUSTRIALISED DELIVERY

MBS	VS	TRADITIONAL CONSTRUCTION
Majority of work completed off-site through modular fabrication	CONSTRUCTION APPROACH	Majority of work carried out on-site
Faster delivery with concurrent off-site and on-site works	PROJECT TIMELINE	Sequential process, leading to longer timelines
Factory-controlled processes ensure higher quality and fewer defects	QUALITY & CONSISTENCY	Quality dependent on manual execution, with higher risk of defects
Safer, controlled environments with reduced exposure to high-risk site activities	SAFETY & WORKING CONDITIONS	Workers exposed to weather, working-at-height risks, and higher HSE incidents
Lower carbon emissions through reduced on-site activity, optimised logistics and energy-efficient production, with less material wastage and minimal waste sent to landfills	ENVIRONMENTAL IMPACT (CARBON & WASTE)	Higher carbon emissions due to prolonged on-site activities and inefficiencies, with greater material wastage and more construction waste sent to landfills
Cleaner sites with reduced dust, noise, and traffic disruption	SITE IMPACT	Higher dust, noise, and disruption to surrounding communities
Modules delivered prefinished with mechanical, electrical and plumbing (MEP) systems and internal finishes	CONSTRUCTION PROCESS	Construction begins after foundation; all works completed progressively on-site

EMBEDDING SUSTAINABILITY INTO CONSTRUCTION

Unlike conventional construction, where sustainability is often treated as an outcome, MBS integrates ESG principles directly into the construction process — from design and production to delivery.

- Lower emissions and reduced environmental impact
- Safer and healthier working environments
- More efficient use of materials and resources

Aligned to Global Sustainability Frameworks

MBS contributes meaningfully to several United Nations Sustainable Development Goals (UN SDGs), particularly by advancing sustainable cities, responsible consumption, climate action, and decent work through safer, more efficient construction practices.



Recognised for ESG Innovation

The impact of MBS has been recognised externally, with MRCB receiving the **Steward Leadership Award 2025** in Singapore and being named a **3-Star Lister under the ESG Select List by the UN Global Compact Network Malaysia & Brunei (UNGCMYB)** for ESG Breakthrough Innovation.

These recognitions reinforce MBS as a forward-looking solution that integrates innovation with responsible and sustainable development.

SPEED, QUALITY, AND SUSTAINABILITY ARE NO LONGER TRADE-OFFS.



HOW MBS WORKS: FROM FACTORY TO SITE

MBS integrates digital design, off-site manufacturing, and on-site assembly into a seamless, end-to-end construction process.

Construction begins with detailed digital planning, followed by the fabrication of fully finished modules in a controlled factory environment. These modules are then transported and assembled on-site, where they are integrated into a complete building with precision and efficiency.



Scan QR to watch the MBS process

SCALING INNOVATION ACROSS MARKETS

MBS has demonstrated its scalability across different asset classes and geographies, with successful applications in residential, healthcare, and institutional developments.

Internationally, MBS has been deployed in:



These projects highlight the system's ability to meet stringent regulatory requirements while maintaining high standards of quality, efficiency, and safety.

SPOTLIGHT PROJECT RESIDENSI TUJUH, KWSA DAMANSARA

Residensi Tujuh demonstrates the practical application of MBS in a live residential development, showcasing how modular construction can be delivered at scale without compromising design, quality, or efficiency.

RESIDENTIAL DEVELOPMENT	APARTMENT UNITS	DEVELOPMENT LAUNCHED
29-storey	573	April 2023

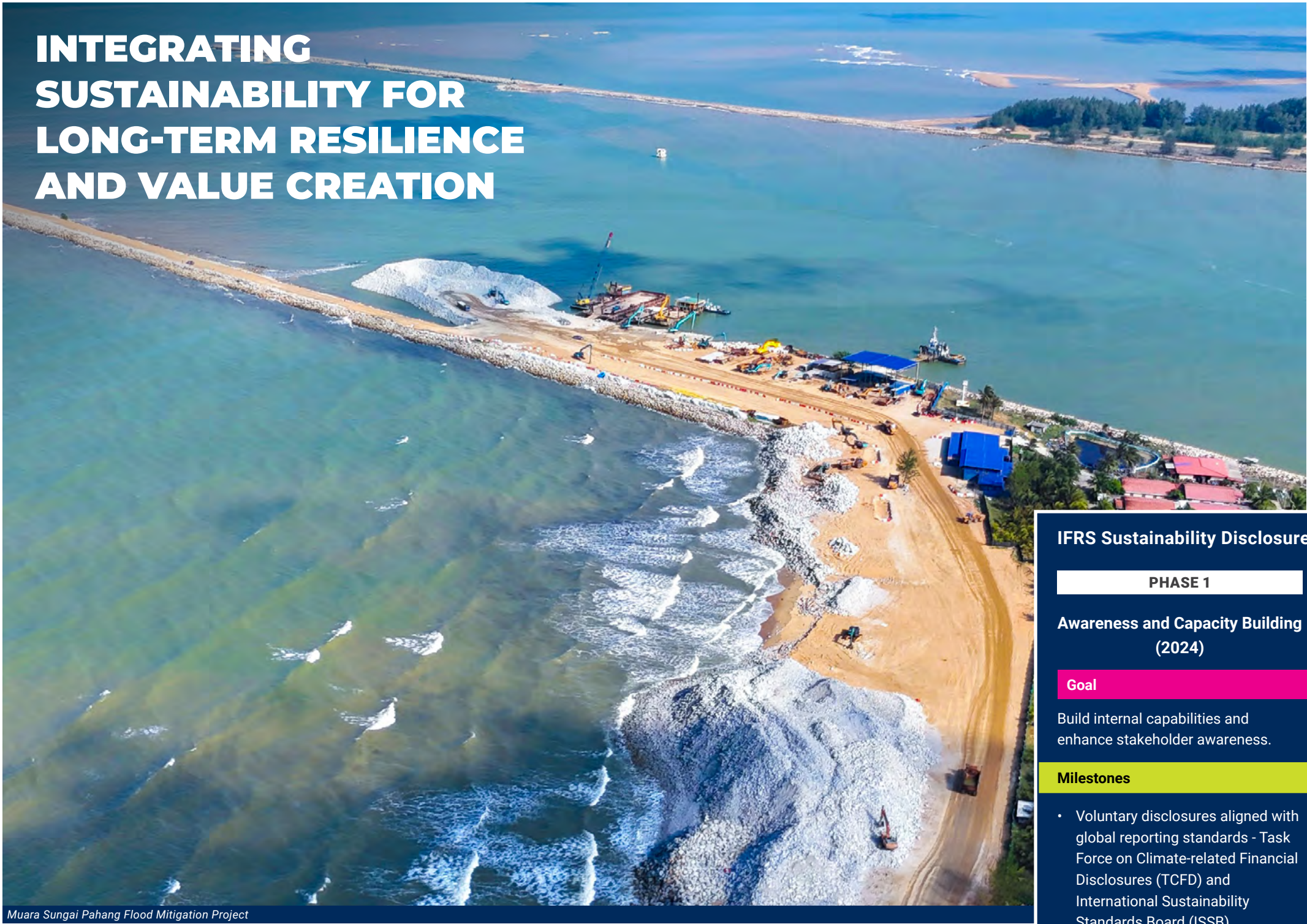


POSITIONING MRCB FOR THE FUTURE OF CONSTRUCTION

MBS positions MRCB at the forefront of construction innovation by demonstrating that industrialisation and sustainability can go hand in hand.

As demand grows for faster, more sustainable developments, MBS strengthens the Group's competitive advantage, execution capability, and long-term value creation.

OUR APPROACH TO SUSTAINABILITY



We systematically integrate sustainability into our core business decisions, operational processes, and projects. As Malaysia’s pioneer in Transit-Oriented Developments (TODs), we create connected and liveable urban ecosystems that strengthen communities, drive commerce, and promote environmental stewardship.

OUR APPROACH TO SUSTAINABILITY

Building on the success of KL Sentral, we are replicating this model through PJ Sentral Garden City, Penang Sentral, The Symphony Centre in Auckland, and most recently, Ipoh Sentral, launched in August 2025, expanding our TOD expertise into new urban centres while maintaining a strong focus on sustainable development.

We apply innovation and technology to reduce our environmental and carbon footprint. The MRCB Building System (MBS) supports this approach by minimising waste and emissions through modular construction. Residensi Tujuh, Malaysia’s first high-rise residential project using MBS, demonstrates improved efficiency and quality. Our energy-efficient District Cooling Systems (DCS) at KL Sentral, PJ Sentral, Penang Sentral, and Kwasa Damansara deliver centralised cooling that reduces energy use across multiple buildings.

Close engagement with our stakeholders, including suppliers, contractors, and communities, strengthens shared accountability and align actions towards net zero emissions. Ongoing collaboration helps us manage environmental and social impacts more effectively, and ensures our projects deliver measurable, long-term value.

We continue to align our sustainability reporting with the IFRS Sustainability Disclosure Standards, complemented by industry-based guidance for the Engineering and Construction Services and Home Builders sectors. While our current reporting already aligns with a significant portion of the standards, we have established a clear roadmap to progressively enhance our disclosures over the short, medium and long-term.

IFRS Sustainability Disclosure Adoption Roadmap

PHASE 1	PHASE 2	PHASE 3
Awareness and Capacity Building (2024)	Transition and Pilot Reporting (2025-2026)	Full Disclosures and Assurance (2027)
Goal		
Build internal capabilities and enhance stakeholder awareness.	Test processes and refine data quality.	Validate data integrity and achieve full compliance.
Milestones		
- Voluntary disclosures aligned with global reporting standards - Task Force on Climate-related Financial Disclosures (TCFD) and International Sustainability Standards Board (ISSB). - Conducted gap analysis against IFRS S1 and S2 requirements. - Initiated IFRS S1/S2 capability-building sessions.	- Enhance disclosures to align with IFRS S2 requirements. - Assess sustainability-related risks and opportunities. - Develop internal controls and data systems for sustainability metrics. - Identify gap-closure initiatives (e.g. decarbonisation plans and internal carbon pricing). - Completed a comprehensive GHG emissions inventory including Scope 3.	- Prepare for and obtain external assurance on key sustainability and climate metrics. - Ensure adherence to all mandatory compliance requirements.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Effective governance underpins MRCB’s ability to deliver sustainable value. Our governance framework ensures that sustainability principles are embedded in every aspect of our business strategy, decision-making, and performance management. Clear lines of accountability, from the Board to working-level teams, enable the integration of sustainability priorities and environmental, social, and governance (ESG) considerations across the Group.



[More information on our Governance Structure can be found in our Corporate Governance Overview Statement on pages 264 to 297.](#)

1 BOARD OVERSIGHT

Board of Directors

As the highest governing body, the Board of Directors holds ultimate responsibility for MRCB’s overarching strategy, including oversight of sustainability and climate-related risks and opportunities. The Board's mandate, responsibilities, and reporting processes are set out in the Board Charter, which explicitly assign responsibility for sustainability strategy, risk identification, mitigation planning, and performance monitoring. [IFRS S1.27\(a\)\(i\) / S1.44\(a\)\(v\) / S2.6\(a\)\(i\)](#)

Key Sustainability and Climate Responsibilities in the Board Charter include:				
Establishing and overseeing a sustainability framework aligned with the Group’s vision, with clear strategies, priorities, and targets.	Integrating sustainability considerations, including in business plan development and implementation, action plans, and risk management.	Reviewing and approving sustainability policies and procedures that support the Group’s sustainability framework and strategy.	Overseeing the institutionalisation of sustainability within the Group.	Consider climate change issues in sustainable business growth, comply with all regulations and environmental disclosure requirements, and address the needs of all its stakeholders.

[IFRS S1.27\(a\)\(i\),\(iii\) / S2.6\(a\)\(iv\)](#)

OUR APPROACH TO SUSTAINABILITY

Operationalising Strategy

The Board reviews how sustainability and climate-related risks, opportunities, and trade-offs are integrated into strategy, performance targets, financial planning, major transactions, and risk management to ensure alignment with long-term business objectives and stakeholder expectations. The Board Charter defines these responsibilities and ensures that all strategic decisions, including major asset acquisitions and development proposals, undergo comprehensive risk assessments covering financial, climate, environmental, and social aspects. The Board balances short-term financial outcomes with long-term sustainability objectives, and reviews progress through regular reports from the Management. [IFRS S1.27\(a\)\(iv\) / S1.33\(a\),\(c\)](#)

The Board oversees the Group’s overall Sustainability and Climate Strategy with updates provided every quarter. [IFRS S1.27\(a\)\(iii\) / S2.6\(a\)\(iv\)](#)

Board Overview <i>Sustainability and Climate Strategy includes:</i>			
Integrated Risk Assessment Business Units assess sources of funding, financial, climate, environmental, and social risks for major proposals before Board review.	Balanced Decision-Making The Board ensures strategic alignment between short-term financial goals and long-term sustainability and climate resilience when making decisions.	Quarterly Oversight Sustainability, climate risks, target setting, and performance are standing agenda items in Board meetings, guiding strategic direction. IFRS S1.27(a)(iii)	Execution by Management Approved decisions are cascaded across relevant functions for implementation through the Sustainability Management Committee and Chief Corporate Officer.

[IFRS S1.27\(a\),\(b\) / S1.35\(a\),\(b\),\(c\)\(ii\) / S2.6\(a\),\(b\) / S2.16\(c\)\(ii\)](#)

Continuous Development

The Board ensures it maintains the necessary competency to effectively guide MRCB’s Sustainability and Climate Strategy.

Board Effectiveness <i>Ensuring the right skills and expertise include:</i>			
Nomination and Remuneration Committee (NRC) Oversight The NRC identifies Board candidates with relevant skills, including sustainability and climate governance.	Continuous Learning Board of Directors attend sustainability and climate-focused trainings.	Climate Competency Board development sessions in 2025 included training on Climate Transition Risks and Opportunities.	Strategic Alignment Ongoing development programmes enhance the Board’s knowledge and skills, ensuring the Board can effectively guide MRCB’s sustainability strategy.

[IFRS S1.27\(a\)\(ii\) / S2.6\(a\)\(ii\)](#)

OUR APPROACH TO SUSTAINABILITY

2 MANAGEMENT OVERSIGHT

Chief Corporate Officer

The Chief Corporate Officer (CCO), as Chair of the Sustainability Management Committee (SMC), is delegated by the Board to oversee the integration of sustainability and climate priorities to ensure alignment with Board-approved strategies. Working in coordination with the Group Managing Director and Senior Management, the CCO translates the Board's direction into operational priorities, measurable targets, and performance oversight to ensure consistent execution across all business functions. The CCO is responsible for:



IFRS S1.27(b)(i),(ii)

Sustainability Management Committee

The Sustainability Management Committee (SMC) sets operational sustainability targets and strategies, monitors performance, and integrates sustainability considerations into decision-making. The SMC comprises Heads of Divisions and Departments of core operations and corporate functions. Outcomes from the SMC meetings, along with other pertinent sustainability updates, are presented to the Board for discussion and deliberation.

3 WORKING LEVEL

Support Functions, Sustainability Department, and Core Operational Divisions

At the working level, sustainability implementation is coordinated through collaboration between support functions, the Sustainability Department, and core operational divisions. Heads of Departments at the corporate level provide the necessary administrative and technical support, while the Sustainability Department, serving as the Secretariat of the Sustainability Management Committee (SMC), drives implementation and monitors progress of Group-wide initiatives. Heads of Divisions within MRCB's key business segments operationalise these initiatives within their respective areas, ensuring sustainability considerations are embedded into day-to-day operations, project planning, and performance monitoring.

At the operational level, Senior Management and Business Units monitor local and global developments to identify emerging climate and sustainability risks and opportunities, assess market trends, and propose strategic responses to ensure business resilience and alignment with the Group's sustainability objectives.

Sustainability Working Group

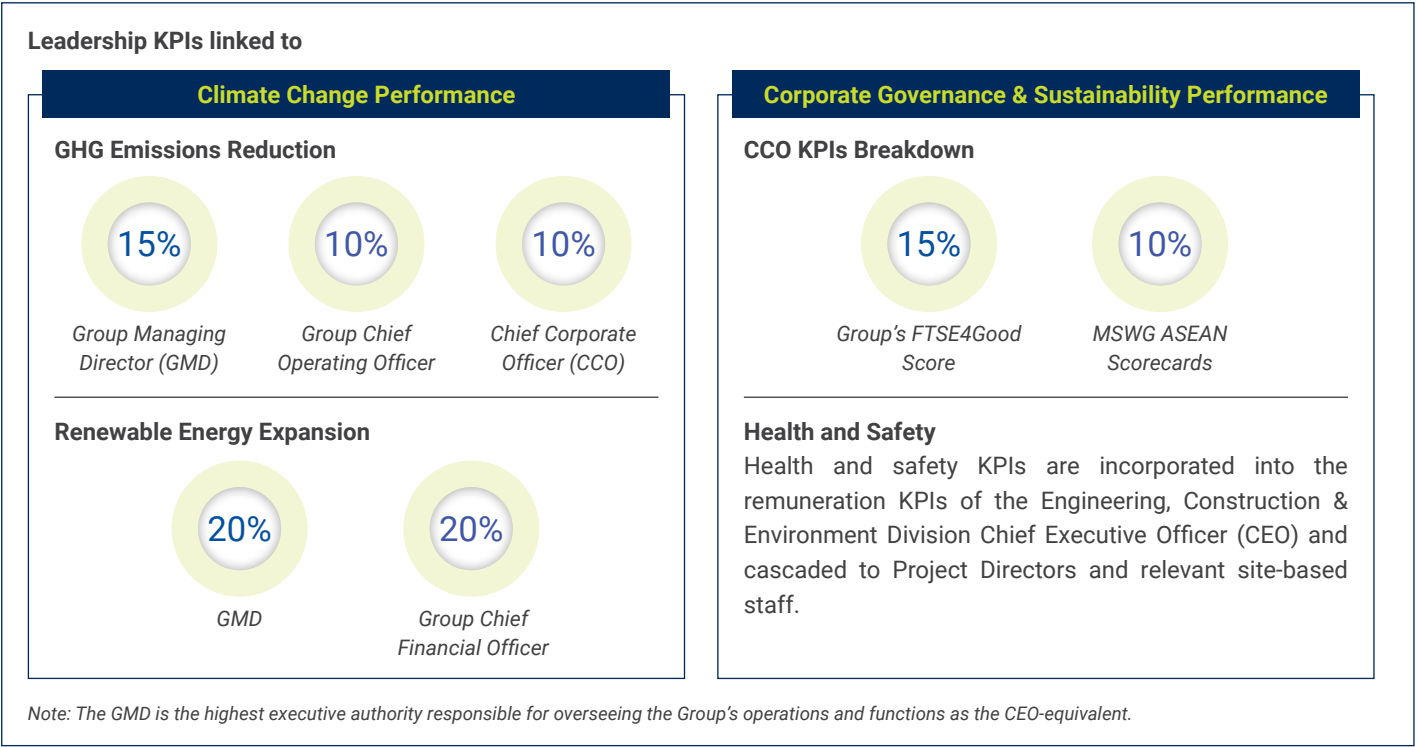
At the end of 2025, MRCB established a Sustainability Working Group comprising representatives from key Business Units and departments. The Working Group serves as a working-level forum to discuss initiatives, consolidate data, and prepare recommendations for the SMC. It supports the execution of approved actions within respective divisions. In 2026, the Working Group will meet regularly to ensure consistent coordination and progress across the organisation.

OUR APPROACH TO SUSTAINABILITY

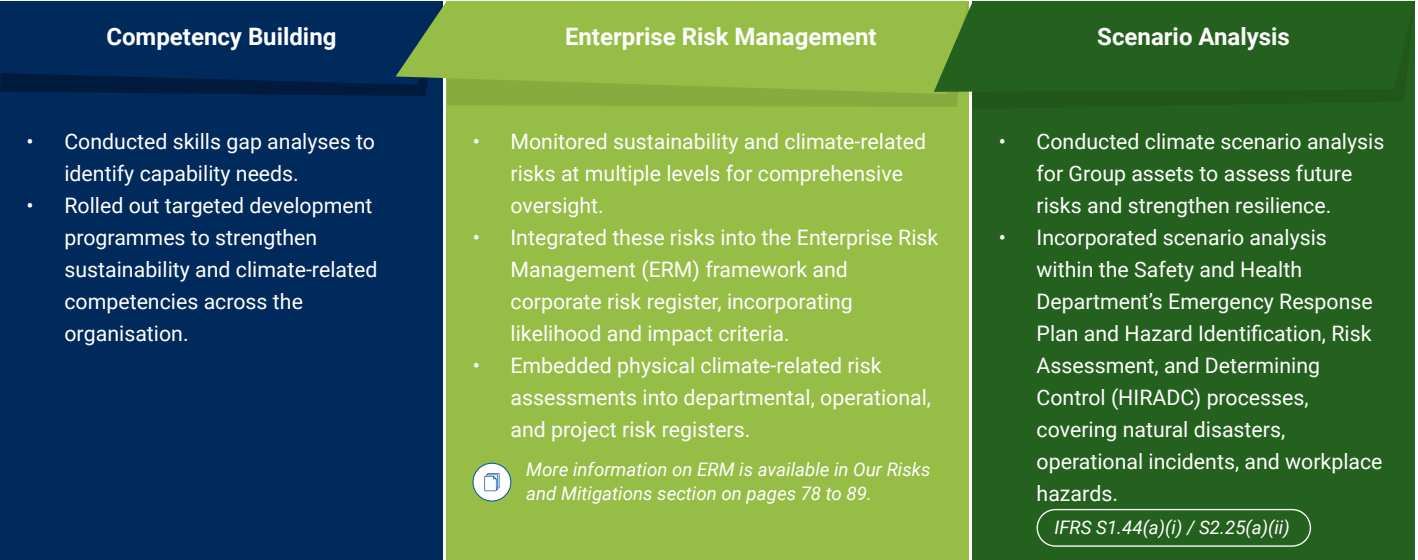
Sustainability Performance Linked to Remuneration

IFRS S1.27(a)(v) / S2.29(g)

Sustainability performance is integrated into the Group Managing Director and Senior Management's Key Performance Indicators (KPIs) and directly linked to their remuneration. To ensure accountability, sustainability-linked KPIs are embedded across relevant functions and tracked to measure progress against Group-wide objectives. These KPIs encompass managing sustainability- and climate-related risks and opportunities, and mitigating climate change.



Sustainability KPIs are also cascaded to middle management and employees, embedding ESG responsibilities into day-to-day roles. Cross-department collaboration supports consistent progress towards MRCB's sustainability goals, fostering a culture of accountability and impact. The following initiatives have been implemented to strengthen execution and measure outcomes effectively:



OUR APPROACH TO SUSTAINABILITY

Key Matters Discussed at the 2025 SMC Meetings

Topics of Discussion	Initiatives and Outcomes
Decarbonisation Strategies	- Reviewed divisional decarbonisation strategies to reduce MRCB's carbon footprint and improve energy efficiency. - Shared latest GHG emissions data from business divisions to monitor progress against reduction targets.
Other Sustainability Matters	- Reaffirmed commitment to strengthen our disclosures towards full alignment with current reporting standards (National Sustainability Reporting Framework and IFRS). - Leveraged Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Solution to enhance supplier engagement and performance tracking. - Organised capacity building and upskilling sessions on sustainable procurement and supply chain.

STRATEGY

Sustainability and climate management are essential to MRCB's long-term business resilience and value creation. A key driver of this strategy is the Sustainable Design Policy, which mandates embedding environmental considerations into project design and planning from the outset. This policy ensures all new developments align with low-carbon standards, directly supporting the Group's commitment to achieve net zero emissions by 2050.

Time Horizons for Risk and Opportunity Assessment

IFRS S1.30(b),(c) / S1.41 / S1.51(d) / S2.10(d)

We define the following time horizons when assessing the effects of sustainability and climate-related risks and opportunities. These definitions align with MRCB's internal risk assessment framework and strategic planning horizons, and inform our financial planning, major investment decisions, and scenario analysis.

	Climate-related	Other Sustainability-related*
Short-term	1-5 years	0-12 months
Medium-term	6-15 years	1-5 years
Long-term	>15 years	>5 years

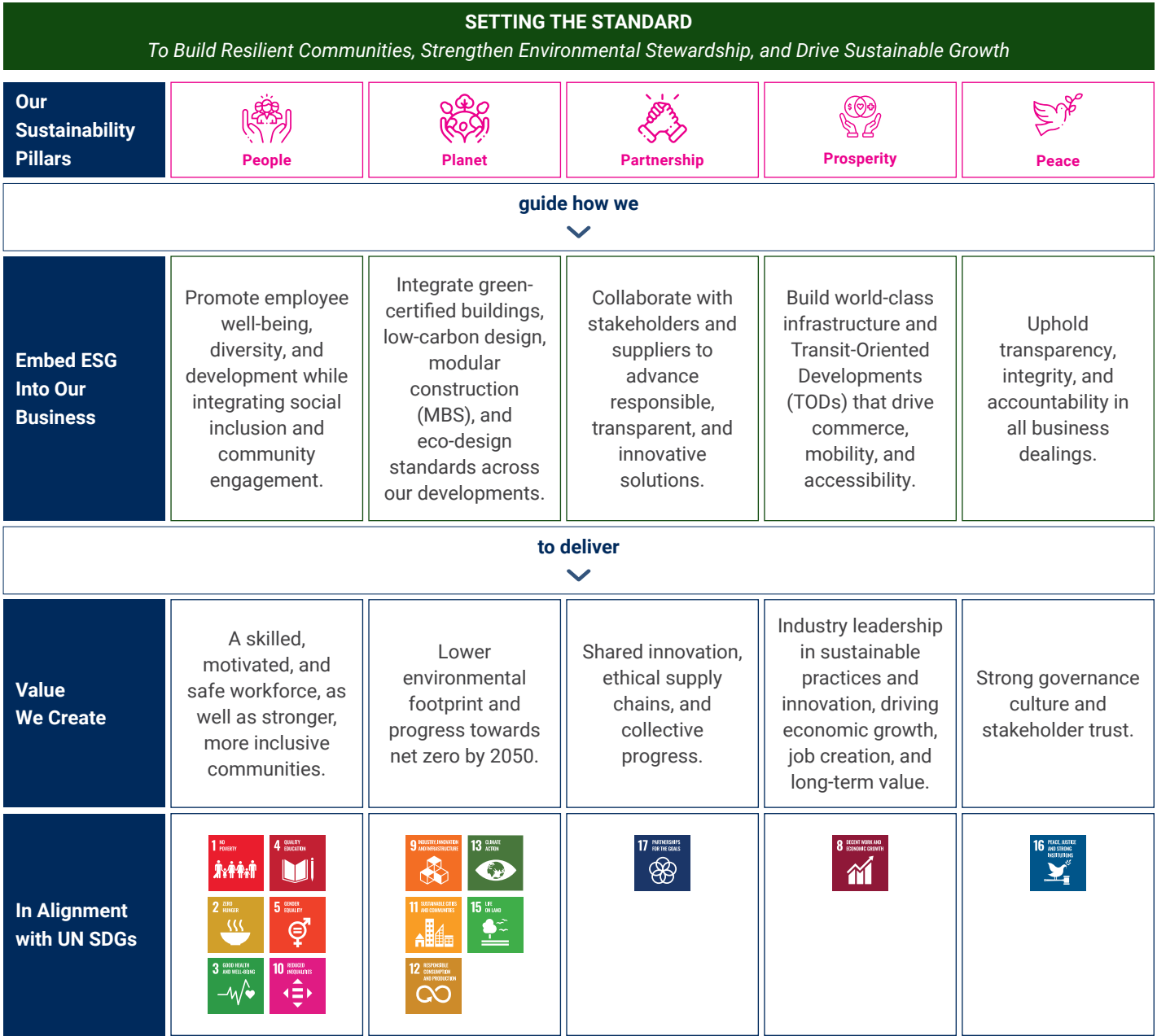
* Does not have a base period, performance is tracked year-on-year.

The two categories (Climate-related and Other Sustainability-related) have different time horizons as the nature of the underlying drivers differs. Climate-related horizons are typically informed by climate scenario modelling (see page 174 for APS and STEPS scenarios) and physical risk mapping of assets, whereas other sustainability-related horizons draw on regulatory requirements, stakeholder engagement outcomes and internal capability building roadmaps.

OUR APPROACH TO SUSTAINABILITY

MRCB SUSTAINABILITY FRAMEWORK

The MRCB Sustainability Framework provides the structure for implementing our sustainability agenda. Built on five sustainability pillars and aligned with the United Nations Sustainable Development Goals (UN SDGs), the framework ensures that sustainability principles are applied consistently across the Group. By linking transparent reporting, risk oversight, and stakeholder engagement, it supports compliance with regulatory expectations and drives continuous improvement in sustainable business practices.



OUR APPROACH TO SUSTAINABILITY

Key Focus Areas for Sustainable Practices

We integrate sustainability across our operations through five focus areas that translate our sustainability pillars into measurable actions. These areas drive the implementation of our material matters, risks, and opportunities, ensuring that our priorities are effectively managed, tracked, and reported across the Group.

Focus Areas	Our Approach
Sustainable Business Practices	- Embed sustainability across project planning, construction, and procurement. - Prioritise green-certified buildings and TODs, and source responsibly from local and ethical suppliers.
Governance and Risk Management	- Strengthen governance and internal controls to manage sustainability and climate-related risks. - Integrate ESG and climate considerations into enterprise risk management, ensuring alignment with recognised reporting standards such as IFRS and GRI, as well as ESG ratings including FTSE4Good and MSCI.
Operational Excellence	- Strengthen resource efficiency and productivity through data-driven management of energy, water, and waste. - Integrate modular and low-carbon construction methods, and apply circular economy principles to reduce environmental impact.
Corporate Responsibility and Community Impact	- Deliver projects that create meaningful social and positive economic outcomes. - Align initiatives with the UN SDGs to enhance community well-being, education, and inclusivity.
Collaborative Stakeholder Engagement	Build meaningful partnerships with employees, customers, regulators, investors, and NGOs to advance shared sustainability goals and promote transparent communication.

OUR APPROACH TO SUSTAINABILITY

Our Alignment with United Nations Sustainable Development Goals (UN SDGs)



The UN SDGs are integrated into our business activities to ensure our operations contribute to global sustainable development. Fourteen goals have been prioritised based on where our activities can deliver the most significant impact. These goals are mapped to our five sustainability pillars and guide the initiatives implemented across the Group, ensuring that our sustainability efforts support broader national and international objectives.

	Empower communities via corporate social responsibility (CSR) initiatives including education and skill-building to reduce poverty		Promote workforce diversity, inclusivity, and equitable urban environments
	Support basic human needs to promote holistic human rights and food security		Create transit-integrated developments that reduce emissions and encourage sustainable urban living
	Promote safe, healthy living and working environments for communities and employees		Optimise developments through energy efficiency, green materials, and recycling to ensure responsible resource management and consumption
	Foster education and lifelong learning for sustainable societal development		Engage in initiatives to reduce greenhouse gases and build urban resilience
	Advance women's involvement, especially in property development, engineering, and construction sectors		Integrate biodiversity conservation and green spaces into urban planning
	Develop TODs to stimulate economies and promote inclusive, fair employment		Uphold ethics, transparency, and responsible governance in business and urban development
	Build green buildings and incorporate sustainable features in infrastructure projects		Collaborate with stakeholders to achieve sustainable development through innovative urban projects
More information on detailed initiatives related to the UN SDGs can be found in Our Material Matters section on pages 59 to 66.			

OUR APPROACH TO SUSTAINABILITY

Strategy Resilience to Sustainability-related Changes

IFRS S1.30 / S1.41 / S2.9 / S2.22

MRCB’s sustainability strategy and underlying business model have been assessed for resilience against all material sustainability-related risks identified through the Group’s double-materiality assessment, including climate-related and broader environmental risks.

The core elements of our business model, including our TODs, proprietary MBS for modular construction, and long-term stakeholder partnerships, give us the flexibility to adapt when conditions change, as we can repurpose existing assets, upgrade construction methods, and rebalance capital allocation without compromising long-term value creation. Our climate risk resilience is further informed by climate-scenario analysis, which highlights key transition risks, such as the introduction of carbon taxes by 2026 and rising electricity procurement costs. These insights ensure that the Group’s net zero by 2050 ambition remains integrated into our financial planning, allowing us to proactively manage the shift towards a lower-carbon operating environment.

Consequently, MRCB responds proactively to emerging climate policies, regulatory changes, and physical climate events while maintaining its strategic direction and business priorities.

RISK MANAGEMENT

Climate and Sustainability-focused Key Risk Management

MRCB embeds climate and sustainability-related risk management directly within its strategic planning process to ensure that both financial and impact-material risks are identified, assessed, and mitigated through a structured, data-driven process that covers all business units and project sites across our Malaysian and overseas operations. These processes are integrated into the Group’s Enterprise Risk Management framework and overseen by senior management, with regular updates provided to the Board. Of the eight Key Enterprise Risks (KER) identified by the Board’s Audit and Risk Management Committee, two are expressly climate and sustainability-related and are monitored through dedicated Key Risk Indicators (KRIs):

Key Enterprise Risk (KER)	Key Risk Indicators (KRIs)
Environmental, Social, and Governance (KER 5)	- Percentage of GHG emissions reduction for Scope 1 and Scope 2 - Number of reports received through our Whistleblowing channels, including cases related to anti-bribery, corruption, human rights, and other misconduct
Health, Safety, and Environment (KER 7)	Number of Lost Time Injury incidents that occurred within the past 12 months

Both KER 5 and KER 7 are subject to the same rigorous oversight as the other six enterprise risks, ensuring consistent governance, monitoring, and mitigation. The outcomes of the risk management process is aligned with our Metrics and Targets disclosures, where quantitative KPIs are linked to remuneration and governance frameworks.

In addition to KER 5 and KER 7, we also rely on key inputs and data sources, including divisional risk registers from business units; utility bills, resource consumption and environment-related data; invoices and procurement documentation from the Finance Department; and employee-related data including workforce profiles, competency records, and turnover rates. These consolidated data inputs ensure complete visibility across the full scope of operations and enable the Group to maintain a holistic and forward-looking view of sustainability and climate-related risks, facilitating proactive management of potential impacts throughout the value chain.

IFRS S1.27(b)(ii) / S1.30 / S1.33(b) / S1.41 / S1.44(a)(i),(iv) / S2.9 / S2.22 / S2.25(a)(i),(iii),(iv)

 More information on the associated mitigation actions is available in the Our Risks and Mitigation section on pages 78 to 89, while the broader sustainability-risk governance framework is outlined in the Statement on Risk Management and Internal Control section on pages 300 to 316.

OUR APPROACH TO SUSTAINABILITY

METRICS AND TARGETS

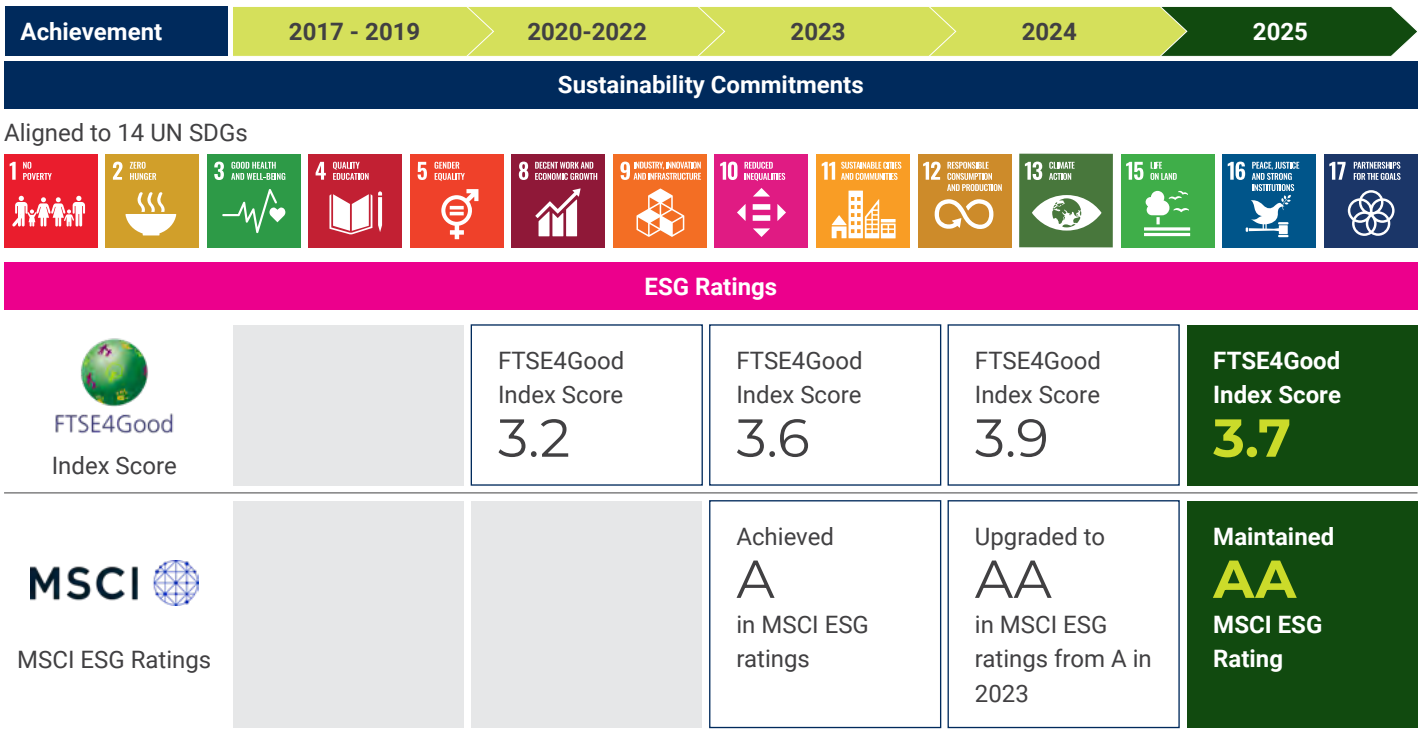
IFRS S1.46 / S2.28

Connecting Performance to Sustainability

MRCB tracks its sustainability performance through the five-pillar Sustainability Framework. The measurement indicators selected are aligned with MRCB’s Material Matters and represent the most significant sustainability topics for the Group. The indicators selected reflect the areas we measure to track sustainability performance and monitor progress on issues that matter most to the business and our stakeholders. Detailed targets, management actions, and performance updates for each metric are presented in the relevant Material Matter chapters within the Environment and Social sections.

OUR SUSTAINABILITY JOURNEY

Pioneering Sustainable Growth with Purpose and Transparency (2017–2025)



OUR APPROACH TO SUSTAINABILITY

Achievement	2017 - 2019	2020-2022	2023	2024	2025
Reporting Standards					
 Reporting	Progressed from publishing a GRI-aligned Sustainability Report to an Integrated Annual Report (in accordance with IIRC Framework)	- Published the Integrated Annual Report (in accordance with IIRC Framework) - Obtained external assurance for selected sustainability data	- Published the Integrated Annual Report (in accordance with IIRC Framework) - Obtained external assurance of selected sustainability data	- Published the Integrated Annual Report (in accordance with IIRC Framework) - IFRS S1 and S2-aligned reporting - Obtained reasonable external assurance of selected sustainability data	Published the Integrated Annual Report (in accordance with IIRC Framework) Enhanced IFRS S1-aligned sustainability reporting Obtained reasonable external assurance for selected key material sustainability data
 Climate Reporting		- Set Scope 1 and 2 GHG emissions baselines - Expanded Scope 3 GHG emissions reporting - Developed a Climate Strategy Framework - Published qualitative TCFD disclosures - Set Scope 1 and 2 GHG emissions reduction targets - Set Net Zero Emissions by 2050 with phased emissions targets - Expanded Scope 3 emissions supply chain coverage to 64% by value	- Published quantitative TCFD Physical Climate Risk disclosures - Became a member of Climate Governance Malaysia - Signed MoC with Bursa & LSE to adopt CSI Platform - Continued expansion of the Sustainable Design Policy - Increased Scope 3 supply chain coverage to 88% by value	- IFRS S1 and S2 gap analysis & roadmap - Developed a Sustainable Design Policy - Expanded GHG emissions inventory to include international operations - Expanded Scope 3 GHG emissions reporting to cover more indirect value chain emissions	Enhanced IFRS S2-aligned disclosures and climate risk reporting Completed Scope 3 GHG emissions inventory

OUR APPROACH TO SUSTAINABILITY

Achievement	2017 - 2019	2020-2022	2023	2024	2025
Others					
Others	- Developed a Sustainability Framework - Launched the modular building technology (MBS)	- Joined the UN Global Compact (Signatory & Member) - Member of the CEO Action Network (CAN) - Developed a Human Rights Policy aligned with ILO Core Conventions and Labour Standards	- Conducted supply chain ESG readiness assessments via UNGC ESG START - Strengthened supplier contracts and led CAN DEI workstream - Embedded human rights and sustainability data clauses in supplier contracts	- Localised our Human Rights Policy (Bahasa Malaysia) - Aligned our Human Rights Policy with UNICEF's Children's Rights and Business Principles - Co-led CAN's DEI workstream and contributed to Malaysia's DEI Implementation Guide (launched May 2024) - Conducted an Employee Sustainability Pulse Survey	Held inaugural Sustainability Day Held Supplier Engagement Day and Training Introduced living wage for all permanent employees Launched a Learning Management System Delivered targeted, level-based employee training Conducted an Employee Engagement Survey Published a Sustainability Policy

OUR PERFORMANCE:
GOVERNANCE

A COMMITMENT TO
GOVERNANCE AND COMPLIANCE

A robust governance framework provides the foundation for MRCB's long-term resilience. Through clear accountability and rigorous oversight, we uphold the highest standards of integrity across our material matters of Governance and Compliance, Anti-bribery and Anti-corruption, and Responsible Supply Chain to deliver sustainable value for all stakeholders.



In-house training on governance, integrity, anti-bribery, and anti-corruption

ROBUST GOVERNANCE

MRCB Material Matters

- GC

Governance and Compliance
- ABAC

Anti-bribery and Anti-corruption
- RSC

Responsible Supply Chain

Page 143

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OUR PERFORMANCE:
GOVERNANCE

Legend Time Horizon Sustainability Pillar

S Short-term M Medium-term L Long-term YoY Year-on-Year

Economic Environment Governance Social

GC GOVERNANCE AND COMPLIANCE

WHY THIS MATTERS FOR VALUE CREATION

Ensuring compliance with all applicable laws, regulations, and listing requirements is critical to maintaining MRCB's licence to operate. Strong governance structures help us:

- Adhere to regulatory requirements and avoid fines, penalties, and stop work orders.
- Enhance investor and stakeholder confidence.
- Safeguard the Group against legal, financial, and reputational risks.
- Strengthen overall business resilience and operational stability.
- Secure access to capital and improve performance on ESG indices (FTSE4Good, MSCI).

Our 2025 double materiality assessment concluded that while Governance and Compliance remain strategically critical for our licence to operate and sustaining stakeholder confidence, their current financial impact is assessed as non-material to the Group's prospects. This reflects the Group's strong and mature internal control environment, which effectively limits risk exposure to levels well below the predetermined financial threshold. Notably, the Group recorded zero regulatory and customer data breaches in 2025.

For more details, please refer to the Our Material Matters section on pages 59 to 66.

OUR APPROACH

MRCB's governance and compliance approach is built on:

Clear governance structures	• The Board of Directors is responsible for the Group's overall governance, strategy, and oversight of risks, including sustainability and climate-related matters. • Board Committees support the Board in effectively discharging its duties and responsibilities. For more details on the Governance Structure, please refer to Our Approach to Sustainability on pages 128 to 141, and Corporate Governance Overview Statement on pages 264 to 297.
Policy and control framework	• Our policy and control framework includes Board Charter, Limits of Authority, Code of Business Ethics, Anti-Bribery and Corruption Policy, Whistleblowing Policy, Conflict of Interest Policy, and Gift, Hospitality, Donations and Similar Benefits Policy. • Periodic review and enhancement of governance policies to keep pace with evolving regulations and best practices.
Cybersecurity and data protection	• Protect the confidentiality, integrity, and availability of information assets through a structured cybersecurity framework supported by continuous monitoring, policies, and technical safeguards.
Alignment with external standards and benchmarks	• Long-standing inclusion in the FTSE4Good Bursa Malaysia Index, rated 3.7 and maintained an MSCI ESG Rating of "AA" in 2025. • Compliance with 41 out of 43 MCG 2021 Practices and 4 out of 5 optional Step-Up Practices in 2025. • Compliance with Bursa Malaysia's Main Market Listing Requirements and benchmark against the ASEAN CG Scorecard. • Certified with ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, ISO 45001:2018 Occupational Health and Safety Management Systems, and ISO 37001:2016 Anti-Bribery Management Systems.

OUR PERFORMANCE:
GOVERNANCE

METRICS AND TARGETS

IFRS S1.33(b) / S1.46 / S1.50(a),(b),(d) / S1.51(a),(b),(c),(e),(f)

Metrics	Targets	Progress		
		2023	2024	2025
Alignment with the MCG 2021 Practices	Maintain or improve alignment with MCG 2021 43 Practices	Aligned with 41/43 Practices	Aligned with 42/43 Practices	Aligned with 41/43 Practices
	Maintain or improve adoption of the MCG 2021 optional Step-Up Practices	Adopted 4/5 Step-Up Practices	Adopted 4/5 Step-Up Practices	Adopted 4/5 Step-Up Practices
Regulatory breaches	Zero (0) regulatory breaches and fines	0	0	0
Customer data breaches	Zero (0) customer data breaches	0	0	0

Note: No revisions to the targets from previous year. IFRS S1.51(g)

INITIATIVES AND PROGRESS IN 2025

In 2025, we continued to strengthen our governance and compliance ecosystem to ensure resilience, accountability, and alignment with evolving regulatory expectations. Building on our established governance foundations, we enhanced key policies, refined internal controls, and rolled out capability building programmes to reinforce a culture of integrity and disciplined risk management across the Group.

The regulatory landscape continued to shift with the introduction of the National Sustainability Reporting Framework (NSRF) and the progressive implementation of IFRS S1 and IFRS S2. In response, we intensified our efforts to enhance data gathering, disclosure readiness, and cross functional coordination. These steps are critical to ensuring that our governance practices remain robust, transparent, and externally comparable, while supporting long-term value creation for our stakeholders.

Our 2025 initiatives aimed to embed governance principles deeper across operations, strengthen compliance behaviours, and prepare the organisation for higher reporting expectations. The following section summarises the Group’s key progress and capacity building efforts for the year.

Strengthening Governance Foundations
- Developed five new policies, enhanced and revised 26 core governance and compliance policies, and updated one Terms of Reference. - Updated internal controls and governance frameworks aligned with evolving best practices.
Reinforcing Compliance Culture
- Conducted Group-wide awareness and compliance reinforcement activities. - Implemented measures to embed governance expectations across project sites and business units.
Alignment with NSRF and IFRS S1/S2
Held in-house capacity-building training to prepare for IFRS- and NSRF-aligned sustainability disclosures for representatives from Corporate Governance and Risk Management, Finance, and Sustainability.

OUR PERFORMANCE:
GOVERNANCE

Key Initiatives and Progress in 2025

Programmes	Outcome
ISO Compliance	- Completed SIRIM surveillance audits across all relevant subsidiaries, maintaining ongoing compliance with required management system standards (ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, ISO 45001:2018 Occupational Health and Safety Management Systems) - Conducted ISO Internal Auditor Training to upskill key personnel, ensuring a robust internal oversight mechanism and maintaining a high standard of self-regulation across the Group.
Implementation of ServiceDesk Cloud	Rolled out ServiceDesk Cloud, a new cloud-based IT support platform that streamlines issue reporting, service requests, and progress tracking. The system consolidates all IT support functions into a single platform, strengthening IT service governance, and enabling faster resolution times.
MRCB Sustainability Policy	Formalised a Sustainability Policy to strengthen our ESG commitment by further embedding environmental, social, and governance considerations into decision-making and day-to-day operations, enhancing oversight, risk management, and long-term value creation for stakeholders.  For more information on our Sustainability Policy, please refer to the Sustainability section on the MRCB website: https://mrcb.com.my/sustainability/sustainability-statements.html
Awareness and Capacity Building	- Curated and disseminated 37 targeted internal communication materials to the workforce. This initiative ensured comprehensive alignment with internal policies, ISO standards, and the evolving governance and risk management frameworks. - Conducted two Corporate Governance and Risk Management (CGRM) quizzes and surveys. Insights from the early-2025 baseline informed targeted communications, and a year-end reassessment with 508 employees validated the effectiveness of the awareness materials.

CHALLENGES	OPPORTUNITIES
- Keeping up to date with evolving regulations and sustainability reporting requirements, including IFRS-aligned sustainability disclosures and the National Sustainability Reporting Framework. - Embedding governance discipline and compliance culture consistently across all levels and operating locations. - Integrating ESG and climate considerations into governance to meet growing investor expectations. - Rising sophistication of cyberthreats requiring continuous system hardening and employee awareness.	- Strengthening governance frameworks to further enhance transparency, risk management, and regulatory compliance. - Reinforcing tone from the top, ensuring leadership visibly champions governance, ethics, and sustainability. - Leveraging strong governance credentials, external ratings, and awards as a competitive advantage in tenders, partnerships, and capital markets. - Strong digital governance enhances our competitiveness and supports ESG ratings by demonstrating effective risk management and data protection practices.
OUTLOOK	
- Continuously enhance governance policies, training, and controls to keep pace with regulatory and market developments. - Continuously strengthen compliance reporting and escalation mechanisms for timely identification and resolution of regulatory risks. - Progressively integrate IFRS S1 and S2 aligned requirements to ensure that governance, strategy, risk management, and metrics and targets for key sustainability topics are clear, decision-useful, and externally comparable. - Continue robust oversight and investment to improve cybersecurity capabilities through system upgrades, enhanced monitoring tools, and employee training.	

 For more details on our governance and compliance efforts, please refer to Corporate Governance Overview Statement on pages 264 to 297.

OUR PERFORMANCE:
GOVERNANCE

ABAC

ANTI-BRIBERY AND ANTI-CORRUPTION

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WHY THIS MATTERS FOR VALUE CREATION

Preventing bribery and corruption protects MRCB from legal, financial, and reputational risks. A strong anti-corruption framework helps us:

- Safeguard our licence to operate across all markets.
- Strengthen stakeholder confidence, especially among regulators, investors, and business partners.
- Reinforce a culture of transparency, integrity, and accountability.
- Eliminate exposure to fines, litigation, and operational disruptions.
- Enhance our competitive advantage by demonstrating ethical leadership across the value chain.

Anti-bribery and anti-corruption measures remain strategically critical for maintaining our licence to operate and fostering trust. Following the 2025 materiality assessment, this matter was assessed as having a low financial impact on the Group's prospects, primarily due to the effectiveness of our established ISO 37001:2016 certified Anti-Bribery Management System (ABMS) controls, zero confirmed incidents in 2025, rigorous internal training programmes and assessments, and negligible exposure relative to defined risk thresholds.

In 2025, our Engineering, Construction & Environment arm, MRCB Builders Sdn Bhd, achieved a significant milestone with the successful attainment of the ISO 37001:2016 ABMS certification, further strengthening our governance framework and stakeholder confidence in our processes and performance.

For more details, please refer to the Our Material Matters section on pages 59 to 66.

OUR APPROACH

We uphold a zero-tolerance stance against all forms of bribery and corruption. Our approach is anchored on:

Clear Governance Structures

- Leadership reinforces ethical conduct and provides oversight of bribery risk, integrity initiatives, and compliance matters.
- Governance structures embed accountability across all business units to ensure consistent implementation of anti-corruption controls.
- MRCB adopts a Three Lines of Defence mechanism that systematically integrates risk management, control, and assurance to achieve governance effectiveness.

For more details, please refer to the Corporate Governance Overview Statement on pages 264 to 297, and Statement on Risk Management and Internal Control on pages 300 to 316.

Policy and Control Framework

- Our Anti-Bribery Management System (ABMS), certified to ISO 37001:2016 and maintained since 2019, forms the foundation of our anti-corruption controls.
- Internal policies, including an Anti-Bribery and Corruption Policy (ABC Policy), Code of Business Ethics; Conflict of Interest Policy; Whistleblowing Policy; and Gifts, Hospitality, Donations and Similar Benefits Policy, outline expectations for ethical conduct.
- Regular audits, compliance reviews, and periodic policy enhancements strengthen internal controls and ensure alignment with evolving regulations.

For more information on our policies and guidelines, please refer to the Corporate Governance section on the MRCB website: <http://www.mrcb.com.my/corporate-governance.html>

OUR PERFORMANCE:
GOVERNANCE

Whistleblowing and Reporting Integrity Concerns

- Provide robust channels for whistleblowing and grievance reporting.
- Maintain confidential and secure channels for reporting suspected bribery, corruption, conflict of interest, or unethical behaviour.
- Protect whistleblowers from retaliation and ensure all reports remain confidential.
- Assess and investigate reports in line with ISO 37001:2016 ABMS procedures.
- Implement corrective actions and strengthen internal controls where issues are verified.

For more information on our Whistleblowing Policy, please refer to the Corporate Governance Overview Statement on pages 264 to 297.

Alignment with External Standards and Benchmarks

- ABMS certification demonstrates our adherence to global best practices.
- Benchmarking exercises ensure continued alignment with evolving anti-corruption expectations and regulatory developments.

Capacity Building and Awareness

- Deliver mandatory anti-bribery and anti-corruption training for all employees, with targeted modules for high-risk roles.
- Provide awareness sessions and compliance guidance for vendors and partners.
- Conduct conflict-of-interest declarations and bribery-risk facilitation sessions to strengthen ethical decision-making.

METRICS AND TARGETS

IFRS S1.33(b) / S1.46 / S1.50(a),(b),(d) / S1.51(a),(b),(c),(e),(f)

Metrics	Targets	Progress		
		2023	2024	2025
Percentage of operations assessed for corruption-related risks	100% of operations assessed annually	100%	100%	100%
Confirmed incidents of corruption and/or bribery taken	Zero (0) reported incidents	0	0	0
Employees trained on anti-bribery and anti-corruption*	100% employees trained	98.4%	98.7%	95.0%
Vendor adherence to the Code of Business Ethics**	100% adherence	100%	100%	100%

Note:

* Employees on maternity leave, long-term leave, or those who have resigned are excluded from this training, but are required to complete the modules upon their return to active duty.

** Adherence is determined through vendors' review, acceptance, and commitment to the Code of Business Ethics via electronic acknowledgement during onboarding and contract execution or renewal.

- No revisions to the targets from the previous year. IFRS S1.51(g)

INITIATIVES AND PROGRESS IN 2025

Programme	Outcome
Enhancing Anti-bribery Controls	• Maintained conformance with ISO 37001:2016 through scheduled audits and control reviews. • Completed corruption-risk assessments across all operating units. • Recorded zero incidents of bribery, corruption, or unethical conduct and received zero bribery-related fines or penalties during the year. IFRS S1.34(a) • MRCB's ABMS coverage, including audit, was expanded to include the Security Department.

OUR PERFORMANCE:
GOVERNANCE

Programme	Outcome
Strengthening Ethical Business Conduct	- Carried out “conflict-of-interest disclosures” exercise within key business units to support transparent decision-making. - Held targeted Bribery Risk Facilitation sessions for 118 department representatives to identify potential bribery exposures and reinforce preventive measures. - Conducted ABMS Regulatory Compliance Assessment as part of compliance management.
Embedding Integrity Standards in the Supply Chain	- Ensured suppliers and business partners adhered to MRCB’s Code of Business Ethics and Anti-Bribery Policies. - Distributed quarterly policy information and compliance guidance to 1,886 vendors in our database to reinforce MRCB’s anti-bribery, anti-corruption, integrity, and governance expectations. Materials disseminated include the following policies: the ABC Policy; Code of Business Ethics; Gifts, Hospitality, Donations, and Similar Benefits Policy; Conflict of Interest Policy; and Whistleblowing Policy. - Provided vendors with key information on National Anti-Corruption Plan, and the main provisions for MACC Act 2009, including Sections 16, 17, and 17A (Corporate Liability) to strengthen vendor awareness of legal obligations. - Conducted targeted Integrity, Anti-Bribery and Anti-Corruption Training sessions for 86 vendors.
Building Internal Capability and Awareness	- Delivered mandatory training for all employees including Group-wide Anti-Fraud, Anti-Bribery and Anti-Corruption e-learning and assessments, in line with our ABC Policy to reinforce compliance expectations. - Delivered targeted “Integrity Breeds Integrity” training to 712 employees. - Conducted specific training for high-risk roles/functions and individuals responsible for ABMS implementation. - Held an ISO 37001:2016 ABMS Internal Audit training workshop for 46 employees. - Conducted assessment on MACC Act 2009 Section 17A (Corporate Liability) for all Heads of Departments to confirm compliance. - Held anti-fraud, anti-bribery, and anti-corruption training for 84 Auxiliary Police personnel and 24 security personnel. - Conducted targeted ISO 37001:2016 awareness training for 203 new employees and 69 Graduate Employability Programme participants.

CHALLENGES	OPPORTUNITIES
- Maintaining vigilance against increasingly complex corruption risks. - Ensuring consistent supplier and contractor compliance across large project and supply chain ecosystems. - Embedding anti-bribery and anti-corruption discipline consistently across all locations and partners.	- Positioning the Group as an industry leader in ethical conduct and integrity. - Strengthening value-chain standards by training and engaging with vendors and partners. - Reinforcing tone from the top through visible leadership involvement in practices.
OUTLOOK	
- Continue refining bribery and corruption risk assessments to improve detection and mitigation across all business units. - Enhance integrity controls through continuous monitoring, internal audits, and ABMS improvement cycles. - Increase visibility of ethical expectations through leadership communication and engagement activities. - Align policies and practices with evolving regulatory requirements and international standards, including updates to ISO 37001 and emerging national anti-corruption guidelines. - Strengthen due diligence processes, particularly for high-risk vendors and partners.	

OUR PERFORMANCE:
GOVERNANCE

RSC RESPONSIBLE SUPPLY CHAIN

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M

WHY THIS MATTERS FOR VALUE CREATION

With over 1,000 suppliers, service providers, and contractors (collectively referred to as “vendors”) engaged annually, our supply chain is critical for MRCB’s success in all areas that we operate in. A responsible and transparent supply chain strengthens project delivery, ensures business continuity, and supports MRCB’s climate and social commitments. Our vendors directly influence construction quality, project timelines, safety performance, and the Group’s indirect environmental and social impacts. Strong vendor governance helps us:

- Safeguard operational resilience by ensuring vendors comply with environmental, labour, and ethical standards.
- Build trust with investors, regulators, clients, and communities through transparent disclosures and responsible sourcing practices.
- Reduce Scope 3 emissions by enhancing visibility, data quality, and climate-aligned practices across the supply network.
- Strengthen long-term value creation by advancing industry-wide sustainability standards, fostering innovation, and supporting inclusive economic growth.

OUR APPROACH

Our approach focuses on aligning vendors with MRCB’s sustainability expectations, building capability across the supply network, and improving visibility of environmental and social risks. This helps us enhance data quality, support Scope 3 tracking, and embed responsible business conduct throughout our procurement ecosystem.

Focus Area	Our Approach
Alignment with ESG Expectations	- Communicate MRCB’s sustainability commitments and stance. - Encourage vendors to progressively align with environmental, labour, and ethical expectations. - Integrate ESG considerations into tender documents and contractual requirements over time.
Collaboration and Capacity Building	- Engage vendors to raise awareness, share best practices, and build capabilities for sustainable procurement and responsible business conduct. - Provide access to sustainability guidance, best practices, and expectations aligned with industry standards. - Partner with organisations such as United Nations Global Compact (UNGC) to raise awareness on responsible business conduct.
Monitoring, Reporting, and Transparency	- Monitor ESG risks related to labour practices, environmental performance, and ethical conduct. - Strengthen reporting processes to support Group-wide climate and sustainability disclosures. - Prepare vendors to eventually provide relevant data for our Scope 3 emissions tracking.

OUR PERFORMANCE:
GOVERNANCE

Communicating MRCB's Sustainability Commitments and Expectations

ESG requirements, including human rights and our stance on bribery and corruption, are communicated to our vendors during the pre-qualification process and clearly set out a as conditions in our Letters of Appointment (LOA).

In addition, our Sustainable Design Policy and Sustainability Policy reinforce environmental stewardship and legal compliance, enabling vendors to align with MRCB's sustainability commitments. These are clearly stipulated in our internal Vendor Management Policy and Principles of Group Centralised Procurement Policy.

METRICS AND TARGET

IFRS S1.33(b) / S1.46 / S1.50(a),(b) / S1.51(a),(b),(c),(e),(f)

Metrics	Target	Progress		
		2023	2024	2025
Procurement spent on local suppliers	100% of all vendors	99.6%	98.1%	90.0%

Preferring local vendors is key towards developing supply chain resilience, reducing logistical costs and risks, as well as improving our turnaround time in completing projects. However, due to one-off requirements for specialised designs, hardware, and equipment for the LRT3 and Kompleks Sukan Shah Alam projects, procurement spend on local suppliers fell by 8% to 90.0% in 2025.

In 2026, we will continue to onboard our top vendors by value onto the Bursa Malaysia Centralised Sustainability Intelligence (CSI) Solution platform, enabling them to provide essential data for MRCB to meet mandatory, enhanced sustainability reporting requirements (IFRS S1/S2) and enable us to measure progress and implement supply chain decarbonisation initiatives.

INITIATIVES AND PROGRESS IN 2025

Strengthening Supply Chain Sustainability Planning

S2.14(a)(iii)

We have initiated indirect climate mitigation and adaptation efforts primarily through engagement with our supply chain.

As part of this approach, we have begun implementing vendor data collection and engagement through the Bursa Malaysia CSI platform to enhance data transparency, monitor environmental performance, and encourage responsible practices among suppliers in support of greenhouse gas (GHG) emissions reduction, climate mitigation, and adaptation.

These efforts represent the foundation for broader collaboration with stakeholders to address climate-related risks and opportunities.

Initiatives	Progress	Outcome
Integration of Data into the Bursa Malaysia CSI Solution	Engaged vendors to improve data submission quality via CSI and understanding of emissions categories.	- Strengthened emissions measurement processes and readiness for IFRS-aligned reporting. - Initiated vendor participation for improved baseline visibility and better climate-related decision-making.

OUR PERFORMANCE:
GOVERNANCE

Vendor Engagement and Capacity Building

We strengthened vendor engagement efforts in 2025 to improve ESG awareness, enhance data readiness, and reinforce responsible business conduct across our value chain. Our approach combined targeted training, clearer communication of expectations, and practical support to help vendors align with MRCB's sustainability commitments.

Initiatives	Progress	Outcome
Vendor Sustainability Engagement Programme	- Conducted a vendor engagement session attended by 27 participants, representing 19 of our top 50 vendors. The session involved: - A capacity-building workshop conducted by the UN Global Compact (UNGC) focusing on GHG emissions and human rights to improve understanding of responsible business conduct, and - A hands-on workshop to guide vendors on using and leveraging Bursa Malaysia's CSI Solution for emissions data submission and sustainability reporting. - Strengthened communication channels with vendors by expanding guidance beyond anti-bribery and corruption requirements to include expectations under MRCB's Human Rights Policy and broader sustainability commitments.	- Improved vendor understanding of ESG requirements and enhanced readiness to meet reporting expectations. - Strengthened capability to provide accurate and timely emissions data through the CSI Platform. - Increased alignment with ethical, social, and human rights standards across the supply chain. - Deepened collaboration and built a stronger foundation for long-term responsible procurement practices.
Training and Capacity Development	- Conducted 13 anti-bribery and corruption workshops attended by 86 participants. - Delivered policy, regulatory, and relevant anti-bribery guidelines to 1,886 vendors in our database via Electronic Direct Mail (EDM) to integrate human rights into our supply chain.	Increased vendor awareness of anti-bribery and corruption obligations, improved alignment with MRCB's ethical standards, and strengthened controls to prevent corruption-related risks across our wider value chain.

CHALLENGES	OPPORTUNITIES
- Securing consistent buy-in from vendors across varying sustainability maturity levels. - Ensuring accuracy and completeness of emissions data submissions. - Raising awareness and capability among SMEs, micro-vendors, and subcontractors. - Maintaining alignment with evolving ESG standards and regulations.	- Collaborate with vendors to develop lower-carbon materials, technologies, and construction methods that support MRCB's climate goals. - Strengthen supply chain data visibility to improve ESG reporting quality and support decision-making. - Promote local sourcing, SME participation, and vendor diversity to enhance economic resilience and support community development.
OUTLOOK	
We will continue strengthening responsible supply chain practices by scaling vendor engagement, and improving emissions data accuracy. In 2026, we will review existing processes and procedures relating to vendor management with the aim of improving sustainability in our supply chain, focusing on human rights, health and safety, and the environment, among others. In the course of implementing these, we will also deepen partnerships with key vendors for broader climate resilience across the value chain.	

OUR PERFORMANCE: ENVIRONMENT

A COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

Environmental performance shapes MRCB's ability to deliver resilient assets and sustain long-term value creation. Our projects influence land use, energy demand, material consumption, and community liveability across Malaysia's urban landscape. We integrate environmental considerations into master planning, design standards, procurement, and construction execution through a practical and comprehensive approach that optimises resource efficiency, reduces greenhouse gas (GHG) emissions, enhances energy conservation, and supports a transition to cleaner and more sustainable practices.

Climate change and evolving environmental regulation present both physical and transition risks to our business segments. We have established clear decarbonisation priorities, structured risk assessments, and measurable targets aligned with the Paris Agreement and Malaysia's national target for net zero GHG emissions by 2050 across Scope 1, 2, and relevant Scope 3 emissions. In 2025, we advanced our reporting in line with the International Sustainability Standards Board (ISSB). By acting ahead of mandated timelines, we strengthen governance oversight, enhance the identification of climate-related risks and opportunities, and improve our metrics and controls. These efforts enable us to provide stakeholders with clearer, more comparable, and decision-useful insights into our climate strategy and overall resilience, while creating meaningful spaces that contribute to building a better tomorrow.

MRCB complies with all applicable laws and guidelines, including the Environmental Quality Act 1974. In 2025, we received zero environment-related fines or penalties and recorded zero incidents of non-compliance related to environmental laws and regulations.

[IFRS S2 B33-IF-EN-160a.1](#) / [B35-IF-HB-160a.3](#)



A visual representation of TRIA 9 Seputeh, Jalan Klang Lama

OUR PERFORMANCE: ENVIRONMENT

BASIS OF PREPARATION

This Climate and Energy Transition section forms part of MRCB's sustainability-related financial disclosures and reflects the Group's transition towards the IFRS Sustainability Disclosure Standards issued by the ISSB.

For the 2025 reporting year, disclosures have been prepared in alignment with IFRS S2: Climate-related Disclosures, with reference to IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information, as well as the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Climate-related information covers the same reporting entity and period as MRCB's consolidated financial statements and should be read together with those statements. It reflects the Group's principal business segments: Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), and Facilities Management and Parking (FMP), which form the basis of the Group's climate-related risk and opportunity assessment.

REPORTING BOUNDARY FOR CLIMATE-RELATED INFORMATION

Unless otherwise stated, the organisational boundary for climate-related metrics, including GHG emissions, is based on the operational control approach and covers operations in Malaysia, Australia, and New Zealand, including subsidiaries over which MRCB has full authority to implement corporate policies and strategic initiatives.

GHG emissions are measured and reported using a GHG Protocol-based methodology. The GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), as well as relevant national and international guidance. The year 2024 has been adopted as the baseline year for Scope 1, Scope 2, and Scope 3 emissions following a comprehensive inventory enhancement and boundary refinement.

Climate-related risk assessments, including physical risk screening and scenario analysis, are applied across the Group's portfolio of development land banks, construction projects, and managed assets. The coverage and granularity of climate-related information will be refined over time as methodologies, data availability, and internal capabilities continue to develop.

JUDGEMENTS, ESTIMATES, AND MEASUREMENT UNCERTAINTY

Preparing climate-related disclosures requires the use of judgement, forward looking assumptions, and estimates, particularly in relation to climate scenarios, physical and transition risk assessments, valuation impacts, and GHG emissions measurement. The nature of climate change, the long-time horizons involved, and the evolving regulatory and market context mean that the related metrics and quantified financial effects are subject to significant uncertainty, and should be interpreted as indicative rather than precise forecasts.

ENVIRONMENTAL MANAGEMENT

MRCB Material Matters

- CET Climate and Energy Transition
- SDRM Sustainable Development and Resource Management

CET

CLIMATE AND ENERGY TRANSITION



WHY THIS MATTERS FOR VALUE CREATION

Climate change affects the resilience, competitiveness, and long-term growth of MRCB's core businesses. Our property development and construction activities operate in an environment shaped by physical climate risks, evolving regulations, and shifting market expectations that influence investment decisions, operating costs, and customer demand. [IFRS S2.9\(a\) / S2.10\(a\)](#)

These dynamics create material risks and opportunities that affect asset valuation, project viability, and our social licence to operate. As a leading property developer and infrastructure player, we also face rising expectations from investors, regulators, and customers to demonstrate credible, measurable progress on our climate commitments.

A clear climate strategy helps us to:

- Strengthen organisational resilience by understanding and managing physical and transition risks across project lifecycles.
- Lower operating costs through energy and water efficiency, waste management, and reduced reliance on carbon-intensive materials.
- Improve asset values and marketability as demand grows for low-carbon, energy-efficient buildings and sustainable construction methods.
- Align with national and global transition pathways, including Malaysia's Net Zero 2050 target and the Paris Agreement.
- Enhance investor confidence and meet rising disclosure expectations.
- Demonstrate our commitment to environmental stewardship while ensuring compliance with emerging regulations and attracting environmentally conscious investors.

This chapter sets out MRCB's climate-related disclosures in alignment with IFRS S2 Climate-related Disclosures. It explains how climate-related risks and opportunities are considered in governance, strategy, risk management, and metrics and targets.

OUR APPROACH

We approach climate change as a financial and operational consideration that influences asset resilience, development viability, and long-term value creation. The Group embeds climate considerations into governance oversight, risk management processes, and business decision-making across the development and asset lifecycle.

How We Apply Our Approach
IDENTIFY • Identify climate-related physical and transition risks and opportunities across property development, construction, and asset management activities. • Consider exposure at asset, project, and portfolio levels.
ASSESS • Assess risks across short, medium and long-term time horizons. • Evaluate potential impacts on project delivery, operating costs, asset values, cash flows, and access to capital.
PRIORITISE • Prioritise climate-related risks based on likelihood and potential financial impact. • Integrate climate risks into the enterprise risk management framework.
INTEGRATE • Embed climate considerations into planning, project design, construction practices, and asset management. • Inform decisions on development specifications, mitigation measures, and adaptation responses.
RESPOND • Implement mitigation and adaptation measures to manage exposure to physical and transition risks. • Consider climate-related opportunities, including resilient developments and energy-efficient buildings.
REVIEW • Review climate-related risks and responses periodically to reflect regulatory developments, climate science, and market expectations.

GOVERNANCE

Board Oversight

[IFRS S2.6\(a\)\(i\),\(iii\),\(iv\),\(v\)](#)

The Board of Directors oversees climate-related risks and opportunities as part of its responsibility for the Group's overall strategy, major transactions, and enterprise risk management. The Board ensures that sustainability and climate considerations, including key risks, opportunities, and trade-offs, inform strategic planning and long-term decision-making.

Climate-related matters form a standing agenda item at quarterly Board meetings, enabling the Board to exercise ongoing oversight through:

- Regular updates on emerging climate risks, regulatory developments, and strategic implications.
- Consideration of climate-related factors when guiding strategy, operations, and long-term planning.

The Board reviews the effectiveness of its oversight of climate-related matters as part of the Board effectiveness evaluation. This review considers whether the Board and senior management are appropriately equipped, through existing governance, experience, and information flows, to oversee climate-related risks and opportunities, and support continuous improvement as regulatory expectations and risk profiles evolve.

Management Oversight

[IFRS S2.6\(a\),\(b\)](#)

Management is responsible for implementing the Board's direction on climate-related matters and translating strategic decisions into operational actions across the Group. This responsibility includes:

- Executing climate-related decisions across relevant functions and business units.
- Integrating climate considerations into day-to-day operations, project execution, and planning processes.
- Ensuring alignment of operational actions with the Board's strategic direction on sustainability and climate matters.

For more information, please refer to [Our Approach to Sustainability on pages 128 to 141](#), and the [Corporate Governance Overview Statement on pages 264 to 297](#).

STRATEGY

Climate Strategy Framework

[IFRS S2.9\(a\),\(d\) / S2.14\(a\)](#)

Our climate strategy translates the Group's net zero ambitions into actionable goals embedded across our value chain and operations. This approach is guided by our Climate Strategy Framework, which ensures that climate considerations inform capital allocation, development planning, and resource deployment over defined strategic time horizons.

The Framework is guided by the recommendations of the TCFD framework, now incorporated within IFRS S2 issued by the ISSB. We continue to align and refine our approach in accordance with IFRS S1 and S2.

OUR PERFORMANCE:
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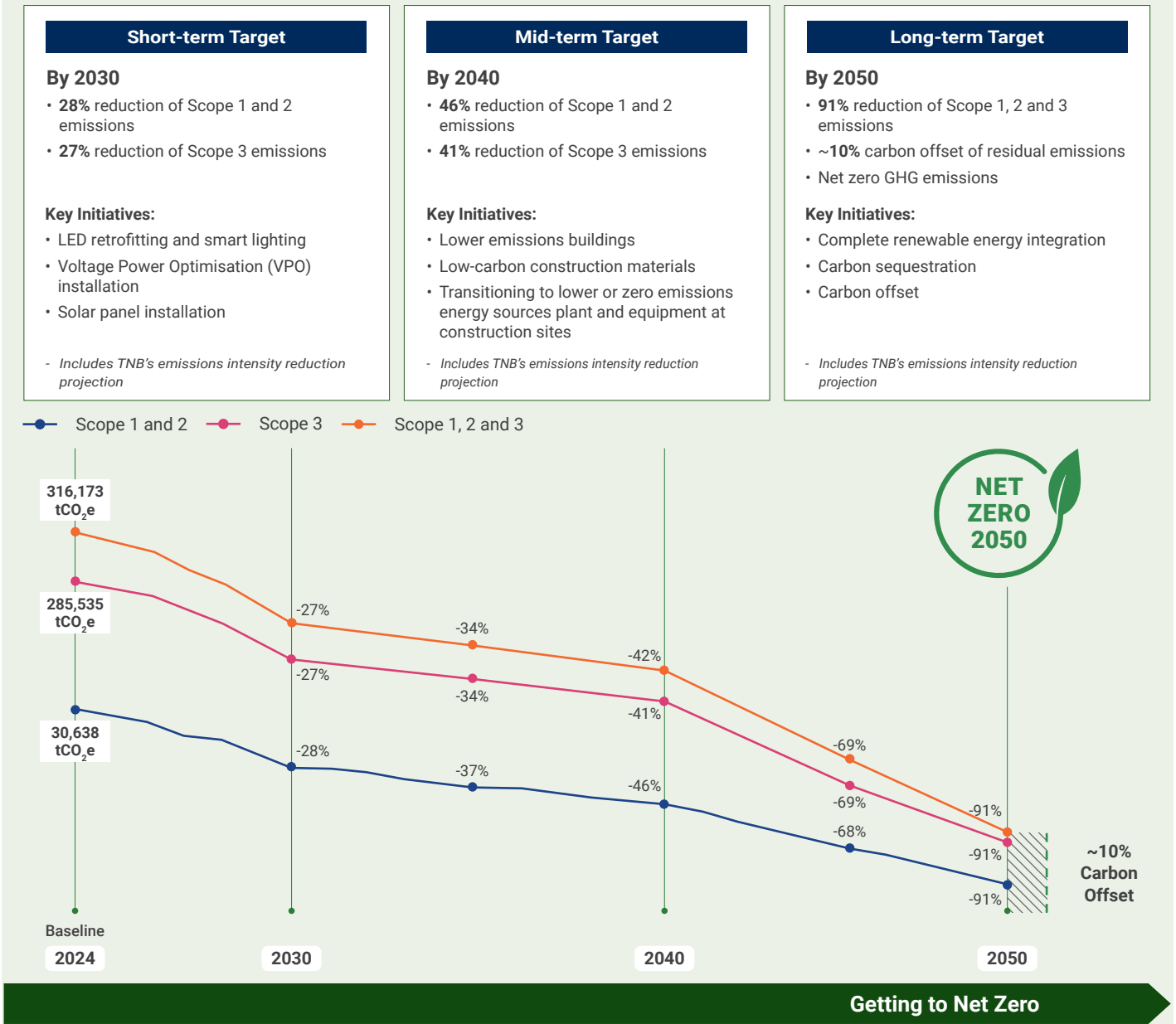
CLIMATE STRATEGY FRAMEWORK				
SUSTAINABILITY ASPIRATION: NET ZERO GHG EMISSIONS BY 2050				
	Managing Climate-related Transition Risks			Managing Climate-related Physical Risks
Strategy	GHG Emissions Reductions	Transition to Low-Carbon		Managing Emerging Physical Climate Risks
Focus area	GHG emissions reductions	Sustainable business practice	Green infrastructure	Climate-related physical risk adaptation
Key Initiatives	- Established Scope 1, 2, and 3 emissions reduction targets in line with Malaysia's Net Zero 2050 target - Scope 3: Adopt the CSI platform to improve Scope 3 disclosures and inventory - 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, and biofuel) - District Cooling System (DCS) - LED and smart lighting retrofitting solutions - Solar Photovoltaic installation at our Transit-Oriented Developments (TODs) - Cultivate an energy saving culture - Carbon offsets and sequestration	- Develop MRCB's climate risk management process in accordance with TCFD and IFRS recommendations - Tap into sustainable financing - Continue developing green buildings and transitioning to lower emissions buildings - Integrate Sustainable Design Policy, which comprises more intensive sustainable design principles and sustainable procurement into our projects and assess the embodied carbon in our projects - Further digitalisation of our operations - Internal carbon pricing - Employee upskilling	- Invest in research and development related to the technical know-how of constructing sustainable and environmentally friendly facilities - Identify opportunities in low-carbon construction materials as alternatives to carbon-intensive construction materials such as cement, steel, glass, heavy machinery, and equipment - Target and build climate change adaptation infrastructure projects such as flood mitigation infrastructure - Target and build clean energy infrastructure projects aligned to Malaysia's New Energy Transition Roadmap (e.g., large scale solar projects)	CLIMATE ADAPTATION - Implement systems for regular monitoring of climate hazards and their impacts - Employee upskilling CLIMATE RESILIENCE - Continue physical risk assessments on new land investments or development projects - Integrate climate risk assessments into future engineering designs
ENABLERS				
Governance	Data Management	Transparency and Compliance	Collaboration and Engagement	
- Board commitment and oversight - Integration into business plans and performance management - Staff engagement and capacity building	- Improve Emissions Data Management System - Improve Scope 3 collection and calculation, in alignment with protocols and standards	- Continue third party assurance of emissions disclosures - Strengthen ESG scoring, IFRS S1 and S2 disclosures	- Continue engagement with regulators and investors to monitor emerging regulations and trends - Collaborate with stakeholders to drive a low-carbon economy	

OUR PERFORMANCE:
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Climate Ambition and Direction

IFRS S2.9(a) / S2.14(a)

MRCB's Decarbonisation Pathway



MRCB's preliminary decarbonisation pathway is based on our 2024 baseline and outlines the path towards net zero by 2050. The pathway is designed as a dynamic framework, subject to periodic refinement to reflect evolving technological advancements, ensuring that our roadmap aligns with both internal implementation timelines and external developments. This projection assumes broadly stable operational activity levels from the baseline year and will be updated to align with any changes or expansion in our business activities, when necessary.

Our decarbonisation pathway focuses on reducing operational emissions through efficiency, electrification, and cleaner fuels, while driving value-chain decarbonisation through sustainable design, low-carbon materials, and supplier engagement.

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Strategic Levers for Operational and Value Chain Focus

IFRS S2.14(a)(v)

Operational Emissions Reduction (Scope 1 and 2)

We target a 3% annual reduction in Scope 1 emissions, driven by enhanced equipment efficiency and a phased transition to electric machinery and vehicles. MRCB is exploring ways to increase the generation and usage of low- or zero-carbon fuels, such as hydrogen and biofuel, to power our operations. We are planning for internal carbon pricing mechanisms to drive low-carbon decision-making across business units.

Our Scope 2 emissions are projected to decline in line with Tenaga Nasional Berhad’s (TNB) grid decarbonisation efforts. We are accelerating this transition through internal energy optimisation measures, including:

Energy Efficiency Retrofits	Reduce electricity demand across managed assets through lighting upgrades and voltage optimisation solutions.
Renewable Energy Integration	Expanding onsite renewable generation and optimising cooling systems to lower grid dependence over time.
Digitalisation	Use digital tools to monitor, manage, and optimise energy usage across our operations.
Green Infrastructure	Evaluate large-scale solar infrastructure projects and waste-to-energy (WTE) projects as part of longer-term solutions.

Collectively, these levers are expected to support delivery of our short-term and mid-term targets against the 2024 baseline.

These strategic levers are being implemented progressively across selected assets, with early deployment focused on locations and assets where feasibility and impact are highest.

Short-term Internal Initiatives	Division	Expected Emissions Reduction		Expected Implementation Timeframe
		Percentage	Absolute	
LED Retrofitting	Parking Services Five car park operations	52%	893 tCO ₂ e	2025 to 2026
Voltage Power Optimisation (VPO)	Facilities Management Penang Sentral	8%	220 tCO ₂ e	2026
Solar Panel Installation	Facilities Management Penang Sentral	21%	533 tCO ₂ e	2029 to 2030

Note: Current short-term projections reflect immediate, high-feasibility initiatives only. Potential reductions from other initiatives (e.g. Waste-to-Energy (WTE) and Large-Scale Solar (LSS) projects) have been excluded from the above list.

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Our LED retrofitting initiative is currently underway across five of our car parks, with full implementation projected to deliver a 52% reduction in emissions at these targeted car park operations.

We are in the process of installing Voltage Power Optimisation (VPO) at one of our transportation hubs, Penang Sentral, which is expected to reduce emissions by 8% from its operation. To further enhance the hub’s sustainability profile, MRCB is planning the installation of rooftop solar panels at Penang Sentral, targeting an additional 21% in savings through renewable energy generation.

Looking ahead, the upcoming refurbishment of the Kuala Lumpur Sentral transportation hub will be anchored in sustainable design principles. By integrating high-efficiency plant and equipment, we aim to future-proof the asset’s environmental performance and ensure long-term operational efficiency.



Value Chain Emissions (Scope 3)

Scope 3 emissions account for the largest portion of our carbon footprint. While these emissions sit largely outside our direct operational control, their long-term trajectory is influenced by broader system-level decarbonisation, including TNB’s projected grid decarbonisation pathway, which is expected to progressively lower upstream electricity-related emissions reflected across the supply chain.

Within this context, MRCB focuses on Scope 3 reduction efforts on levers it can directly influence. These include sustainable design and construction practices, implemented through the Sustainable Design Policy that mandates more intensive green building standards and materials. Our approach involves utilising alternatives to carbon-intensive construction materials, such as low-carbon cement, steel, and glass. MRCB is also actively collaborating with regulators, investors, and suppliers to drive the transition towards a low-carbon economy, ensuring we are on the right track to achieve net zero by 2050.

Strategic Time Horizons

IFRS S2.10(c)

MRCB’s climate strategy is implemented across three time horizons to reflect the different nature of climate-related risks and opportunities across the asset lifecycle:

Short-term (1-5 years)	Medium-term (6-15 years)	Long-term (>15 years)
Focus on operational efficiency, emissions reduction initiatives, and short-term risk mitigation, laying the foundation for longer-term decarbonisation efforts.	Align developments and assets with evolving regulations, market expectations, and decarbonisation pathways, while scaling low-carbon solutions across new developments and existing assets.	Strengthen long-term resilience and support the transition to a low-carbon built environment, contributing towards the Group’s aspiration to achieve net zero GHG emissions by 2050.

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Integration into Strategy and Business Operations

[IFRS S2.9\(c\) / S2.14\(a\) / S2.29\(b\),\(d\)](#)

We integrate climate considerations into our strategy, business operations, and planning by allocating resources from working capital to address climate-related risks and opportunities. This enables:

- climate inputs to influence development planning and design decisions
- risk-based resource allocation towards mitigation and adaptation
- informed opportunity capture across business segments, including new technologies, green building solutions, and design efficiency

Our climate strategy is informed by qualitative and quantitative assessments of physical and transition climate risks conducted across short, medium and long-term time horizons. These assessments evaluate the potential impacts of climate-related risks and opportunities on assets, operations, and financial performance, and support strategic planning and resilience-building efforts.

All business activities (100%) across Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), and Facilities Management & Parking (FMP) are exposed to climate-related transition risks, including evolving regulatory requirements, potential carbon-pricing mechanisms, and shifting market expectations for lower-carbon materials, technologies, and construction practices. To manage these risks, we are advancing several initiatives, including integrating sustainability criteria into procurement and operational decision-making, assessing the applicability of internal carbon-pricing approaches, and progressing alignment with the Science Based Targets initiative (SBTi). These efforts collectively support our transition planning and strengthen resilience towards a low-carbon economy. [IFRS S2.29\(b\)](#)

Climate-related opportunities continue to shape our approach to property development and engineering activities. In 2025, 100% (four projects) of our ongoing PDI projects integrate green design principles and sustainability features. Our projects are designed to meet recognised green building standards or certifications, enabling long-term value creation through improved energy efficiency, reduced operational costs, and enhanced resilience.

Our property portfolio includes VISTA, an award-winning residential development recognised for its eco-friendly design, and Residensi Tujuh, delivered using the MRCB modular construction system, which significantly reduces construction waste and GHG emissions compared with conventional building methods. Our Adonis project embeds climate-responsive design elements such as cross-ventilation layouts, natural cooling, and water-efficient sanitary systems, which improve resource efficiency and enhance thermal comfort for residents.

Similarly, 100% (eight projects) of our ECE projects in 2025 present climate-related opportunities through adaptation, low-carbon design, and efficiency gains. The Muara Sungai Pahang and Sungai Langat flood mitigation projects strengthen climate resilience for surrounding communities. The Kompleks Sukan Shah Alam (KSSA) redevelopment is designed to align with the Selangor State’s low-carbon aspirations, incorporating features that support long-term carbon reduction. Our LRT3 project packages also integrate regenerative braking systems, enabling energy recovery during operations and improving overall system efficiency. [IFRS S2.29\(d\)](#)

 [For more information on our Property Development & Investment performance, please refer to pages 99 to 112.](#)
[For more information on our Engineering, Construction & Environment performance, please refer to pages 113 to 121.](#)

Effects on Business Model and Value Chain

[IFRS S2.9\(b\) / S2.13\(a\),\(b\)](#)

Climate-related factors influence decisions across our business model and value chain, from procurement and material selection, to project feasibility, construction delivery, and capital allocation. These effects are most pronounced in areas with material exposure to construction activities, project development activities, and asset valuation outcomes. These considerations shape how we design, plan, and deliver developments, influencing cost efficiency, asset resilience, and competitiveness as regulatory and market expectations evolve.

OUR PERFORMANCE:

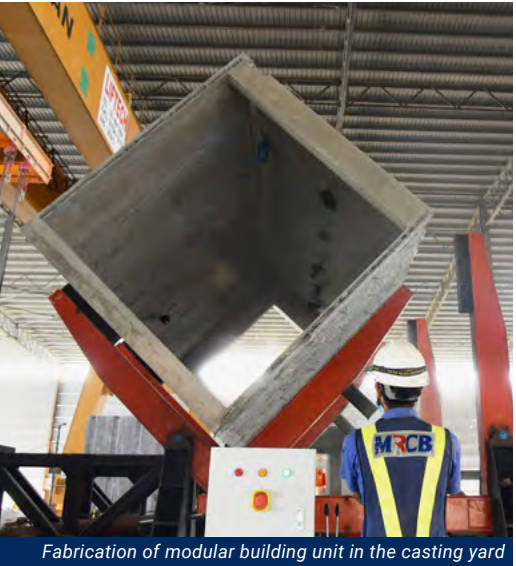
ENVIRONMENT

Where Climate Effects Apply	What It Means for Our Business Model
Procurement and Supply Chain	• Potential rising costs from low-carbon material requirements. • Supplier selection shifts towards low-emission sources.
Project Feasibility and Design	• Climate expectations shape land-use decisions, valuation outcomes, and design solutions.
Construction Delivery Processes	• Increased use of low-carbon and modular construction methods to manage cost and efficiency.
Tender Competitiveness	• ESG and carbon requirements included in tender evaluation, influencing orderbook success.
Capital Investment Priorities	• Investment decisions favour energy-efficient, low-carbon, and digitally enabled solutions.
Portfolio and Valuation Outcomes	• Resilient, energy-efficient assets support long-term competitiveness and stakeholder demand.

Strategic Enablers and Responses

We leverage technology and innovation to advance our climate strategy and enhance performance across development and construction activities. As low-carbon and resource-efficient solutions become more viable, we integrate them into project design and delivery to improve cost efficiency and operational outcomes. Building on our experience in green buildings and TODs, we apply the following enablers to embed low-emission practices across our projects:

Sustainable Design Policy	Apply sustainable design principles and concepts, and expand proprietary low-waste modular construction technology, MBS.
MRCB Building System (MBS)	Adopt modular construction technology that accelerates project delivery by up to 50% compared to conventional methods while reducing waste and carbon emissions through an efficient construction process.
Embodied Carbon Assessments	Conducted on new projects to reduce emissions from construction materials and production processes.
District Cooling Systems (DCS)	Deployed across multiple developments since 2011, delivering energy efficiency gains, lower lifecycle costs, and reduced GHG emissions.



Fabrication of modular building unit in the casting yard

All our projects are planned and designed in alignment with recognised green building certification requirements, which form the foundation for incorporating operational-phase energy and water efficiency into our developments. These principles are embedded from the early design stage to support long-term resource efficiency and reduce environmental impact.

Operational-phase efficiency is further enhanced, where relevant, through energy-efficient design measures such as the use of energy-saving lighting solutions (LED lighting), and inverter-type air-conditioning systems. Water efficiency is addressed through the specification of WELS-certified (Water Efficiency Labelling Scheme) water fixtures and where feasible, the evaluation of rainwater harvesting and reuse opportunities.

These considerations are guided by our Sustainable Design Policy, which sets minimum sustainability requirements and promotes the consistent application of resource-efficient and environmentally responsible design elements across all our developments.

[IFRS S2 B33-IF-EN-410a.2](#)

OUR PERFORMANCE:
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Climate Resilience

IFRS S2.22

We evaluate the resilience of our strategy and asset portfolio by assessing how physical and transition climate risks may evolve under different future pathways, and by considering how its current strategic direction performs across short, medium and long-term horizons. These assessments are underpinned by quantitative and qualitative scenario analyses that test the sensitivity of operating costs, material inputs, property values, and development outcomes to changes in policy settings, temperature trajectories, and market dynamics.

Our strategy demonstrates resilience under the climate scenarios assessed, supported by actions embedded within our Climate Strategy Framework. These include emissions-reduction initiatives, modular and resource-efficient construction solutions, sustainable design practices, district cooling systems, embodied-carbon assessments, and the continued development of green building and TOD assets. These measures strengthen delivery efficiency, reduce lifecycle emissions, and enhance asset attractiveness under a lower-carbon operating environment.

Scenario results are used to evaluate land bank exposure to future flood and temperature risk, analyse the potential financial consequences of carbon pricing and material cost shifts, and assess opportunity pathways such as energy-efficient development premiums. Insights from this assessment process inform strategic planning, capital allocation timing, and project selection, helping the Group manage uncertainty and reinforce long-term portfolio competitiveness.

Under all scenarios assessed, the Group expects to continue operating a viable business model, supported by ongoing mitigation and adaptation measures, planned efficiency improvements, and evolving design and delivery approaches. Continued execution of strategic initiatives and decarbonisation plans is expected to support long-term value creation and alignment with Malaysia's Net Zero transition.

Climate-related Transition Plan

IFRS S2.9(c) / S2.14(a)(iv)

Our transition plan sets out phased actions across operations, development, and the value chain to deliver the interim emissions reduction targets for 2030, 2040, and the net zero 2050 ambition.

In the short term, actions focus on energy efficiency, optimisation of plant and equipment where feasible, wider use of modular and low-carbon construction methods, and stronger procurement standards for lower-emission materials. These measures are intended to deliver the early reductions needed to meet the 2030 targets.

Over the medium term, actions scale renewable energy adoption, low-carbon materials, digital energy management, electrification of equipment, and internal carbon pricing to guide investment and design choices, supporting progress towards the 2040 targets.

In the long term, progress will increasingly depend on external factors such as grid decarbonisation, availability and cost of low-carbon materials, technology maturity, and policy frameworks. Capital and operating expenditure implications will be refined and disclosed as projects are approved and transition pathways become clearer.

RISK MANAGEMENT

Integration into Enterprise Risk Management

We manage climate-related risks through our Enterprise Risk Management (ERM) framework, which provides a structured and systematic approach to identifying, assessing, monitoring, and mitigating sustainability and climate-related risks across the Group. IFRS S2.25(a)

All departments and business units need to consider the impact of physical climate risks on their operations, monitor their risk indicators, and prepare action plans to mitigate such risks.

Climate-related risks are embedded within the Group's Key Enterprise Risk (KER) framework and are specifically monitored under KER 5: Environmental, Social, and Governance Risk, which is reviewed and approved by the Audit and Risk Management Committee and the Board. IFRS S2.25(c)

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Climate Risk Oversight Structure



RISK IDENTIFICATION, ASSESSMENT AND MITIGATION

Climate Risk Identification and Assessment

IFRS S2.10(b) / S2.25(a)(i)

Climate-related risks are identified and assessed through quarterly operational and project risk register reviews, supported by KER reporting within the ERM framework. Risks are evaluated on a residual basis after considering mitigation measures and are prioritised by likelihood, impact, and control effectiveness. The process is reviewed periodically to ensure continued relevance and alignment with evolving regulatory expectations and business priorities. IFRS S2.25(a)(iii)

This approach operates at both the operational and Group levels, ensuring that potential impacts on assets, operations, and financial performance are identified and addressed in a timely manner. All departments and business units are required to consider the potential effects of physical climate risks on their operations, monitor relevant risk indicators, and develop action plans to mitigate identified risks. Updates on climate-related risks, controls, and mitigation measures are reported to the Board every quarter, supporting informed oversight and proactive decision-making.

Use of Climate Scenario Analysis

IFRS S2.22

MRCB applies climate scenario analysis to assess the potential impacts of physical and transition risks on its assets, operations, and long-term financial performance. The analysis supports understanding of uncertainty, informs resilience planning, and strengthens decision-making across short, medium and long-term time horizons.

Scenario analysis is conducted at both the Group and asset levels, taking into account asset location, use, and lifecycle characteristics, as well as the nature of the Group's development and construction

activities. Physical and transition climate risks are evaluated using a range of climate scenarios, including low-carbon climate and worst-case climate scenarios in different time horizons that reflect differing assumptions about temperature pathways, policy responses, technological developments, and socioeconomic conditions. This approach enables MRCB to consider how climate-related risks may evolve and how its strategy and assets may perform under varying future conditions.

MRCB's climate-related risk profile encompasses physical and transition risks, supported by qualitative and quantitative analyses. GHG emissions are monitored and managed as part of the Group's sustainability and risk management processes. Outputs from climate scenario analysis inform strategic planning, capital allocation priorities, and land bank risk screening, as well as guide mitigation and adaptation decisions for assets with longer development and operating horizons.

Scenario analysis also informs long-term financial planning, including capital allocation timing, asset selection, and exposure to carbon pricing and material cost pathways, allowing us to evaluate the corresponding financial effects.

For more information on the financial effects, please refer to pages 171 and 181.

We remain committed to align our current and future capital expenditure with our long-term GHG emissions reduction targets and global decarbonisation goals consistent with the Paris Agreement. This includes our capital expenditure on our MRCB Building System (MBS) yard infrastructure. The MBS approach optimises material and resource efficiency, reduces construction time on-site, and results in overall lower emissions compared to conventional construction methods, thereby supporting our transition towards a low-carbon and more sustainable environment.

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METRICS AND TARGETS

MRCB uses a combination of quantitative metrics, targets and climate scenario analysis to monitor climate-related risks and opportunities, assess their potential financial impacts, and support decision-making across the short, medium and long term. These enable the Group to evaluate exposure to both physical and transition climate risks, track progress towards its climate ambitions, and strengthen the resilience of its assets and operations. [IFRS S2.10\(b\)](#)

[For more information on our environmental performance, please refer to our GHG Emissions section on page 183.](#)

Complete GHG Emissions Inventory and GHG Emissions Baseline

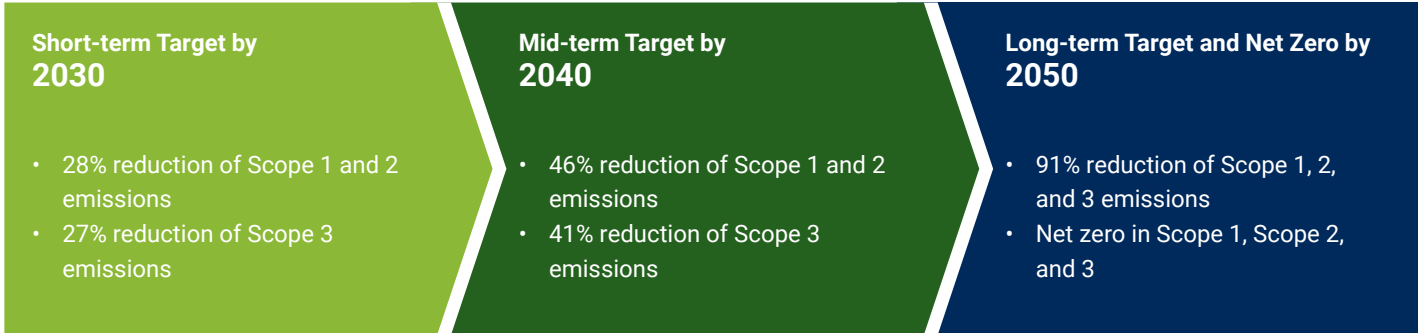
[IFRS S2.33\(c\),\(e\) / S2.34\(d\)](#)

In 2025, we undertook a comprehensive enhancement of our GHG emissions inventory, building on earlier efforts to strengthen the completeness and accuracy of our emissions data. Through this continuous improvement process, we conducted a full Scope 1, 2, and 3 inventory exercise, enabling us to establish a more robust and representative emissions baseline. Consequently, we revised our emissions targets and rebased them from 2020 to 2024 to better reflect our current Group-wide business footprint. Performance against these targets is reviewed annually, both against internal benchmarks and in alignment with national climate goals.

Emissions Reduction Targets

[IFRS S2.33 / S2.34\(c\) / S2.36\(b\)](#)

We have set our interim reduction targets based on our ongoing and planned initiatives against the 2024 baseline. To ensure our environmental accountability scales responsibly, these targets apply to both our absolute emissions and emissions intensity. We use the absolute targets to track our total carbon footprint, and the intensity targets to measure our emissions against business growth performance. Our net zero 2050 target is aligned with Malaysia’s National Energy Transition Roadmap (NETR) and is consistent with the Paris Agreement. [IFRS S2.33\(h\)](#)



Note: These Scope 1 and Scope 2 GHG emissions reduction targets are cascaded to every business segment (Property Development & Investment, Engineering, Construction, & Environment, as well as Facilities Management & Parking Services).

Progress updates are presented to the Board every quarter as part of our climate and sustainability reporting cycle. Our decarbonisation pathway which outlines high-level emissions reduction measures, provides the framework for identifying and monitoring relevant actions and initiatives. Progress against this plan is reviewed quarterly, and our targets are refined periodically to reflect newly implemented initiatives and emerging decarbonisation opportunities. Our climate-related targets and methodologies have yet to be formally validated by a third party. We are, however, committed to ensuring that our approach aligns with best practice, including sectoral decarbonisation approach, and will pursue external validation in the future. We intend to submit our targets to the SBTi for validation in 2026. [IFRS S2.33\(b\) / S2.34\(a\),\(b\) / S2.36\(b\),\(d\)](#)

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We are currently focused on reducing our GHG emissions through internal and organic decarbonisation measures, including energy efficiency initiatives, operational improvement, and the exploration of renewable energy options. As such, we do not plan to use carbon credits to achieve our net emissions targets until after 2040. Consequently, disclosures related to carbon credit schemes, types, or underlying assumptions are not applicable at this time. We will continue to monitor developments in the carbon markets to ensure preparedness for future opportunities. [IFRS S2.36\(e\)](#)

Eco-efficiency across energy, water, and waste is managed through the ISO 14001 Environmental Management System and Quality, Environmental, Safety, and Health (QESH) Policy. In 2025, 22% of our construction projects are ISO 14001:2015 certified, supporting consistent environmental performance across project execution.

PHYSICAL CLIMATE RISKS AND OPPORTUNITIES

We conduct qualitative assessments of physical climate risks to determine how acute and chronic climate hazards may affect the resilience of our assets, operations, and long-term value creation. This assessment guides our investment planning, design decisions, and long-term asset resilience.

Physical climate metrics cover two components:

- qualitative risk assessment
- quantified financial impact modelling

Physical Climate Risk - Qualitative Assessment

[IFRS S2.9\(e\) / S2.22](#)

The qualitative assessment focuses on identifying relevant climate-related hazards, evaluating exposure across asset locations, and considering potential implications across short, medium and long-term horizons, reflecting development timelines, construction activities, and long-term asset holding periods. The assessment considers both acute risks arising from extreme weather events and chronic risks resulting from longer-term shifts in climate patterns.

To support this qualitative assessment, we evaluate natural hazards affecting our assets under different climate scenarios over 2030 and 2050 time horizons, applying the following reference pathways:

RCP 4.5	Selected as it is comparable to Malaysia’s Nationally Determined Contributions (NDC).
RCP 8.5	Selected to represent the Business as Usual (BAU) scenario, where no efforts are taken to reduce GHG emissions.

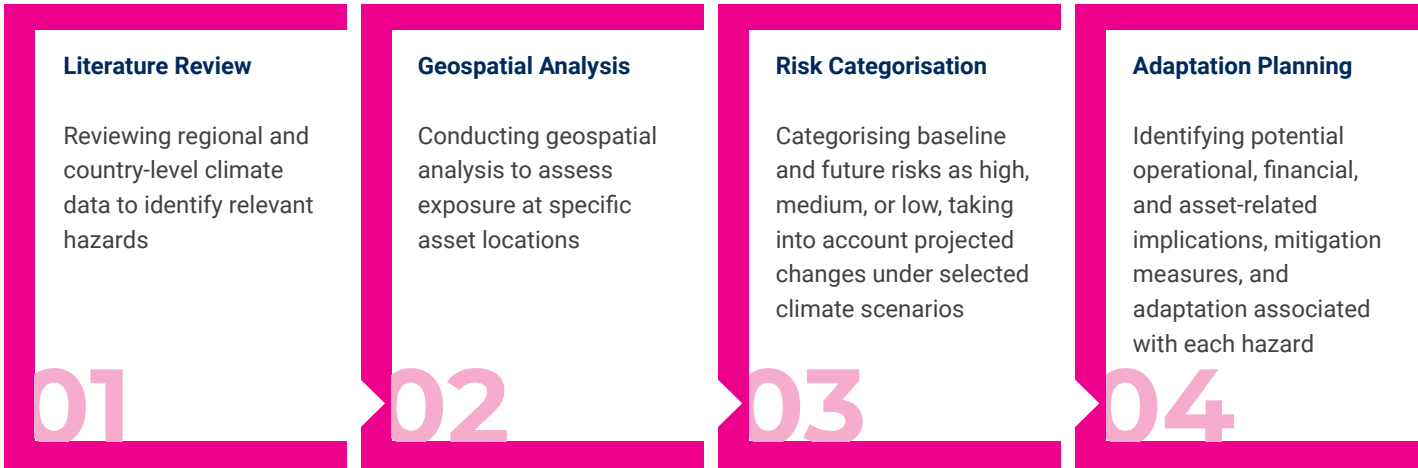
Note: RCP - Representative Concentration Pathway

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Assessment Methodology

IFRS S2.25(a)(i)

The qualitative assessment applies a structured methodology to screen and categorise physical climate risks, which includes:



Identification of Physical Climate Risks

IFRS S2.9(a) / S2.10(a)

The Group’s qualitative assessment evaluates a range of climate-related hazards that may affect asset performance and operational continuity, including:

Identification Criteria for Physical Risks				
Acute				
Baseline scenario indicates that key hazards are event-driven due to increased severe extreme weather events:				
 Urban Floods	 Riverine Floods	 Landslides	 Water Stress	 Cyclone and Wind
0-5 years (high-risk baseline and future scenarios).	0-5 years (high-risk baseline and future scenarios).	0-5 years (based on average precipitations triggered landslides from 1980-2018).	5-10 years (currently low, but projected to be high by 2030).	>10 years (seldom reported in this region, but projections indicate increased intensity and frequency in the Pacific Ocean basin, potentially affecting future asset locations).

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Chronic	
Longer-term shifts in climate patterns, including sustained higher temperatures, may lead to sea level rise and chronic heat waves:	
 Coastal Floods	 Extreme Heat
>10 years (currently low risk of cyclones leading to storm surge).	>10 years (based on daily maximum Wet Bulb Globe Temperature, provided as frequency-severity data in raster format).

These hazards are assessed based on their relevance to MRCB’s asset locations, historical occurrence, projected climate trends, and potential severity under baseline (BSL) and future climate scenarios. The assessment was conducted in 2021 for all MRCB’s 30 assets (100%). IFRS S2.29(c)

		MRCB's Assets								
		13 assets	1 asset	1 asset	7 assets	2 assets	1 asset	2 assets	2 assets	1 asset
 Water Stress	BSL									
	2030									
	2050									
 Riverine Floods	BSL									
	2030									
	2050									
 Urban Floods	BSL									
	2030									
	2050									
 Coastal Floods	BSL									
	2030									
	2050									
 Landslides	BSL									
	2030									
	2050									
 Extreme Heat	BSL									
	2030									
	2050									
 Cyclone and Wind	BSL									
	2030									
	2050									

Legend for Hazard Category High Medium Low No Hazard N/A

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Key Qualitative Findings

The assessment indicates that exposure to selected physical climate risks is expected to increase over time, particularly for hazards related to flooding, extreme heat, and water stress. All assets will experience vulnerability due to the influence of reliance on supporting infrastructure such as electricity, water supply, communications, road connectivity, and other essential services, which may amplify the effects of physical climate hazards over time.

HIGH-RISK HAZARD	MEDIUM-RISK HAZARD	LOW-RISK HAZARD	NON-MATERIAL HAZARD
 Urban floods and landslides	 Extreme heat	 Water stress	 Cyclones and Coastal flooding
• Potential damage to property and infrastructure • Higher insurance and remediation costs • Adverse impacts on land value and investor confidence	• Increased operating and maintenance costs • Accelerated deterioration of construction materials • Higher resource demand during construction and operations	• Higher expenditure on water efficiency and treatment measures • Potential long-term impacts on asset value in water-stressed areas	• Currently assessed as non-material due to limited historical occurrence in the local context

Physical Climate Risk - Quantification of Financial Impacts

IFRS S2.9(e) / S2.22

The qualitative assessment provides the foundation for subsequent quantitative analysis, which estimates the potential financial impacts of selected physical climate risks on the Group's assets under different climate scenarios and time horizons. The quantification assesses potential impacts over the medium-term (2030) and long-term (2050), reflecting the expected lifecycles of developments and long-term asset holding periods. Multiple climate scenarios are applied to capture a range of possible future outcomes and to support resilience planning.

Scope of Analysis

Based on the qualitative assessment, the quantitative analysis focuses on water stress, drought, and urban flooding. These risks are highly significant risks and present the greatest potential to affect asset values and long-term financial performance. We assess how these risks may influence land bank values under different climate scenarios (SSP 1-2.6 and SSP 5-8.5), recognising that increased exposure to physical climate hazards can affect asset desirability, development viability, and long-term valuation.

SSP 1-2.6	Low-carbon scenario with gradual shifts towards sustainability and minimal mitigation/adaptation challenges.
SSP 5-8.5	Worst-case scenario with significant mitigation and adaptation challenges.

Note: SSP- Shared Socioeconomic Pathways

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Methodology and Key Assumptions

The financial impact assessment applies established external data sources and modelling approaches, including:

Water stress and drought	World Resources Institute and other sources
Flood depth and damage curves	Fathom (global flood risk intelligence) and the EU Joint Research Centre (JRC)
Growth rate assumption	Applied a discount to the forecast Compound Annual Growth Rate (CAGR) of land bank values, reflecting extreme weather projections

We calculated the financial impact on selected assets by estimating the anticipated diminution of land values. Higher levels of water stress result in more significant impacts on land value. To reflect this, we applied an adjusted CAGR that decreases as water stress levels increase. We calculated future land values for 2030 and 2050 based on the difference between the business-as-usual CAGR and the adjusted CAGR. Land value is proposed to increase by over 24% by 2030 pending any adaptation measures implemented by the government at the locations where these assets are situated. The table below shows the key assumptions applied in the water stress and drought financial quantification:

WRI Water Stress Index Category	Water Stress Thresholds	Adjusted CAGR
Low	<10%	3.67%
Low-Medium	10%-20%	3.63%
		3.52%
Medium - High	20% - 30%	3.34%
	30% - 40%	3.08%
High	40% - 50%	2.75%
	50% - 60%	0.70%
	60% - 70%	0.00%
	70% - 80%	-0.77%

We assessed the flood-related impacts using multiple flood return periods, reflecting differing probabilities of occurrence, to capture a range of potential financial outcomes under both lower- and higher-emissions scenarios. Under this approach, higher levels of physical climate risk led to a greater adjustment to forecasted asset value growth. This enables us to estimate potential reductions in future land values relative to baseline conditions. Land value is proposed to gradually increase by over 25% by 2030, and a steep increase is projected by 2050 under all scenarios and return periods. The table below shows the key assumptions applied in the flooding financial impact quantification:

Compound annual growth rate	
Annual CAGR	3.67%
Number of years to 2030	7
Number of years to 2050	27

The financial quantification applies a consistent set of baseline and asset value growth assumptions across the identified climate hazards to assess their potential impacts over the identified time horizons. The last physical climate risk quantification assessment was done in 2023.

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Water Stress and Drought	
Climate change and water security concerns affect property values and business losses in Malaysia, compounded by urbanisation, water management challenges, and competition for resources.	
Financial Exposure	The analysis indicates that water stress and drought may lead to lower projected future land value growth rates over time, particularly under more severe climate scenarios, due to increased constraints on water availability and higher adaptation costs.
Anticipated Impact on Land Value	We estimated the potential financial impact of water stress and drought on our assets under both low- and high-emission scenarios (SSP 1-2.6 and SSP 5-8.5). While the value of our land bank is expected to grow significantly, we identified that water stress could potentially result in a minor reduction in the growth rate, of 0.22% by 2030 and 1.33% by 2050, relative to baseline growth. Crucially, this analysis indicates that the land values continue to grow in value over the long term. The identified risks represent a very minor reduction in the rate of that growth and do not result in any decline in absolute value or have any impact on the current carrying value of the Group’s land bank as at the end of FY2025. Furthermore, as most of these developments are scheduled for development and sale prior to the timeframes stated above, and the Group has a multitude of climate risk mitigation and adaptation strategies that it can implement, the long-term projected impacts of these risks on land values are not expected to materialise and we do not foresee any impacts of these risks on land values either in the near or long term.

In 2025, we did not deliver any lots or homes on redevelopment sites or in regions with high or extremely high baseline water stress (0 lots; 0 homes). [IFRS S2 B35-IF-HB-160a.1 / IF-HB-160a.2](#)

Flood							
Flooding, including urban floods, is a recurring hazard in Malaysia, intensified by urbanisation and climate change. Urban flooding may reduce land value growth due to physical damage risk, higher insurance costs, and lower investor confidence, with impacts varying by flood severity and probability.							
Financial Exposure	The financial impact of flooding on MRCB’s selected assets was assessed by calculating anticipated losses on land values. We considered multiple flood return periods to reflect differing probabilities of occurrence. <table><tr><td>1-in-20 years flood return</td><td>High probability</td></tr><tr><td>1-in-100 years flood return</td><td>Medium probability</td></tr><tr><td>1-in-500 years flood return</td><td>Medium probability</td></tr></table> These assets are not designated for home building purposes. Therefore, we do not have any home building lots* located within 20, 100 and 500-year flood zones. * Lots refer to residential home building parcels, not commercial assets IFRS S2 B35-IF-HB-420a.1	1-in-20 years flood return	High probability	1-in-100 years flood return	Medium probability	1-in-500 years flood return	Medium probability
1-in-20 years flood return	High probability						
1-in-100 years flood return	Medium probability						
1-in-500 years flood return	Medium probability						

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Anticipated Impact on Land Value	Using probabilistic flood projections, we assessed the potential impact on MRCB’s assets if flooding of a particular magnitude or frequency (i.e. 1-in-20 years, 1-in-100 years, and 1-in-500 years) were to occur. In the most extreme, unmitigated flood scenarios, the projected growth in land value could face a potential deceleration of 13% in the growth rate by 2030 and up to 22% in the growth rate by 2050. This reflects the effect of physical damage risk, adaptation costs, higher insurance costs, and more cautious investor assumptions being factored into long-term valuations. However, it is important to note that even under these scenarios, the land values are still projected to increase significantly (for example by over 25% by 2030). The identified risks relate solely to the rate of the future growth rates and do not result in any decline in absolute value or have any impact on the current carrying value of the Group’s land bank as at the end of FY2025. Furthermore, as most of these developments are scheduled for development and sale prior to the timeframes stated above, and that the Group has a multitude of climate risk mitigation and adaptation strategies that it can implement which have undergone the necessary engineering studies to conclude no or minimal risk from the impact of flooding, we do not foresee any impacts of these risks on land values either in the near or long term.
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Physical Climate Risk - Financial Effects in the Reporting Period

Based on the physical risk financial impact analysis, no material impact on the Group’s financial position, financial performance or cash flows in FY2025. The financial effect is projected to emerge moderately from FY2030 onwards under both the SSP 1-2.6 and SSP 5-8.5 scenarios. However, the impact will only arise in the event that any mitigation strategies developed by the Group have not been implemented. [IFRS S2.15](#)

Physical Climate Risks - Mitigation and Adaptation Measures

[IFRS S2 B35-IF-HB-420a.2](#)

MRCB implements mitigation and adaptation measures to manage exposure to physical climate risks and strengthen the resilience of its assets and operations. These measures are informed by the qualitative and quantitative assessments of physical climate risks and are integrated into development planning, construction practices, asset management, and emergency preparedness processes.

Water Scarcity	
Water stress may affect project delivery, operational performance, and asset value through constraints on water availability and increased costs associated with alternative water sources and efficiency measures.	
Potential Impacts	Mitigation and Adaptation Measures
- Reduced water availability during construction and operational phases - Higher costs associated with sourcing water from alternative supplies - Increased capital and operating expenditure on water-efficient technologies and treatment systems - Potential impacts on asset attractiveness and long-term value in water-stressed areas	- Conduct water risk assessments and periodic water audits across relevant sites - Implement water efficiency measures, including water-saving fixtures and systems - Explore rainwater harvesting solutions where feasible - Use recycled or non-potable water for suitable applications, such as flushing and cleaning - Adopt water stewardship practices to support responsible water management

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Flood Risk	
Flooding, including urban flooding, presents risks to asset condition, construction activities, and long-term land value, particularly in areas exposed to extreme rainfall and surface water accumulation.	
Potential Impacts	Mitigation and Adaptation Measures
- Physical damage to assets and infrastructure from flooding, erosion, and saltwater intrusion - Increased risk of permanent land loss in coastal areas due to sea level rise and coastal erosion - Disruption to construction activities and operations, affecting project timelines and costs - Higher operating, maintenance, and insurance costs - Reduced comfort, safety, and accessibility for asset users - Lower demand and reduced attractiveness of assets located in flood-prone areas, with potential implications for asset value	- Conduct site-level flood risk assessments to inform design parameters, flood level thresholds, and appropriate mitigation measures - Implement flood monitoring and early warning systems at project sites, where applicable - Coordinate with local authorities and municipal agencies on stormwater management, preparedness, and emergency response arrangements affecting our assets - Incorporate flood risks into emergency preparedness and response plans to support timely and effective incident management

TRANSITION CLIMATE RISKS AND OPPORTUNITIES

Transition climate risks arise from policy changes, carbon pricing mechanisms, evolving building standards, and growing demand for low-carbon materials. These factors may increase development and operating costs, influence procurement decisions, and affect long-term asset values. Rising expectations for energy-efficient and low-emission buildings may also reshape market demand and competitive positioning. Transition risk metrics, therefore, focus on modelling the potential financial effects of carbon pricing, electricity cost escalation, and material cost premiums over defined climate scenarios and time horizons.

Transition Climate Risk - Qualitative Assessment

IFRS S2.9(e) / S2.22

We conducted a qualitative assessment on transition risks and opportunities across short, medium and long-term time horizons, recognising that policy developments, carbon pricing mechanisms and market shifts may materialise progressively and affect different parts of the Group in different ways. The assessment is supported by scenario analysis using two World Energy Outlook 2021 scenarios from the International Energy Agency (IEA):

Annual Pledge Scenario (APS)	~2.1°C, representing the base case
Sustainable Development Scenario (SDS)	~1.8°C, representing a lower-carbon pathway

Each identified climate-related transition risk and opportunity is mapped to relevant scenario indicators to assess its relevance and potential impact under both APS and SDS over the long term.

Scope of Analysis

The assessment covers MRCB's three core business segments:

- Property Development & Investment (PDI)
- Engineering, Construction & Environment (ECE)
- Facilities Management & Parking (FMP)

These scenarios reflect a range of foreseeable transition-related events that may affect all segments, while allowing for differences in exposure and sensitivity across business activities.

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Transition Climate Risks and Opportunities

Scale for Likelihood L Low M Medium H High

Scale for Impact ⬆️ Increased ⬆️ Reduced

Category	Preliminary Scenario	Likelihood			Time Horizon	Financial Impact
		PDI	ECE	FMP		
POLICY & LEGAL	GREEN BUILDING INDEX Growing interest and adoption of Green Building practices in Malaysia could affect MRCB's costs and demand	H	H	M	Short-term	CAPEX OPEX ⬆️
	EMISSIONS REDUCTIONS AND ENERGY EFFICIENCY POLICY Possibility of increased capital and operational cost due to new infrastructure and technology adoption due to related regulatory compliance	H	H	H	Medium-term	CAPEX OPEX ⬆️
	CARBON PRICING Malaysia will likely apply the carbon pricing mechanism which will affect MRCB's operational costs	H	H	H	Medium-term	CAPEX OPEX COS ⬆️
MARKET	NICHE MARKET Increasing corporate and consumer demand for sustainable products and services	H	H	H	Short-term	CAPEX OPEX ⬆️
	STRANDED ASSETS Real estate assets may lose their value prematurely due to the transition to a low-carbon economy	H	H	L	Long-term	OPEX REVENUE ⬆️
TECHNOLOGY	RENEWABLE ENERGY IMPLEMENTATION The steady decline of renewable energy implementation costs and improvements in efficiency will create external pressure on MRCB to adopt renewable energy infrastructure in its projects	H	H	L	Short-term	CAPEX COS ⬆️
	GREEN CONSTRUCTION MATERIALS Requirements for the use of low-carbon building materials will continue to grow, increasing cost of sales	H	H	L	Medium-term	CAPEX COS ⬆️
	ELECTRIC VEHICLE (EV) AND INFRASTRUCTURE Expected growth for EVs in Malaysia will require the establishment of supporting infrastructure in real assets, influencing MRCB's strategy to mitigate risks and capitalise on this opportunity	L	L	H	Long-term	CAPEX ⬆️

Transition Climate Risk - Key Qualitative Findings

The assessment indicates that transitioning to a lower-carbon economy may increase cost pressures across the Group, particularly through higher capital and operating expenditure linked to regulatory requirements, carbon pricing, rising input costs, increasing labour costs, research and development expenses, and investment in lower-energy technologies.

Opportunities are identified through innovation and changing market demand. The MRCB Building System (MBS) positions the Group to respond to growing demand for green buildings and sustainable infrastructure, supporting differentiation from more carbon-intensive solutions and strengthening competitiveness in targeted segments.

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Transition Risk - Quantification of Financial Impacts

IFRS S2.9(e) / S2.22

Following our preliminary transition risk assessment, we identified three material climate-related transition drivers affecting our business across our operations in Malaysia, Australia, and New Zealand, and across our three core business segments of PDI, ECE, and FMP.

Key Transition Drivers

The transition risk assessment focuses on three climate-related transition drivers most likely to influence the Group’s cost structure, asset values, and development economics over the medium to long term. These drivers are selected to reflect expected shifts in policy, market behaviour, and technology adoption associated with the transition to a lower-carbon economy.

1. Anticipated carbon pricing regulations
2. Increasing cost of green building materials
3. Potential energy efficiency premiums from the sale of green residential units

Transition Scenario-Based Financial Analysis Applied

We quantified the financial impacts of these drivers for 2030 (medium-term) and 2050 (long-term) using two scenarios from the World Energy Outlook 2024 by the International Energy Agency (IEA):

Announced Pledges Scenario (APS)	Low-carbon scenario assuming full implementation of global climate commitments
Stated Policies Scenario (STEPS)	High-carbon scenario reflecting current policy settings and planned clean energy capacities

For carbon pricing, additional data was retrieved from the World Bank Carbon Pricing Dashboard and the Network for Greening the Financial System (NGFS) to supplement the IEA data, especially in the projection of emissions thresholds, carbon pricing levels, and electricity prices.

Methodology and Key Assumptions

The financial quantification applies a consistent set of baseline and growth assumptions across the identified transition drivers to assess their potential impacts over the identified time horizons. The last transition risk quantification assessment was done in 2024.

- Baseline year: 2024, unless otherwise stated.
- Business growth projections:
 - 10% annually (2024-2025)
 - 8% annually (2026-2027)
 - 5% annually (2028-2029)
 - 3% annually (2030-2050)
- No new geographies, mergers, acquisitions, or divestments
- Inflation effects excluded

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Transition Driver 1: Carbon Pricing Impact

Carbon pricing mechanisms, including carbon taxes and emissions trading systems (ETS), continue to expand globally as policymakers seek to reduce emissions from carbon-intensive activities. These measures typically target products and sectors with high emissions intensity, including cement, steel, fossil fuels, and energy production.

Across MRCB’s operating markets, Australia and New Zealand have already implemented mandatory carbon pricing schemes. In Malaysia, the Government has announced its intention to introduce a carbon tax on steel, iron, and energy products by 2026, with the scope expected to expand over time to include cement, and oil and gas products. Against this backdrop, we quantified the potential financial impact of carbon pricing on our operations.

Quantification Approach

We quantified the financial impact of carbon pricing through two cost channels: increased operational costs from direct GHG emissions (Scope 1) and from rising energy procurement costs (indirect carbon costs and energy system costs).

Direct Carbon Costs (Scope 1 Emissions)	Indirect Carbon and Energy System Costs
Calculation estimates the potential financial impact of carbon taxes applied directly to emissions generated by the Group’s operations. The impact is most relevant to the Malaysian operations, which account for the majority of the Group’s Scope 1 emissions. Key variables considered: 1. Carbon price 2. Emissions threshold 3. Business growth and Scope 1 emissions	Calculation estimates the potential increase in electricity procurement costs arising from carbon pricing imposed on energy and electricity providers, which is assumed to be passed through to end-users. The analysis also incorporates higher electricity costs associated with capital expenditure by providers to upgrade and future-proof energy systems in line with the transition to a lower-carbon economy. Key variables considered: 1. Carbon price 2. Electricity emission factor 3. Business growth, electricity consumption, and Scope 2 emissions 4. Electricity cost

The carbon pricing quantification is based on the following assumptions:

- Energy consumption and GHG emissions grow in line with projected business growth.
- Carbon prices increase over time based on projections from the IEA World Energy Outlook 2024.
- Electricity emissions factor decreases over the years based on projections from the IEA World Energy Outlook 2024.
- Electricity costs fluctuate over time based on projections from the Network for Greening the Financial System (NGFS).
- Carbon taxes in Malaysia will only be introduced from 2026, with an emissions threshold of 50,000 tCO₂e per year, in line with the 2025 National Budget announcement.
- Emissions thresholds are not taken into account when quantifying the indirect carbon cost of electricity generation, as electricity providers generally emit above the thresholds.
- 100% of the indirect carbon cost of electricity generation is assumed to be passed on to the end user.

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Results: Direct Carbon Costs (Scope 1 emissions)

Under both the APS and STEPS scenarios, MRCB is not expected to incur any direct carbon costs, as our emissions are unlikely to exceed the projected 50,000 tCO₂e per year threshold. Under the worst-case scenario in which emissions thresholds are disregarded, direct carbon costs are projected for both the low-carbon scenario (APS) and high-carbon scenario (STEPS), reflecting differences in carbon pricing trajectories.

Based on our analysis, projected direct carbon costs remain minimal relative to total operating costs and are expected to arise primarily from operations in Malaysia, as Scope 1 emissions from Australia and New Zealand are not material.

Direct Carbon Cost Arising from Scope 1 Emissions

Scenario	Emissions Threshold	Direct Carbon Cost (RM)	
		2030	2050
APS	Yes	-	-
	No	2,372,284	17,138,438
STEPS	Yes	-	-
	No	1,245,449	2,999,227

Results: Indirect Carbon and Energy System Costs

In terms of the impact on electricity procurement costs due to indirect carbon costs and energy system costs passed on to us as an end-user, the projected trends are vastly different across both scenarios. Based on our analysis of the quantification results, the passed-on cost from investment in energy systems has a larger influence on future electricity costs compared to the indirect carbon price on electricity generation. The quantification exercise focuses only on our Malaysian and Australian operations, as electricity consumption in New Zealand is insignificant.

Under the APS scenario, electricity costs are projected to increase substantially from baseline levels, peaking at 49.21% by 2042 before gradually falling to 46.19% by 2050. Under the STEPS scenario, electricity cost impacts are more muted, peaking earlier at 7.76% in 2030 before gradually falling to -3.69% by 2050.

The differing outcomes across the two scenarios reflect variations in carbon price projections and investment needed to upgrade energy systems in both the APS and STEPS scenario. Under the APS scenario, stronger decarbonisation efforts drive higher carbon prices and greater investment in energy system upgrades, while the STEPS scenario assumes more limited decarbonisation, resulting in lower carbon prices and reduced investment requirements.

Impact on Electricity Procurement Costs

Scenario	Electricity Cost Increase/Decrease at Baseline Year Electricity Price (%)	
	2030	2050
APS	32.28	46.19
STEPS	7.76	-3.69

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Transition Driver 2: Green Building Materials Impact

Requirements for the use of low-carbon building materials are expected to increase in Malaysia, driven by the growing adoption of green building practices. This trend has implications for both capital and operating costs, particularly for materials with high carbon intensity and extensive use in construction.

We quantified the financial impact on the Group arising from the integration of green building materials based on two aspects: the green premium associated with the use of green building materials, and the indirect carbon costs arising from the procurement of building materials. The building materials quantification exercise focuses on steel and cement, given their carbon intensity and significance in the building sector.

Quantification Approach

Green Premium from Green Building Materials	Indirect Carbon Cost from Building Material Procurement
Calculation estimates the potential increase in operating expenditure arising from the use of green building materials, which are priced at a premium relative to conventional materials due to higher production costs as a result of the usage of newer technologies. The extent of this impact depends on the uptake rate of green materials, which is assumed to be higher under lower-carbon scenarios. Key variables considered: - Construction material procurement costs - Uptake of green building materials - Business growth and construction material volumes	Calculation estimates the indirect carbon costs embedded in conventional building materials, arising from carbon pricing applied to suppliers and passed through to end users. Under lower-carbon scenarios, higher carbon prices may increase these indirect costs, which may be slightly balanced out by greater uptake of green materials. Key variables considered: - Business growth and material quantities - Proportion of green and conventional materials - Emissions intensity of construction materials - Carbon pricing

The quantification of green building material impacts is based on the following assumptions:

- Procurement costs per tonne of materials are held constant with green material premiums of 20%, 40%, and 60% being applied.
- Uptake of green building materials is assumed to be proportional to changes in GHG emissions relative to the 2023 base year, where declining emissions reflecting increased adoption of green materials. Where emissions remain constant or increase, no uptake of green materials is assumed.
- Material quantities are held constant across scenarios, based on tonnes of steel and cement per Gross Development Value (GDV). This is determined from historical volumes of steel and cement, and GDV data up to 2024. Then, the average for each year was taken to determine the average tonnes/GDV across the future years.
- IEA emissions data for the building sector follows the STEPS and APS scenarios.
- For conventional materials, the emissions intensity profile follows the pathway of the STEPS and APS scenarios. Under both scenarios, the emissions intensity reduces, but at a more rapid rate under APS.
- For green materials, it was assumed that the emissions intensity will be equivalent to the emissions intensity of green materials under a net zero scenario. As such, the energy intensity data for green materials has been extracted from the IEA WEO 2024's Net Zero Emissions by 2050 (NZE) scenario. It is assumed that the green material intensity remains constant over time.
- Carbon pricing assumptions used to quantify indirect carbon costs on building materials are aligned with those applied under the carbon pricing climate-related transition driver.

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Results: Green Premium on Building Materials

The quantities of steel and cement are projected to increase by 163% by 2050 under the STEPS scenario, from 64,970 tonnes to 170,968 tonnes. With the price of conventional materials kept constant, this increase in quantity results in a corresponding 163% increase in procurement costs.

As emissions are not expected to decrease under the STEPS scenario, only conventional material costs are considered, with no green premium factored in. The estimated increase in procurement costs under STEPS is therefore attributable only to changes in volume, rather than material pricing. As a result, MRCB is not expected to incur additional operating expenditure (OPEX) from the green premium associated with green building materials.

Under the APS scenario, projected declines in GHG emissions imply increased adoption of green building materials. This results in additional operating expenses due to green material premiums. Under a worst-case scenario with a 60% green premium, procurement costs for steel by 2050 are estimated at RM608 million, a 27% increase over the STEPS scenario (RM479 million). For cement, procurement costs are estimated at RM766 million, representing a 72% increase compared to STEPS (RM446 million) by 2050.

Estimated Total OPEX Arising from Green Premium of Green Building Materials

Scenario	Green Premium Incurred	Total Procurement Cost of Green Building Materials (RM' Million)	
		2030	2050
STEPS	No	512	925
APS	Yes	512	1374

Results: Indirect Carbon Costs on Building Materials Procured

This calculation is based on the emissions intensity of steel and cement, consistent with how carbon costs are typically determined based on emissions generated. As energy-intensive materials, steel, and cement are expected to fall within upcoming carbon pricing mechanisms. While MRCB is not expected to be taxed directly, suppliers manufacturing these materials are expected to incur carbon costs and pass them through to customers.

As production technologies mature, the emissions intensity of both conventional materials is expected to decline over time, with faster reductions under the lower-carbon APS scenario than under STEPS. Steel emissions intensity declines more rapidly than cement, but remains higher due to its production process. By 2050, conventional steel emissions intensity is projected to decrease by 30% under STEPS, from 1.48 tCO₂/tonne to 1.04 tCO₂/tonne, and by 63% under APS, to 0.54 tCO₂/tonne. Conventional cement emissions intensity is projected to decline by 10% under STEPS, from 0.58 tCO₂/tonne to 0.52 tCO₂/tonne, and by 55% under APS, to 0.26 tCO₂/tonne.

Despite these reductions, rising carbon price levels outweigh the reduction rate in emissions intensity. Procurement costs for conventional materials, therefore, are expected to increase over time due to indirect carbon pricing under both scenarios. The highest impact occurs when 100% conventional material use is assumed under the APS scenario, reflecting high emissions profiles and carbon prices projected to reach USD160/tCO₂e. Under this scenario, annual indirect carbon costs by 2050 are estimated at RM13.4 million for steel and RM15.4 million for cement.

Indirect carbon cost impacts are most limited where green building materials are fully adopted. Under a 100% green material use assumption, indirect carbon costs are estimated at RM0.5 million under STEPS and RM2.9 million under APS. However, the overall cost outcome depends on the green premium required, as higher premiums may outweigh the benefits of reduced indirect carbon costs.

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Impact on Total OPEX Arising from Indirect Carbon Cost of Conventional Building Materials

Scenario	Estimated Indirect Carbon Costs on Conventional Building Materials Procurement (RM' Million)	
	2030	2050
STEPS	6.4	13.3
APS	11.4	23.6
100% Conventional material use under STEPS	6.4	13.3
100% Conventional material use under APS	11.4	38.8
100% Green material use under STEPS	0.3	0.8
100% Green material use under APS	0.6	4.9

Transition Driver 3: Energy Efficiency Premiums - Transition Opportunity

As the third quantified transition driver, the transition to a lower-carbon economy, together with rising energy costs, is driving stronger demand for energy-efficient residential properties, with buyers increasingly willing to pay a premium for improved energy performance. This creates a potential value opportunity for MRCB.

Given the bespoke nature of our commercial developments, the analysis focuses on residential projects where MRCB has control and quantifies the potential financial impact of energy-efficiency premiums on GDV.

Quantification Approach

The analysis estimates the potential increase in GDV arising from energy efficiency premiums for residential projects, driven by three key variables as follows. Financial impacts are assessed as changes in GDV rather than revenue.

- Changes in Malaysia’s overall residential energy efficiency
- Changes in energy efficiency premiums over time
- Business growth and the projected average energy efficiency of residential properties

Key Assumptions

The quantification applies the following assumptions:

- Energy efficiency for residential projects is measured in kWh/m².
- Baseline energy efficiency for Malaysian residential properties in 2023 is based on data from the Carbon Risk Real Estate Monitor (CRREM) Global Decarbonisation Pathways.
- Projected energy efficiency data is assumed to continue improving over time, but at a decreasing rate, based on data from the IEA World Energy Outlook 2024.
- Residential properties are categorised into A-G energy efficiency ratings, derived proportionately from the UK Energy Performance Certificate (EPC) dataset, with datasets and ratings assumed to remain unchanged.
- Baseline energy efficiency premiums in 2023 range from 0.5% to 3.4%, based on a UK study.
- Financial implications of the energy efficiency premiums have been shown to affect MRCB’s GDV for residential projects rather than revenue.
- GDVs for residential projects are assumed to remain relatively constant, based on a three-year average, reflecting the Group’s land bank management and development cycle.

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Results: Energy Efficiency Premiums on GDV

Malaysia’s average residential energy efficiency is expected to continue improving, driven by the higher prevalence of energy-efficient properties across the market. This broader improvement is projected to result in a gradual decline in energy efficiency premiums over time, with a more pronounced decline under the STEPS scenario than under APS.

The analysis indicates that if MRCB is able to enhance the average energy efficiency of its residential projects to achieve the highest premium levels by 2035, GDV could increase by RM154.1 million to RM174.6 million. As premiums decline over time, the estimated GDV uplift moderates to RM159.1 million to RM170.8 million by 2040 and RM144.5 million to RM162.2 million by 2050. Overall, energy-efficiency enhancements continue to support higher GDV across all time horizons, though the incremental value declines over time.

Residential properties with lower energy efficiency are projected to face negative premiums (discounts) of -3.4% to -7.4% at the 2023 baseline, with discounts expected to become more pronounced over time. While these discounts are not expected to apply to MRCB, given its focus on improving energy performance, they may enhance the Group’s competitiveness relative to developers that do not prioritise energy efficiency.

Projected Energy Efficiency Premiums

Scenario	Malaysia’s EPC Ratings	Energy Efficiency Premiums (% relative to EPC Rating D)	
		2030	2050
APS	A and B	3.37%	3.15%
	C	0.50%	0.46%
STEPS	A and B	3.12%	2.81%
	C	0.46%	0.41%

Projected Increase in GDVs from Energy Efficiency Premiums

Scenario	Estimated Increase in GDVs for Residential Projects (Compared to 2023 baseline)	
	2030	2050
APS	RM25.4 million	RM162.2 million
STEPS	RM23.7 million	RM144.5 million

Our transition risk assessment highlighted a key risk particularly for our PDI segment, whereby rising regulations and market expectations may cause less efficient homes to face negative energy-efficiency premiums, higher compliance costs, or reduced competitiveness. Incorporating resource-efficient features into our home designs helps mitigate these risks by managing potential future cost pressures and protecting long-term asset value.

At the same time, resource-efficient considerations present clear opportunities, including improved operational performance, lower utility costs for homeowners, and stronger market appeal. As buyers increasingly prioritise environmentally responsible and cost-efficient homes, these features enhance the competitiveness and resilience of our residential products. We incorporate resource-efficiency features such as water-saving sanitary fixtures and energy-efficient solutions, including inverter-type air-conditioning systems. These requirements are embedded in our Sustainable Design Policy to ensure consistent application across all residential developments.

We communicate the benefits of these features to customers through our sales materials, including brochures, digital content, and videos as well as through sales representatives during engagements and show-unit briefings, ensuring buyers understand the long-term value of a resource-efficient home design. [IFRS S2 B35-IF-HB-410a.4](#)

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Transition Climate Risks and Opportunities - Mitigation and Adaptation Measures

[IFRS S2 B35-IF-HB-420a.2](#)

Risk/Opportunity	Impact	Mitigation and Adaptation Measures
Carbon Pricing	- Higher operating costs arising from potential direct carbon costs on Scope 1 emissions. - Increased electricity procurement costs due to indirect carbon pricing. - Energy system upgrade costs passed through by electricity providers.	- Analyse and optimise energy and electricity consumption across key operations to reduce GHG emissions. - Explore and adopt low-carbon technologies and renewable energy sources where feasible. - Establish an internal carbon pricing mechanism in the near future to support investment decisions and guide decarbonisation efforts. The price will be disclosed once finalised. IFRS S2.29(f)(ii)
Green Building Materials	- Higher operating expenditure due to green material premiums. - Indirect carbon costs embedded in conventional materials, passed through by suppliers.	- Identify and evaluate green building materials with lower premium rates available in the Malaysian market. - Compare the carbon intensity and procurement costs of green and conventional materials to assess cost-effectiveness. - Monitor trends in material emissions intensity and carbon pricing to inform procurement decisions. - Apply internal carbon pricing to support material selection, decarbonisation, and investment decisions.
Energy Efficiency Premiums	- Higher GDV for residential projects from energy efficiency premiums driven by growing demand. - Willingness to pay for energy-efficient homes.	- Identify customer segments with a higher willingness to pay for energy-efficient residential properties. - Strengthen marketing strategies to highlight the economic and energy cost benefits of energy-efficient homes. - Collaborate with financial institutions and industry associations to promote the adoption of energy-efficient residential properties. - Assess the feasibility of higher energy-efficiency specifications suitable for Malaysian conditions.

Transition Climate Risk - Financial Effects in the Reporting Period

Climate-related opportunities, particularly energy efficiency premiums and demand for green developments, are assessed as financially relevant over the medium to long term, and are expected to inform project design, product positioning, and capital allocation decisions. These opportunities support value creation and competitiveness but do not currently give rise to material financial impacts. [IFRS S2.15](#)

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EFFECTS ON FINANCIAL POSITION, PERFORMANCE, AND CASH FLOW

IFRS S2.15 / S2.16 / S2.21 / S2.22 / S2.29(e)

Financial Statement Connectivity and Forward-Looking Considerations

Estimated financial impact (RM'000)	2025	Anticipated financial effects by time horizon (RM'000)		
	Current effect	Short	Medium	Long
Investments in climate adaptation and resilience measures (increase in assets and cash outflows from investing activities)				
Includes effects from:				
- Additional capital expenditure to construct green buildings	621	Note 1	Note 1	Note 1
Investment in climate adaptation and resilience measures (increase in assets and cash outflows from operating activities)				
Includes effects from:				
- Compliance for Green Building accreditation	Note 2	Note 2	Note 3	Note 3

- Note 1: The capital expenditure allocated for manufacturing components of the MRCB Building System has been assessed as sufficient, and no additional budget has been set aside for this purpose. Any further capital expenditure will be considered only if there are changes to the project plan or the Group’s strategy in the future, and will be reviewed annually.
- Note 2: We are currently unable to isolate the short-term financial impacts associated with green building accreditation requirements, as these costs are fully integrated into our core project designs. We will continue to refine our tracking methodologies and incorporate credible data to strengthen future disclosures in this area..
- Note 3: We are unable to estimate the anticipated financial effects due to long-term measurement uncertainty in the inputs and assumptions, arising from the current lack of available data. Nevertheless, this forms part of the design and development process for our property development projects, as required by the relevant authorities. We will continue to monitor and incorporate credible data to strengthen the disclosures in this area. We anticipate increased investment in compliance measures to achieve higher green building accreditation, driven by prevailing sustainability trends.

Climate-related factors are considered in financial estimates and judgements relating to future valuation assumptions, capital expenditure, and long-term cash flow planning. While no material climate-related impacts were recognised in FY2025, scenario analysis indicates that material financial effects may emerge from FY2030 onwards under severe physical climate pathways if no mitigation strategies are implemented. This outlook requires a forward-looking assessment of how climate outcomes may intersect with future revenue recognition, asset valuation, and provisions. IFRS S2.9(d) / S2.15 / S2.16 / S2.21

- Quantified land-value sensitivity at flood-exposed locations indicates potential links to future impairment indicators for development land banks and investment properties, providing there are no mitigation strategies.
- Transition cost exposure may arise from carbon pricing and embodied carbon premiums, alongside potential financial upside from energy-efficient design.

These considerations inform forward-looking planning and will be reflected in our financial reporting when impacts becomes probable and material, and only if no mitigation strategies are available. IFRS S2.9(a) / S2.10(a),(b) / S2.19

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EFFECTS ON STRATEGY AND DECISION-MAKING

IFRS S2.9(c) / S2.14

Climate-related risks and opportunities influence long-term positioning, financial planning, and capital deployment, shaping how the Group prepares its business model for an evolving market, policy, and environmental conditions.

Strategic Influence

IFRS S2.14(a)

Climate considerations are embedded in our design and planning decisions, including the integration of energy-efficient building solutions, low-carbon materials, and modular construction technologies. We continue to expand our green building and TOD approaches, supported by embodied-carbon assessments and green building solutions to enhance operational efficiency and reduce emissions intensity.

Financial Planning and Capital Allocation Implications

IFRS S2.14(b) / S2.29(e)

The scenario analysis undertaken indicates potential carbon pricing cost exposure of up to RM6.7 million by 2050 under certain conditions, and rising electricity procurement costs of up to 45.52% by 2050 under the APS pathway. Green building material cost projections also indicate procurement cost differences of RM1,374 million under APS compared to RM925 million under STEPS by 2050.

Climate-linked opportunities are also embedded into planning, with estimated GDV uplifts of RM162.2 million by 2050 from energy-efficient residential developments. These impacts guide how capital is deployed towards efficiency, materials choices, and renewable energy, as well as how projects are priced and delivered.

Operational and Business Model Implications

IFRS S2.14(c) / S2.29(f)

Climate factors reshape how projects are delivered and how our value chain operates. Transition cost pressures and embodied-carbon effects influence procurement and supplier decisions, while modular construction and digital delivery improve productivity and carbon outcomes. The Group is assessing internal carbon pricing as a decision tool to guide material and design choices, investment returns, and decarbonisation planning over time. Planned internal carbon pricing will further shape material choices and investment returns.

Physical climate risk screening also informs land bank development decisions, with high flood-exposed sites subject to valuation adjustments under MFRS 136 Impairment of Assets. These operational shifts support a low-carbon delivery model and long-term portfolio resilience.

GHG EMISSIONS

IFRS S2.29(a) / S2.36(a)

This section explains how MRCB measures, assures and reports greenhouse gas (GHG) emissions, including changes over time. It covers the underlying methodology, organisational boundaries, assurance approach and year-on-year performance. Our decarbonisation pathway and emissions-reduction targets are set out in the Strategy, and Metrics and Targets sections, respectively.

MRCB adopts the GHG Protocol as the basis for its GHG emissions inventory, covering direct emissions (Scope 1), indirect emissions from purchased electricity (Scope 2), and other indirect emissions (Scope 3). The calculation methodology is carried out in accordance with the WBCSD and WRI’s GHG Protocol.

In 2024, we broadened our organisational boundary to include operations not only in Malaysia, but also in Australia and New Zealand. GHG emissions from operations in all three countries, including subsidiaries, are calculated using the operational control approach, which accounts only for emissions from activities where our policies can be applied. This approach ensures that we include emissions from sources over which we have full authority to implement our corporate policies and strategic initiatives.

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Calculation Reference

Scope 1	2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories - IPCC 6th Assessment Report - Malaysia's National Energy Balance Reports (2016 and 2022)
Scope 2	- Location-based approach - Malaysian Energy Commission's Grid Emission Factor (GEF) for 2017-2022 - Australian National Greenhouse Accounts Factors 2025 - New Zealand's Measuring emissions: A guide for organisations 2024
Scope 3	- UK Department for Environment, Food and Rural Affairs (DEFRA) 2025 version 1.0 - International Energy Agency (IEA) 2023 - US Environmentally-Extended Input-Output (USEEIO)

IFRS S2.29(a)(v)

In 2025, MRCB revised its GHG emissions baseline following completion of a comprehensive GHG emissions inventory for the 2024 reporting year. The previous 2020 baseline, established when the Group first began reporting emissions, coincided with the COVID-19 pandemic, during which operations and activity levels were atypical. As a result, 2020 no longer provides a representative reference point for tracking long-term emissions performance.

In addition, Scope 3 reporting between 2020 and 2024 was progressively expanded, with new categories added, data sources refined, and methodologies strengthened. This meant the original baseline did not fully reflect the Group's value-chain emissions.

The 2024 GHG emissions inventory reflects enhanced activity data, improved data governance, updated emission factors, and a refined organisational boundary, covering operations in Malaysia, Australia, and New Zealand. Based on these improvements, MRCB has adopted 2024 as the new baseline year for Scope 1, Scope 2, and Scope 3 emissions.

Only the previously reported 2024 emissions have been restated to reflect the improved data. From the 2025 reporting cycle onwards, all emissions disclosures, targets, and progress tracking reference the updated 2024 baseline.

With the update for 2024 as our new baseline year, this report discloses GHG emissions for the most recent three years: 2023, 2024, and 2025. MRCB continues to strengthen the credibility and transparency of its GHG emissions reporting through independent third-party assurance. In 2023, our Scope 1 and Scope 2 emissions, together with four Scope 3 categories: Downstream Leased Assets, Business Travel, Employee Commuting, and Fuel- and Energy-Related Activities, were assured under the AA1000AS standard and verified in accordance with ISO 14064, receiving limited assurance.

Building on this foundation, the assurance level for the same scopes and categories was elevated to reasonable assurance for the 2024 and 2025 reporting years, conducted in accordance with the ISAE 3000 assurance standard and verified in line with ISO 14064-3:2019. This progression reflects the increasing maturity of our data governance, methodological precision, and emissions management practices.

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In 2025, our GHG profile showed that Scope 1, 2, and 3 accounted for 6%, 10%, and 83% of our overall GHG emissions, respectively.

Absolute Emissions	Unit	2023	Restated 2024	2025	Variance against restated 2024 (%)
Scope 1	tCO ₂ e	7,870	9,086	13,099	↑ 44%
Breakdown by activity					
Fuel consumption from site activity ^{(a)(b)(c)}	tCO ₂ e	3,420	6,873	8,384	↑ 22%
Fuel consumption from company vehicles ^{(a)(b)(c)}	tCO ₂ e	442	285	194	↓ 32%
Refrigerant ^(b)	tCO ₂ e	4,009	1,928	3,433	↑ 78%
Fire-suppression ^(b)	tCO ₂ e	-	-	1,087	-
Breakdown by Greenhouse Gases*					
Carbon Dioxide (CO ₂)	tCO ₂	3,841	7,129	8,546	↑ 20%
Methane (CH ₄)	tCH ₄	6.738	9.747	11.313	↑ 16%
Nitrous Oxide (N ₂ O)	tN ₂ O	13.489	19.013	21.075	↑ 11%
Hydrofluorocarbons (HFCs)	tHFCs	2.620	1.260	2.546	↑ 102%
Perfluorocarbons (PFCs)	tPFCs	-	-	-	-
Sulphur Hexafluoride (SF ₆)	tSF ₆	-	-	-	-
Nitrogen Trifluoride (NF ₃)	tNF ₃	-	-	-	-
Scope 2	tCO ₂ e	27,339	21,553	20,999	↓ 2.6%
Purchased electricity					
Breakdown by country					
Malaysia ^(d)	tCO ₂ e	27,339	21,528	20,952	↓ 2.7%
Australia ^(e)	tCO ₂ e	-	25	35	↑ 40%
New Zealand ^(f)	tCO ₂ e	-	-	12	
Scope 1 + 2	tCO ₂ e	35,210	30,638	34,097	↑ 11%
Scope 3	tCO ₂ e	19,194	285,535	170,951	↓ 40%
Breakdown by category					
Purchased Goods and Services, and Capital Goods ^(g)	tCO ₂ e	6,926	70,569	40,963	↓ 42%
Fuel- and Energy-related Activities ^{(h)(i)}	tCO ₂ e	4,921	6,173	6,382	↑ 3.4%
Upstream Transportation and Distribution ^(h)	tCO ₂ e	-	20	207	↑ 935%
Waste Generated in Operations ^(h)	tCO ₂ e	-	83	137	↑ 65%
Business Travels ^(h)	tCO ₂ e	127	299	318	↑ 6.4%
Employee Commuting ^(h)	tCO ₂ e	1,062	3,018	2,405	↓ 20%
Use of Sold Products	tCO ₂ e	-	195,879	110,111	↓ 44%
Downstream Leased Assets	tCO ₂ e	6,157	6,245	7,207	↑ 15%
Investments	tCO ₂ e	-	3,249	3,222	↓ 0.8%
Cumulative Emissions (Scope 1 + 2 + 3)	tCO ₂ e	54,403	316,173	205,049	↓ 35%

Notes:

^(a) Utilising 2006 IPCC Guidelines for National Greenhouse Gas Inventories

^(b) Utilising Global Warming Potential (GWP) values based on IPCC 6th Assessment Report

^(c) Utilising Malaysia's National Energy Balance (NEB) Reports (2016 and 2022)

^(d) Utilising the latest Malaysian Energy Commission's Grid Emission Factor (GEF)

^(e) Utilising the latest Australian National Greenhouse Accounts Factors

^(f) Utilising New Zealand's Measuring emissions: A guide for organisations 2024

^(g) Utilising US Environmentally-Extended Input-Output (USEEIO)

^(h) Utilising the latest UK Department for Environment, Food and Rural Affairs (DEFRA)

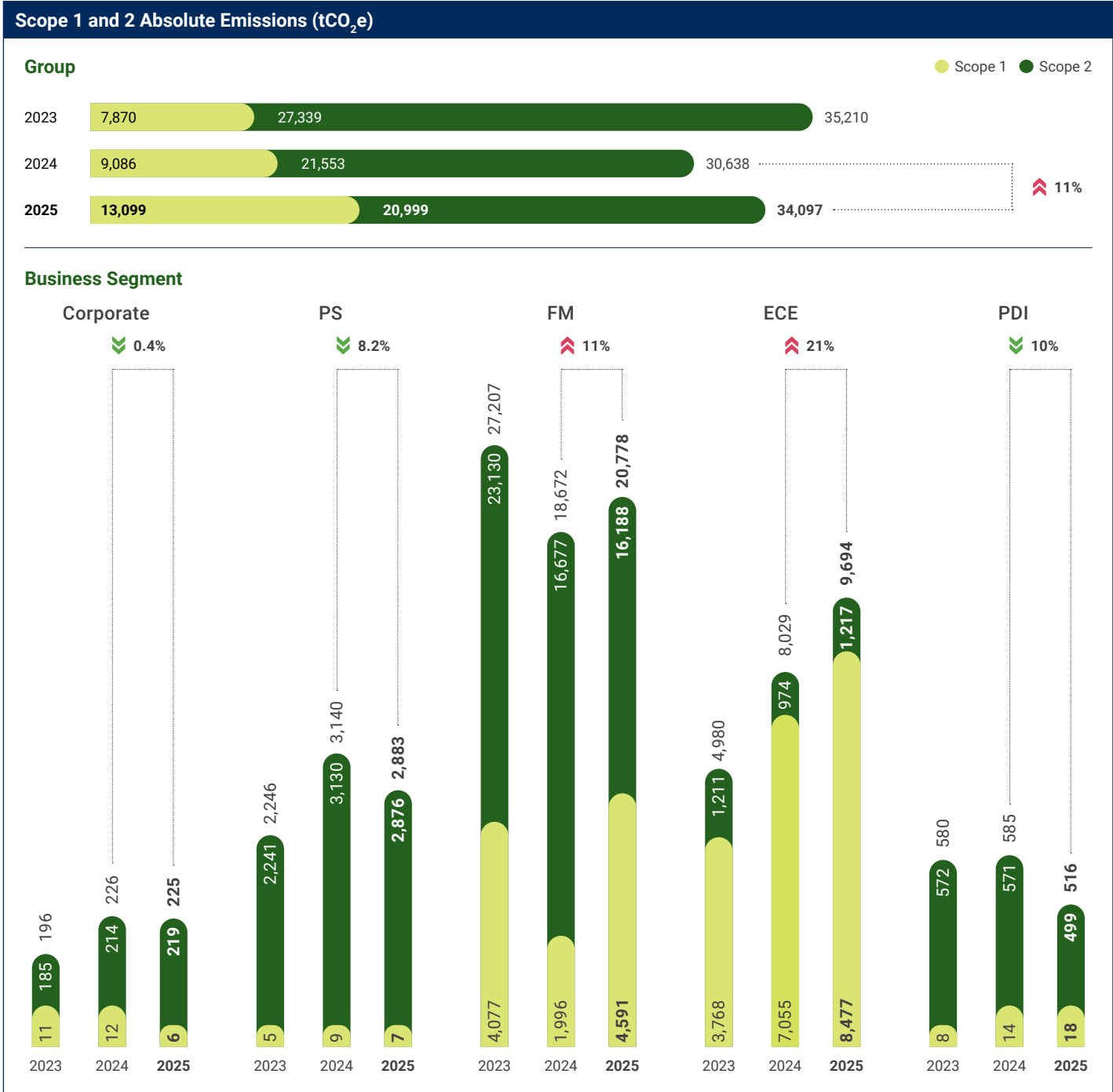
⁽ⁱ⁾ Utilising International Energy Agency (IEA) 2023

- Figures may not sum to the exact total due to rounding

OUR PERFORMANCE:
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Scope 1 and 2 Absolute Emissions

Our total Scope 1 and 2 emissions for 2025 amounted to 34,097 tCO₂e, reflecting an increase of 11% compared to the 2024 baseline. The majority of our Scope 1 emissions (65%) are from the Engineering, Construction & Environment (ECE) segment followed by the Facilities Management (FM) segment (35%). The majority (77%) of our Scope 2 emissions are from the FM segment, followed by the Parking Services (PS) segment (14%), and ECE segment (6%). The operation of the District Cooling Systems (DCS) contributed to 49% of FM's total emissions.



Note: Figures may not sum to the exact total due to rounding

OUR PERFORMANCE:
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Factors Contributing to Emissions Changes in 2025

IFRS S2.35

Facilities Management (FM)	Scope 1 emissions from the managed building, Stesen Sentral Kuala Lumpur (SSKL), increased mainly due to higher refrigerant use caused by gas leaks and frequent servicing of the ageing. Additionally, for the first time since DCS operations at PJ Sentral began in 2018, a gas leak was observed in the fire suppression system (FM-200), further contributing to the rise in Scope 1 emissions.
Parking Services (PS)	Actively replacing non-functioning and faulty lightbulbs with more energy-efficient lightbulbs throughout all our parking locations. As a separate initiative, PJ Sentral carpark has been fitted with new lightbulbs equipped with sensors, improving energy efficiency. In 2024, the operation of the exhaust ventilation fan at the PJ Sentral Carpark has been significantly reduced, as it previously ran continuously during defect repair works.
Engineering, Construction & Environment (ECE)	The increase in Scope 1 emissions in 2025 is mainly contributed by the following two projects: - Muara Sungai Pahang Flood Mitigation Project, which began in early 2023, generated significantly higher emissions compared to regular building projects. Since this project site is located at the mouth of Sungai Pahang in the South China Sea, the project relies heavily on marine vessels and land machineries which are all diesel-powered for site activities. Some examples of these marine vessels used are tugboats, barges, hoppers, workboats, crawler cranes, and passenger boats. - Kompleks Sukan Shah Alam (KSSA) Project, which began in mid-2024, has also relied on heavy machineries and generators for its demolition works. The Muara Sungai Pahang Flood Mitigation Project and KSSA contributed 4,331 tCO₂e and 3,924 tCO₂e, respectively, accounting for 32% and 30% of the Group's Scope 1 emissions (13,099 tCO₂e), and 45% and 40% of the total ECE Division's emissions (9,694 tCO₂e).

Scope 1 and 2 Emissions Intensity

We continue to track emissions performance against the 2024 baseline and year-on-year movements. The combined effect of higher emissions and much lower revenue during the year also led to an increase in emissions intensity. The revenue decline was mainly due to major projects nearing completion while newly awarded projects are still in early development stage, which naturally resulted in reduced revenues available for recognition in 2025. These insights will guide our continued efforts to strengthen operational efficiency and emission-reduction initiatives.

Group	Unit	2023	Restated 2024	2025	Variance Against 2024 (%)
Scope 1 and 2 Emissions	tCO ₂ e	35,210	30,638	34,097	11%
Revenue	RM' Million	2,537	1,645	1,198	27%
Emissions Intensity	tCO ₂ e/RM' Million	13.9	18.6	28.5	53%

The following table shows the GHG emissions intensity by business segments over the last three years.

Business Segments	Unit	2023	Restated 2024	2025	Variance against 2024 (%)
Corporate	tCO ₂ e/m ²	0.0305	0.0330	0.0365	11%
PS	tCO ₂ e/m ²	0.0095	0.0077	0.0070	9.1%
FM	tCO ₂ e/m ²	0.1100	0.1876	0.2088	11%
ECE	tCO ₂ e/RM' Million	2.872	6.259	10.261	64%
PDI	tCO ₂ e/m ²	0.0930	0.0747	0.0638	15%

Note: The intensity for ECE is based on the segmental revenue

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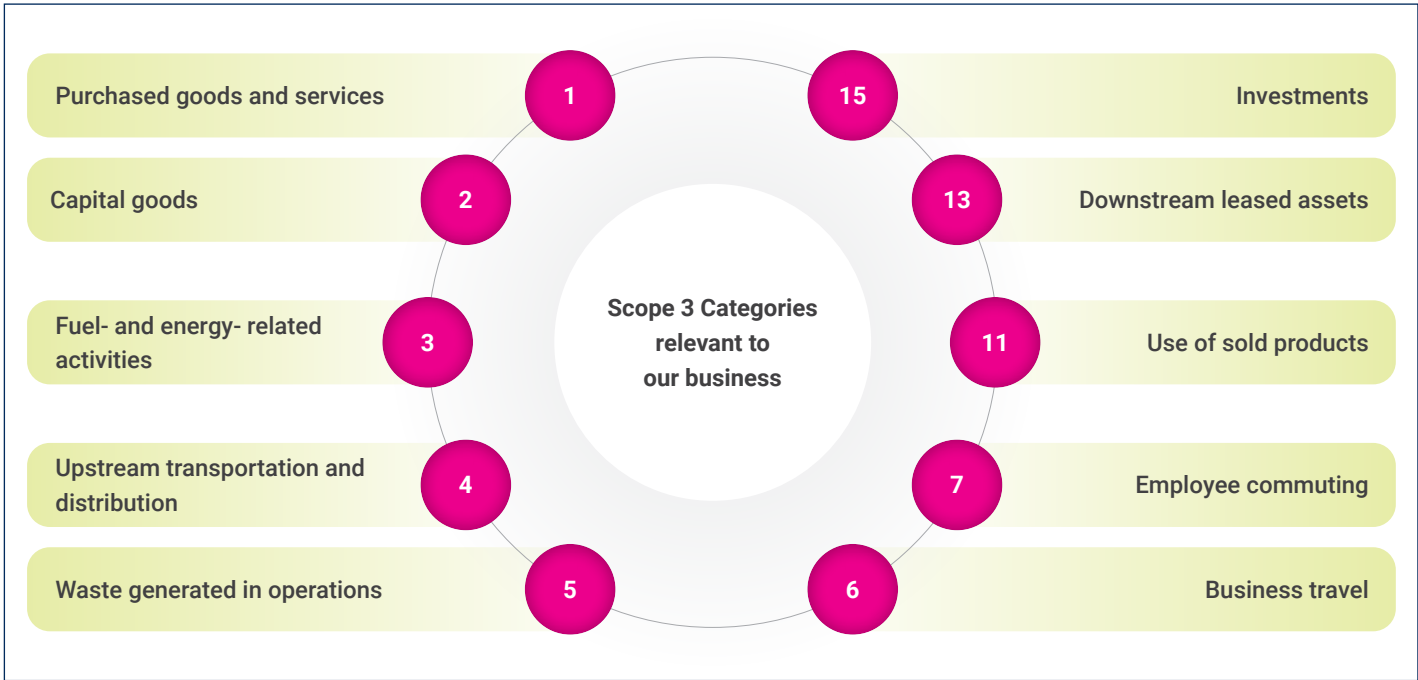
Scope 3 Emissions

Scope 3 emissions, which arise from activities outside our operational control in the supply chain, represent our largest GHG impact. MRCB adopts the GHG Protocol's Corporate Value Chain (Scope 3) Standards to identify GHG reduction opportunities, track performance, and engage with suppliers at the corporate level.

Following the 2024 GHG emissions inventory exercise, Scope 3 emissions have been updated using improved activity data, refined categorisation, and clearer boundary definitions across the value chain. The assessment now identifies 10 relevant Scope 3 categories, bringing disclosures into closer alignment with the GHG Protocol and SBTi standards, and providing a more transparent and representative view of value-chain emissions.

For Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods), we applied a spend-based calculation methodology. In 2025, our computation covered suppliers representing 98% of our total procurement value. For Category 6 (Business Travel), we enhanced our methodology to include emissions not only from air and land travel but also from hotel accommodations. Beginning in 2024, emissions for Category 7 (Employee Commuting) were derived from an employee commuting survey, replacing the 2023 approach, which relied on employee fuel card data.

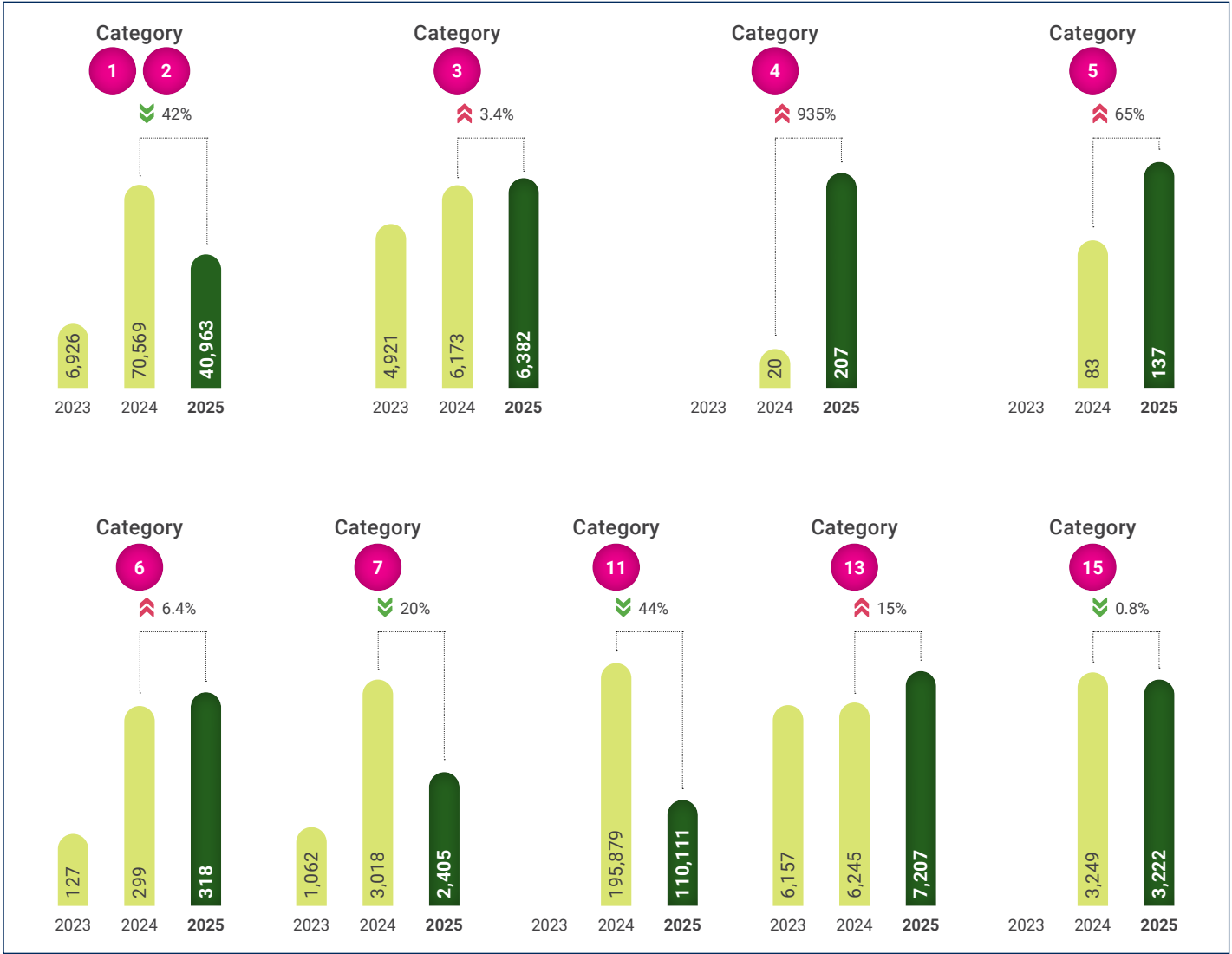
These are the Scope 3 Categories which are relevant to our business:



In 2023, we signed a Memorandum of Collaboration with Bursa Malaysia, positioning MRCB as an early adopter of their Centralised Sustainability Intelligence (CSI) Platform for the Construction Sector to enhance our sustainability disclosures. The CSI Platform, a collaboration with Bursa Malaysia and the London Stock Exchange, was officially launched in 2024. The Bursa CSI platform is a useful tool for helping organisations to understand, at a high level, their 'heat map' for Scope 3 emissions. As it is largely automated and primarily uses spend-based data, it is well suited to organisations who are early on in their carbon management journey. As MRCB continues to improve its emissions calculations, we have taken the initiative to calculate our Scope 3 emissions separately, using methodologies aligned to internationally recognised standards (in particular, the GHG Protocol). We will continue to report the Scope 3 emissions on the CSI platform as and where required, but we will use our GHG Protocol inventory to set targets and track emissions reductions over time.

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Scope 3 Emissions by Categories (tCO₂e)



Scope 3 Emissions Intensity

Group	Unit	2023	Restated 2024	2025	Variance against 2024 (%)
Scope 3 Emissions	tCO ₂ e	19,194	285,535	170,951	40%
Revenue	RM' Million	2,537	1,645	1,198	27%
Emissions Intensity	tCO ₂ e/RM' Million	7.56	173.53	142.72	18%

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ENERGY MANAGEMENT

We continued to roll out energy-reduction initiatives across the organisation, including the ongoing installation of LED lighting in buildings and car park operations managed by the Facilities Management (FM) and Parking Services (PS) Divisions, respectively. The PS Division is also planning to equip at least an additional car park location with proprietary LED lightbulbs in 2026 to further enhance energy efficiency and cost savings. The FM Division is commencing the installation of a Voltage Power Optimisation (VPO) system at one of its managed buildings. This technology reduces incoming voltage to optimal levels, improving electrical efficiency and delivering both carbon and financial savings.

Energy consumption in gigajoules (GJ) within our operational boundary:

Energy Source	Unit	2023	Restated 2024	2025
Diesel	GJ	47,761	91,383	110,091
Petrol		2,786	1,615	1,414
Electricity		127,160	100,245	98,204
Total Energy Consumption	GJ	177,706	193,243	209,709

Note: Figures may not sum to the exact total due to rounding

MRCB is actively looking to broaden its project portfolio by pursuing development and ownership of projects aligned to the National Energy Transition Roadmap, including opportunities in clean energy, renewable energy, and large-scale solar developments to support the Group's transition strategy.

In 2025, we do not have any project backlog related to hydrocarbon-related or renewable energy projects, and there were no backlog cancellations associated with hydrocarbon-related projects during the reporting period. In addition, we do not have any backlog associated with non-energy projects related to climate change mitigation. [IFRS S2 B33-IF-EN-410b.1](#) / [IF-EN-410b.2](#) / [IF-EN-410b.3](#)

Fuel Consumption

Fuel consumed across our operations is primarily attributed to generators and equipment at project sites, as well as fuel cards for company vehicles. These fuel sources represent 25% of our total GHG emissions. We continue to implement reduction measures, including assessing the use of biofuels and transitioning from diesel generators to grid electricity where feasible.

The notable rise in diesel consumption in 2025 is largely driven by two major projects: the Muara Sungai Pahang Flood Mitigation Project and the Kompleks Sukan Shah Alam (KSSA) Project. The Muara Sungai Pahang Flood Mitigation Project requires extensive use of diesel-powered land machinery and marine vessels due to its coastal location at the mouth of Sungai Pahang along the South China Sea. Similarly, the KSSA project, which commenced in mid-2024, involves substantial demolition works that rely heavily on generators and heavy machinery. Together, diesel usage from these two projects accounts for 50% and 49% of the Group's total diesel consumption, respectively. A summary of the Group's diesel and petrol consumption is presented in the table below.

Fuel Source	Unit	2023	Restated 2024	2025
Diesel Consumption				
Machineries at Project Sites	L	1,239,504	2,494,617	3,045,014
Company Vehicles		101,828	71,802	42,441
Total Diesel Consumption	L	1,341,332	2,566,418	3,087,455
Petrol Consumption				
Machineries at Project Sites	L	5,822	6,889	5,432
Company Vehicles		80,452	43,139	38,565
Total Petrol Consumption	L	86,274	50,028	43,996

Note: Figures may not sum to the exact total due to rounding

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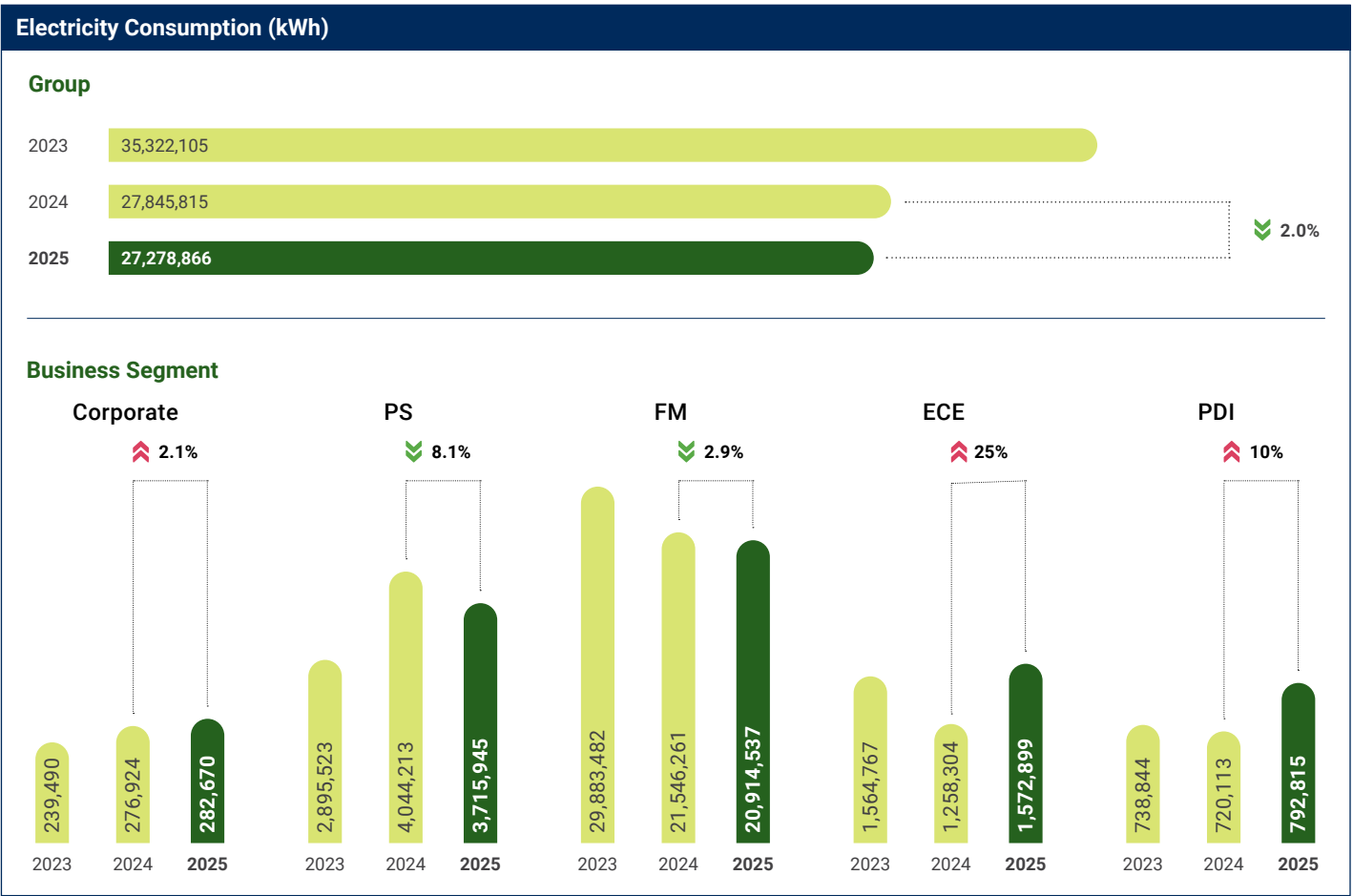
Other Significant Air Emissions (Non-GHG)

We are expanding our environmental reporting to include Nitrogen Oxides (NOx) and Sulfur Oxides (SOx) emissions, originating strictly from our direct fuel combustion activities. To provide a comparative view, we have retrospectively calculated our total emissions for the prior two years based on historical fuel data. All calculations are aligned with recognised frameworks, including the Malaysia NEB 2022, US EPA AP-42, and EMEP/EEA guidelines.

Type of Gas	Unit	2023	2024	2025	Variance Against 2024 (%)
NOx	MT	85	168	205	⬆️ 22%
SOx	MT	0.0288	0.0465	0.0547	⬆️ 18%

Absolute Electricity Consumption

Electricity consumption decreased by 2% in 2025 compared to 2024, largely driven by efficiency initiatives implemented by the PS Division, including the replacement and installation of LED bulbs, and improved building and office energy management. Despite the division's expanded portfolio with increased number of sites under management in 2024, electricity use was still reduced through targeted measures such as installing new sensor-equipped lightbulbs at the PJ Sentral car park and optimising the operation of the basement exhaust fan.



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Electricity Intensity

Electricity intensity for the Facilities Management (FM) Division decreased in 2024 primarily due to more efficient management of the building's chiller system. As FM is one of the Group's major electricity users, largely to maintain comfort for customers and the public at our facilities, optimising energy performance remains a key priority. Conversely, the Parking Services (PS) Division also recorded a reduction in electricity intensity, supported by the installation of sensor-equipped LED lightbulbs and the optimisation of the exhaust ventilation fan at the PJ Sentral car park since 2024.

Business Segments	Unit	2023	Restated 2024	2025	Variance Against 2024 (%)
Corporate	kWh/m ²	37.24	40.40	45.76	⬆️ 13%
PS	kWh/m ²	12.30	9.92	8.99	⬇️ 9.4%
FM	kWh/m ²	120.83	216.44	210.13	⬇️ 2.9%
ECE	kWh/RM' Million	902	981	1,717	⬆️ 75%
PDI	kWh/m ²	118.44	94.11	98.00	⬆️ 4.1%
Group	kWh/RM' Million	13,920	16,923	22,775	⬆️ 35%

Note: The intensity for ECE is based on the segmental revenue

From our Property Development & Investment (PDI) segment, we do not deliver homes with certified HERS® Index Scores or equivalent energy performance certifications, as these measures are not applicable in countries we operate in. Accordingly, no disclosures are made on the number of HERS Index-certified homes or their average scores. [IFRS S2 B35-IF-HB-410a.1](#)

CHALLENGES	OPPORTUNITIES
- Absorbing higher capital and operating costs from low-carbon materials, energy-efficient designs, and tighter environmental standards. - Managing uncertainty around future carbon pricing, energy system costs, and regulatory scope, particularly for steel, cement, and energy products. - Reducing Scope 3 emissions, which form the largest share of the footprint, and depend heavily on supplier readiness, data quality, and market availability of low-carbon materials.	- Capture value from growing demand for energy-efficient green buildings, including price premiums for higher-performing residential developments. - Strengthen competitiveness through modular construction (MBS), district cooling systems, and low-waste building methods that cut time, cost, and emissions. - Enhance competitiveness in tenders and partnerships by meeting ESG and carbon requirements ahead of peers. - Increase supplier engagement to drive improved sustainability, resilience, and carbon outcomes across the value chain. - Use internal carbon pricing to guide smarter investment, material selection, and design choices.
OUTLOOK	
- In the short term, our focus stays on efficiency, plant and equipment optimisation, low-carbon construction methods, and stronger procurement standards to meet 2030 targets. - Across the medium term, the Group will scale renewable energy use, digital energy management, electrification, low-carbon materials, and internal carbon pricing to support the 2040 pathway. - In the long term, progress towards net zero will increasingly depend on continued decarbonisation efforts complemented by carbon sequestration and high-quality carbon offset solutions, subject to external readiness. - Scenario analysis will continue to shape capital timing, asset selection, and exposure to carbon pricing and material-cost pathways.	

OUR PERFORMANCE:
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SDRM

SUSTAINABLE DEVELOPMENT AND RESOURCE MANAGEMENT

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WHY THIS MATTERS FOR VALUE CREATION

Sustainable development and resource management are central to MRCB's ability to deliver high-quality developments responsibly. Construction relies heavily on materials, energy, and water. By reducing resource intensity, improving material efficiency, and strengthening waste minimisation, we lower environmental impacts and support national low-carbon ambitions.

These practices help control operational costs, reduce exposure to future carbon-related risks, and reinforce compliance with evolving environmental regulations. They also enhance our reputation, strengthen stakeholder confidence, and align with investor expectations for climate-resilient, responsibly built assets.

MRCB recognises that construction activities are a significant source of greenhouse gas (GHG) emissions, resource depletion, and waste generation across Malaysia's built environment. By embedding eco design principles, minimising embodied carbon, and advancing circular economy practices, we:

- Reduce resource intensity through efficient material use, responsible sourcing, and recycling.
- Strengthen regulatory compliance in areas such as waste management, biodiversity protection, and embodied carbon disclosure.
- Enhance construction quality and safety through innovative technologies such as the MRCB Building System (MBS), and advanced construction methods.
- Improve the resilience to a projects against future climate, material, and regulatory pressures.
- Support Malaysia's transition to a low-carbon, and nature-positive development.
- Reduce pollution across project sites through improved resource efficiency, responsible material selection, and enhanced waste management practices.

OUR APPROACH

Guided by the Sustainable Design Policy, we integrate eco-friendly materials, embodied carbon considerations, energy efficiency, and resource optimisation across all project phases.

Focus Area: Sustainable Design, Responsible Materials, and Green Building Practices

Implementation Approach

Apply the Sustainable Design Policy, prioritise responsible sourcing and selected material use to minimise environmental and social impacts, and meet Green Building certification requirements.

Strategic Benefits

Lower construction impact, stronger compliance, and market differentiation.

Focus Area: Innovative and Efficient Construction Methods

Implementation Approach

Adopting innovative modular off-site prefabrication and digital design tools such as the MRCB Building System (MBS), Building Information Modelling (BIM), and the Industrialised Building System (IBS).

Strategic Benefits

Reduce on-site waste and energy use, improve safety, and accelerate delivery.

OUR PERFORMANCE:
ENVIRONMENT

Focus Area: Resource Management	
Implementation Approach	Strategic Benefits
Use resources efficiently by reducing waste, improving recycling, and managing water use responsibly across our operations.	Lower environmental impact, cost savings, and improved operational resilience.
Focus Area: Biodiversity and Nature Considerations	
Implementation Approach	Strategic Benefits
Recognise and consider the Ramsar Convention and the National Policy on Biological Diversity where relevant to our operations.	Reduce impact on natural ecosystem, and improve regulatory readiness.

METRICS AND TARGETS

Metrics	Targets	Progress		
		2023	2024	2025
Waste generated (MT)	Reduce YoY	3,610	261,853	413,911
Waste diverted from disposal (MT)	Increase YoY	383	261,348	413,587
Waste directed to disposal (MT)	Reduce YoY	3,227	505	325
Water withdrawal total (m³)	Reduce YoY	573,053	504,454	481,808

Note: Figures may not sum to the exact total due to rounding.

INITIATIVES AND PROGRESS IN 2025

Focus Area: Sustainable Design, Responsible Materials, and Green Building Practices		
Sustainable Design Policy and Supply Chain		
IFRS S2 B33-IF-EN-160a.2 / B35-IF-HB-160a.4		
We continue adhering to our Sustainable Design Policy, which was introduced in 2024, across all relevant new developments in 2025. The policy strengthened oversight at the design stage by embedding requirements for local sourcing, embodied carbon assessment, eco-friendly material selection, and resource efficiency. Project teams refined material-tracking processes and adopted low-carbon alternatives to reduce waste and improve design performance. These measures ensure that sustainability is embedded from concept to construction.		
Initiative	Progress	Outcome
Integrate sustainability in the early design stage	• Applied the policy to our new relevant projects.	More consistent design governance.
Material tracking enhancement	• Reduce over-ordering and improve resource use.	Lower material wastage and cost savings.

OUR PERFORMANCE:
ENVIRONMENT

Integrating Green Building Practices and Certifications

IFRS S2 B33-IF-EN-410a.1 / B35-IF-HB-410a.3

We apply the Sustainable Design Policy to guide the design, construction, and operational performance of our developments. This includes integrating energy- and water-efficient features, selecting sustainable materials, and adopting design strategies that reduce GHG emissions and construction waste. Our developments pursue certification under recognised green building rating systems, including Malaysia's Green Building Index (GBI) and GreenRE, as well as international or foreign schemes such as LEED and Singapore's BCA Green Mark.

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

MRCB was among the first Malaysian developers to achieve an international Green Building certification beginning with Platinum Sentral in 2011. Since then, we have expanded our portfolio of certified developments, integrating features such as Building Management Systems (BMS), smart metering, and solar photovoltaic installation to improve efficiency.

The table below summarises MRCB's certified developments, and the sustainability features integrated across our portfolio.

Project	Sustainability Accreditation	Building Management System (BMS)	Smart Metering	Installation of Solar PV*
PLATINUM SENTRAL	GBI NRNC DA Certified and BCA Green Mark Platinum	Yes	Yes	Yes – Solar PV panel (23 x 2.304 kWp)
PJ SENTRAL – CELCOM TOWER	GBI NRNC DA Certified and LEED BD+C CS Gold	Yes	Yes	No
PJ SENTRAL – MBSB CORPORATE HQ	GBI NRNC DA Certified and LEED BD+C CS Gold	Yes	Yes	No
MENARA JLAND	GBI NRNC DA Gold	Yes	Yes	No
HARD ROCK HOTEL, DESARU	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
DESARU CONFERENCE CENTRE	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
WESTIN DESARU RESORT	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
VIVO 9 SEPUTEH (SOHO)	GBI RNC DA Certified	No	No	No
VIVO 9 SEPUTEH (RESIDENCES)	GBI RNC DA Certified	No	No	No
PJ SENTRAL – MYIPO CORPORATE HQ	GBI NRNC DA Certified	Yes	Yes	No

OUR PERFORMANCE:
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Project	Sustainability Accreditation	Building Management System (BMS)	Smart Metering	Installation of Solar PV*
SENTRAL SUITES	MyCREST ONE STAR and GreenRE RNC DA Bronze	No	No	No
MENARA CIMB	GBI NRNC CVA Certified	Yes	No	No
SENTRAL RESIDENCES	GBI RNC CVA Gold	No	No	No
MENARA SHELL	GBI NRNC DA Silver, and LEED ID+C Commercial Interior Gold	Yes	Yes	No
MENARA SHELL AND ASCOTT SENTRAL	LEED BD+C CS Platinum	Yes	Yes	No
Q SENTRAL	GBI NRNC DA Gold	Yes	Yes	Yes – Solar PV panel (total 120 kWp)
TRIA 9 SEPUTEH	GBI RNC DA Certified	No	No	No
EPF HQ, KWASA DAMANSARA	GreenRE NRNC Platinum	Yes	Yes	Yes – Solar PV panel (total 417 kWp)
FINAS	GBI NRNC DA Certified	Yes	Yes	No

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

BD+C	Building Design and Construction	LEED	Leadership in Energy and Environmental Design (United States) For details on assessment criteria and rating scale: https://www.usgbc.org/leed
ID+C	Interior Design and Construction		
DA	Design Assessment		
NRNC	Non-Residential New Construction	MyCREST	Malaysian Carbon Reduction and Environmental Sustainability Tool (Malaysia) For details on assessment criteria and rating scale: https://www.cidb.gov.my/eng/mycrest/
RNC	Residential New Construction		
CVA	Certification and Verification Assessment		
GBI	Green Building Index (Malaysia) For details on assessment criteria and rating scale: https://www.greenbuildingindex.org/	BCA Green Mark	Building and Construction Authority (Singapore) For details on assessment criteria and rating scale: https://www1.bca.gov.sg/buildsg/sustainability
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	Smart Metering	Smart metering refers to separate sub-meter for internal energy monitoring



EPF HQ, Kwasa Damansara accredited with GreenRE Platinum

OUR PERFORMANCE:
ENVIRONMENT

Focus Area: Innovative and Efficient Construction Methods

Driving Efficiency through Modular and Digital Construction Methods

We advance construction efficiency through modular, digital, and industrialised building methods. The MRCB Building System (MBS) uses Prefabricated Prefinished Volumetric Construction (PPVC), where major components are manufactured off-site and assembled on-site. By shifting up to 85% of construction off-site, MBS reduces waste, energy use, and GHG emissions, shortens construction timelines by up to 50%, and improves safety and quality. Its modular units are adaptable and can be configured for different project needs. Residensi Tujuh is our first residential development in Malaysia to apply this system. This system has been licensed to external companies and patented internationally.

We complement MBS with Building Information Modelling (BIM) to strengthen digital coordination and identify design clashes early, reducing rework, material wastage, and construction costs. The adoption of the Industrialised Building System (IBS) across key projects further improves productivity, reduces site labour requirements, and ensures compliance with CIDB's IBS scoring criteria, with developments such as TRIA 9 Seputeh, Sentral Suites, and FINAS exceeding the minimum score thresholds.

Initiative	Progress	Outcome								
Expand MBS Adoption	- Licensed in Hong Kong and Singapore - Patented in 58 countries and pending in additional 5 more countries - Residensi Tujuh physical progress reached 50% in 2025	Reduced on-site waste and emissions, improved build quality and accelerated delivery.								
Strengthen digital coordination via BIM	BIM applied for clash detection across 3 projects in 2025	Lower rework rates, achieved fewer material variations, and reduced construction costs.								
Increase IBS usage	TRIA 9 Seputeh, Sentral Suites, and FINAS exceeded CIDB's minimum IBS score <table><tr><th>Project</th><th>CIDB IBS Score</th></tr><tr><td>FINAS Headquarters</td><td>52.0</td></tr><tr><td>TRIA 9 Seputeh</td><td>51.1</td></tr><tr><td>Sentral Suites</td><td>51.4</td></tr></table>	Project	CIDB IBS Score	FINAS Headquarters	52.0	TRIA 9 Seputeh	51.1	Sentral Suites	51.4	Higher productivity, reduced site labour, lower waste, and improved consistency.
Project	CIDB IBS Score									
FINAS Headquarters	52.0									
TRIA 9 Seputeh	51.1									
Sentral Suites	51.4									

OUR PERFORMANCE:

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Focus Area: Resource Management

We manage resources responsibly to minimise environmental impact across our construction and operational activities. Our approach focuses on reducing waste, enhancing recycling, and optimising water use to strengthen resilience and improve overall efficiency. Through careful planning, responsible material handling, and continuous monitoring, we work to reduce reliance on virgin resources and lower our environmental footprint.

We apply the 3R approach of reduce, reuse, and recycle at construction sites and track waste generation, recycling, and disposal. Concrete waste is reused as crusher runs for access roads and pothole repairs, while unsuitable concrete is sent to licensed landfills. Wooden pallets are returned to suppliers for reuse.

 Scheduled waste management	- Manage scheduled waste in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005, ensuring proper storage, labelling, and documentation. - Contractors licensed by the Department of Environment (DOE) carry out the treatment and disposal of scheduled waste once it reaches the required accumulation threshold.
 3Rs strategy	- Apply the 3Rs (Reduce, Reuse, Recycle) principles at construction sites by segregating recyclables and reusable waste to minimise landfill disposal. - Scrap materials such as aluminium, power cables, and scrap metal components are channelled to authorised recyclers for recovery.
 Waste tracking and monitoring	Strengthen waste tracking and monitoring systems across all project sites to further reduce waste generation and improve oversight.

Waste Management and Performance

We manage construction and demolition waste through a structured approach that prioritises monitoring, segregation, and responsible disposal. Waste data is compiled from reports submitted by project contractors and licensed waste vendors, and reflects waste generated from project sites under the Engineering, Construction & Environment (ECE) Division, which are within MRCB's operational boundary. Waste generated from the rest of the division are mainly office waste which is low and insignificant. The table below shows the total waste generated in the past three years:

Total Waste Generated (MT)	2023	2024	2025	Variance against 2024 (%)
Group	3,610	261,853*	413,911	⬆️ 58%

Notes:

- The waste data is mainly from the ECE Division
- Excluding waste which are not measured in metric tonnes (MT)
- Density values used to calculate crushed concrete weight have been revised to improve reporting accuracy

OUR PERFORMANCE:

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Non-recyclable Waste Generated and Directed to Disposal

MRCB measures all non-recyclable construction waste generated at project sites. As we do not use incineration or other disposal routes, all non-recyclable waste is sent directly to licensed landfills for disposal.

Waste generated includes non-recyclable construction, domestic, and scheduled (hazardous) waste. Scheduled (hazardous) waste is tracked, reported, and disposed separately in accordance with regulatory requirements. The table and chart below present non-recyclable waste generated and disposed of at licensed landfills over the past three years.

Year	Domestic (MT)	Construction (MT)	Hazardous/ Scheduled (MT)	Total Waste (MT)
2023	113.42	3,110.24	3.53	3,227.19
2024	56.29	434.87	13.67	504.83
2025	28.92	285.07	10.76	324.75
Variance against 2024 (%)	⬆️ 49%	⬆️ 34%	⬆️ 21%	⬆️ 36%

Waste Intensity	Unit	2023	2024	2025	Variance Against 2024 (%)
Group	MT/RM' Million	1.272	0.307	0.271	⬆️ 12%

Notes:

- The waste data is mainly from the ECE Division
- Excluding waste which are not measured in metric tonnes (MT)

Waste Recycled and Diverted from Disposal

Waste diverted from disposal includes materials reused and recycled. In 2025, diversion volumes were exceptionally high due to extensive concrete recovery from the Stadium Shah Alam project.

Type of waste	2023	2024	2025
Scrap Materials	383 tonnes	7,303 tonnes	17,689 tonnes
Others	7 portable cabins	254,034* tonnes of concrete 11 tonnes of plastic seats	395,769 tonnes of concrete 59 tonnes of plastic 69 tonnes of rubber tyres 5 portable cabins

Note:

* Density values used to calculate crushed concrete weight have been revised to improve reporting accuracy

Major Circularity Initiative: Stadium Shah Alam Redevelopment

MRCB applied a circular demolition and material recovery approach for the Stadium Shah Alam Redevelopment to minimise landfill disposal, maximise material recovery, and enable low-carbon site preparation for the new development. The initiative demonstrates a scalable model for circular construction, reducing environmental impact, and enhancing resource efficiency in large-scale redevelopment projects.

OUR PERFORMANCE:
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Initiative	Progress	Outcome
Stadium Shah Alam Redevelopment	- Completed the demolition phase using engineering methods designed to prioritise material recovery and reduce environmental impact. - Achieved exceptionally high recovery of concrete materials, which were crushed and repurposed for flood mitigation works and platform elevation for the subsequent phases of the redevelopment.	- Achieved a 99.99% recycled and reused rate compared to 99.98% achieved in 2024. - Only 0.01% of total demolition materials sent to landfills compared to 0.02% in 2024.

Water Management and Performance

Our construction activities depend on reliable water supply, which we mainly obtain from Air Selangor Sdn Bhd. The utility sources water primarily from the Selangor, Langat, and Bernam rivers and treats it before distribution. As such, our water withdrawal is assumed to originate entirely from surface water.

Water supply interruptions pose a key operational risks, The WRI Aqueduct Water Risk Tool indicates that up to 83% of our assets may face high water stress between 2030 and 2050. Although we currently do not operate in water-stressed regions, we continue to monitor water availability closely and assess emerging risks.

Our Sustainable Design Policy requires all applicable projects to install WELS-certified (Water Efficiency Labelling Scheme) water fixtures, including taps and mixers, dual-flush low-capacity flushing cisterns, shower heads, and water-closet flush valves. 100% of the installed water fixtures meet a recognised water-efficiency certification standard, ensuring consistently efficient flow rates and reduced water consumption. In addition, our developments must incorporate rainwater harvesting systems for non-potable uses such as landscape irrigation and toilet flushing, further decreasing reliance on municipal water supplies and supporting our resource-efficiency objectives. [IFRS S2 B35-IF-HB-410a.2](#)

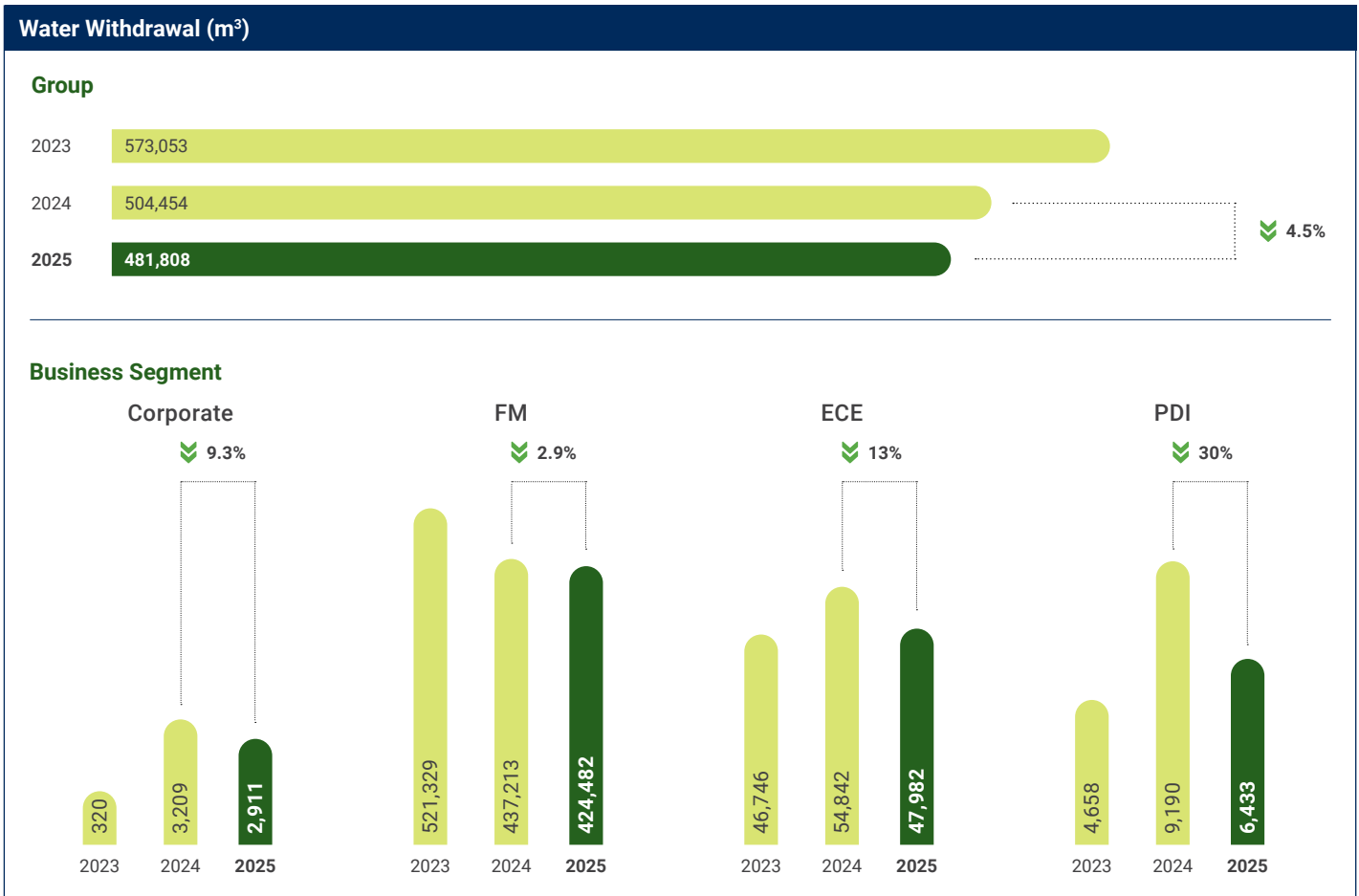
Water Management Practices

 Wastewater management	- Manage runoff and effluent at project sites through control measures such as temporary drainage systems, silt traps, and grease traps. - Prohibit the direct discharge of untreated sewage into drains or waterways and maintain wastewater systems regularly to ensure effectiveness.
 Water quality monitoring	Conduct routine water quality testing at discharge points to ensure compliance with regulatory standards, with zero water-related non-compliance incidents or fines recorded in 2025.
 Water recycling	Incorporate use of recycled water at project sites, primarily for light washing and vehicle cleaning, to reduce reliance on treated water.

OUR PERFORMANCE:
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Water Withdrawal

We monitor water withdrawal across our business segments and implement measures to reduce water use. Water quality is monitored regularly to ensure compliance with regulatory standards. The following chart and table show the water withdrawal by business segments over the last three years.



Note: There is no water withdrawal for Parking Services business segment.

Water Intensity

The following table and chart show water intensity by business segments over the last three years.

Business Segments	Unit	2023	Restated 2024	2025	Variance Against 2024 (%)
Corporate	m³/m²	0.050	0.468	0.471	0.6%
FM	m³/m²	2.108	4.392	4.265	2.9%
ECE	m³/RM' Million	29.96	42.74	52.38	23%
PDI	m³/m²	0.747	1.201	0.795	34%
Group	m³/RM' Million	226	307	402	31%

Note: The intensity for ECE is based on the segmental revenue

OUR PERFORMANCE:
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Initiative	Progress	Outcome
Improve water efficiency and strengthen water-quality controls across all project sites.	- Continued use of recycled water for light washing and vehicle cleaning. - Implemented water efficiency measures as project activity decreased in specific divisions. - Strengthened wastewater controls through silt traps, drainage systems, and regular monitoring. - Conducted periodic water-quality testing at discharge points.	- Lower total water withdrawal relative to project activity levels. - Improve compliance with water-related regulations. - Reduce dependence on potable water for non-critical uses.

Focus Area: Biodiversity and Nature Considerations

Biodiversity Management

We recognise the importance of protecting biodiversity and minimising ecological impacts across our developments. Our approach is guided by the commitments outlined in the MRCB Biodiversity Statement, which is publicly available on our website. We align our practices with the Ramsar Convention and Malaysia’s National Policy on Biological Diversity, ensuring responsible planning and development.

Most of our projects are located in established urban or developed areas, which significantly reduces the risk of disturbing sensitive habitats or protected ecosystems. We maintain a strict policy of avoiding construction in environmentally sensitive and protected areas. Environmental Impact Assessments (EIAs) are conducted for relevant projects in accordance with regulatory requirements.

Although we are not currently operating near areas of high biodiversity value, we continue to refine our strategies to strengthen biodiversity considerations in project planning and execution. We are also exploring opportunities to enhance biodiversity within urban settings, including green design features and nature-positive elements where feasible. These efforts support our commitment to sustainable development while minimising ecological harm across our project portfolio.

OUR PERFORMANCE:
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CHALLENGES	OPPORTUNITIES
- Limited availability and higher cost of green or alternative materials may affect project timelines and budgets. - Increasing complexity in environmental and sustainability regulations requires ongoing monitoring and alignment across project teams. - Supply chain traceability gaps, including the need to coordinate with multiple suppliers to ensure material provenance and compliance with sustainability standards. - Waste and material-tracking challenges, especially where data accuracy depends on multiple contractors and varying site conditions. - Constraints in local recycling infrastructure can limit waste diversion and recovery potential. - Growing biodiversity-related disclosure expectations, including the need to strengthen monitoring and assessment capabilities to align with frameworks such as the International Sustainability Standards Board (ISSB).	- Expanding the use of MBS, BIM, and IBS enables more resource-efficient construction which can reduce waste and improve project delivery. - Increasing demand for green and low-carbon buildings creates opportunities to differentiate our developments, access sustainability-linked financing and expand into new market segments. - Advancements in sustainable, and alternative materials support the development of new design solutions, improve procurement efficiency, and reduce the environmental footprint of future projects. - Enhancing construction and demolition waste recycling can boost recovery rates, lower disposal costs, and contribute to circular construction models. - Strengthening material planning and procurement practices helps reduce wastage at source and supports more efficient use of resources across project sites.

OUTLOOK
We will continue strengthening our sustainable construction and resource management practices by enhancing internal capability, improving supplier alignment, and expanding the use of innovative, low-carbon solutions across our projects. Key priorities include: - Building internal capacity and awareness on sustainable materials, responsible procurement and resource-efficient construction practices. - Strengthening supply chain performance through targeted training, CSI Solution onboarding and the rollout of our internal Supply Chain Roadmap. - Scaling sustainable construction technologies such as modular construction, BIM, IBS, MBS, and green building practices to enhance efficiency, reduce waste, and lower embodied carbon. - Developing a unified waste management strategy across all business units and expanding partnerships with specialised vendors to improve recycling and recovery rates. - Improving water efficiency and exploring non-potable water alternatives to reduce demand for treated water at project sites. - Enhancing nature-related management by aligning with the Ramsar Convention, Malaysia’s National Policy on Biological Diversity, and emerging frameworks such as the TNFD. - Advancing embodied carbon measurement and reporting to support climate-aligned design and construction decisions.

OUR PERFORMANCE:
SOCIAL

A COMMITMENT TO
PEOPLE AND COMMUNITIES

People influence how our developments are designed, built, and experienced. The homes, workplaces, transport hubs, and public infrastructure we deliver shape daily life across the communities we serve and carry lasting social impact.

Our social priorities focus on fair employment practices, respect for human rights, workforce safety, talent development, and meaningful community engagement. We foster safe working environments across our operations and projects, uphold recognised human rights principles, and build capability within our teams. We listen, respond, and adjust our approach based on stakeholder feedback, and we measure our progress to ensure that our actions translate into tangible social outcomes across our portfolio.



A discussion among team members

EMPOWERING PEOPLE AND COMMUNITIES

MRCB Material Matters

- HS

Health and Safety
- PEH

Our People, Employment Practices, and Human Rights
- SR

Stakeholder Relations

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OUR PERFORMANCE:
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HS HEALTH AND SAFETY

| S M

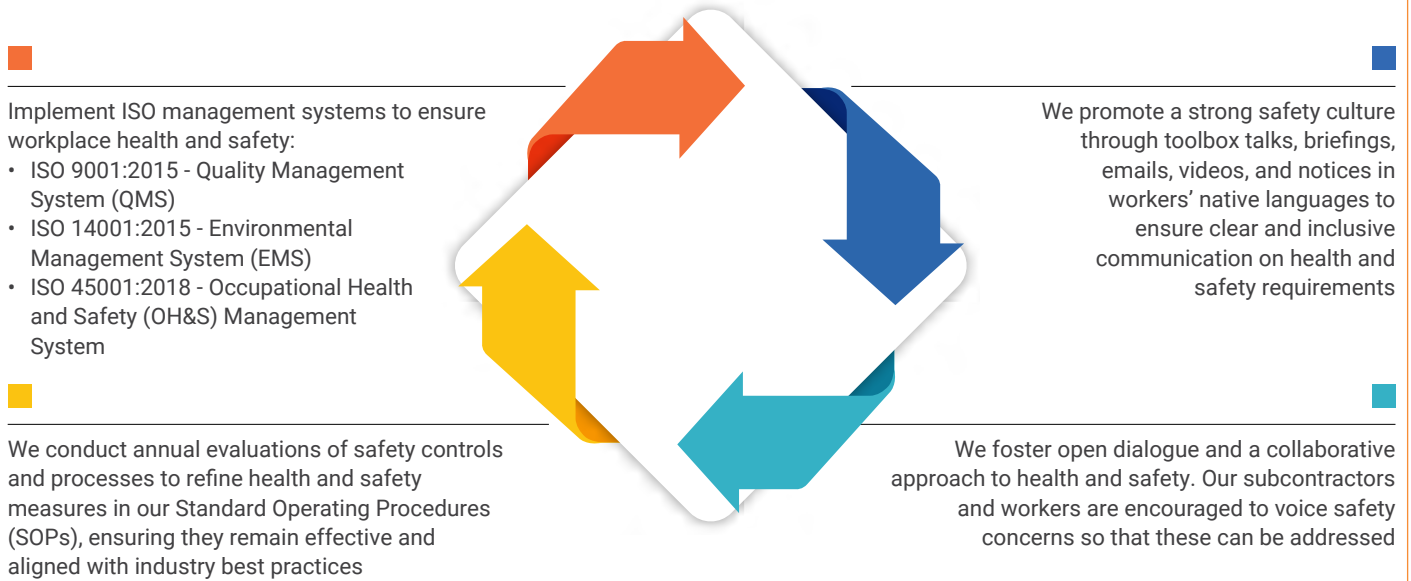
WHY THIS MATTERS FOR VALUE CREATION

Safety across MRCB's offices, construction sites, and other operating locations is a fundamental right and a top priority for all employees, contractors, vendors, and the public. A robust occupational health and safety framework underpins our operational continuity, protects cash flows, and sustains our licence to operate, thereby delivering value by:

- Protecting our workforce from workplace accidents, injuries, and illnesses through strong safety systems and daily risk controls.
- Enabling operational continuity by proactively managing hazards to prevent stop work orders, project delays, and revenue disruptions.
- Safeguarding financial resilience by avoiding regulatory fines, legal liabilities, and rework costs linked to safety incidents.
- Enhancing stakeholder confidence by demonstrating strong safety performance through ISO 45001 certification, high SHASSIC ratings and zero fatalities.
- Embedding a culture of accountability by driving leadership-led safety initiatives, setting clear key performance indicators, and reporting performance transparently.

OUR APPROACH

We operate in high-risk construction and engineering environments that require disciplined systems to prevent incidents, ensure regulatory compliance, and protect personnel across our construction sites. To support strong governance and consistent safety performance across all projects, we apply an integrated health, safety, and environment (HSE) management approach that combines certified systems, continuous improvements, and active workforce engagement.



We maintain a robust health and safety management framework aligned with the Occupational Safety and Health Act 1994 (2022 Amendments) and recognised industry best practices. Key controls, including structured risk assessments, competent safety personnel, mandatory training, incident reporting, safe-work procedures, contractor oversight, and emergency preparedness are embedded across all operations.

The regulatory developments in Malaysia, specifically the Occupational Safety and Health (Amendment) Act 2022 which came into effect on 1 June 2024, have increased compliance expectations and expanded the "duty of care". While these changes are significant, our existing health and safety management already meets or exceeds these standards.

OUR PERFORMANCE:
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While health and safety remains a core operational priority for the Group, it is not considered a financially material sustainability-related risk. Statutory penalties for non-compliance under the amended Act may reach up to RM500,000 but these amounts remain immaterial when viewed against the Group's total revenue and project values. Furthermore, financial liability for safety breaches is appropriately apportioned across the value chain through robust contractual frameworks, ensuring that the Group's direct exposure to third-party operational risks remains limited. The Group's strong governance, mature internal controls, and established safety culture further reduce the likelihood of major regulatory penalties.

Our approach to HSE management is structured around three pillars, namely strong governance, a robust policy, and control framework, and alignment with external standards and benchmarks.

Governance Structure

We maintain a clearly defined governance system that drives safety accountability from the Board to each project site. HSE leadership forms a core part of our operational oversight and is supported by an organisational framework with clear roles and responsibilities across all management levels. In compliance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996, we have established HSSE Committees at all construction sites. This structure enables consistent supervision of safety performance, transparent reporting, and effective escalation of emerging risks across the Group.

Board Oversight	HSE Governance Committee
Board of Directors The Board of Directors provides strategic oversight of health and safety by reviewing HSE performance quarterly and monitoring safety-related targets. During quarterly reviews, the Board is updated on key safety indicators, including: • Accidents/incidents that have occurred in the year. • Notice of Improvement/Prohibition (NOI/NOP). • Number of Stop Work Orders (SWO) issued, HSE audits, HSE inspections and inductions, and HSE trainings.	MRCB Group HSSE Committee (HSSE Committee) • Chaired by the EVP of HSSE, the HSSE Committee comprises an advisor, a secretary, and management representatives from each department. • Meets quarterly to foster collaboration and consultation between Management and workers, encourage discussion, and raise awareness on HSE issues. • Ensures alignment of HSE-related policies with regulatory requirements, communicates and implements updates, develops strategic roadmaps, and reviews risks to strengthen HSE performance across the Group.
Management Accountability	Review and Improvement Process
Group Managing Director, Group Chief Operating Officer, and Executive Vice President of Health, Safety, Security, and Environment (EVP of HSSE) • Senior Management is accountable for translating the Board's directives into operational controls. • Responsible for overseeing health and safety-related matters. CEO of Engineering, Construction & Environment (ECE) Division • Health and Safety key performance indicators (KPIs) are embedded in the ECE Division CEO's remuneration. • KPIs are cascaded to Project Directors and the appropriate site-based teams to reinforce accountability.	Annual HSE Management Review Meeting Attended by all relevant business units to: • Update on the Quality, Environmental, Safety, and Health (QESH) Management System. • Review HSE objectives, targets, and performance. • Review effectiveness of the latest HSE communication efforts. • Identify opportunities for continuous improvement.

OUR PERFORMANCE:
SOCIAL

Policy and Control Framework

MRCB's HSE governance is underpinned by internationally recognised management systems and comprehensive policies:

QESH Policies Alignment
• Our QESH policies reflect legal requirements and industry standards, ensuring consistent protection for employees, contractors, and the public. Policies align with: - Occupational Safety and Health Act (Amendment) 2022 - Factories and Machinery Act (Repeal) 2022 - Construction Industry Development Board Act 1994 - MRCB's Construction Safety Requirements for Contractors • Operations under our wholly owned construction subsidiary, MRCB Builders Sdn Bhd, maintained ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, reflecting our ongoing adherence to internationally recognised standards in quality, environmental, and occupational health and safety management. • All our construction projects operate in alignment with the ISO 45001:2018 OH&S Management System, ensuring consistent application of stringent safety standards across our operations. While certification is pursued as a best practice rather than a compliance requirement, 22% of our projects were formally certified in 2025. • We regularly review and strengthen our QESH strategies to maintain strong safety and health standards, reduce environmental impacts, and uphold performance benchmarks aligned with industry best practices.
Hazard Identification, Risk Assessment, and Determining Control (HIRADC)
• HIRADC analyses are mandatory across all operations and project sites, covering both existing and potential new operations, and are guided by comprehensive SOPs applicable to all personnel, including subcontractors and visitors. • HIRADC reviews are conducted annually at headquarters and biannually at sites, as well as whenever work conditions change, or new activities or materials are introduced.
Emergency Preparedness and Response
• Emergency Response Plans define procedures for fires, explosions, falls from height, spills, structural collapses, landslides, and floods. • Stop Work Orders are mandatory for serious incidents (e.g., fatalities, structural failures). • Coordination procedures with external authorities, including the Royal Malaysian Police (PDRM), Fire and Rescue Department (BOMBA), and ambulance services, to ensure rapid response.

OUR PERFORMANCE:

SOCIAL

Alignment With External Standards and Benchmarks

Our commitment to safety excellence is validated through independent assessments and external partnerships:

Safety and Health Assessment System in Construction (SHASSIC)	
MRCB employs SHASSIC, an independent assessment system developed by Malaysia’s Construction Industry Development Board (CIDB), to evaluate and enhance safety practices at construction sites. The system evaluates safety through: • Document checks (20%) • Physical site inspections (60%) • Employee interviews (20%) SHASSIC scores between 90-100% indicate excellence with proactive top-management commitment, while scores of 80-89.9% reflect exceptionally good practices with strong leadership commitment. In 2025, the SHASSIC evaluation for the FINAS project achieved an outstanding score of 98.9%, earning a 5-Star rating.	
Industry Partnerships	Regulatory Engagement
MRCB collaborated with CIDB through its subsidiary, Akademi Binaan Malaysian (ABM), to support its tower crane Technical and Vocational Education and Training (TVET) programmes, strengthening workforce capabilities in safety-aligned trades by providing a dedicated tower crane and training area for programme delivery.	We maintain active engagement with regulatory bodies, including the Department of Occupational Safety and Health (DOSH) and CIDB, to anticipate legislative changes and align practices with emerging standards.

METRICS AND TARGETS

IFRS S1.33(b) / S1.46 / S1.50 / S1.51(a),(b),(c),(e),(f)

Metrics	Targets	Progress		
		2023	2024	2025
Incident Rate* (Incidents per thousand workers)	<2.5	0	1.78	1.72
Rate of Recordable Work-related Injuries* (Injury Rate) (Injuries per million man-hours worked)	Zero (0)	0.34	0.17	0.33
Lost Time Injury Rate* (LTIR) (Incident per million man-hours worked)	Zero (0)	0	0.17	0.22
Fatalities	Zero (0)	0	0	0
HSE Rating/SHASSIC Score	>80%	93%	97.1%	98.9%
CIDB Rating	5-Star	5-Star	5-Star	5-Star
Non-Conformance Report (NCR) Closure Rate**	85% closed within 7 days	100% closure rate	100% closure rate	89% closure rate
Stop Work Orders (SWO)	Zero (0)	0	0	0

Note:

- Safety data includes employees and contractors at project sites.
- No revisions to the safety targets from the previous year IFRS S1.51(g)
- Incident rate remained below DOSH acceptable rate of 2.5 over the past three years
- * The rates above were calculated using the formulae provided by DOSH and GRI Standards
- ** From MRCB’s HSE Inspection and HSE Internal Audit

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INITIATIVES AND PROGRESS IN 2025

Improving Safety Management

MRCB’s safety enhancements in 2025 focus on strengthening risk controls, improving on-site supervision, deepening safety competencies, and scaling transparent, data-driven oversight across all projects. The initiatives below reflect Group-wide efforts to reinforce a safety-first culture and ensure compliance with evolving OSH expectations. The incident rate remained below the Department of Occupational Safety and Health’s (DOSH) acceptable threshold of 2.5 for the past three years.

Initiatives	Progress	Outcomes
Improving On-site Operational Controls	Enhanced on-site operational readiness through mandatory lifting-gear inspections, improved supervisory oversight, and additional toolbox sessions.	- Strengthened compliance with MRCB Construction Safety Requirements for contractors. - Enhanced operational readiness and site safety discipline.
Strengthening Risk-based Safety Management through Safety Matrices	- Implemented safety matrices across all active construction sites to enhance risk prioritisation and decision-making. - Conducted internal audits and inspections regularly to verify compliance with safety standards and identify areas requiring corrective action.	Improved prioritisation of critical risks, enabling more targeted preventive measures.
Reporting Channels and Incident Transparency	- Maintained accessible and secured channels for incident reporting to enhance transparency and early intervention: - Staff, workers, contractors, vendors and stakeholders can report hazards and incidents through a QR-enabled platform available at all of MRCB’s construction sites in Malaysia. - Reports are treated confidentially and investigated in line with internal procedures. - Corrective actions include refresher training, enhanced supervision, equipment inspections, and SOP reinforcement.	Improved accuracy and responsiveness of incident investigations through clear escalation pathways.

Capacity Building and Awareness

We implement a comprehensive training programme to ensure employees and contractors understand risks, controls, and SOPs:

Initiatives	Progress	Outcomes
Auxiliary Police Training for Public Safety	- Continued skills development for Auxiliary Police (AP), building on crisis-response capability developed through long-term training collaboration. - Conducted the Annual Auxiliary Police Shooting 2025 event, involving 179 AP personnel across centre fire, falling plate, and shotgun disciplines, to reinforce safe handling, control and operational readiness in weapon use.	Achieved strong overall performance demonstrating high standards of discipline, proficiency and compliance in the safe operation of regulated equipment under MRCB’s oversight.
Emergency Response Support to the Public	Provided continuous 24/7 public assistance at Stesen Sentral Kuala Lumpur, particularly for medical assistance.	- Delivered medical assistance and emergency support for 166 cases, including: - Providing 64 wheelchair support for disabled and elderly commuters. - Assisting nine road accidents involving 10 individuals. - Managing seven lift entrapment incidents, involving a total of 24 individuals.

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Initiatives	Progress	Outcomes
Strengthen Workforce Capability through Targeted Refresher Training	- Implemented targeted refresher training on high-risk activities, including safe lifting operations, working at height, and machinery handling. - Enhanced on-site operational readiness through mandatory lifting-gear inspections, improved supervisory oversight, and additional toolbox sessions. 1,214 employees, site workers, and contractors participated in 53 training sessions. Training Modules in 2025 - Incident and Accident Investigation with Root Cause Analysis - Construction Design and Management (CDM) – Professional & Coordinator Training - Train-the-Trainer (TTT) Programme - Ergonomics Risk Assessment (Level 1) - Expressway Operations Safety Passport (EOSP) - Safety Leadership and Competency Seminar for Site Supervisors - Environmental Management Symposium – Strengthening EQA Amendments 2024 - Occupational Safety and Health Compliance (OSH-C)	- Enhanced safety competence and operational readiness among workers, contractors, and front-line supervisors. - Strengthened risk prevention, resulting in more consistent compliance with safety procedures and reduced recurrence of high-risk incidents.

Engagement Session with Regulatory and Enforcement Agencies

In 2025, we engaged with the Department of Occupational Safety and Health (DOSH)(Malaysia) and the National Disaster Management Agency (NADMA)(Malaysia) to strengthen organisational readiness, deepen technical understanding, and improve coordination across emergency response protocols.

Initiative	Progress	Outcomes
Knowledge-sharing Sessions to Enhance Safety and Disaster Management Literacy	- Delivered technical briefings by DOSH and NADMA at Stesen Sentral Kuala Lumpur (SSKL) covering regulatory requirements, case studies, and national disaster-management mechanisms. - Attended by 70 MRCB employees from Security, Safety, Human Resources, and Corporate Communications, together with representatives from ERL, Prasarana, and KTMB.	- Strengthened organisational awareness of regulatory protocols and emergency-response expectations. - Improved cross-agency coordination capabilities across rail operators and MRCB departments. - Simulated a scaffolding collapse during the EX-SENTRAL 2025 drill to test multi-agency emergency coordination and on-site response in line with current OSH construction requirements.

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EX-SENTRAL 2025 Emergency Drill Overview

This exercise was organised around a realistic scenario of scaffolding structure collapse at Level 5 of SSKL, reflecting recognised construction risks and aligning with the intent of the Occupational Safety and Health (Construction Work) (Design and Management) Regulations 2024 to improve prevention and emergency management at construction sites.

Objectives

- Validate the effectiveness of the Emergency Response Plan (ERP).
- Assess communication flows across internal and external parties.
- Strengthen decision-making and coordination under crisis conditions.
- Test inter-agency collaboration and compliance with OSH governance.
- Reinforce site preparedness and safety culture for all personnel.

Emergency first aid simulation

Year	Exercise Type	Description
2024	Tabletop Simulation	Focused on communication systems, reporting lines, and personnel movement during emergencies.
2025	Full-Scale Field Drill	Tested live ERP implementation, coordination, and inter-agency response under realistic conditions.

The 2025 drill built on 2024’s tabletop exercise, progressing from simulated discussions to full operational deployment.

The drill involved both internal teams and external agencies for a fully coordinated response. External and regulatory stakeholders participated as referees, liaison, or observers, providing a critical opportunity to test inter-agency coordination and compliance with the national Occupational Safety and Health (OSH) governance. Participating agencies included:

- National Security Council Wilayah Persekutuan Kuala Lumpur (MKN WPKL)
- Construction Industry Development Board (CIDB)
- Department of Occupational Safety and Health (DOSH)
- Royal Malaysia Police (PDRM)
- Fire and Rescue Department of Malaysia (BOMBA)
- Kuala Lumpur Hospital (HKL)
- Ministry of Health (KKM)
- National Disaster Management Agency (NADMA)

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Safety Incidents

In addition to the existing Engineering, Construction & Environment (ECE) Division data, we expanded the scope of our safety performance reporting to include data from our Property Development & Investment (PDI) Division in 2025. This enhancement provides a more comprehensive view of our operational safety performance across divisions.

During the year, we recorded safety-related incidents, including near misses, medical treatment cases, Lost Time Injury incidents, property-damage incidents and dangerous occurrences involving both MRCB and non-MRCB personnel. All incidents, were investigated in accordance with our HSE procedures, and corrective actions were implemented to address root causes and prevent recurrences. No fatalities or serious health impacts were reported during the year.

Total man-hours decreased by 26% compared to the previous year due to completion of major projects.

	Man-hours		
	2023	2024	2025
ECE	15,857,101	12,099,556	5,321,191
PDI	-	-	3,636,052
Total	15,857,101	12,099,556	8,957,243

Note: “-” indicates data that was not collected at that point in time but is now available as we continue to enhance our disclosures and adopt best practices

Types of Incidents	2023		2024		2025	
	MRCB	Non-MRCB	MRCB	Non-MRCB	MRCB	Non-MRCB
Ill Health	0	0	0	0	0	0
Near Miss	0	4	0	2	0	1
First-aid Case	0	1	0	0	0	0
Medical Treatment Case	0	0	0	0	1	0
Fatality	0	0	0	0	0	0
Lost Time Injury (LTI)	0	0	0	2	0	2
Environmental Incident	0	0	0	0	0	0
Property Damage*	0	7	0	6	0	6
Dangerous Occurrences	0	0	0	0	0	1
Others (Theft, Fire)	0	0	0	0	0	19
Stop Work Order (SWO) Received from Authorities	0	0	0	0	0	0
Notice of Prohibition (NOP) Received from Authorities	0	0	0	0	0	0

Note:

- Non-MRCB represent workers who are subcontractors and site workers who are not MRCB employees

* Property that does not belong to MRCB

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Incidents (2025)

Incident	Project	Remarks
Near Miss	Kwasa WPC 02	A compactor toppled while idling during the operator's break.
Dangerous Occurrences	Kwasa WPC 02	Mobile crane overturned on a slope during repositioning.
Medical Treatment	Saujana Putra Casting Yard	An oxygen hose leaked and injured a worker's leg. The individual received immediate first aid and subsequent clinical follow-up.
Property Damage	Kwasa WPC 02	Excavator arm clipped overhead power lines, compromised poles.
Property Damage	Saujana Putra Casting Yard	Gantry crane damaged electrical busbar during power switchover, caused power outage.
Property Damage	Kota Semarak	Dismantling pipe fell close to a worker below amid missing barricades. No injuries occurred.
Property Damage	Kota Semarak	Vibrator engine caught fire during ignition. Fire was quelled immediately.
Property Damage	Kwasa WPC 02	Excavator struck and ruptured a water pipe during sewerage site clearing works. Authorities were swiftly notified.
Property Damage	Johor Lane Widening Project 1B	Backhoe damaged an optic cable during topsoil stripping operations.
LTI	Kwasa Residensi Tujuh	Crane operator fell 1.5 metres during descent from crane, requiring an arm cast and medical leave.
LTI	Johor Lane Widening Project 1B	Tree cutter sustained thigh laceration from chainsaw during roadside tree felling. Prompt treatment was given followed by medical leave.

During the year, several security incidents involving the theft of electrical and signalling cables were recorded for our LRT3 project. While these incidents did not result in any injuries, they did lead to asset losses and prompted targeted security enhancements across the project area.

Category	No. of incidents	Summary of Incidents	Actions Taken
Cable theft	15	Repeated theft of earthing and power cables at piers, manholes, and track sections. Some cases showed evidence of external intrusion (e.g. tools and ladders left behind from highways or adjacent land).	Installed protective covers and barbed wire on vulnerable areas, strengthened perimeter fencing, deployed dedicated security guards, increased Auxiliary Police patrols, and requested contractors to conduct detailed inspections and repairs. Police reports were filed where applicable.
Accessories theft	2	Fibre-optic cable, copper earthing tape, and a protective grill cover were cut or removed near the sound barrier or stations.	Immediately secured the affected area with barbed wire, notified relevant work package contractors, documented losses and lodged a police report for further action.
Suspects apprehended	1	Suspects were directly apprehended with stolen cable hidden in their vehicle.	Suspects handed over to local police station for formal investigation.
Others	1	A crawler crane belonging to an external developer collapsed onto the LRT3 boundary near the station area.	Area was secured, crane was recovered, and the incident was reported to the management and police.

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Corrective Actions and Mitigation Measures

We strengthened preventive controls through targeted HSE training, reinforced SOP adherence, increased workplace inspections, and implemented additional actions based on investigation findings.

The health and safety risk register is integrated into the Group’s Enterprise Risk Management (ERM) system under the KER 7: Health, Safety, and Environment Risk. Risks are identified annually through the HIRADC SOP, validated by the Headquarters HSSE Committee, and addressed through targeted corrective actions.

 For more details on our mitigation strategies and the results of KER 7, please refer to Our Risks and Mitigations section on pages 87 to 88.

Initiatives	Progress	Outcomes
Strengthen Incident Reporting, Investigation, and Resolution Procedures across all Construction Sites	- Investigated all reported incidents, including near misses, LTIs, and property-damage cases, in line with HSE procedures. - Applied corrective actions such as targeted HSE training, reinforced SOP adherence, and increased site inspections. - Maintained QR-enabled reporting channels to support transparent incident submission by workers and contractors.	- Improved consistency and timeliness of incident investigations and follow-up actions. - No fatalities or serious health impacts reported during the year. - Strengthened preventive controls and reduced recurrence of similar incidents.
Enhance Incident Trend and Man-Hours Monitoring to Identify Risk Hotspots and Allocate Resources Effectively	- Recorded a 26% reduction in total man-hours following completion of major projects. - Continued trend analysis of incidents involving both MRCB and non-MRCB personnel.	Better visibility of risk exposure across projects and enhanced prioritisation of high-risk work fronts.



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Health, Safety, and Environment Compliance

IFRS S1.34(a)

We uphold strict Health, Safety, and Environment (HSE) standards across all projects and enforce a structured penalty system to address contractor non-compliance. This system promotes accountability, continuous improvement, and adherence to our safety requirements.

Penalties are applied based on contract value, below RM50 million, and RM50 million and above, with higher-value contracts subject to proportionally higher rates. Certain serious or critical non-compliances carry the same penalty across both categories, as shown below:

Type of Non-Compliance	Penalty (per incident/work process)
Accident or incident at site resulting in fatality (project personnel or public)	RM100,000
Accident or incident at site resulting in permanent disablement (project personnel or public)	RM100,000
Failure to submit HIRADC or HIRARC for all work processes (routine, non-routine, or potential emergency)	RM5,000
Failure to submit HSE Operating, Work Procedures, Margin of Safety, or Safe Work Procedures	RM5,000

Other HSE non-compliances are subject to tiered penalty rates according to contract value, ensuring fairness and proportional responsibility. No defect- and safety-related rework costs were recorded during the reporting period. All identified defects were rectified by the relevant subcontractors, and any associated rework costs were borne by the subcontractors. There were no monetary losses incurred as a result of legal proceedings associated with defect- and safety-related incidents during the same period. This approach underscores our commitment to a safe workplace and a strong safety culture throughout our operations. [IFRS S2 B33-IF-EN-250a.1 / IF-EN-250a.2](#)

CHALLENGES	OPPORTUNITIES
- Operating in a high-risk construction environment exposes us to regulatory and financial consequences if incidents occur, including fines, reputational impacts, and potential Stop Work Orders that delay project delivery. - Keeping pace with evolving safety regulations and industry best practices requires continuous monitoring and timely updates to our controls. - Ensuring consistent application of safety policies and procedures across all sites and business units remains an operational challenge. - Providing comprehensive and up-to-date safety training for a diverse workforce is essential but resource intensive. - Overcoming communication barriers across multilingual, multi-contractor teams is critical to maintaining clear, effective safety practices.	- Strengthen regulatory readiness through continuous monitoring and timely compliance updates. - Expand comprehensive and up-to-date training to reinforce safety competencies across the workforce. - Build strong partnerships with regulatory bodies, such as the Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP), to enhance alignment and industry collaboration. - Continue embedding a culture of safety and sustainability across all operations. - Strong safety performance strengthens competitive positioning. - A safe working environment enhances our ability to attract and retain skilled talent by demonstrating commitment to worker well-being. - Leading safety metrics contribute positively to ESG performance and reinforce MRCB’s standing with ESG-focused investors.
OUTLOOK	
- Continue strengthening safety standards and workforce well-being through ongoing improvements and proactive regulatory alignment. - Conduct regular reviews of QESH policies and SOPs to integrate best practices and lessons learned from incidents and near misses. - Enhance real-time hazard detection by integrating HIRADC processes with digital monitoring and emergency-response systems. - Leverage predictive analytics and Artificial Intelligence (AI) to identify emerging risk trends from historical incident data, enabling deployment of targeted preventive measures in high-impact areas.	

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OUR PEOPLE, EMPLOYMENT PRACTICES, AND HUMAN RIGHTS

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WHY THIS MATTERS FOR VALUE CREATION

A skilled, engaged, and rights-respecting workforce drives MRCB’s performance, resilience, and long-term competitiveness. Our people directly influence product quality, safety, client satisfaction, and innovation capabilities across the Group. Strong employment practices and human rights protections help us:

- Strengthen workforce stability and productivity by fostering a safe, fair, and supportive working environment.
- Reduce operational risks associated with labour breaches, turnover, disengagement, and skills gaps.
- Demonstrate responsible business conduct aligned with investor, regulator, and societal expectations.
- Build trust through transparent disclosure of diversity, inclusion, labour standards, and human rights governance.
- Support sustainable growth by attracting, developing, and retaining a future-ready, high-performing workforce.

OUR APPROACH

We take a systematic approach to strengthening human capital and upholding human rights, anchored on fairness, inclusivity, capability development, and ethical conduct. This approach builds a resilient talent pipeline and reinforces MRCB’s role as a responsible employer and industry leader.

Focus Area: Building a Diverse, Safe, and Inclusive Workforce

Implementation Approach

We cultivate a fair, inclusive, and merit-based workplace where employees feel respected, supported, and safe. Our approach integrates diversity principles into recruitment and progression, strengthens workplace safety through established management systems, and provides clear, confidential channels for employees to raise concerns.

Strategic Benefits

- Attract and retain diverse talent and reinforce organisational culture.
- Improve decision-making.
- Support a safe, productive work environment.

Focus Area: Employee Engagement and Well-being

Implementation Approach

We maintain a strong focus on well-being through comprehensive benefits, parental support, financial assistance, and wellness initiatives. Regular engagement surveys help us understand employee needs and refine programmes that strengthen satisfaction and connection to the organisation.

Strategic Benefits

- Improve productivity, morale, and retention.
- Reduce risks linked to disengagement and workforce turnover.

Focus Area: Capability and Leadership Development

Implementation Approach

We build internal capability through a structured Learning and Development Framework that provides clear career-stage pathways. Succession planning supports long-term leadership continuity and ensures a steady pipeline of future-ready talent.

Strategic Benefits

- Develop critical skills.
- Deepen leadership bench strength.
- Support smooth transitions that sustain organisational performance.

Focus Area: Upholding Human Rights and Ethical Conduct

Implementation Approach

We uphold human rights across our operations by aligning our policies with national laws and international standards, strengthening awareness of ethical conduct, and maintaining robust grievance and whistleblowing mechanisms. We also safeguard working and living conditions, including for foreign workers, to ensure dignity and compliance.

Strategic Benefits

- Protect worker welfare while maintaining stakeholder trust.
- Mitigate human rights and regulatory risks.
- Strengthen ethical conduct.

Governance Oversight

Our governance framework integrates labour practices and human rights across all levels of the organisation, ensuring that policies, accountability structures, and remediation processes work cohesively to uphold ethical employment standards.

Policies and Standards

We apply clear policies and guidelines that reflect national legislation and international human rights principles. Our Code of Business Ethics (the Code) reinforces a workplace culture grounded in respect, inclusivity, and ethical conduct. It outlines expected behaviour and prohibits discrimination and harassment in any form. The Code is publicly accessible on our corporate website.

What Guides Us

Purpose

- Malaysian Employment Act 1955
- Children and Young Persons (Employment) Act 1966
- Human Rights Policy aligned with UNICEF Children’s Rights and Business Principles.
- Code of Business Ethics emphasising non-discrimination, equal opportunity, and zero tolerance towards harassment.

Provides a clear, consistent foundation for ethical labour practices and human rights protection across all operations.

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Board and Committee Oversight

The Board and its committees oversee labour and human rights matters, ensuring alignment with MRCB’s values and regulatory obligations. The Board of Directors oversees the Code of Business Ethics, ensuring it is actively monitored, enforced, and reviewed as and when required to maintain its relevance, effectiveness, and alignment with best governance practices.

How Accountability is Ensured	Purpose
- Oversight of employment and human rights matters is integrated into the Board’s and Board committees’ responsibilities. - Regular review of compliance, risk exposure, and workforce-related governance indicators. - Clear escalation pathways that ensure issues are addressed promptly and transparently.	Uphold strong governance of labour and human rights by ensuring clear accountability, transparent oversight, and timely action on workforce-related matters.

Grievance and Remedy Mechanisms

We maintain multiple confidential channels for employees and third parties to raise concerns, including a whistleblowing e-form, Human Resource (HR) reporting avenues, and project-level complaint mechanisms. Employees and external parties may report concerns through established grievance channels, promoting transparency and accountability.

How Accountability is Ensured	Purpose
- Multiple confidential channels. - All cases undergo structured investigation. - Outcomes from all whistleblowing and grievance channels escalated to the Audit and Risk Management Committee.	Ensures transparency, timely resolution, and protection against reprisal while strengthening organisational integrity.

METRICS AND TARGETS

IFRS S1.33(b) / S1.46 / S1.50 / S1.51(a),(b),(c),(e),(f)

Metrics	Targets	Progress		
		2023	2024	2025
Female representation in leadership				
• Board	30%	28.6%	37.5%	37.5%
• Senior Management		20.0%	20.5%	23.0%
Average training hours per employee	> 32 hours per employee	6.4	27.5	36.1
Number of human rights breaches	Zero (0) human rights breaches	0	0	0

INITIATIVES AND PROGRESS IN 2025

Focus Area: Building a Diverse, Safe, and Inclusive Workforce

Our Workforce Profile

MRCB’s workforce spans a wide range of roles across our operations in Malaysia and Australia. In 2025, we employed an average of 1,318 employees, including 10 colleagues based in Australia. Our workforce reflects Malaysia’s multicultural landscape, with representation across Malay, Chinese, Indian, and other ethnic groups.

We uphold Diversity, Equity, and Inclusion (DEI) as core principles to foster a supportive and respectful workplace. These commitments are embedded in our Employee Handbook and guide how we recruit, develop, and engage our people. We provide opportunities for young talents to begin their careers, and we also engage experienced professionals aged 60 and above on contract roles to leverage their expertise. While we currently have no employees classified as disabled, we remain committed to nurturing an inclusive environment that welcomes and supports individuals from all backgrounds.

	2023	2024	2025
Average number of employees for the year	1,658	1,478	1,318

Note: Figures for 2023 and 2024 have been restated due to data refinements

Average Number of Employees by Age Group

	2023	%	2024	%	2025	%
<30	253	15%	190	13%	171	13%
30-50	1,177	71%	1,061	72%	937	71%
>50	228	14%	227	15%	210	16%

Average Number of Employees by Gender

	2023	%	2024	%	2025	%
Male	1,031	62%	892	60%	768	58%
Female	627	38%	586	40%	550	42%

Average Number of Employees by Employment Type

	2023	%	2024	%	2025	%
Contract	1,257	76%	583	43%	371	28%
Permanent	401	24%	791	57%	947	72%

Average Number of Employees by Employee Category

	2023	%	2024	%	2025	%
Non-Executive	451	27%	358	24%	310	24%
Executive	751	45%	682	46%	609	46%
Middle Management	384	23%	365	25%	328	25%
Senior Management	72	5%	73	5%	71	5%

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Average Number of Employees by Ethnicity

	2023	%	2024	%	2025	%
Malay	1,289	78%	1,153	78%	1,038	79%
Chinese	195	12%	177	12%	146	11%
Indian	122	7%	104	7%	90	7%
Others*	52	3%	44	3%	44	3%

* Others include individuals of other ethnicities and expatriates

Employee Benefits and Welfare Initiatives

MRCB offers a comprehensive range of benefits that cover leave, medical coverage, and role-based allowances. We review these benefits regularly to ensure they remain aligned with legal requirements, market practices, and operational needs.



Leave

- Annual Leave
- Medical Leave
- Emergency Leave
- Exam Leave
- Marriage Leave
- Maternity/Paternity Leave
- Pilgrimage Leave
- Replacement Leave
- Family Care Leave
- Compassionate Leave



Medical

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



Others

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

For full-time eligible employees based on job grade

Pro-Family Benefits

We provide maternity and paternity leave in line with the Employment Act (Amendment) 2022 and support employees returning to work after parental leave. In 2025, we achieved a 100% return-to-work rate for all male and female employees who took parental leave. To track our long-term retention success, we also monitored the 2024 returning cohort, noting that 92% of male and 100% of female employees remained employed 12 months later.

Parental Leave	2023	2024	2025
Average number of employees entitled to parental leave:			
Male	811	690	634
Female	401	382	363
Total number of employees who took parental leave:			
Male	42	38	46
Female	27	27	8

Family Care Leave

Family Care Leave is available as paid or unpaid leave for employees who serve as primary caregivers to terminally ill family members. In 2025, one employee utilised this benefit.

Targeted Financial Access and Support

To support employees facing rising living costs, we have in place the Mid-Month Payout and Earned Wage Access programmes, giving employees earlier access to earned wages to manage monthly expenses and urgent financial needs better. In 2025, this support was further strengthened through the introduction of a digital vehicle insurance renewal platform offering 0% interest financing, monthly instalment options via salary deduction, and savings on renewals, helping to ease cash flow pressures without upfront financial burden.

OUR PERFORMANCE:
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Workforce Planning and Quality Hiring

New Hires

MRCB’s hiring approach aligns with its operational needs, supported by clearly defined job roles and requirements. In 2025, we hired 202 new employees, a 7% increase from the previous year, reflecting the project-based nature of our business, where workforce demands fluctuate as some contract roles conclude upon project completion while new or ongoing projects create additional hiring requirements.

	2023	2024	2025
New hires	270	189	202

	2025	%
New Hires by Gender		
Male	108	53%
Female	94	47%

New Hires by Age Group		
<30 years old	75	38%
30 to 50 years old	114	56%
Above 50 years old	13	6%

New Hires by Employee Category		
Non-Executive	31	15%
Executive	129	64%
Middle Management	36	18%
Senior Management	6	3%

New Hire by Ethnicity		
Chinese	13	6%
Indian	18	9%
Malay	164	81%
Others	6	3%
Expatriate	1	1%

Employee Turnover

In 2025, MRCB reduced its staff turnover rate from 27.8% in 2024 to 19.1%. This improvement was supported by stronger retention, enabled by converting all non-project-based staff from term contracts to permanent employment.

	2023	2024	2025
Employee Turnover Rate	23.0%	27.8%	19.1%

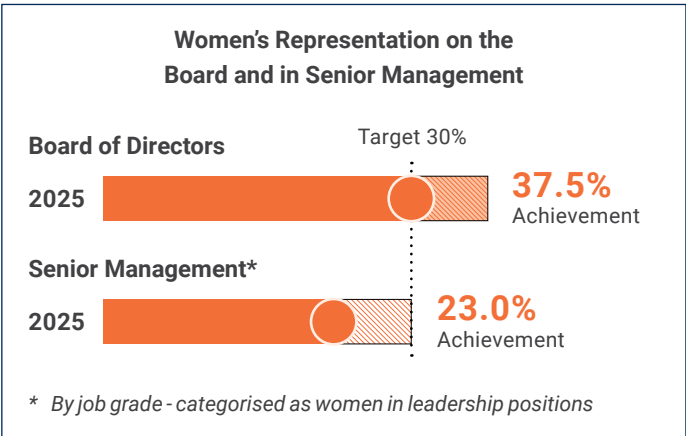
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The turnover rates include resignation, end of contract, and retirement. The breakdown of the 253 employee turnover is detailed below.

	2025	%
Turnover by Gender		
Male	151	60%
Female	102	40%
Turnover by Age Group		
<30 years old	40	16%
30 to 50 years old	175	69%
Above 50 years old	38	15%
Turnover by Employee Category		
Non-Executive	37	14%
Executive	136	54%
Middle Management	70	28%
Senior Management	10	4%

Women in Leadership

We continue to strengthen gender representation at senior levels as part of our commitment to building a balanced and capable leadership team. In 2025, women held 37.5% of Board positions, surpassing the 30% target or gender diversity threshold commonly referenced in corporate governance best practices. Female talent is identified and developed through our Succession Planning Programme, which supports career progression into key leadership roles. Women represented 23.0% of Senior Management, up from 20.5% in 2024, indicating continued progress in strengthening women’s representation in senior leadership.



Support for Working Mothers

Women make up 42% of our workforce, and we recognise the support required to help working mothers manage both professional responsibilities and family needs, in line with the Convention on the Rights of the Child, which affirms every child’s right to life, survival, and development. Our benefits and workplace practices are designed to provide practical assistance during pregnancy, childbirth, and early caregiving, enabling employees to navigate key life stages with confidence while supporting family well-being.



Maternity Leave Minimum of 98 days of paid maternity leave.	Flexible Work Options - Staggered working hours for flexibility. - Shortened work hours for expectant mothers.	Delivery Support - RM3,000 allowance for labour and delivery. - Cash gift for newborns.
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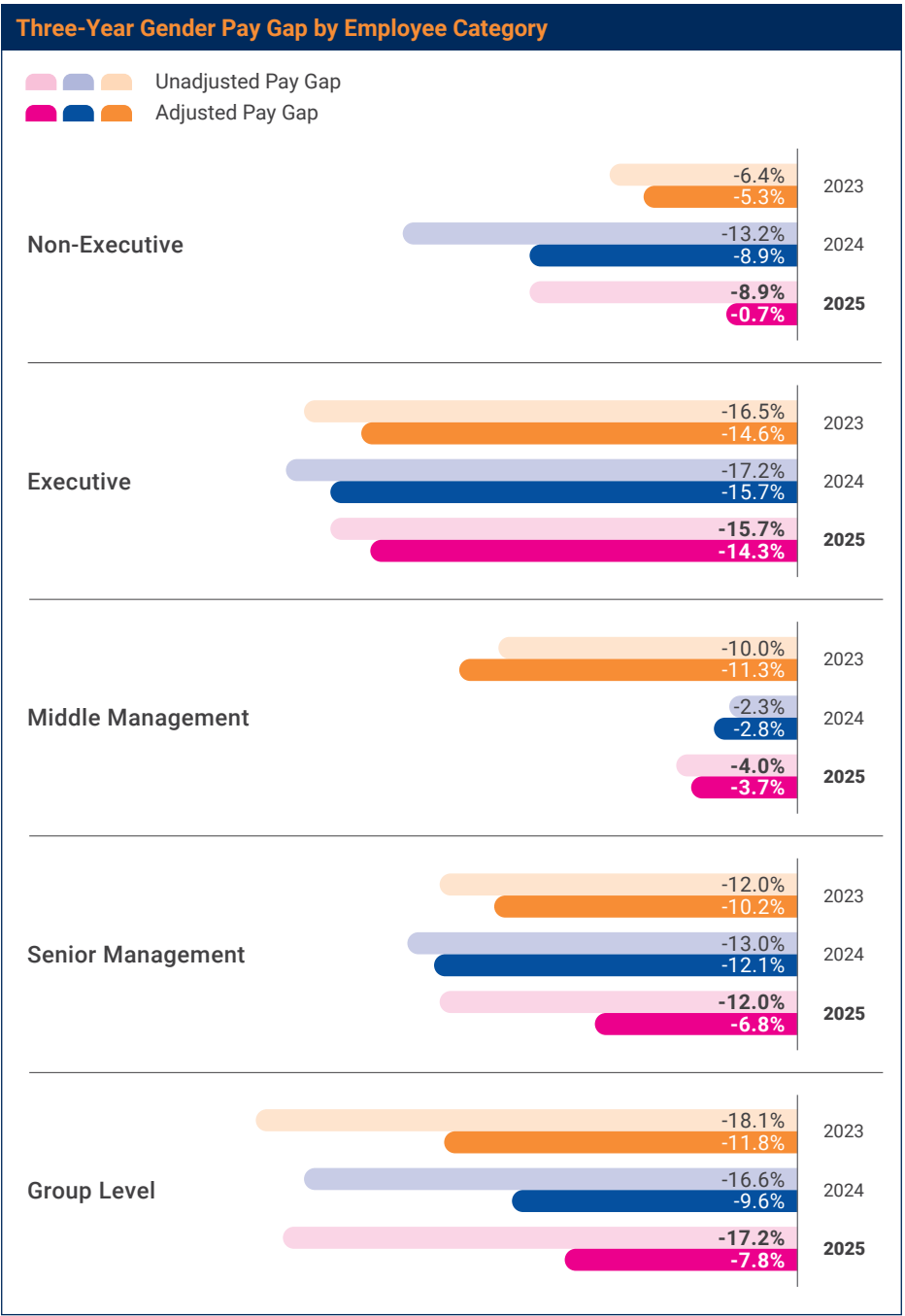
Driving Gender Pay Parity

MRCB monitors the gender pay gap as part of our commitment to fair and equitable employment practices under SDG 8: Decent Work and Economic Growth. Gender is not a factor in pay decisions at MRCB; remuneration is strictly based on a combination of qualifications, experience, skills, performance, job size, and market benchmarks. Furthermore, salaries for positions at all levels are set in accordance with the Company’s established salary ranges, ensuring gender-neutral pay.

To provide complete transparency into our compensation practices, we track our gender pay parity using two distinct metrics:

- Unadjusted Pay Gap**
Represents the simple average salary across our workforce. Operating in the engineering and construction sector, this raw figure is heavily influenced by industry demographics, where specialised technical and senior field roles remain historically male-dominated.
- Adjusted Pay Gap**
Assesses pay equity (“equal pay for equal work”). By utilising a job grade-weighted average, we neutralise demographic imbalances to compare men and women performing in “like-for-like” roles.

In 2025, the ratio of basic salary paid to women relative to men was 0.83:1 and 0.92:1 for the Unadjusted and Adjusted Pay Gap, respectively. Moving forward, we continue to actively develop female talent for senior and specialised roles to help address broader industry demographic imbalances.



Note:

- Positive percentages indicate women, on average, earn more than men; negative percentages indicate the reverse
- Figures for 2023 and 2024 have been restated due to data refinements
- Figures presented reflect Malaysian operations only and exclude C-suite levels and above to ensure comparability
- To ensure a statistically valid equity comparison, this adjusted calculation excludes a minor subset of highly specialised roles (less than 1.3% of total group headcount) currently occupied by a single gender

OUR PERFORMANCE:
SOCIAL

Focus Area: Employee Engagement and Well-being

We enhance employee engagement across the organisation by providing programmes that support connection, well-being, and the day-to-day work experience. To formalise this commitment, we maintain a dedicated employee engagement function within our Human Resources department. This established structure is specifically tasked with driving our engagement strategy, designing targeted workplace programmes, and acting as a vital bridge between our people and the organisation. Under the guidance of this team, our initiatives focus on practical support, ranging from health and wellness activities to mental health services and regular feedback channels, so employees have the resources and opportunities they need to participate, contribute, and feel supported at work. These efforts help us maintain a workplace where employees stay informed, engaged, and connected to our organisational goals.

Employee Engagement Initiatives

In 2025, we continued to strengthen our employee experience by focusing on open communication, recognition, professional development, and a supportive work environment. These efforts were aimed at fostering a more connected, motivated, and resilient workforce across the Group. The initiatives below highlight the key actions implemented to address these priorities and enhance engagement throughout the organisation.

Initiatives	Progress	Outcomes
Birthday Gift Programme	Birthday cards and gift vouchers are delivered on or around employees' birthdays.	Reinforce personal recognition and connection.
Wellness Challenge 2025	- Focused on Body Mass Index (BMI) improvement through activity and nutrition. - Activities included step tracking, food photo logging, and participation stamps from wellness events. - Monthly rewards for the top 50 participants, with grand prizes for the top 20 in each category.	- Encouraged consistent health-focused habits. - Created a supportive environment for employees to take manageable steps towards improving their health.
Workplace Wellness and Awareness Programme	- Provided employees with information and resources on physical health, financial literacy, and available benefits. - Covered topics such as cybercrime awareness and prevention, basic health screenings, workplace ergonomics, and understanding MRCB's benefits and support services.	- Improved employee understanding of available benefits. - Increased awareness of financial, health, and protection resources. - Enhanced workplace comfort and support.
Professional Counselling Sessions	- Providing confidential access to mental health support. - Delivered onsite and virtually by qualified counsellors. - Session duration extended to 1 hour 30 minutes due to increased demand. - Held on selected Tuesdays and Wednesdays.	- Improved access to mental health resources. - Supported emotional resilience and workplace well-being.
Influenza Vaccination Day	- On-site influenza vaccinations with Poliklinik NU Sentral and PMCare. 322 employees and dependents were vaccinated.	- Promoted a healthier workplace. - Demonstrated proactive care for employees and their families.

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Pictorial Highlights

2025 Health Screening Programme

MRCB's 2025 Health Screening Programme reached 577 employees across all levels, partnering with PMCare, SOCISO, and KPJ Damansara. Services included biometric assessments, musculoskeletal evaluations, 3D foot scans, heart rhythm monitoring, vision tests, and cholesterol checks, as well as expanded offerings such as facial skin health assessment, dental checks, and fitness assessments.

The Screening Programme was complemented with a Heart Awareness webinar and a hybrid cancer awareness session with on-site breast check-ups. Sanitary pads were also distributed to all female employees.



A staff member undergoing an on-site health assessment

Outcomes

Enhanced preventive healthcare access, early detection, greater health awareness, and improved employee well-being without work disruption.

Strategic Leadership Sharing Session

MRCB hosted a strategic leadership talk to equip our succession talent pool with insights on navigating leadership challenges, inspiring teams through transformation with resilience, and sustaining performance and innovation. This high-impact two-hour session featured Tan Sri Abdul Wahid Omar, as the speaker.

Outcomes

Provided succession talent pool with direct leadership insights during a focused engagement session.



Tan Sri Abdul Wahid Omar (left) sharing leadership insights during a moderated session

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MRCB Malaysia Day Explorace 2025

In collaboration with Kelab Kebajikan dan Rekreasi MRCB (KKRM), MRCB organised a Malaysia Day-themed explorace engaging 126 employees in team-based activities. Highlights included a clue-based hunt challenge, traditional Malaysian games, flower garland making, batik painting, and a teh tarik challenge.

Outcomes

Strengthened team cohesion and cross-functional interaction while celebrating Malaysian culture in an engaging, active format.



Staff members engaging in the batik painting activity

Inaugural MRCB Sustainability Day 2025

MRCB hosted its first Sustainability Day at its Headquarters, streamed across multiple locations and online, featuring a keynote by Datuk Shahril Azuar Jimin from Maybank. The event drew participation from the Board, Management, and 581 employees.

Outcomes

Strengthened Group-wide awareness and engagement on sustainability, highlighting that advancing sustainability requires collective effort from all employees.



Keynote speaker Datuk Shahril Azuar Jimin sharing sustainability insights

Employee Engagement Survey

The Employee Engagement Survey is a key tool for understanding how our people experience the workplace and identifying areas that require further focus. Our first Group-wide survey in 2023 provided a comprehensive view of employee sentiment across the organisation and now serves as the baseline for measuring future progress. The survey is conducted once every two years.

The 2023 survey achieved a 93% response rate, reflecting strong employee engagement. Results highlighted strengths in empowerment, relationships with immediate superiors, and collaboration. These insights guided a series of improvements implemented across 2024 and 2025, including the conversion of selected contract roles to permanent positions, the rollout of the Learning and Development Framework and Learning Management System (LMS), and enhancements to the Performance Management system.

The 2025 survey provided updated insights that informs the next cycle of priorities and actions.

2025 Employee Engagement Survey

The 2025 Employee Engagement Survey was conducted from July to August 2025 as a follow-up to the 2023 baseline. The survey assessed progress made since the first Group-wide survey, identified emerging priorities and captured updated employee sentiment. Participation remained strong, with a 91% response rate.

Survey Overview

Overall Engagement Index	Overall engagement score of 66.5%, a 3.6% increase compared to 2023, reflecting a higher overall level of employee engagement and positive sentiment towards the organisation, and significantly exceeding the 25% national engagement score reported in the State of the Global Workplace 2025 Report.
Highest-scoring Dimensions	The highest-rated dimensions were Collaboration Among Colleagues, Authority and Empowerment, and Relationship with Immediate Superior, indicating a supportive, empowering, and well-connected working environment.
Most Improved Driver	Learning and Development recorded the largest improvement, with an increase of 11.4% year-on-year, driven by the structured Learning and Development Framework and targeted training initiatives across all employee levels.
Key Takeaway	Survey feedback underscores the need to continue strengthening employee development, collaboration, and empowerment to sustain progress and further enhance the overall employee experience and engagement.

OUR PERFORMANCE:
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Focus Area: Capability and Leadership Development

We strengthen organisational capability through structured learning pathways, targeted development initiatives, and a strong succession pipeline. Our focus is to equip employees with relevant skills at each career stage, develop leadership readiness, and ensure long-term continuity for critical roles, aligned to our strategic objectives. The initiatives below reflect our commitment to building a future-ready workforce aligned with MRCB’s strategic priorities.

Learning and Development Framework

We introduced a comprehensive Learning and Development (L&D) Framework to establish a clear, structured, and progressive learning journey for all employees. The framework supports capability development across the organisation, strengthens leadership readiness, and provides consistent pathways that align individual development with business needs. The framework was designed to address learning needs at every career stage, from non-executives to senior leaders. The framework also includes an annual Training Needs Analysis, enabling heads of businesses, operating divisions, and corporate departments with the opportunity to seek customised training to address specific skills gaps that may impede functions or efficiency, as well as technical training and continuing education programmes required to maintain regulatory certifications and licences.

Pillar 1: Structured Learning Framework	Pillar 2: Core Competencies	Pillar 3: Career-Stage Development	Pillar 4: Blended Learning Approach
Provide a structured approach to development focused on Skills, Talent, Enterprise, Position, and Self-initiated learning. Ensures employees have clear pathways aligned with current roles and future aspirations.	Emphasise communication, collaboration, critical and analytical thinking, and effective decision-making competencies essential for performance and organisational impact.	Tailor development programmes to non-executives, executives, managers, senior leaders, and identified successors. Includes role-specific and personalised learning pathways.	Combine online and in-person training, workshops, seminars, and certification programmes for flexible and accessible learning.

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2025 Learning and Development Framework Implementation

The 2025 implementation of the Learning and Development Framework focuses on strengthening capability development and enhancing leadership readiness across the organisation, which supports succession planning and long-term business needs. It is designed to address learning requirements at every career level, integrating structured training programmes with dedicated leadership development initiatives for identified successors.

Initiatives	Progress	Outcomes
Rollout of Career-Level Training under the Learning and Development Framework	- Implemented two structured career-level training programmes in 2025, designed for employees from Non-Executive up to Senior Management. - Increased participation across all job levels.	- Positive feedback on clarity of development pathways. - Improved alignment of training with business priorities.
Training hours and Coverage	Delivered 47,514 total training hours, equivalent to 36.1 training hours per employee, 17% higher compared to 2024.	Strengthened overall employee capability and supported consistent upskilling across the organisation.
Leadership and Talent Development	- Held Strategic Leadership Insights Talk. - Conducted MRCB Lead Forward Programme by Asia Business School in September 2025.	Enhanced leadership readiness and succession capability for current and future leaders.
Employee Assistance Programme	Introduced the Employee Assistance Programme, enabling employees to pursue diploma, degree, master’s, or professional certification programmes.	Demonstrates MRCB’s commitment to formal education, continuous growth, and long-term career development opportunities for employees.

Learning Management System

In 2025, an enhancement was introduced to further strengthen employee learning support through the implementation of a Learning Management System (LMS), rolled out in the fourth quarter of 2025 to provide a more structured, accessible, and centralised platform for learning.

The LMS, known as MRCB LearnHub, is designed to support continuous learning and professional development by offering self-paced, bite-sized courses that employees can access anytime and anywhere via mobile devices, enabling greater flexibility over individual learning journeys. Its courses are aligned with MRCB’s strategic direction, enabling employees to upskill, stay professionally relevant, and take charge of their development in line with organisational priorities.

Looking ahead, we will enhance accessibility and personalisation by optimising the use of the LMS through data-driven insights, microlearning modules, and AI-supported learning recommendations. We will also continue implementing flexible and blended learning formats, such as virtual classrooms, short learning sprints, and structured on-the-job development to strengthen overall learning effectiveness across the organisation.

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Strengthening Our Talent Pipeline

A strong talent pipeline is essential for sustaining organisational performance, stability, and continuity. Our approach focuses on systematically developing employees, identifying high-potential talent (Talent) early, and preparing future leaders through targeted learning and development initiatives.

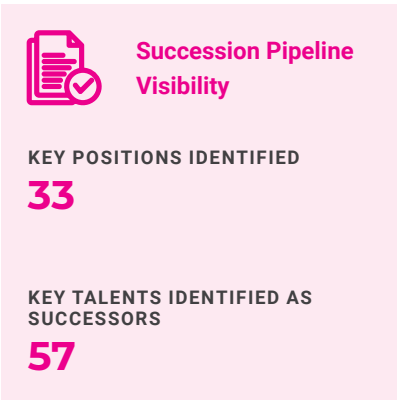
Succession Planning Programme

Our succession planning strategy ensures continuity in key positions by developing a strong pipeline of future leaders. The programme provides structured exposure, assessment, and development opportunities tailored to organisational needs and individual strengths.

Initiative	Progress	Outcomes
Targeted Training	- Delivered two tailored sessions per identified employee category. - Sessions addressed their specific development needs. - Focused on enhancing soft skills, including effective communication techniques and problem-solving methodologies.	Improved soft-skills competency across groups.

Succession Development Activities

Programme	Description
Psychometric Analysis Assessment	New Talent nominees completed a psychometric assessment consisting of two components: Aptitude Test and Professional Styles. This assessment evaluates their learning agility, cognitive ability, behavioural styles, and work preferences.
Competencies Behavioural Interview	Talents undertook a Competencies Behavioural Interview, which is a structured behavioural and situational interview session that assesses individual competencies against benchmarked succession positions.
One-on-One Assessment Sessions	Each talent received personalised feedback on their assessment results, including a summary of development areas and guidance for career growth.
Strategic Leadership Insights Talk	A strategic leadership talk was held to equip our succession talent pool with insights on navigating leadership challenges, inspiring and leading teams through transformation with resilience, and sustaining performance and innovation through a high-impact two-hour engagement session with Tan Sri Abdul Wahid Omar.
MRCB Lead Forward Programme	As a continuation of last year's development initiative, a two-day MRCB Lead Forward Programme workshop was held in collaboration with the Asia School of Business, providing the succession talent pool with immersive sessions on emotional intelligence and leadership influence, strategic agility, and future-focused leadership.
Review and New Talent Identification 2025	Potential Talents were reviewed and shortlisted, with each individual assessed on leadership qualities, behaviour, technical skills, thinking ability, and suitability for the nominated role. This process enabled the identification of the most suitable candidates to progress to the next assessment stage.



Graduate and Internship Pathways

We support early career development by offering structured pathways for graduates and interns to gain industry exposure and develop relevant skills. Our Graduate Employability Programme (GEP), aligned with the Government's PROTÉGÉ initiative, provides practical training and work placements that help us identify future talent for the organisation. We also offer internship opportunities across various departments, providing students with hands-on project experience and exposure to the construction and property development sectors.

Programme	Description	2025 Participation	Outcome
Graduate Employability Programme	Eight to twelve months of paid training and work experience, aligned with PROTÉGÉ.	70 graduates	11 hired into full-time roles
Soft-Skills Training	10-day programme covering communication, adaptability, problem-solving, sustainability, and professional conduct.	Included for all GEP participants	Strengthened workplace readiness
Internship Programme	Short-term placements providing technical and industry exposure across departments.	37 interns	Support early-career development and talent identification

Training Investment and Hours

Our investment in learning and development grew as we expanded training opportunities across the organisation. Training expenditure increased from RM1,189,274 in 2024 to RM2,273,760 in 2025, enabling broader programme coverage and deeper capability-building efforts.

Average training hours per employee rose from 27.5 hours in 2024 to 36.1 hours in 2025 (equivalent to 4.5 working days), reflecting stronger participation across all levels following the rollout of the Group's Learning and Development Framework. In total, employees completed 47,514 training hours in 2025, indicating sustained engagement and a strong focus on developing future-ready skills.

		2023	2024	2025
Total training hours by employee category (hours)	Non-Executive	628	10,055	3,448
	Executive	4,876	20,985	28,643
	Middle Management	2,498	7,966	12,748
	Senior Management	882	1,655	2,676
Total training hours		8,884	40,661	47,514
Average training hours per employee		6.4	27.5	36.1
Total training development cost (RM)		568,516	1,189,274	2,273,760
Average training and development expenditure per full-time employee (RM/employee)		411.67	801.94	1,725.16

OUR PERFORMANCE:
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Continuous Performance and Career Development Reviews

Our annual performance review process is structured to assess employees against Key Performance Indicators (KPIs) established at the start of the year. In 2025, all employees underwent performance evaluation to ensure consistent alignment between individual performance, business goals, and development priorities.

For Senior Management, performance reviews remain closely linked to financial targets and material sustainability matters, such as GHG emissions reduction and safety performance, ensuring that organisational priorities are cascaded across all levels. This alignment supports accountability, transparency, and a unified approach to performance excellence.

 For more details on remuneration linked to sustainability KPIs, please refer to Our Approach to Sustainability on page 133.

Strengthening Performance Management System (PMS)

In response to insights from the inaugural 2023 Employee Engagement Survey, we continued strengthening our Performance Management System throughout 2025. This included targeted training for leaders to enhance their ability to conduct performance discussions with their subordinates and team members, provide constructive feedback, and support continuous improvement.

Following the participation of middle and senior management employees in PMS-related training in 2024, the programme was extended to include 542 Senior Executives and Executives through the “Learn the Art of Writing SMART KPIs” workshop, aimed at building practical skills in developing SMART KPIs and setting effective performance targets.



OUR PERFORMANCE:
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Focus Area: Upholding Human Rights and Ethical Conduct

We are committed to upholding fair labour practices, protecting human rights, and ensuring safe and respectful working conditions across all our operations. Our approach reflects compliance with Malaysian legislation, international standards, and our internal governance expectations, while supporting SDG 8: Decent Work and Economic Growth.

Adherence to Laws and Regulations

We comply with the Malaysian Employment Act 1955, and the Children and Young Persons (Employment) Act 1966, which guide our employment practices, minimum standards, and protection of young workers. This commitment extends to our external stakeholders, including contractors, suppliers, and other business partners, particularly when entering new commercial agreements.

We maintain a zero-tolerance policy for discrimination, harassment, bullying, and any form of labour exploitation. All employees are treated fairly regardless of race, gender, age, religion, disability, or nationality. Reports of improper conduct, including human rights violations, can be submitted using the whistleblowing e-form available on our website or emailed directly to whistleblowing@mrcb.com, in line with our Whistleblowing Policy.

We are committed to providing equal opportunities and protecting our employees from any form of discrimination, harassment, or exploitation, including intimidation, wage garnishment, debt bondage, or abusive working and living conditions. Our Human Rights Policy and labour practices adhere to national wage and working hour regulations and align with International Labour Organization (ILO) standards on child labour, forced labour, minimum working age, and decent working conditions. To further strengthen our human rights governance, we are aligning our policies and practices with the National Action Plan on Business and Human Rights (NAPBHR).

This includes implementation of the new RM1,700 minimum wage from 1 February 2025 in line with the National Wages Consultative Council Act 2011 (Act 732), alongside salary realignment to ensure internal equity. We also apply the mandatory 2% Employees Provident Fund (EPF) contribution for foreigners (2% employer and 2% employee) effective from October 2025, and comply with stamp duty regulations enforced by the Inland Revenue Board of Malaysia (LHDN) under the

Stamp Act 1949, covering various legal documents, including employment contracts and related documents, by 31 December 2025. In support of the Ministry of Finance’s living wage initiative, our total compensation framework is structured around the RM3,100 living wage threshold to promote fair compensation, employee well-being, and sustainable living standards. The living wage reflects total compensation package, including employer’s EPF contribution, insurance coverage, and other benefits provided to employees.

MRCB respects employees’ rights to freedom of association and collective bargaining, consistent with Malaysian labour laws and international labour standards, thereby ensuring fair and lawful employment practices throughout our operations and supply chain.

Our commitments are reinforced through continuous monitoring of labour standards and human rights compliance. In 2025, MRCB recorded zero reported discrimination cases and no incidents of non-compliance with human rights principles and labour standards, reflecting the effectiveness of our policies, training, and oversight mechanisms.

Minimum Notice Period

MRCB provides employees with minimum notice periods for operational changes. The standard notice period for such changes ranges from one to three months, depending on the nature and scope of the change. Communication on operational changes is conducted through appropriate channels, taking into consideration the business context and ensuring that information is shared in a timely and sensitive manner.

Human Rights Awareness and Prevention

MRCB is fully committed to uphold human rights across our operations and value chain. We regularly communicated our human rights policy to our employees via Electronic Direct Mail (EDM) and our internal communication platform, as well as incorporated it into the induction training for all new hires.

As part of this commitment, we recognise sexual harassment as a serious human rights violation, strictly prohibit it, and enforce Section 81H of the Employment Act (Amendment) 2022 through a zero-tolerance approach across all workplace settings.

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In 2025, we strengthened our human rights awareness programme, focusing on sexual harassment. Awareness of this is strengthened through training, notices, and posters displayed across all construction sites, facilities, and offices. We ensured accessibility and understanding by conducting internal training sessions in English and Bahasa Malaysia, ensuring that the content is understood by a wider segment of our workforce.

2025 Sexual Harassment Training

- In-house training conducted by the Malaysian Employers Federation (MEF).
- Expanded mandatory training for all management personnel, from managerial level to general managers.
- Strengthened leadership capability to recognise, prevent, and respond appropriately to potential incidents.
- Reinforced accountability and emphasis on a respectful, safe workplace.
- Metrics:
 - 290 attendees
 - 1,512 training hours

Integrating Human Rights into Supply Chain Management

In line with international good practice, MRCB identifies, prioritises, and manages human rights risks that are most likely to occur within our operations and supply chain. Our Human Rights Policy aligns with UNICEF’s Children’s Rights and Business Principles and has been translated into Bahasa Malaysia to ensure clarity and accessibility for all workers, including those employed by contractors and suppliers.

To further embed these expectations, our Human Rights Policy was disseminated via Electronic Direct Mail (EDM) to 1,886 business partners, including contractors, consultants, IT service providers, and marketing services, to strengthen awareness and alignment with our human rights expectations across our wider value chain.

To identify our salient human rights issues, we consider industry-specific risks in construction and property development, regulatory requirements, workforce demographics, and insights gathered through engagement with internal and external stakeholders. These stakeholders include employees, contractors, subcontractors, suppliers, local communities, and regulatory agencies, whose feedback and perspectives help us understand actual and potential impacts across the value chain.

We identified the following salient human rights issues most relevant to our business:

- Health and safety
- Child labour
- Forced labour
- Discrimination
- Working conditions

We continue to engage stakeholders regularly to validate these issues, understand emerging risks, and strengthen mitigation measures across our operations and supply chain.

Investigation and Grievance Mechanisms

We enforce a strict stance against any form of non-compliance, including breaches involving labour standards, human rights, anti-bribery requirements, or the Code of Business Ethics. For external parties, violations may lead to contract termination, and legal action may be pursued if MRCB’s interests are harmed.

During the year, MRCB introduced a Group-wide Employee Grievance Policy to provide a clear avenue for employees to raise concerns and seek redress on human rights and workplace-related issues, including working conditions, discrimination and harassment, personal well-being, management practices, and interpersonal conflicts. The Policy applies to all employees across all MRCB operations, and sets out mandatory, confidential procedures to ensure grievances are handled promptly, fairly, and without retaliation, with disciplinary action taken in cases of non-compliance.

All grievances and reports are treated as strictly confidential. Each case undergoes a thorough and impartial review, with complainants or whistleblowers kept informed of key progress updates and final outcomes. For employee-related cases, disciplinary actions, including warnings, suspensions, or terminations, are administered in accordance with the Limits of Authority and relevant internal policies. Cases involving suspected corruption, legal breaches, or criminal activity are promptly escalated to the appropriate authorities, with whom MRCB fully cooperates.

Transparency is a key component of our governance practices. The Audit and Risk Management Committee and the Board receive quarterly updates on disclosures, investigation findings, and actions taken. This oversight ensures accountability and reinforces ethical conduct across all areas of operation.

OUR PERFORMANCE:
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Grievance and Whistleblowing Reporting

MRCB maintains accessible and confidential whistleblowing and grievance mechanisms at both operational and Group-wide levels.



Operational Level

- Managers oversee tailored grievance processes at the workplace.
- Employees may lodge complaints through the internal system.
- All reports are handled confidentially with protection against reprisal.



Group-wide Level

- Grievance framework available via the Group intranet.
- External parties, including contractors, suppliers, and consultants may also raise concerns through designated channels.



Whistleblowing Channels

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Whistleblowing e-form available on MRCB’s website

@ Email: whistleblowing@mrcb.com

CHALLENGES

- Retaining and developing talent in a competitive, project-based industry with evolving employee expectations.
- Addressing diverse learning and development needs across varied job roles and career stages.
- Ensuring consistent understanding and application of safety, ethical, and human rights principles across employees, subcontractors, and temporary workers.
- Maintaining policy consistency and compliance in a multilingual, multi-tiered workforce and supply chain.
- Managing human rights risks across complex project environments while strengthening supplier and contractor oversight.
- Balancing operational requirements with employees’ expectations for career growth, well-being, and workplace support.

OPPORTUNITIES

- Strengthen employee engagement and reinforce alignment with organisational values through targeted programmes and continuous feedback.
- Enhance leadership continuity by deepening succession planning and preparing high-potential talent for critical roles.
- Build future-ready skills by integrating digital learning tools and structured capability-building programmes across all levels.
- Deepen human rights integration by embedding due diligence, training, and supplier engagement throughout project lifecycles and the supply chain.
- Advance Diversity, Equity, and Inclusion (DEI) outcomes to attract diverse talent and support more inclusive, accessible, and responsible project delivery.

OUTLOOK

We will drive efforts to strengthen our people strategy to support sustainable business growth and build a resilient, future-ready workforce that reflects MRCB’s commitment to responsible employment practices and respect for human dignity. Our priorities for 2026 include:

- Scaling the Learning and Development Framework through digital learning platforms, personalised learning plans, and stronger integration with performance management.
- Assessing capability impact through skills mapping and leadership readiness indicators to build a sustainable pool of successors and reinforce a culture of continuous learning.
- Enhancing employee well-being support, including mental health initiatives and financial resilience programmes.
- Strengthening human rights due diligence, monitoring, and supplier alignment across operations.
- Implementing post-survey action plans to drive improvements in engagement, retention, and organisational culture.

OUR PERFORMANCE:
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STAKEHOLDER RELATIONS

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WHY THIS MATTERS FOR VALUE CREATION

As a responsible developer, we deliver value beyond our buildings and infrastructure by actively supporting and empowering people and local communities near our projects and developments. Education, skills development, community well-being, and targeted social programmes strengthen our social licence to operate, build trust, and support long-term value creation.

Stakeholder relations focus on supporting people where needs are real and practical. Education and skills programmes open pathways to work, while other community investment initiatives improve daily living conditions. Social support strengthens resilience during periods of change. By responding to local needs in a structured way, we support the development of more capable and inclusive communities.

OUR APPROACH

We manage stakeholder relations by delivering initiatives that create positive social outcomes. Our focus is on programmes that strengthen communities and support national development priorities.

Our approach combines community partnerships, targeted corporate social responsibility (CSR) investments, and capability-building initiatives led by MRCB Group and Yayasan MRCB. We focus on structured programmes that address priority needs and deliver outcomes across education, skills development, social inclusion, and community well-being.

Beyond community empowerment, we also drive sustainable growth through transparent communication and collaboration with clients, investors, regulators, and the media.

 For more details on Our Stakeholders, please refer to pages 47 to 58.

METRICS AND TARGETS

Metrics	Targets	Progress	
		2024	2025
Number of beneficiaries reached through community programmes (MRCB Group)	Positively impact beneficiaries across our communities annually	158,220	18,919
Social investment value (MRCB Group & Yayasan MRCB)	Contribute RM1 million annually to Yayasan MRCB and community-focused initiatives	RM2,203,500	RM1,933,165

Note: The 2024 figure for number of beneficiaries was exceptionally high due to national flood relief efforts

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INITIATIVES AND PROGRESS IN 2025

Community Investment, Capability Building, and Social Progress

We are committed to uplifting communities through impactful engagement initiatives, delivered both directly and via Yayasan MRCB. We focus on education, workforce development, and social well-being, with particular attention on underserved groups and initiatives that support long-term social progress.

Strengthening Skills through TVET

We prioritise workforce development by expanding access to practical, industry-aligned skills through Technical and Vocational Education and Training (TVET). In partnership with the Construction Industry Development Board (CIDB), we established a dedicated Tower Crane Training Site at the Akademi Binaan Malaysia (ABM) in Jenjarom, Selangor, and strengthened modular construction training to meet industry needs.

The facility features a functioning tower crane and dedicated training infrastructure that enable hands-on learning beyond simulators. Trainees build real operational confidence and competency in tower crane operation and rigging. These are skills that are in high demand in the construction sector, and vital for our MBS modular construction ambitions. The CIDB-MRCB Tower Crane Training continues to play a key role in developing skilled construction professionals.



Training continues through coordinated collaborations, with structured trainee intake every two months. This approach improves employability and supports workforce pathways.

By supporting this training hub, we aim to strengthen Malaysia’s skilled labour pool, widen employment pathways for local talent, and support the industry’s move towards safer, more efficient, and more sustainable construction practices. The training site will continue to grow as a centre for learning, innovation, and skills development in the years ahead.

MRCB also provides job placements for TVET graduates, giving trainees real-world work experience that prepares them for the demands of construction sites. By embedding TVET within our sustainability agenda, we help close the skills gap, promote economic mobility, and reinforce the resilience and sustainability of the construction sector.

OUTCOMES

- Created a steady pipeline of skilled construction professionals.
- Improved employability and supported workforce reintegration.
- Advanced national development goals by helping close the industry skills gap.
- Generated long-term socio-economic benefits for local communities.

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Providing Second Chances through PEKA@MRCB

We developed inclusive workforce pathways through the Peluang Kedua Anda @ MRCB (PEKA@MRCB) programme, launched in 2019 in partnership with the Malaysian Prison Department. This programme provides upskilling and employment opportunities for selected low-risk offenders who are nearing the end of their prison sentences. Due to the connection between poverty, incarceration, and inequality, we believe that the programme provides those from underprivileged backgrounds with positive opportunities.

The PEKA@MRCB programme helps them gain meaningful employment while developing the necessary skills needed to re-enter the job market after their release. Since its inception, the programme has enrolled 500 low-risk offenders who have completed CIDB-accredited courses, equipping them with practical construction skills that improve employability and enable them to earn income and other benefits before they are released. With recognised and in-demand competencies, participants gain better access to employment and are empowered to pursue more stable livelihoods, supporting the dignity of work and social reintegration.



Transitioning into the workforce through hands-on construction roles

OUTCOMES

- Expanded access to skills training for individuals with limited employment pathways.
- Improved employability through CIDB-accredited, job-relevant skills.
- Supported a smoother transition into the workforce after release.
- Built a more inclusive labour market by widening access to opportunity and reduced the industry's dependence on foreign labour.
- Strengthened social stability by enabling participants to earn, support themselves, and rebuild their lives, reducing the risks of them re-offending.

Sekolah Angkat Madani

MRCB has been supportive of the government-led Sekolah Angkat Madani initiative, launched in April 2025, which aims to enhance educational quality by improving school infrastructure and learning environments. By focusing on infrastructure, academic enhancement and mentoring, the programme helps schools create conditions where students can stay engaged, perform better, and build confidence in their learning journey.

We adopted five schools and are focusing on practical improvements that directly support teaching and learning. To achieve this, we have allocated RM500,000 to upgrade infrastructure, strengthen academic support, and provide student mentoring. These efforts will improve classrooms and facilities, enhance learning conditions and support teaching quality. Through facility upgrades and educational support, 3,618 students and teachers will benefit from safer, more comfortable and more conducive environments for both learning and teaching.

OUTCOMES

- Enhanced learning environments.
- Strengthened partnerships with government and communities.
- Aligned with the national vision for inclusive, high-quality education.

OUR PERFORMANCE:
SOCIAL

Advancing Innovation through Industrial Collaboration Programme

The Industrial Collaboration Programme (ICP) plays a strategic role in advancing Malaysia's industrial and technological capabilities. Introduced by the Ministry of Finance (MoF) in 2014, the programme links major national development agendas, such as Malaysia's Five-Year National Development Plans and the Malaysian Industrial Masterplan, to industry innovation and capability-building. The programme supports economic growth, job creation, and knowledge-based industries.

MRCB has contributed to the ICP since 2019, primarily through the LRT3 project. Between 2019 and 2025, we awarded 64 ICP contracts, each valued between RM250,000 and RM500,000. Through these engagements, we provided up to RM20 million in grants and advisory support for ICP Project Providers, helping them scale solutions, strengthen technical capabilities, and access new markets.

The programme has supported practical, innovation-led outcomes. These include the development of eco-friendly mosquito control kits in collaboration with MAHSA University, as well as the deployment of AI-powered medical augmentation software at Penawar Hospital in Johor. These projects show how ICP initiatives can translate infrastructure-led investments into wider socio-economic benefits, spanning healthcare, environmental management, and applied research.

Through sustained participation in the ICP, we contribute to job creation, knowledge development, and the growth of local enterprises. The programme strengthens industry-academia collaboration and supports the development of homegrown solutions that advance Malaysia's transition towards higher-value, knowledge-based industries.

MRCB's Support for ICP (since 2019)

- Provided RM20 million in grants to support innovation.
- Offered advisory and consultation support to ICP Project Providers.
- Supported first-in-Malaysia products and services through a stringent evaluation process involving MoF, Prasarana, and the Technology Depository Agency.

OUTCOMES

- Strengthened Malaysia's industrial and technological advancement through homegrown innovations.
- Supported job creation and growth of knowledge-based industries.
- Enabled industry partners to commercialise first-in-Malaysia technologies.
- Advanced national priorities under the Industrial Masterplan and Five-Year Development Plans.

OUR PERFORMANCE:
SOCIAL

Yayasan MRCB: Community Well-Being and Social Upliftment

Yayasan MRCB continues to play a vital role in strengthening community well-being by delivering targeted programmes that support underprivileged and underserved groups. Established in 2015 as MRCB’s charitable foundation, the Yayasan focuses on education, financial assistance, healthcare support, skills empowerment, and social inclusion. Its initiatives prioritise marginalised communities, including individuals with disabilities and indigenous groups, while fostering meaningful connections between MRCB volunteers and the communities they serve.

Yayasan MRCB’s commitment to long-term community upliftment is reflected in two flagship programmes, the Orang Asli Outreach Programme with the Malaysian Relief Agency (MRA) Perak, and the annual Ramadan Programme.

Orang Asli Outreach Programme

MRCB continued its longstanding commitment to indigenous community development through the Orang Asli Outreach Programme, now in its seventh consecutive year. In 2025, the programme reached 650 beneficiaries through multi-day engagement and volunteer activities, supported by 55 MRCB employee volunteers. Building on the previous year’s efforts, the 2025 programme expanded its health carnival component to deliver broader and more impactful outreach.

In collaboration with MRA Perak, we set up a mobile clinic to provide on-site health screenings, health awareness, and preventive care education delivered in a culturally appropriate and accessible way. To promote physical well-being and encourage community participation across all ages, the programme included inclusive activities such as traditional sepak takraw games and aerobic exercise sessions.

We complemented these efforts with a range of educational and community-based activities, including storytelling sessions, children’s colouring contests, knowledge-sharing, and communal meal preparation. We also extended food distribution to neighbouring villages, with residents travelling from surrounding and remote areas to receive meals, recognising the limited access to essential food supplies faced by these communities.

Through this holistic approach, the programme supported health awareness, social inclusion, and community well-being, while fostering meaningful engagement between MRCB employees and the Orang Asli community.



An educational activity with children from the community

OUTCOMES

- Improved welfare and access to essential needs within the Orang Asli community, particularly in relation to basic healthcare, nutrition, and health awareness.
- Demonstrated sustained commitment to supporting marginalised indigenous communities through long-term, structured engagement.
- Strengthened social inclusion and community resilience by fostering trust, participation, and meaningful interaction between the Orang Asli community and MRCB employee volunteers.

OUR PERFORMANCE:
SOCIAL

Ihya Ramadan Programme

MRCB held its annual Ihya Ramadan Programme in 2025 to provide meaningful support to vulnerable groups during the festive period. A community Iftar brought together about 2,500 guests, including special invitees, local residents, mosque parishioners, and underprivileged children and families.

In conjunction with Hari Raya Aidilfitri, we disbursed RM530,000 in cash assistance to 1,100 Asnaf recipients, comprising 1,000 beneficiaries and 100 orphans. The assistance helped ease financial burdens and support essential needs during Ramadan and Hari Raya.

The Ihya Ramadan Programme created space for shared cultural and religious observance while strengthening community ties. It fostered inclusivity and delivered direct financial relief to low-income households and orphans at a time when assistance matters most.



YB Dato’ Seri Dr. Wan Azizah Dr. Wan Ismail engaging with guests during the Iftar session

OUTCOMES

- Strengthened community ties through shared cultural and religious observances.
- Provided financial relief to low-income households and orphans during the festive period.

CONTRIBUTIONS AND IMPACT ON COMMUNITIES

Contribution by MRCB Group

In 2025, MRCB Group channelled RM1.2 million to Yayasan MRCB and RM733,165 into community initiatives that directly benefitted 18,919 individuals. These efforts supported key UN SDGs, including those related to poverty alleviation, health and well-being, and quality education. These figures have been verified by MRCB Group’s Internal Audit Department.

No.	Programme	Programme Impact
1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING
Community Development and Well-Being		
1.	Contribution to Yayasan MRCB	Supported impactful community development initiatives across Malaysia with RM1.2 million contribution.
2.	Golf Kita 2025	Supported a charity golf tournament contributing to welfare, research, and knowledge-building initiatives for underprivileged communities, benefitting 120 individuals through an RM100,000 contribution.
3.	Lawatan Kerajaan Negeri Perlis ke Negeri Sabah (EKS PERBAH)	Contributed RM73,000 towards improving community facilities for security personnel and families in Sabah, enhancing two schools, upgrading a healthcare centre, and providing essential items to post offices, benefitting 3,520 individuals .

OUR PERFORMANCE:
SOCIAL

No.	Programme	Programme Impact
4.	Women, Peace, and Security Initiatives	Contributed RM60,000 to national and regional policy platforms including the Women, Peace and Security Conference by Polity and Parliament of Malaysia, and LIMA 2025 Conference, fostering inclusive dialogue, evidence-based policymaking, collaboration, and leadership in peacebuilding, benefitting 500 individuals .
5.	Bagan Dalam Heritage Ferry Walk 2025	Contributed RM20,000 towards community engagement through recreational activities, celebrating the historical significance of the Penang ferry as a vital transport link, benefitting 1,700 participants .
6.	LLM ASEAN Cultural Night Run @ Penang Bridge 2025	Promoted ASEAN culture and unity through a fun night run, benefitting 5,000 participants through a RM10,000 contribution.
7.	Contribution and Adoption of the St. John Institution Cadet Band	Sponsored RM40,000 worth of musical instruments for the St. John Institution Cadet Band, ensuring programme continuity, and benefitting 60 students .
8.	Pusat Kreatif Kanak-Kanak Tuanku Bainun 2025	Supported creative skill development for 166 underprivileged children and youth from low-income families, PPR communities, shelters, orphanages, Orang Asli settlements, and juvenile centres with RM15,000 .
9.	PMX Madani Cup National Silat Championship 2025	Contributed RM50,000 to promote silat as cultural heritage, art, and sport while supporting Visit Malaysia Year 2026 activities, benefitting 1,500 participants .
10.	Old Cliffordians Association (OCA) Charity Dinner 2025	Supported fundraising to renovate Kuala Kangsar's first hospital building, and develop OCA office and cafeteria facilities, benefitting 500 community members with RM5,000 .
11.	XVII Sports Carnival of the Department of Irrigation and Drainage (DID) Malaysia 2025	Contributed RM1,500 to boost sports participation, strengthen family ties, foster cooperation, and instil positive values, benefitting 1,800 participants .
12.	"A Night to Care" Programme	Provided financial assistance to support underprivileged patients accessing medical treatment at University Malaya Medical Centre through a RM50,000 contribution.
13.	YOKUK Charity High Tea: Afternoon Giving	Enhanced facilities providing free rehabilitation, palliative care, education, and empowerment programmes for persons with disabilities and underprivileged families in Kelantan and Terengganu with RM10,000 .
14.	World Quran Convention 2025	Sponsored community engagement with Quran reading, practice, and understanding while convening leaders for revelation-based responses to contemporary challenges, benefitting 1,200 participants with RM20,000 .
15.	Islamic Fashion Festival Charity Dinner for Selangor Girl Guides	Supported Selangor Girl Guides development programmes through a fashion charitable event, with RM10,000 .

★ Featured Highlight



Learn more about Yayasan MRCB's Orang Asli community programme on page 246

OUR PERFORMANCE:
SOCIAL

No.	Programme	Programme Impact
4	QUALITY EDUCATION	Quality Education
16.	KSN Unplugged Bersama ANSARA	Supported an educational and leadership initiative through ANSARA's programmes to advance education, youth development, and community-building, benefitting 700 participants with RM50,000 .
17.	Surau Kampung 40, Pulau Pinang CSR	Installed two air conditioning units in the community surau and established a tuition centre to support the learning needs of B40 and Asnaf children, benefitting 86 children with RM7,000 .
18.	Sekolah Angkat Madani 2025	Provided infrastructure and facility support to two out of five selected schools as part of a government-mandated CSR initiative for Government-linked Companies (GLC), benefitting 1,767 students and teachers with RM191,665 .
19.	Methodist School Nibong Tebal Alumni Souvenir Programme	Contributed RM5,000 towards fundraising efforts to build additional classrooms and facilities, enabling a single-session school system and improving comfort for students and teachers.
11	SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities
20.	The Malaysian Property Summit	Sponsorship for a conference to decode market trends, address housing challenges, promote sustainable development in the property sector, and strengthen Malaysia's position as a global property investment hub, benefitting 300 participants with RM10,000 .
21.	16th International Conference on World Class Sustainable Cities 2025 (WCSC 2025) – "Resilient Cities, Living Heritage"	Sponsorships of a conference for professionals and city stakeholders to exchange best practices and enhance community engagement in addressing Malaysia's liveability and sustainability challenges, with RM5,000 .
Total Amount Contributed by MRCB Group		RM1,933,165
Total Beneficiaries Supported by MRCB Group		18,919

OUR PERFORMANCE:
SOCIAL

OUR PERFORMANCE:
SOCIAL

Contribution by Yayasan MRCB

In 2025, Yayasan MRCB independently conducted various community engagement initiatives that benefitted local communities.

No.	Programme	Programme Impact
1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING Community Development and Well-Being		
1.	Food Contribution to Fishermen Members of the Persatuan Nelayan Kawasan Pekan.	Provided food baskets to 610 B40 families , mostly fishermen under the Persatuan Nelayan Kawasan Pekan (PNKP), Pahang Darul Makmur, during the monsoon season.
2.	Contribution of Daily Necessities to Persatuan Penjagaan Kanak-Kanak Terencat Akal, Johor Bahru, Johor.	Contributed daily necessities, including dry food and hygiene items, to Persatuan Penjagaan Kanak-Kanak Terencat Akal Johor Bahru, benefitting 163 children and provided financial assistance to cover approximately ten months of living expenses.
3.	Ihya Ramadhan with Bandar Tun Razak Residents and Presentation of Hari Raya Aidilfitri Contributions at Masjid Saidina Othman Ibn Affan, Cheras.	• Provided Hari Raya Aidilfitri cash donations to 1,100 underprivileged recipients, including 1,000 B40 beneficiaries and 100 orphans. • Sponsored an Iftar attended by 2,500 guests, including underprivileged recipients, mosque parishioners, and guests.
4.	Financial Contribution to the Parent-Teacher Association (PIBG) of SMK Seri Bentong, Pahang, to Support School Activities	Funded the refurbishment of the existing futsal court, benefitting 176 students .
5.	Wheelchair Sponsorship for Pertubuhan Kebajikan Nurqaseh PDRM Malaysia (PERQASEH)	Donated 25 wheelchairs to Pertubuhan Kebajikan Nurqaseh PDRM Malaysia.
6.	Community Engagement Programme with Orang Asli at Kampung Bongor, Royal Belum, Perak	Organised an engagement programme involving health check-ups, medication distribution, sports activities, and games with the Orang Asli community, benefitting 650 villagers .
7.	Monthly Contribution of Grocery Food Baskets for Independent Living & Training Centre Malaysia (ILTC)	Contributed 40 grocery food baskets monthly to support 240 B40 recipients registered as Persons with Disabilities (PWD).
8.	Contribution of Daily Necessities for Rumah Keluarga Kami	Provided in-kind contributions such as dry food, hygiene products, and other daily necessities to benefit 20 residents of Rumah Keluarga Kami.
9.	Cash Donation to Fuel For Love For Fighters Programme	Contributed cash to the Fuel For Love For Fighters programme, supporting 300 B40 cancer patients and survivors with daily essentials and treatment expenses.
4 QUALITY EDUCATION Quality Education		
10.	Financial Assistance for School-related Expenses	Provided financial assistance to support school fees, uniforms, and essential equipment for a family with four children .
11.	2026 School Assistance Programme for Children of staff of the Hulu Kelang Police Station	Provided school uniform vouchers to students and financial assistance to Persatuan Qasehwanis for school support, refreshments, and programme materials, reaching 200 beneficiaries .

CHALLENGES	OPPORTUNITIES
• Managing diverse community needs and expectations across different geographies and beneficiary groups. • Ensuring transparent and clear communications, particularly when programmes involve multiple partners or various vulnerable communities. • Delivering high-impact initiatives at scale while ensuring assistance effectively reaches those most in need. • Coordinating logistics and volunteer mobilisation for programmes in remote or underserved areas.	• Strengthen proactive communication to build trust and ensure communities understand available support and programme objectives. • Integrate community feedback more systematically into programme design and planning to enhance relevance and impact. • Prioritise community partnerships within our broader business strategy to reinforce long-term social value. • Expand collaborations with government agencies, non-governmental organisations (NGOs), and grassroots organisations to broaden reach and increase programme effectiveness. • Leverage volunteer engagement to deepen community relationships and support meaningful capacity-building.
OUTLOOK	
As we expand our operations, we will continue to embed purposeful stakeholder engagement into our core strategy, with a strong focus on empowering local communities and fostering strategic industry partnerships. Our 2026 priorities include: • Strengthening stakeholder trust through enhanced transparency and proactive communication across projects. • Exploring multi-stakeholder partnerships to address systemic social challenges in our operating regions.	

YAYASAN MRCB'S CONTINUED COMMITMENT TO THE ORANG ASLI COMMUNITY

**In 2018, they
watched from
a distance.
Today, they
welcome us
with
familiarity,
trust, and
quiet joy.**

For Yayasan MRCB, returning to the Orang Asli village in Royal Belum, Perak, is not simply another outreach programme. It is the continuation of a relationship built over time, reflecting Yayasan MRCB's commitment to inclusive community development and long-term social impact.

The 2025 visit marked the sixth engagement with the community, where familiar faces and warm greetings reflected how far this bond has grown. What began with cautious observation has since evolved into genuine connection, grounded in mutual respect and shared experiences.

This trust was most evident in a heartfelt farewell conveyed through the Tok Batin, who expressed his appreciation for Yayasan MRCB's continued presence and sincere efforts in supporting the well-being of the village. In return, Yayasan MRCB acknowledged the openness and hospitality extended to its volunteers — a relationship shaped not only by giving, but by understanding.

More than a visit,
this is a journey built
on trust — growing
stronger with every
return.

6th

Visit since 2018

650

Villagers reached

A RELATIONSHIP BUILT OVER TIME

Each visit to the village builds on the last, strengthening trust and deepening understanding between Yayasan MRCB volunteers and the Orang Asli community.

Over time, what began as an outreach effort has evolved into a meaningful connection. The villagers no longer stand at a distance — they engage openly, participate confidently, and welcome the volunteers with a sense of familiarity.

This growing relationship reflects more than consistency; it reflects sincerity. It is through repeated presence, shared experiences, and mutual respect that trust has taken root.

Trust is not built in a day — it is
nurtured over time.





MEANINGFUL CONTRIBUTIONS THAT IMPROVE DAILY LIFE

The programme reflects Yayasan MRCB's commitment to delivering meaningful social impact through practical, community-driven initiatives.



ACCESS TO CLEAN WATER

A hill water system now provides cleaner water to the village, improving sanitation standards and reducing health risks.



FOOD SECURITY

Essential food supplies, including rice distribution, ensured that every household benefitted from the visit.



DIGITAL ACCESS

A solar-powered facility has enabled access to the internet, introducing sustainable energy use while opening new pathways for learning.



COMMUNITY REACH

The programme benefitted approximately 650 villagers, supporting both immediate needs and longer-term development.

THREE DAYS OF TOGETHERNESS

Over three days and two nights, 55 Yayasan MRCB volunteers worked alongside the villagers, sharing daily life in its simplest and most meaningful form.

Meals prepared and enjoyed together became moments of connection, where conversations flowed easily and laughter bridged differences. Recreational activities such as sepak takraw and karaoke brought vibrancy to the village, creating a spirit of joy and friendly competition.

These moments went beyond interaction — they fostered confidence among the youth and strengthened the sense of community. At its core, the programme emphasised awareness of hygiene, health, and education — key pillars in supporting community well-being and long-term social development.



RM32,994
invested towards
improving daily life and
community well-being

A REALITY THAT RESHAPES PERSPECTIVE

Beyond the activities and contributions, the experience revealed a deeper reality — particularly in education.

Volunteers observed that many children are still at a very early stage of learning, with efforts focused primarily on encouraging school attendance rather than basic reading and writing.

For Ahmad Ali Firouz, one of the volunteers, the experience left a strong emotional impact — particularly in understanding the realities faced by the community.

“
When I saw
their learning
environment,
I realised how
far behind
they were.”



This moment became a powerful reminder of the challenges faced by remote communities, and the importance of continued support in bridging these gaps.

It also reinforces the importance of sustained efforts in advancing access to education and reducing inequality in underserved communities.

At the same time, the experience offered a different perspective — one of resilience, gratitude, and strong communal bonds, even in the absence of modern conveniences.



SUSTAINING A RELATIONSHIP FOR THE FUTURE

The Orang Asli outreach programme is not a one-off initiative, but part of Yayasan MRCB’s long-term commitment to inclusive, equitable and sustainable development.

While challenges remain — including access to clean water and continuous electricity — each visit represents progress. Through collaboration, patience, and shared purpose, the journey continues.

This is not just about reaching a community in need — it is about walking alongside them, learning from them, and growing together.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' MOHAMAD NASIR AB LATIF

Non-Independent
Non-Executive Chairman

TAN SRI MOHAMAD SALIM FATEH DIN

Executive Vice Chairman

DATO' IMRAN SALIM

Group Managing Director

MOHAMAD HAFIZ KASSIM

Non-Independent Non-Executive Director

DATO' WAN KAMARUZAMAN WAN AHMAD

Senior Independent Director

DATO' DR JUNAIDAH KAMARRUDDIN

Independent Director

LIM FEN NEE

Independent Director

DATUK RASHIDAH MOHD SIES

Independent Director

AUDIT & RISK MANAGEMENT COMMITTEE

Dato' Wan Kamaruzaman Wan Ahmad
(Chairman)
Dato' Dr Junaidah Kamarruddin
Lim Fen Nee

EXECUTIVE COMMITTEE

Mohamad Hafiz Kassim (Chairman)
Dato' Imran Salim
Dato' Wan Kamaruzaman Wan Ahmad
Dato' Dr Junaidah Kamarruddin

NOMINATION & REMUNERATION COMMITTEE

Dato' Wan Kamaruzaman Wan Ahmad
(Chairman)
Dato' Dr Junaidah Kamarruddin
Mohamad Hafiz Kassim
Datuk Rashidah Mohd Sies

LONG-TERM INCENTIVE PLAN COMMITTEE

Lim Fen Nee (Chairman)
Dato' Imran Salim
Dato' Dr Junaidah Kamarruddin

COMPANY SECRETARY

Mohd Noor Rahim Yahaya
(MAICSA 0866820)
(SSM PC No. 202008002339)

REGISTERED OFFICE

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No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2786 8080
Fax : +603-2780 7668
Email: cosec@mrcb.com

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
Tel : +603-7890 4700
Fax : +603-7890 4670
Email: bsr.helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

BOARD AT A GLANCE

BOARD COMPOSITION

Independent Director

Non-Independent Director

50%

50%

GENDER

Male
62.5%

Female
37.5%

AGED

30-50
Years Old
12.5%

>50
Years Old
87.5%

BOARD TENURE

5 years and below
62.5%

Above 5 years
37.5%

BOARD OF DIRECTORS' KEY CAPABILITIES

Strategy Formulation

5/8

Business Management

4/8

Capital Markets

4/8

Financial Expertise

5/8

Governance & Risk Management

5/8

Regulatory Expertise

4/8

Property & Construction Industry Experience

4/8

People Leadership

7/8

Technology Experience

2/8

BOARD OF DIRECTORS’ PROFILE

DATO’ MOHAMAD NASIR AB LATIF

Chairman

Nominee of Employees Provident Fund, a major shareholder of MRCB



Nationality

68

Age

M

Gender

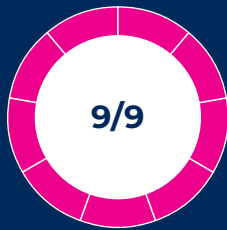
DATE OF APPOINTMENT

24 August 2018
(Redesignated as Chairman on 1 March 2024)

BOARD COMMITTEE MEMBERSHIP

Nil

TOTAL BOARD MEETINGS ATTENDED IN 2025



FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER

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

CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB

He has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

Board Committee Member

ARMC

Audit & Risk Management Committee

EXCO

Executive Committee

NRC

Nomination & Remuneration Committee

LTIP

Long-Term Incentive Plan Committee

Chairman of Committee

TAN SRI MOHAMAD SALIM FATEH DIN

Executive Vice Chairman

Nominee of Gapurna Sdn Bhd, a major shareholder of MRCB



Nationality

68

Age

M

Gender

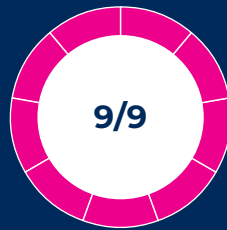
DATE OF APPOINTMENT

1 September 2021

BOARD COMMITTEE MEMBERSHIP

Nil

TOTAL BOARD MEETINGS ATTENDED IN 2025



QUALIFICATION(S):

- Malaysian Cambridge Examination (“MCE”)

SKILLS AND EXPERIENCE

Tan Sri Mohamad Salim is currently the Executive Vice Chairman of MRCB. He was the Group Managing Director of MRCB from 2 September 2013 to 2 July 2018. He is the founder and Group Managing Director of Gapurna Sdn Bhd.

He was a pioneer in developing green buildings in Malaysia, delivering major landmark developments such as Shell’s international award-winning regional headquarters, Menara Shell at KL Sentral and the PJ Sentral Garden City and other award winning, standard setting green developments.

He was the Non-Executive Chairman of Giant Malaysia from 2009 to 2013 and was responsible for re-designing its distribution centres and modernising and improving its food-processing systems, reducing its logistics costs and delivery turnaround times. This was later emulated by others in the country’s food supply chain.

He was also responsible for the development of the “Super Store Petrol Station” concept for leading oil companies, Shell, Esso, BP and Caltex.

He was the Non-Executive Chairman of British American Tobacco (Malaysia) Berhad from 2012 to 2016, Chairman of the Malaysia-Pakistan Business Council from 2013 to 2014 and Independent Director of Malaysia Airports Holdings Berhad from 25 July 2022 to 22 May 2023.

He was also a member of Consultation and Corruption Prevention Panel under Malaysian Anti-Corruption Commission (MACC) from 1 April 2022 to 31 March 2024. On 17 March 2025, he was appointed as the Chairman of the MACC’s Anti-Corruption Advisory Board (ACAB) for a three-year period effective 2 February 2025 until 1 February 2028.

He served as Commission Member of the Malaysian Communications and Multimedia Commission (MCMC) from 2010 to 2014 and was reappointed to the same position on 1 January 2022. He was later redesignated as the Interim Chairman of MCMC from June 2022 to December 2022. On 1 March 2023, he was appointed as the Chairman of MCMC for a period of two years and his tenure has been extended for another two years until 28 February 2027.

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Nil

Others

- Chairman, Malaysian Communications and Multimedia Commission
- Chairman, MACC’s Anti-Corruption Advisory Board
- Agile member of National Council of Digital Economy and Fourth Industrial Revolution
- Adjunct Professor, Multimedia University
- Adjunct Professor of Faculty of Communication and Media Studies, Mara University of Technology

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER

Tan Sri Mohamad Salim is the Group Managing Director and substantial shareholder of Gapurna Sdn Bhd, which in turn holds 15.48% equity interest in MRCB. Tan Sri Mohamad Salim is also the father of Dato’ 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 shareholder of MRCB.

CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB

Save as disclosed, and in Note No. 37 of pages 146 - 148 of the accompanying Financial Report, he has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS’ PROFILE

DATO’ IMRAN
SALIM

Group Managing Director

Nominee of Gapurna
Sdn Bhd, a major
shareholder of MRCB



Nationality

44

Age

M

Gender

DATE OF
APPOINTMENT

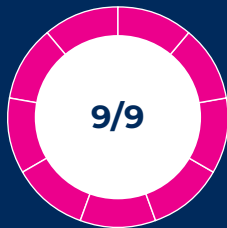
1 March 2015

BOARD
COMMITTEE
MEMBERSHIP

EXCO

LTIP

TOTAL BOARD
MEETINGS
ATTENDED IN 2025



FAMILY RELATIONSHIP WITH
ANY DIRECTOR AND/OR MAJOR
SHAREHOLDER

Dato’ 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 shareholder of MRCB.

CONFLICT OF INTEREST AND/OR
POTENTIAL CONFLICT OF INTEREST
WITH MRCB

Save as disclosed, and in Note No. 37 of pages 146 - 148 of the accompanying Financial Report, he has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

- Degree in Electrical and Electronics from the University of Manchester Institute of Science and Technology, United Kingdom
- Masters in Commerce from Deakin University, Australia
- Member of the Institution of Engineers, Malaysia
- Member of the Institute of Electrical and Electronic Engineers, United Kingdom
- Member of the Institute of Corporate Directors Malaysia

SKILLS AND EXPERIENCE

Upon his graduation in early 2004, Dato’ Imran commenced his career as an Engineer with Bisraya Construction Sdn Bhd, a wholly-owned subsidiary of Gapurna Sdn Bhd, a medium sized diversified group and was promoted to Project Director in the following year. From there, he held various senior posts in the Group including the post of Chief Operating Officer and Director of GTC Global Sdn Bhd where he managed the day to day running of a boutique set-up providing total solutions for security surveillance.

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

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Nil

Others

- Nil

BOARD OF DIRECTORS’ PROFILE

MOHAMAD HAFIZ
KASSIM

Non-Independent

Non-Executive Director

Nominee of Employees
Provident Fund, a major
shareholder of MRCB



Nationality

51

Age

M

Gender

DATE OF
APPOINTMENT

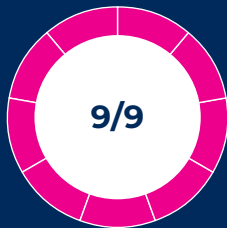
1 September
2021

BOARD
COMMITTEE
MEMBERSHIP

EXCO

NRC

TOTAL BOARD
MEETINGS
ATTENDED IN 2025



FAMILY RELATIONSHIP WITH
ANY DIRECTOR AND/OR MAJOR
SHAREHOLDER

He has no family relationship with any director nad/or major shareholder of MRCB.

CONFLICT OF INTEREST AND/OR
POTENTIAL CONFLICT OF INTEREST
WITH MRCB

He has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

- B.Sc (Econs) Accounting and Finance, London School of Economics and Political Science
- Fellow, Association of Chartered Certified Accountants
- CFA Charterholder, CFA Institute
- Advanced Management Program, Harvard Business School

SKILLS AND EXPERIENCE

Mohamad Hafiz is the Chief Investment Officer of the EPF, having assumed the role on 1 December 2025. He previously served as Chief Financial Officer of the EPF from August 2021 to 30 November 2025.

Since joining EPF in 2008, he has held several key leadership roles within the Investment Division, overseeing Private Equity, Capital Markets, and Real Estate. He was the Managing Director of Kwasa Land Sdn Bhd, a wholly owned subsidiary of EPF from April 2020 to May 2021.

Prior to EPF, Mohamad Hafiz gained extensive experience at Daiwa Capital, PricewaterhouseCoopers and Telekom Malaysia, where he started his career as an investment analyst. He has over 20 years of corporate experience, with a focus on real estate, private equity, capital markets, auditing and accounting.

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Director, Axiata Group Berhad

Others

- Director, Yarra Park City Pty Ltd

BOARD OF DIRECTORS’ PROFILE

DATO’ WAN KAMARUZAMAN
WAN AHMAD

Senior Independent Director



Nationality

66

Age

M

Gender

DATE OF
APPOINTMENT

15 April 2021

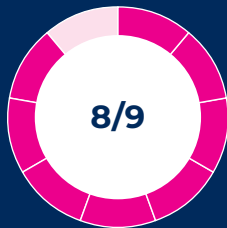
BOARD
COMMITTEE
MEMBERSHIP

ARMC

NRC

EXCO

TOTAL BOARD
MEETINGS
ATTENDED IN 2025



FAMILY RELATIONSHIP WITH
ANY DIRECTOR AND/OR MAJOR
SHAREHOLDER

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

CONFLICT OF INTEREST AND/OR
POTENTIAL CONFLICT OF INTEREST
WITH MRCB

He has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

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

SKILLS AND EXPERIENCE

Dato’ Wan Kamaruzaman is currently the Chairman of MBSB Berhad, the holding company of MBSB Bank Berhad and MBSB Investment Bank Berhad.

He was the Chief Executive Officer (“CEO”) of Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”) from May 2013 to October 2018 and prior to that, he was General Manager of the Treasury Department at EPF from October 2007.

He began his career with Malayan Banking Berhad (“Maybank”) in 1981, primarily in the Treasury Department, including overseas postings in Hamburg, Germany as Chief Dealer and in London, United Kingdom as Treasury Manager. After leaving Maybank in 1994, he served as CEO and director with several companies within the Affin Group until 2005.

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Chairman, MBSB Berhad

Others

- Chairman, MBSB Bank Berhad
- Chairman, MBSB Investment Bank Berhad
- Director, Global LNG Sdn Bhd
- Chairman, Iris Capital Partners Sdn Bhd
- Member, EPF Investment Panel
- Director, Lembaga Penduduk dan Pembangunan Keluarga Negara
- Director, Mudarabah Innovation Fund Investments Ltd

DATO’ DR JUNAIDAH
KAMARRUDDIN

Independent Director



Nationality

65

Age

F

Gender

DATE OF
APPOINTMENT

1 July 2021

BOARD
COMMITTEE
MEMBERSHIP

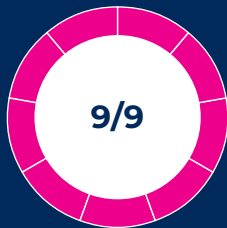
ARMC

EXCO

NRC

LTIP

TOTAL BOARD
MEETINGS
ATTENDED IN 2025



FAMILY RELATIONSHIP WITH
ANY DIRECTOR AND/OR MAJOR
SHAREHOLDER

She has no family relationship with any director and/or major shareholder of MRCB.

CONFLICT OF INTEREST AND/OR
POTENTIAL CONFLICT OF INTEREST
WITH MRCB

She has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

ACADEMIC/PROFESSIONAL
QUALIFICATION(S)/MEMBERSHIP(S)

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

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 Organisational 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 the Undersecretary at the International Division of the MHR. In 2010, she became the Senior Undersecretary (Management Services) at the Ministry of

Natural Resources and Environment Malaysia (NRE) and subsequently, she was attached to the Malaysian Maritime Enforcement Affairs Division under Prime Minister’s (PM’s) Department as a Director General.

In December 2015, she was promoted as the Deputy Secretary General (Policy) at the Ministry of Defence 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 a Distinguished Fellow at Faculty of Defence Studies and Management, Universiti Pertahanan Nasional Malaysia.

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Nil

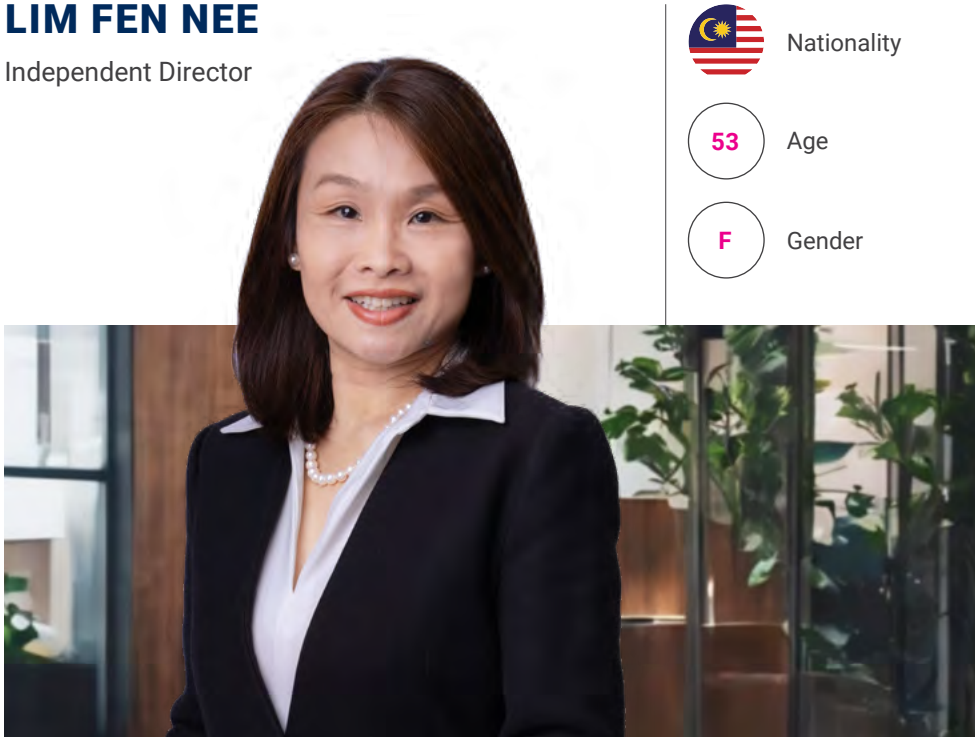
Others

- Director, Casemix Solutions Sdn Bhd
- Director, Global Conference and Exhibition Sdn Bhd
- Committee Member, Kings University College, Kuala Lumpur
- Chairman, Lembaga Penduduk Dan Pembangunan Keluarga Negara (LPPKN) Senior Management Succession Planning Task Force

BOARD OF DIRECTORS' PROFILE

LIM FEN NEE

Independent Director



Nationality

53

Age

F

Gender

DATE OF APPOINTMENT

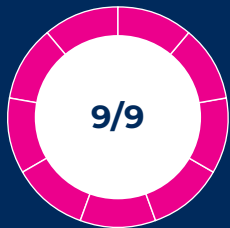
1 November 2021

BOARD COMMITTEE MEMBERSHIP

LTIP

ARMC

TOTAL BOARD MEETINGS ATTENDED IN 2025



FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER

She has no family relationship with any director and/or major shareholder of MRCB.

CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB

She has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

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 audit, 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 at the World Bank, Washington D.C. covering governance and financial reporting.

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Director, Shangri-La Hotels (Malaysia) Berhad

Others

- Director, Allianz Life Insurance Malaysia Berhad
- Director, PLUS Malaysia Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

- Fellow of the Association of Chartered Certified Accountants
- Chartered Accountant, Malaysian Institute of Accountants
- Asean Chartered Professional Accountant, Malaysian Institute of Accountants
- Master of Business Administration in E-Commerce, Charles Sturt University, Australia

SKILLS AND EXPERIENCE

Lim Fen Nee is a chartered accountant with over 24 years of experience in the fields of accounting, audit, 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 audit, 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)

BOARD OF DIRECTORS' PROFILE

DATUK RASHIDAH MOHD SIES

Independent Director



Nationality

62

Age

F

Gender

DATE OF APPOINTMENT

13 June 2024

BOARD COMMITTEE MEMBERSHIP

NRC

TOTAL BOARD MEETINGS ATTENDED IN 2025



FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER

She has no family relationship with any director and/or major shareholder of MRCB.

CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB

She has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

- Masters in Business Administration, US International University California, USA
- Bachelor in Business Administration (Finance), Idaho State University, USA
- Diploma in Public Administration, INTAN
- Advanced Management and Leadership Programme, University of Oxford

SKILLS AND EXPERIENCE

Datuk Rashidah has served the Government of Malaysia for more than 30 years. She started her career in the Ministry of Finance ("MOF") in 1989 and served the Ministry ever since. Her first appointment was as an Assistant Secretary in the Finance Division (Investment), MOF. Rising through the rank, she was promoted to the post of Principal Assistant Secretary and later became the Head of Section (Commercial), Government Investment Companies Division, Ministry of Finance. She then assumed the post of Deputy Undersecretary of the same division before being appointed as the Undersecretary of Government Investment Companies Division.

She was later appointed as the Deputy Secretary General to the Treasury (Management), a post she held until her retirement on 12 January 2024. Datuk Rashidah also has broad experiences as a member of Board of Directors of Government companies and agencies. She was previously a Board Member of Tenaga Nasional Berhad, Agrobank, Johor Port, Securities Commission Malaysia and DBKL, to name a few.

OTHER DIRECTORSHIP(S)/MEMBERSHIP

Listed Entities

- Director, JAG Capital Berhad (formerly known as KUB Malaysia Berhad)

Others

- Director, Bank Pembangunan Malaysia Berhad

KEY SENIOR MANAGEMENT PROFILE



ANN WAN TEE

Group Chief Financial Officer



KWAN JOON HOE

Group Chief Operating Officer



AMARJIT SINGH CHHINA

Chief Corporate Officer

ANN WAN TEE

Group Chief Financial Officer

Malaysian | 55 | Male

- ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)**
- Bachelor of Commerce (Accounting) (Hons), University of Birmingham
 - Fellow of the Association of Chartered Certified Accountants (FCCA)
 - Member of the Malaysian Institute of Accountants (MIA)

OTHER DIRECTORSHIP(S)/MEMBERSHIP(S)

- Listed Entity**
- Sentral REIT

- Others**
- MRCB Southern Link Berhad

WORKING EXPERIENCE AND OCCUPATIONS

Ann Wan Tee is the Group Chief Financial Officer of MRCB, a position he has held since 1 June 2017.

He joined MRCB in May 2013 as Chief Strategy Officer and was appointed Chief Financial Officer on 25 November 2013, before assuming his current role.

Prior to joining MRCB, he was the Chief Financial Officer/Finance Director of Gapurna Strategic Alliance Sdn Bhd from June 2012 to May 2013. He was with PricewaterhouseCoopers (Advisory Services) from January 2006 to May 2012, where he last held the position of Executive Director.

He has over 30 years of experience in project advisory, privatisation and private finance initiatives, financial feasibility studies, business valuations, mergers and acquisitions and corporate recovery.

- FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER**
- He has no family relationship with any director and/or major shareholder of MRCB.

- CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB**
- He has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

- 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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

KWAN JOON HOE

Group Chief Operating Officer

Malaysian | 44 | Male

- ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)**
- 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 AND OCCUPATIONS

Kwan Joon Hoe is currently the Group Chief Operating Officer of MRCB.

He joined MRCB as Senior Vice President of the Property Division in January 2014. 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 Sdn Bhd 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 Sdn Bhd, he served in 2 accounting firms in their respective audit and advisory functions.

- FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER**
- He has no family relationship with any director and/or major shareholder of MRCB.

- CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB**
- He has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

- 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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

AMARJIT SINGH CHHINA

Chief Corporate Officer

British | 58 | Male

- ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)**
- 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 AND OCCUPATIONS

Amarjit was appointed Chief Corporate Officer of MRCB on 13 January 2016.

Prior to joining MRCB, he was the Executive Director of YTL e-Solutions Bhd while it was listed on Bursa Malaysia, and Chairman & Chief Executive Officer of its London listed subsidiary, Infoscreen Networks PLC.

Amarjit also has over 12 years of investment management and equity capital markets experience, having held positions in what were the UK's leading investment banks. He was a UK Equity Fund Manager at Kleinwort Benson Investment Management (now known as Kleinwort Hambros) and UK Equity Building & Construction Sector Analyst at Barclays de Zoete Wedd Securities Limited (later known as Credit Suisse) in London, and over a five (5) year period from 1993 to 1998 was seconded to its offices in Kuala Lumpur, Hong Kong and Singapore as an Associate Director, working on a number of large equity capital raisings and initial public offerings. He ended this phase of his career as Associate Director of HSBC Securities in Singapore.

- FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER**
- He has no family relationship with any director and/or major shareholder of MRCB.

- CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST WITH MRCB**
- He has no conflict of interest or potential conflict of interest with MRCB or its subsidiaries.

- 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 and has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE

CORPORATE GOVERNANCE OVERVIEW STATEMENT



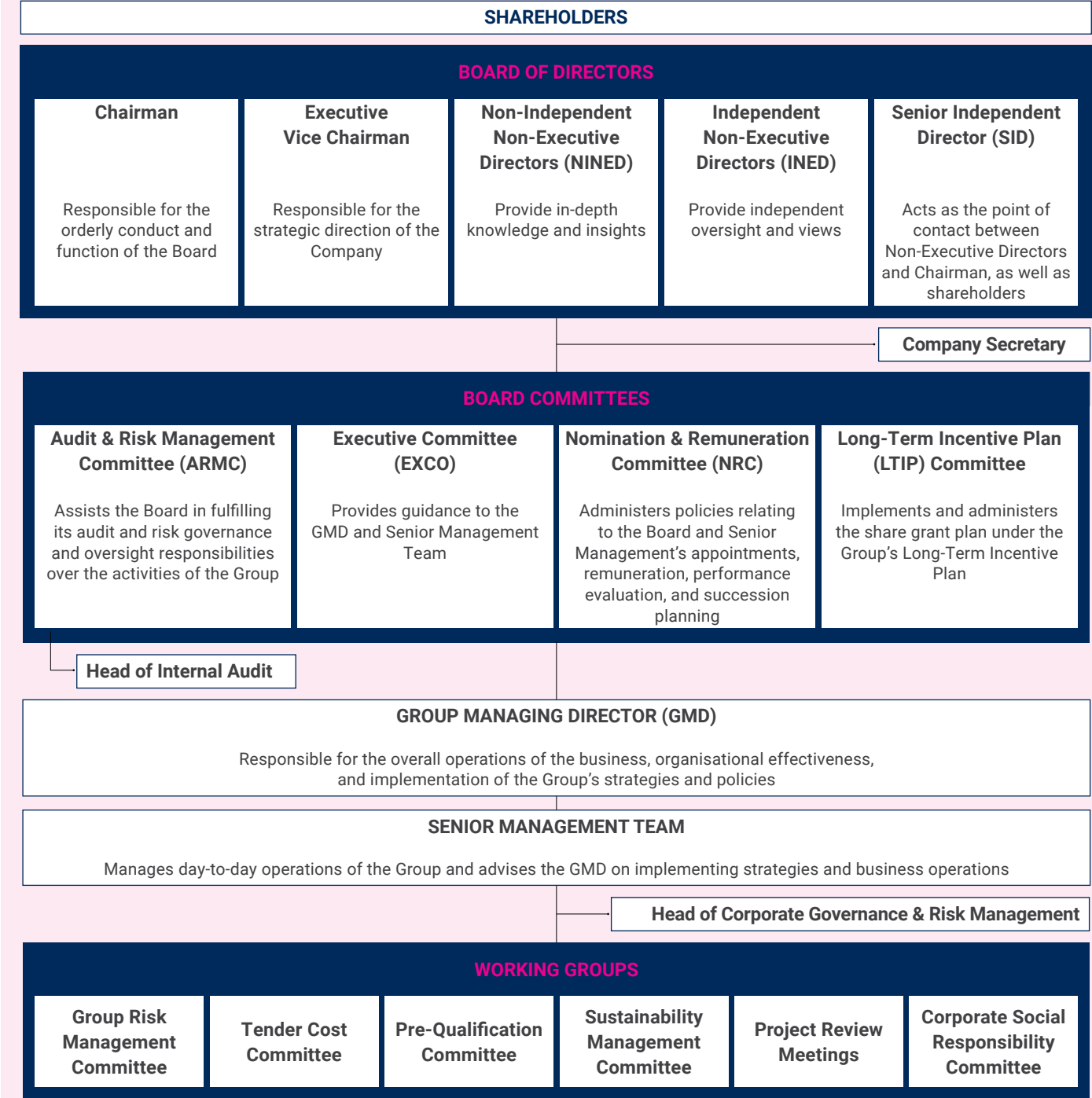
CORPORATE GOVERNANCE PHILOSOPHY

MRCB emphasises the importance of having a holistic and effective corporate governance system that governs our people, practices, and processes. The Board strategically aligns best governance principles with our core values to ensure our operations are financially sound, environmentally responsible, and socially conscious. By adhering to institutional frameworks and global sustainability standards, we deliver innovative solutions that generate enduring value for all our stakeholders.

CORPORATE GOVERNANCE FRAMEWORK

MRCB's corporate governance framework is designed to uphold the highest standards of ethics, integrity, and transparency across all levels of the organisation. We have established a delegated authority framework that carefully balances the accountability and responsibility in decision-making between the Board and Senior Management. This structure ensures clarity in roles and promotes effective oversight while empowering operational agility.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



CORPORATE GOVERNANCE OVERVIEW STATEMENT

EXTERNAL RECOGNITION OF MRCB'S CORPORATE GOVERNANCE ECOSYSTEM

MRCB's dedication to enhancing our governance practices continues to earn recognition from external parties. High rankings and accolades awarded by the media, NGOs, index providers, and rating agencies validate the strength and credibility of our corporate governance ecosystem. These achievements underscore our ongoing efforts to uphold principled business conduct, reinforcing stakeholder confidence in our practices and long-term strategic direction.

2023	2024
1. Gold Award for MRCB's Integrated Annual Report 2021 at the Australasian Reporting Awards 2023 2. Gold Award for Governance, Reporting & Transparency in the large corporation category at the ESG Positive Impact Awards 2022, arranged by The Star and backed by organisations like EY and the Malaysian Institute of Corporate Governance 3. Silver Award for the Most Consistent Performer Over Five Years at The Edge ESG Awards 2023 4. Received Partnership For The Goals Recognition Award for our PEKA@MRCB Programme at the UN Global Compact Network Malaysia & Brunei's (UNGCMYB) Sustainability Celebration Night 2023 5. Constituent of the FTSE4Good Bursa Malaysia Index since 2014, increased our overall Index score to 3.6 in 2023 (from 3.2 in 2022) 6. Upgraded MRCB's MSCI ESG Rating from 'BBB' to 'A'	1. Gold Award for its Integrated Annual Report 2022 at the Australasian Reporting Awards 2024 2. Excellence Award 2024, ranked 44th out of 854 listed companies assessed at the National Corporate Governance & Sustainability Awards (NACGSA) 2024 3. Gold Award for the Most Consistent Performer Over Five Years at The Edge ESG Awards 2024 4. Gold - Excellence Award for Companies with Less Than RM2 Billion in Market Capitalisation at the National Annual Corporate Report Awards (NACRA) 2024 5. Constituent of the FTSE4Good Bursa Malaysia Index since 2014, increased our overall Index score to 3.9 in 2024 (from 3.6 in 2023) and ranking in the Top 14% of all listed companies 6. MSCI ESG Rating of "AA" in 2024
2025	
1. Platinum - Excellence Award (1st Place) for Companies with RM2 Billion to RM10 Billion in Market Capitalisation at the National Annual Corporate Report Awards (NACRA) 2025 2. Ranked 16th among 847 public-listed companies at the National Corporate Governance and Sustainability Awards (NACGSA) 2025 - Top 50 Excellence Awards 3. Gold Award for its Integrated Annual Report 2024 at the Australasian Reporting Awards 2025 4. Gold Award for its Annual Report at the 2025 ARC Awards International 5. 3-Star Lister in the UN Global Compact Network Malaysia & Brunei (UNGCMYB) ESG Select List 6. Constituent of the FTSE4Good Bursa Malaysia Index since 2014, with an index score of 3.7 in 2025, ranking in the top 20% of all listed companies 7. MSCI ESG Rating of "AA" in 2025	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE PRACTICES

MRCB's corporate governance practices are shaped by a comprehensive framework built on statutory requirements, principles, and best practices, including Bursa Malaysia's Main Market Listing Requirements (MMLR), the Companies Act 2016, and the Malaysian Code on Corporate Governance (MCCG) 2021. In addition, our practices are benchmarked against the ASEAN Corporate Governance Scorecard, enabling us to continuously assess and enhance our governance standards in line with regional expectations. This integrated approach reflects our commitment to maintaining high levels of accountability, compliance, and transparency across all aspects of our operations.

MRCB's Compliance with MCCG Over the Years			
Practices Adopted		Step-Up Practices Adopted	
2021	39/43	2021	3/5
2022	41/43	2022	3/5
2023	41/43	2023	4/5
2024	42/43	2024	4/5
2025	41/43	2025	4/5

This Corporate Governance Overview Statement (CGOS) should be read alongside the Corporate Governance Report (CG Report), which provides detailed insights into our application of the best practices prescribed by the Malaysian Code on Corporate Governance (MCCG) 2021.

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

Quality, Environmental, Safety, and Health (QESH)

MRCB's Quality, Environmental, Safety, and Health (QESH) Management Framework is developed based on ISO standards and best practices. This framework highlights our dedication to quality, environmental responsibility, and occupational health and safety standards across all areas of our business operations. By integrating globally recognised standards, we ensure that our practices not only meet regulatory requirements but also promote a safe, sustainable, and high-performing work environment.

Subsidiary	ISO Management System Certification	2025 Activity
MRCB Builders Sdn Bhd (MBSB)	ISO 9001:2015 (Quality)	Continued Certification
	ISO 14001:2015 (Environmental)	
	ISO 45001:2018 (Occupational Health & Safety)	
Semasa Parking Sdn Bhd (SPSB)	ISO 9001:2015 (Quality)	Continued Certification
MRCB Environmental Services Sdn Bhd (MESSB)	ISO 9001:2015 (Quality)	Continued Certification
Transmission Technology Sdn Bhd (TTSB)	ISO 9001:2015 (Quality)	Continued Certification
	ISO 14001:2015 (Environmental)	
	ISO 45001:2018 (Occupational Health & Safety)	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Anti-Bribery Management System (ABMS)

MRCB's ISO 37001:2016-certified Anti-Bribery Management System (ABMS) continues to reinforce stakeholder confidence in our commitment to integrity, anti-fraud, anti-bribery, and anti-corruption ecosystem. This certification reflects our strict adherence to applicable laws, regulations, and internal policies to ensure its effectiveness in mitigating bribery and corruption risks.

In 2025, we advanced several key ABMS initiatives to further strengthen the Group's zero-tolerance stance on bribery and corruption. These included targeted employee upskilling programmes designed to equip our workforce with the knowledge and tools to proactively prevent, detect, and respond to bribery risks. We also enhanced our engagement with external stakeholders by clearly communicating our anti-bribery policies and expectations, ensuring alignment and accountability across our value chain.

 A comprehensive list of our ABMS initiatives undertaken in 2025 is detailed on pages 310 to 311 of this report.

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PEACE, JUSTICE
AND STRONG
INSTITUTIONS

SDG 16:

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

By adopting the United Nations Sustainable Development Goals (UN SDGs), particularly Goal 16: Peace, Justice & Strong Institutions, and aligning its business strategies with the broader UN agenda, MRCB pledges to foster good governance, ethical practices, and transparent decision-making across our diverse workforce.

This commitment is further strengthened by embedding sustainability practices throughout our culture and operations. By enhancing operational efficiencies and building business resilience, we aim to ensure long-term value creation for all stakeholders. We remain dedicated to delivering sustained growth while minimising environmental impact, promoting social well-being, upholding labour practices and human rights, steadfastly reinforcing our role as a responsible corporate citizen.

 Further details on our sustainability initiatives and efforts are set out in Our Approach to Sustainability section on pages 128 to 141 of this report.

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



MCCG PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

Go to pages 269 to 292



MCCG PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT

Go to page 293



MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Go to pages 294 to 297

INTEGRATED ANNUAL REPORT 2025
DELIVERING ON STRONG GOVERNANCE

269

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

THE ROLE OF THE BOARD

The Board of Directors of MRCB is collectively responsible for the overall stewardship of the Group's business and affairs. It is entrusted with the oversight of the organisation, setting a clear tone from the top by prioritising strategic direction, sound governance, and regulatory compliance across all facets of our operations.

In fulfilling its fiduciary duties, the Board operates in accordance with the mandate outlined in the Board Charter. The Board Charter defines the principal roles, functions, powers, and responsibilities of the Board and its Committees, including a schedule of matters reserved exclusively for Board deliberation. It is reviewed periodically to ensure continued relevance.

 Please peruse our Board Charter for further details on the Board's roles, responsibilities, and reserved matters, accessible via our corporate website at www.mrcb.com.my/corporate-governance.html.

KEY MATTERS DELIBERATED BY THE BOARD IN 2025

Performance & Strategy	• Strategy Deliberation and Formulation • Operational Progress Updates • HR Strategies, such as Compensation & Benefits, Succession Planning, and Learning & Development Updates • Digitalisation & Automation Implementation Updates
Governance, Risk & Compliance	• Board Committee Updates • Key Enterprise Risks, Risk Registers, and Risk Mitigation Plans • Quarterly Audit Status Reports • Anti-Bribery Management System (ABMS) Updates, including Whistleblowing and Gift Register Reviews • Employee and Supply Chain Anti-Bribery and Corruption (ABC) Training and Communication Updates • IT, Digitalisation, and Cybersecurity Updates • Quarterly Health & Safety Data Updates
Sustainability	• Quarterly carbon emissions reporting (absolute and intensity) • Progress on closing gaps to further align with International Financial Reporting Standards (IFRS) S1 and S2 • Expansion of Scope 3 emissions inventory and GHG baseline assessment • Decarbonisation plan (Scope 1 and Scope 2 emissions) • Presentation of results of a quantitative assessment of the Group's transition risks and opportunities • MRCB's FTSE4Good Bursa Malaysia Index scores and positions and MSCI ESG rating • Supply chain ESG readiness assessments and engagements • Sustainability training and upskilling • Leveraging on Bursa Malaysia's Centralised Sustainability Intelligence (CSI) platform for data collection, enhanced disclosures and supply chain engagement

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Financial	• Annual Business Plan and Budget • Annual Audited Financial Statements • Quarterly Financial Results • Capital Management and Debt Structure • Annual Dividend • Deliberation on Acquisitions, Disposals, and Tender Proposals • Cost Optimisation Initiatives • Sukuk Issuance • Sustainable Finance • Related Party Transactions (RPT)
People & Culture	• Succession Planning • Talent Management Initiatives • Learning & Development Initiatives • Employee Engagement Initiatives • Corporate Social Responsibility (CSR) Initiatives • Workforce Planning • Annual Performance Bonus & Increment • Corporate Scorecard and Senior Management Key Performance Indicators • C-Suite Contract Renewals

BOARD GOVERNANCE

The Chairman of the Board is a non-executive member who does not serve on any Board Committees, thereby preserving impartiality and reinforcing the Board’s system of checks and balances during deliberations on Committee recommendations.

A clear separation of duties exists between the Chairman, the Executive Vice Chairman, and the Group Managing Director – roles held by three (3) different individuals – to maintain a balanced distribution of power and authority within the Board. Non-Executive Directors, who remain independent of Management and do not participate in day-to-day operations, play a critical role in providing oversight.

The Board appoints a Senior Independent Director to serve as a trusted intermediary between the Non-Executive Directors and the Chairman, further strengthening governance and communication within the Board. The Senior Independent Director is also the designated point of contact for shareholders and stakeholders to raise any concerns or inquiries regarding the affairs of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

DATO’ MOHAMAD NASIR AB LATIF Chairman The Chairman of MRCB is a Non-Independent, Non-Executive Director. The Chairman is responsible for the overall leadership and efficient functioning of the Board.	ROLES & RESPONSIBILITIES OF THE CHAIRMAN • Providing leadership to the Board to ensure that the Board functions effectively, cohesively, and independently of Management; • Leading the Board in establishing and monitoring good corporate governance practices in the Group; • Leading and presiding over Board meetings and Company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company; • Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner; • Encouraging active participation and ensuring that decisions fairly reflect the Board's consensus, following the provision of sufficient time for detailed discussions at which dissenting views are allowed to be freely expressed; • Promoting constructive and respectful relations between Board members and managing the interface between Board members and Management; • Ensuring that appropriate steps are taken to provide effective communication with stakeholders and that views are communicated to the Board as a whole; and, • Leading efforts to address the Board’s developmental needs.  For more information on the Chairman's profile, please refer to page 254 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 • Formulating and executing development strategies to maximise the value of the Group’s land bank and other assets; • Developing Green Buildings and sustainable development projects; • Formulating climate action strategies in support of the Group’s sustainability and net zero targets; • Leading business development activities and promoting the Group’s services and solutions; and, • Developing and managing key client relationships and other important stakeholders to aid the Group in the management of its important projects.  For more information on the Executive Vice Chairman's profile, please refer to page 255 of this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS	
DATO' 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 - Leading the implementation of the Group's long-term strategy and driving sustainable performance in line with the Company's purpose, mission and objectives; - Managing the Group's overall operations and ensuring effective execution of Board-approved strategies, policies, and decisions; - Establishing appropriate organisational structures, authority levels, and delegations to support effective governance, accountability, and decision-making; - Building, leading, and developing a high-performing senior management team, including succession planning and talent development, to maintain leadership continuity and organisational capability; - Translating strategic objectives into annual business plans, budgets, and key performance indicators, and monitoring performance against approved targets; - Overseeing business development, strategic marketing and sales initiatives, and managing key client and stakeholder relationships; - Ensuring robust financial management, including adherence to sound financial practices and monitoring performance against approved budgets and plans; - Establishing effective operational planning, sustainability, health & safety, risk management, and internal control systems within the Board-approved framework; - Fostering a corporate culture that promotes high standards of integrity, ethical conduct, sustainability, diversity, and social responsibility in line with the Group's values and governance framework; - Overseeing human capital management, including talent development, engagement, and retention, as well as the appointment and removal of personnel in accordance with approved policies; - Driving continuous improvement in the quality, value, and sustainability of the Group's products and services; - Fostering cross-functional collaboration to achieve organisational goals; and, - Keeping the Board fully informed on the Group's performance, financial position, and key developments affecting the organisation. For more information on the Group Managing Director's profile, please refer to page 256 of this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS	
DATO' WAN KAMARUZAMAN WAN AHMAD Senior Independent Director The Senior Independent Director is an important intermediary between the various Board members and external stakeholders.	ROLES & RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR - Acting as a sounding board for the Chairman and Group Managing Director on Board matters; - Being a conduit, as required, for views by other Non-Executive Directors on the performance of the Chairman and chairing a formal annual session of the Nomination & Remuneration Committee to agree on the Chairman's objectives and review his performance; - Serving as the principal conduit between the Independent Directors and the Chairman on sensitive issues; - Being the focal point for Board members for any concerns regarding the Chairman or the relationship between the Chairman and the Group Managing Director; - Acting as a trusted intermediary for Non-Executive Directors and, where required, helping them challenge and contribute effectively; - Acting as a designated independent authority to handle whistleblowing escalation regarding senior leadership; and, - Serving as an alternative communication channel for shareholders and stakeholders to convey concerns that cannot otherwise be resolved through regular channels. All queries relating to the Group can be channelled to the Senior Independent Director's email address, wkwa@mrcb.com, or directed to the following address: Dato' Wan Kamaruzaman Wan Ahmad Senior Independent Director Malaysian Resources Corporation Berhad Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. For more information on the Senior Independent Director's profile, please refer to page 258 of this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Company Secretary

MOHD NOOR RAHIM YAHAYA
Company Secretary

The Company Secretary, a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), is bound by its Code of Professional Ethics and Conduct. He possesses the necessary experience to provide independent and effective advice to the Board, ensuring compliance with all regulatory requirements and supporting the Board's effective functioning.

The Company Secretary remains up to date with evolving regulatory developments through continuous professional training. During the year under review, the Company Secretary attended the following programmes:

No.	Training / Seminar	Date	Organiser
1.	MAICSA Annual Conference 2025 – Future Governance	23 & 24 September	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
2.	Enhanced Conflict of Interest Framework (Updated Edition)	3 November	MRCB/CKM Advisory

The Board is satisfied with the performance and support provided by the Company Secretary in fulfilling his duties during the year under review.

 Please peruse our Board Charter for further details on the Company Secretary's roles and responsibilities, accessible via our corporate website at www.mrcb.com.my/corporate-governance.html.

Board Access to Information

The quality of information provided to the Board is crucial for sound decision-making. In the course of discharging their duties, all Directors are provided with the following:

- a) Full and unfettered access to timely and accurate information. The notice, agenda, and a complete set of Board papers are typically distributed to the Directors via a secured collaborative digital platform at least five (5) business days prior to each Board or Committee meeting. In addition to easing the dissemination of papers and minimising potential leakage of sensitive information, this approach enables Directors to access, review, and collaborate with their peers on the papers anytime and anywhere. If necessary, Directors may also request and obtain further information on the matters to be discussed in order to be adequately prepared for the meetings.
- b) Unrestricted access to the advice and services of the Company Secretary and Senior Management.
- c) Unrestricted access to the advice and services of independent professionals made available to Board members individually and collectively. Such advice and services are made available at the Company's expense and are wholly independent of Management's intervention.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

In addition, the Board may collectively initiate or direct any investigation and may retain, at the Company's expense, any legal, accounting, or other services that it deems necessary to perform its duties.

Directors' Indemnity

Throughout the financial year, the Company continued to provide and maintain indemnification for its Directors in accordance with the provisions of the Companies Act 2016 (CA 2016), to the extent permitted under the Directors' and Officers' (D&O) Liability Insurance. This coverage indemnifies Directors and Officers against liabilities incurred in the discharge of their duties while holding office.

Additionally, all Directors have the option to obtain supplementary D&O insurance for protection against unindemnified liabilities or other uninsured circumstances, with any premiums for such additional coverage borne personally by the Directors.

BOARD DELEGATION

Board Committees

The Board establishes committees as necessary to support the effective discharge of its duties and responsibilities. During the year under review, four (4) Board Committees were in operation to assist the Board in fulfilling its oversight and governance functions.

Executive Committee	Audit & Risk Management Committee
Provides organisational direction to the Group Managing Director and the Senior Management team	Fulfils the Board's audit and risk governance and oversight responsibilities over the activities of the Group, including reviewing and reporting to the Board any conflicts of interest situation that arose, persists, or may arise together with the measures taken to resolve, eliminate, or mitigate such conflicts
Nomination & Remuneration Committee	Long-Term Incentive Plan Committee
Develops and administers a fair and transparent policy for the nomination, selection, compensation, and succession planning of Directors, Senior Management, and other pivotal positions within the Group; Sets the Key Performance Indicators of Senior Management, aligning the Group's human capital with the strategic objectives of the organisation; Oversees learning and development, talent development, and culture-related initiatives	Implements and administers the share grant plan under the Group's LTIP

Each Board Committee operates under authority delegated by the Board to address and deliberate on specific matters as outlined in its Terms of Reference. The Chairman of each Committee reports the outcomes of its meetings to the Board during quarterly Board meetings, and the approved minutes are included in the Board Papers for the Board's notification.

 Further details on the composition, roles, and activities of each Committee are set out in their respective Committee Reports on pages 317 to 324 of this report.

 Please peruse the Terms of Reference for the various Board Committees on our corporate website at www.mrcb.com.my/corporate-governance.html.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Power Delegated to Management

The Board delegates specific levels and limits of authority to the Group Managing Director, empowering him to manage the Company and its operations effectively. Certain aspects of this authority may be further delegated to the Management team as required, however the Group Managing Director remains ultimately accountable to the Board for the Group’s overall performance. Both the Group Managing Director and the Management team are required to provide regular reports to the Board on the progress and performance of the Group’s business units.

Limits of Authority

To reinforce accountability within the Group, a comprehensive Limits of Authority framework has been established. The Limits of Authority defines transaction thresholds that the Board, the Board Committees, and each level of Management are authorised to approve or commit to on behalf of the Group. Covering both financial and operational commitments, it includes areas such as project and departmental budget approvals, contract execution, and staff recruitment. Any amendments to the Limits of Authority must be approved by the Board, with the most recent revision taking effect on 10 April 2023.

BOARD MEETINGS AND ATTENDANCE

The Board convenes regular meetings at least four (4) times annually, with all meeting dates pre-scheduled before the start of the financial year to allow Directors sufficient time to plan and ensure full attendance. Meetings are held following the finalisation of the Company’s quarterly and annual results, enabling the Board to review and approve them prior to announcement to Bursa Malaysia. In addition to financial results, other business propositions and corporate proposals are deliberated, with relevant members of the Senior Management attending by invitation to provide updates on matters within their areas of responsibility. Decisions are made based on majority consensus; in 2025, all Board decisions were unanimously approved.

Beyond scheduled quarterly meetings, the Board meets as and when necessary to consider urgent proposals. Where required, approvals may be obtained via circular resolutions; however, this method is used sparingly and requires unanimous approval from all Board members.

The Board also typically participates in an annual off-site Strategy Meeting, which serves as a platform to engage with Management in an informal setting, review the Group’s strategic direction and priorities, assess the competitive landscape, and foster greater accountability and collaboration among Board members. In this respect, the MRCB Board Strategy Meeting was held on 25 January 2025, during which the Proposed MRCB Strategic Plan was deliberated. The Strategic Plan was subsequently approved and formally adopted by the Board at its meeting held on 27 February 2025.

Directors are expected to dedicate sufficient time to discharge their duties effectively. Where physical attendance is not feasible, participation via video conferencing is permitted, and Directors may also share views through secure collaborative platforms. However, Directors are required to attend to Board matters personally and are not allowed to appoint proxies.

Prior to accepting any new directorships, Directors must notify the Chairman and disclose the time commitment involved. In compliance with Bursa Malaysia’s Main Market Listing Requirements, Directors may hold no more than five (5) directorships in listed issuers at any given time.

 *The list of directorships held by each Director is detailed in their respective Board of Directors’ Profile on pages 254 to 261 of this report.*

Throughout the financial year, all Directors demonstrated strong commitment by actively participating in Board meetings, engaging in discussions, and expressing their views on various matters. All Directors exceeded the minimum attendance requirement of 50% of Board meetings, as stipulated under Paragraph 15.05(3)(c) of Bursa Malaysia’s Main Market Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Schedule of Meetings in 2025

Meeting	Q1	Q2	Q3	Q4
Annual General Meeting / Extraordinary General Meeting	-	4 June	-	18 December
Executive Committee	13 January 13 March	-	7 July	18 November
Audit & Risk Management Committee	22 January 24 February 24 March	23 May	30 July 25 August	24 November
Nomination & Remuneration Committee	19 February 21 March	-	20 August	-
Long-Term Incentive Plan Committee	-	-	-	-
Board of Directors	25 January 27 February 27 March	14 April 9 May 30 May	1 August 27 August	27 November
Strategy Meeting	25 January	-	-	-

Directors’ Attendance at Meetings in 2025

No.	Board Member	Attendance					
		Board	Committees				AGM/EGM
			EXCO	ARMC	NRC	LTIP	
Non-Independent Non-Executive Chairman							
1.	Dato’ Mohamad Nasir Ab Latif	9/9	-	-	-	-	2/2
Executive Vice Chairman							
2.	Tan Sri Mohamad Salim Fateh Din	9/9	-	-	-	-	2/2
Group Managing Director							
3.	Dato’ Imran Salim	9/9	4/4	-	-	-	2/2
Non-Independent Non-Executive Director							
4.	Mohamad Hafiz Kassim	9/9	4/4	-	2/3	-	2/2
Independent Directors							
5.	Dato’ Wan Kamaruzaman Wan Ahmad	8/9	4/4	7/7	3/3	-	2/2
6.	Dato’ Dr Junaidah Kamarruddin	9/9	4/4	7/7	3/3	-	2/2
7.	Lim Fen Nee	9/9	-	7/7	-	-	2/2
8.	Datuk Rashidah Mohd Sies	9/9	-	-	3/3	-	2/2
Overall attendance		98.6%	100%	100%	91.7%	-	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

KEY GROUP POLICIES

The Board has established robust governance control systems and frameworks to support the achievement of its strategic objectives. This includes the implementation of key internal policies such as the Anti-Bribery & Corruption Policy, Code of Business Ethics, Conflict of Interest Policy, and Whistleblowing Policy. These policies are developed in alignment with applicable laws, regulations, guidelines, and industry best practices, and are reviewed periodically to ensure continued relevance and effectiveness.

In 2025, the Group received three (3) reports through its whistleblowing channels, all of which were reviewed, investigated, and addressed appropriately. Outcomes of these investigations were presented to the Board during Anti-Bribery & Corruption Updates, a standing agenda item at Quarterly Board Meetings.

 Please peruse these and other governance-related policies on our corporate website at www.mrcb.com.my/corporate-governance.html.

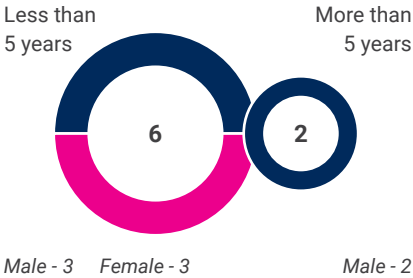
BOARD SIZE, COMPOSITION, AND DIVERSITY

MRCB's Board comprises eight (8) highly experienced members, each contributing diverse skills and expertise to guide the Group effectively. Notably, four (4) members — Executive Vice Chairman Tan Sri Mohamad Salim Fateh Din, Group Managing Director Dato' Imran Salim, Non-Executive Director Mohamad Hafiz Kassim, and Independent Non-Executive Director Datuk Rashidah — possess extensive experience in the Group's core businesses of Property Development and Engineering & Construction. The Board is confident that its current size and composition enable it to discharge its responsibilities effectively, with diversity reflected in tenure, gender, age, and professional background, ensuring balanced perspectives in decision-making.

Board Balance

Non-Independent Non-Executive Chairman	1	1
Executive Vice Chairman	1	1
Group Managing Director	1	1
Non-Independent Non-Executive Director	1	1
Independent Non-Executive Directors	13	4

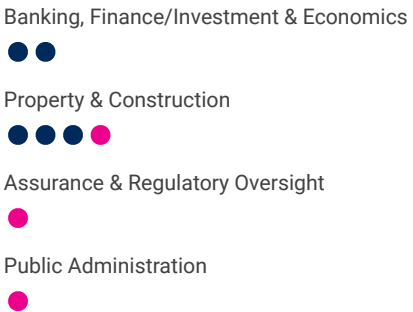
Board Tenure



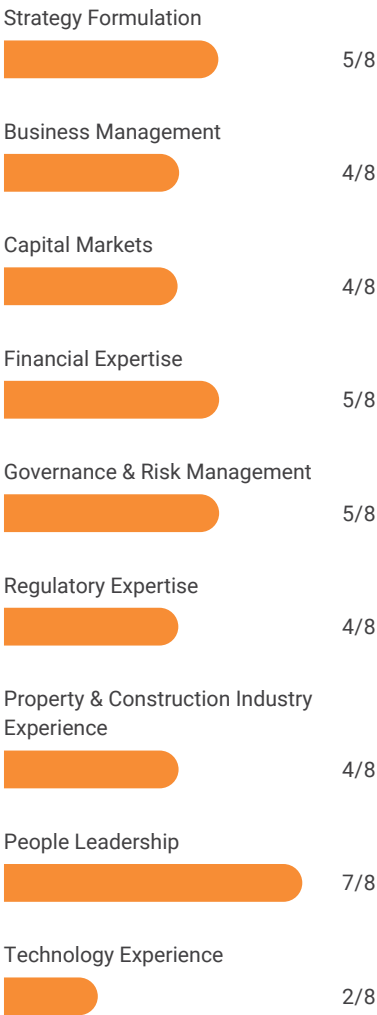
Gender Diversity



Background/Experience



Key Capabilities

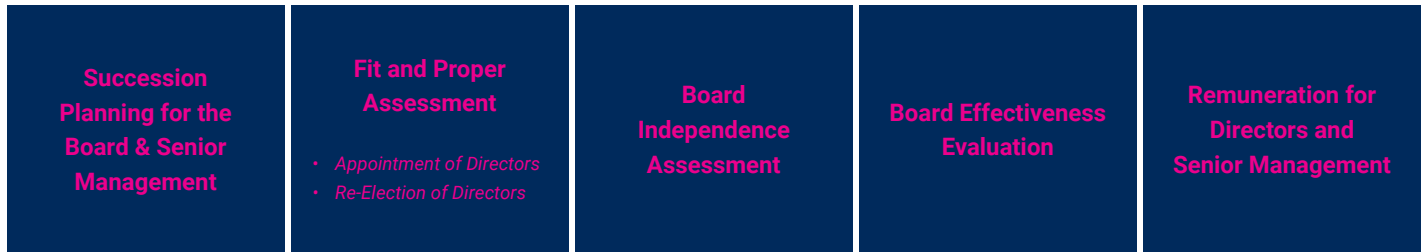


CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises a majority of Independent Non-Executive Directors and is chaired by the Senior Independent Director, Dato' Wan Kamaruzaman Wan Ahmad. The key focus areas for the Nomination & Remuneration Committee in 2025 are outlined below and detailed in the subsequent sections:



 Further details on the activities and structure of the Nomination & Remuneration Committee are set out in the Committee Report on pages 322 to 323 of this report.

 Please peruse the Terms of Reference of the Nomination & Remuneration Committee on our corporate website at www.mrcb.com.my/corporate-governance.html.

Succession Planning

The Board has established a comprehensive framework for succession planning to ensure effective human capital development across the Group. This framework is overseen by the Nomination & Remuneration Committee, which is responsible for maintaining a structured and transparent process for identifying and developing potential candidates for Board and Senior Management positions. The process also facilitates the orderly appointment of new Independent Directors in the event of anticipated retirements, changes in Board composition, or other circumstances requiring new appointments.

In 2025, the Group focused on efforts to expand the pool of potential successors to pivotal Senior Management positions. Additional talents were identified and assessed whilst the existing pool of successors continue to go through the development programmes executed by the Company. This bigger pool of successors provides improved bench strength for the Company's overall succession framework.

The Group's Policy and Guidelines Statement on Succession Planning for the Board and Senior Management provides a clear roadmap for building a diverse pipeline of high-potential individuals who can contribute to the Company's long-term success. This policy outlines specific selection criteria, including key skills, leadership capabilities, and diversity in terms of background, gender, age, ethnicity, education, and professional experience. By embedding these principles into its governance practices, the Board ensures continuity, stability, and the sustained effectiveness of leadership across the Group.

 Please peruse our Succession Planning for the Board and Senior Management Policy on our corporate website at www.mrcb.com.my/corporate-governance.html.

Fit and Proper

MRCB has established a comprehensive Directors' Fit and Proper Policy that ensures a formal, rigorous, and transparent screening process for the appointment and re-election of Directors.

 Please peruse our Directors' Fit and Proper Policy on our corporate website at www.mrcb.com.my/corporate-governance.html.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Appointment of Directors

The nomination of Non-Independent Non-Executive Directors is the prerogative of the Company's major shareholders, while Independent Non-Executive Directors are sourced through professional recruiters, advisory bodies, and recommendations from shareholders, existing Board Members, or Management.

MRCB had engaged the Institute of Corporate Directors Malaysia (ICDM) to assist in identifying suitable candidates for Board appointments, which subsequently led to the appointment of the Company's newest director, Datuk Rashidah Mohd Sies, in 2024. The Company did not undertake a search for a new director in 2025, therefore the engagement of a professional search firm or other sources of candidates was not necessitated.

The Nomination & Remuneration Committee is tasked with developing the selection criteria, shortlisting, and interviewing candidates for the Board. In vetting nominees, the Nomination & Remuneration Committee considers the following factors:

- **Qualifications and Experience:** Their qualifications, skills, experience, relevant past performance, track record, and competencies necessary for the position;
- **Personal Attributes:** Character, level of probity and integrity, reputation, time commitment, and independence;
- **Diversity:** Gender, race, age, culture, experience, and socioeconomic background; and,
- **Strategic Alignment:** Overall alignment with the Company's strategic direction.

The Nomination & Remuneration Committee also assesses each nominee's capacity to dedicate sufficient time to meet the demands of the role, taking into account their concurrent Board directorships. Nominees holding positions that could compromise integrity — such as active politicians or individuals with direct ties to executive powers — are avoided.

All potential candidates undergo comprehensive reference checks coordinated by the Company Secretary, including verification with credit agencies, local authorities, industry regulators, and enforcement agencies. Candidates must also complete the Fit and Proper Declaration. The Nomination & Remuneration Committee assesses all findings and makes its recommendations to the Board for final approval.

Following appointment or re-election, the Company Secretary conducts assessments upon any triggering event, addressing:

- Whether the Director has at any time failed to comply with the requirements under MRCB's Directors' Fit and Proper Policy;
- Whether the Director has had any convictions; and,
- Whether the Director has any conflict of interest or potential conflict of interest, including an interest in a competing business.

The Nomination & Remuneration Committee also identifies and recommends candidates for key senior leadership roles — such as the Group Managing Director, Group Chief Financial Officer, Group Chief Operating Officer, and Chief Corporate Officer — for Board approval. Independent advisors or professional recruitment firms may be engaged to ensure candidates meet the required skills, experience, competencies, and diversity standards.

Appointment of New Directors or Senior Management

- Step 1

Circumstances giving rise to vacancies
- Step 2

Develop selection criteria aligned with the Directors' Fit and Proper Policy, combining key competencies and attributes that best address the current and future needs of the Group while complementing incumbent skill sets and promoting diversity
- Step 3

Commence search for candidates
- Step 4

Assess and shortlist potential candidates
- Step 5

Deliberate and provide the Board with a recommendation
- Step 6

Seek Board approval
- Step 7

Conduct orientation / induction programme
- Step 8

Continuous Training / Development and Performance Assessment

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Re-Election of Directors

Articles 101, 102, 103, and 106 of MRCB's Constitution set out the procedures and sequence for the re-election of Directors. These 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 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 additions to the existing Board shall hold office only until the next AGM and shall then be eligible for re-election.

 Please peruse MRCB's Constitution for further details on the relevant Articles, accessible via our corporate website at www.mrcb.com.my/corporate-governance.html.

The Directors' rotation list is presented to the Board for review and subsequently recommended to shareholders for approval. To ensure transparency and informed decision-making, the Board includes comprehensive notes in the Notice of the General Meeting, which provide shareholders with the following details:

- **Eligibility Assessment:** An evaluation of each candidate's continued suitability for re-election based on competencies, commitment, and performance track record, in line with MRCB's Directors' Fit and Proper Policy;
- **Disclosure of Interests:** Information on any interest, position, or relationship that could influence the candidate's ability to discharge their duties effectively; and
- **Board's Justification:** A clear statement outlining the Board's rationale for recommending the candidate's re-election.

Directors retiring by rotation in 2025 pursuant to Articles 101 and 102	1. Mohamad Hafiz Kassim 2. Lim Fen Nee During the Board meeting held on 27 March 2025, the Board gave its endorsement for both directors to be considered for re-election at MRCB's 54th AGM. Both were subsequently re-elected by way of Ordinary Resolution.
Directors eligible for re-election in 2025 pursuant to Article 106	1. Datuk Rashidah Mohd Sies Datuk Rashidah was appointed to the Board on 13 June 2024. In compliance with Article 106, she sought re-election at MRCB's 54th AGM. Supported by a Board endorsement dated 27 March 2025, she was subsequently re-elected by way of Ordinary Resolution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

The application of MRCB’s Directors’ Fit and Proper Policy in the re-election of each of the aforementioned Directors was disclosed in detail as follows:

- For the purpose of determining the eligibility of the Directors to stand for re-election at the 54th AGM, the Board, through its Nomination & Remuneration Committee, assessed each of the retiring Directors and considered the following:
 - satisfactory performance and had met the Board’s expectations in discharging their duties and responsibilities;
 - level of contribution to Board discussion through their skills, experience, and expertise;
 - evaluation of the Director’s character, integrity, competence, experience and skills, as well as whether they were fit and proper to effectively discharge the role;
 - commitment and time allocation to ensure effective fulfilment of their responsibilities; and
 - level of independence demonstrated by the Independent Directors and their ability to act in the best interests of the Company in decision-making.
- Based on the aforesaid assessment, the Board and the Nomination & Remuneration Committee were satisfied that the performance of each of the retiring Directors had met the performance criteria required of an effective and high-performing Board, as well as the expectations of the Board by continuously discharging their duties diligently as Directors of the Company.

Directors’ Induction

To facilitate effective onboarding, the Company Secretary works closely with the Nomination & Remuneration Committee to organise orientation sessions for newly appointed Directors. These sessions provide an overview of the Company’s key activities, governance structures, and essential governance documentation, including the Code of Business Ethics. They also cover ESG performance, recent financial results, and strategic priorities. Where required, additional in-depth sessions on specific topics of interest are arranged to meet individual Directors’ needs.

Board Independence

The Board recognises the vital role Independent Directors play in promoting sound corporate governance and safeguarding minority shareholders’ interests, particularly in related party transactions. To ensure continued independence and objectivity, the Board evaluates the independence of its Independent Directors upon appointment and conducts annual assessments or whenever new interests are disclosed.

The Nomination & Remuneration Committee takes responsibility for these evaluations, along with the identification and recommendation of suitable Board candidates.

To date, all our Independent Directors meet the following criteria:

- Independence from Management:** Free from any business or other relationship that could compromise independent judgment, objectivity, or the ability to act in the Company’s best interest.
- Non-Involvement in Day-to-Day Operations:** Independent Non-Executive Directors do not participate in the Company’s daily operations except when collective Board approval is required. This mitigates undue influence and ensures fair judgment.
- Declaration of Interests and Conflict Management:** Directors declare any interests or potential conflicts of interest prior to Board meetings. Meeting papers are distributed at least five (5) business days in advance, enabling Directors to identify involvement in proposals. Where a conflict exists, Directors recuse themselves and abstain from deliberations and voting to allow unbiased and transparent decision-making. This policy also applies to Non-Independent Non-Executive Directors.

The Board has adopted a policy limiting the tenure of Independent Directors to a maximum of nine (9) years. This measure ensures that Independent Directors maintain objectivity and avoid undue familiarity with Management, which could compromise their independence. During the year under review, none of the Independent Directors reached this tenure limit.

Looking ahead, the Board remains focused on restoring a majority of Independent Directors to reinforce checks and balances and support informed, impartial decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Board Effectiveness Evaluation

MRCB is cognisant that periodic evaluations present an opportunity to gain valuable shared insights into the operations of the Board and ways to improve its processes, relationships, and composition. A well-executed evaluation exercise identifies opportunities to enhance performance and adopt best practices. Therefore, it is our practice to conduct a Board Effectiveness Evaluation (BEE) annually in order to assess the effectiveness of the Board as a whole, the respective Board Committees, and the contribution of individual Directors. We also engage independent consultants at least once every three (3) years to support this process to facilitate more rigorous and objective evaluations.

Scope of Evaluation

Board as a whole

All Board Committees

Contribution of Individual Directors



For 2025, Deloitte Malaysia Assurance Sdn Bhd (Deloitte) was appointed to undertake an independent evaluation of the effectiveness of the Board, its Committees, and the performance and contribution of each Director. As part of the evaluation process, Board members of the Company were requested to complete questionnaires prepared by Deloitte, followed by interview sessions to corroborate the responses received. Both quantitative and qualitative analyses were conducted by Deloitte to identify both strengths and areas of improvement, providing the Board with insights to enhance its performance in pursuit of MRCB’s objectives.

The questionnaires were formulated by Deloitte based on the enumerations of the Malaysian Code on Corporate Governance (MCCG) 2021, Companies Act 2016, Capital Markets and Services Act 2007, Bursa Malaysia’s Main Market Listing Requirements (MMLR), Bursa Malaysia’s Corporate Governance Guide 4th Edition, ASEAN Corporate Governance Scorecard, and the Securities Commission’s Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries.

The assessment criteria in the questionnaires were tailored to the specific needs and nuances of MRCB and encompassed ten (10) segments or topics for assessment:

ASSESSMENT TOPIC	CRITERIA	PARTICIPANTS
Board Governance and Oversight Evaluates the efficacy, alignment, and collaborative dynamics of the Board of Directors in relation to governance and oversight.	- Corporate Purpose and Alignment; - Board-Management Dynamics; and, - Boardroom Activities and Performance Oversight	All Board Members
Board Processes and Infrastructure Delves into the mechanics of the Board’s operations and the underlying infrastructure that governs the Board’s activities.	- Board Structure; - Board Meetings and Stewardship; - Board Papers and Information Flow; - Board Policies and Procedures; - Succession Planning; and, - Secretarial Support	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

ASSESSMENT TOPIC	CRITERIA	PARTICIPANTS
Board Capabilities Assessment Evaluates the technical proficiencies of Directors based on their education and work experience as well as their respective behavioural attributes.	- Behavioural Competencies; and, - Technical Competencies	All Board Members
Self and Peer Assessment Facilitates an introspective reflection on each Director's contribution and performance, enabling respective Board members to evaluate their own contribution in relation to their peers.	- Board of Directors; and, - Group Managing Director	
Fit and Proper Assessment Serves to corroborate the Director's qualifications and suitability in fulfilling their fiduciary duties to the Board of MRCB. It ensures that there are no adverse issues during the review period and upholds the organisation's standards of professionalism, ethics, and expertise.	- Probity; - Personal Integrity; - Financial Integrity; - Experience and Competence; and, - Time Commitment	
Independence Assessment Evaluates Independent Directors in their role of bringing objectivity to the Board's oversight function. Their unbiased perspective allows for meaningful debates and effective challenges to Management.	- Background; - Economic Relationship; - Family Relationship; and, - Tenure	Independent Directors
Audit and Risk Management Committee (ARMC) Assessment Ascertains the contributions and areas for potential enhancement of the ARMC.	- Skills and Composition; and, - Functionalities and Oversight Responsibilities	Respective Board Members
Nomination and Remuneration Committee (NRC) Assessment Ascertains the contributions and areas for potential enhancement of the NRC.		
Long-Term Incentive Plan (LTIP) Committee Assessment Ascertains the contributions and areas for potential enhancement of the LTIP.		
Executive Committee (EXCO) Assessment Ascertains the contributions and areas for potential enhancement of the EXCO.		

Note: The LTIP Committee has been excluded from the calculation of the average score, given the absence of activity during the period under review, thus, entailing the inability to obtain input rating/responses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Most assessment forms required participants to input ratings on a scale of 1 (Needs Improvement) to 5 (Outstanding), while the Fit and Proper Assessment and Independence Assessment were completed by using binary indicators of “Yes” and “No”.

Overall, Deloitte’s evaluation of the Board indicated a strong overall performance, achieving an overall score of 90%, which is notably higher than the market average of 85%. Performance also surpassed the Property Development & Construction sector average benchmark. Scores across all the assessment topics were above average, with “Outstanding” ratings achieved in the Fit and Proper Assessment, Independence Assessment, and Audit and Risk Management Committee (ARMC) Assessment. These results reflect a well-structured, independent, and highly competent Board, supported by robust oversight and governance practices.

The findings and evaluation results were reviewed by the Nomination & Remuneration Committee on 23 February 2026 and subsequently presented to the Board on 14 April 2026. The Board has taken note of the findings and results and the suggested areas for improvement and has undertaken to address these in the appropriate manner.

Based on the findings of the BEE, the Board is satisfied with its performance, effectiveness, and composition, and that of the Board Committees.

Directors’ Training

The Directors recognise the importance of staying abreast of developments in the corporate landscape and within the industries in which MRCB operates, particularly on emerging trends in sustainability, digitalisation, automation, and other technological innovation. The Board is also committed to remaining updated on evolving governance standards, statutory requirements, and regulatory changes.

In addition to completing the Mandatory Accreditation Programme (MAP) required by Bursa Malaysia, Directors continually enhance their knowledge and skills through relevant development programmes, conferences, and seminars. These initiatives enable them to discharge their duties effectively and contribute meaningfully to Board deliberations. The Board also regularly assesses Directors’ training needs to ensure access to appropriate continuing education opportunities.

Throughout 2025, the Directors participated in various training programmes and seminars as outlined in the tables below:

DATO’ MOHAMAD NASIR AB LATIF			
No.	Training / Seminar Attended	Date	Organiser
1.	Trump, the US Dollar, and the International Monetary System: What’s Next?	5 February	Asia School of Business
2.	E-Invoicing Handling for Directors & Budget 2025 Updates	6 February	Ernst & Young Tax Consultants / RHB
3.	E-Invoicing Essentials for Board Directors: Navigating the New Compliance Landscape	17 February	Institute of Corporate Directors (ICDM) / RHB
4.	ASEAN Investment Conference 2025	8 April	ASEAN Investment Conference / RHB
5.	E-Invoicing	3 June	Ernst & Young Tax Consultants / RHB
6.	Portfolio Carbon Inventory: Board, IP, and Nominee Directors Workshop	5 June	McKinsey & Company / Employees Provident Fund (EPF)
7.	Shariah Screen and Cryptocurrency	30 June	RHB
8.	Enterprise Risk Management (ERM) IFRS Readiness, Transition Risk Quantification, and GHG Review	4 July	MRCB

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

DATO' MOHAMAD NASIR AB LATIF (Cont'd)			
No.	Training / Seminar Attended	Date	Organiser
9.	Resolving Boardroom and Shareholders Disputes	9 July	Suruhanjaya Syarikat Malaysia (SSM) / Yinson
10.	Muzakarah Zakat KWSP 2025	4 August	Employees Provident Fund (EPF)
11.	Boardroom Blind Spots: Navigating Grey Zones and Managing Conflicts of Interest	5 August	Employees Provident Fund (EPF)
12.	Future Proofing the Board: ISSB Standards and the Next Frontier of ESG Leadership	2 September	RHB
13.	World Social Security Forum (WSSF 2025)	29 September	International Social Security Association (ISSA) / Social Security Organisation (PERKESO)
14.	Khazanah Megatrends Forum 2025	7 October	Khazanah Nasional
15.	ASEAN Business & Investment Summit 2025	25 & 26 October	ASEAN Business Advisory Council
16.	A Boardroom Simulation: Experience It Live	28 October	Employees Provident Fund (EPF)
17.	Strategic Success on the Path to Net Zero	4 November	RHB
18.	EPF Investment Seminar (EIS) 2025	20 November	Employees Provident Fund (EPF)
19.	The Chairpersons' Circle	21 November	Bursa Malaysia
20.	Cybersecurity & Emerging Risk	26 November	RHB
21.	Integrity & Governance: Building a Resilient Organisation	27 November	RHB
22.	Establishing Islah through Islamic Finance	28 November	Malaysia International Islamic Finance Centre (MIFC) / RHB
TAN SRI MOHAMAD SALIM FATEH DIN			
No.	Training / Seminar Attended	Date	Organiser
1.	Securing the Future: Leveraging 5G Technology to Strengthen National Security	22 January	Asia International Security Summit & Expo / Malaysian Communications and Multimedia Commission (MCMC)
2.	NADI Workshop with MCMC Commission Members	31 January	Malaysian Communications and Multimedia Commission (MCMC)
3.	World Telecommunication and Information Society Day (WTISD)	17 May	Malaysian Communications and Multimedia Commission (MCMC)
4.	Mobile World Congress (MWC) Shanghai 2025	18 – 20 June	Mobile World Live / Malaysian Communications and Multimedia Commission (MCMC)
5.	Kuala Lumpur Roundtable on Asia-Pacific Regional Cooperation	27 August	Institute of Strategic & International Studies (ISIS) Malaysia
6.	Digital Nation Summit Kuala Lumpur (ASEAN Edition)	23 September	GSMA / Malaysian Communications and Multimedia Commission (MCMC)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

DATO' IMRAN SALIM			
No.	Training / Seminar Attended	Date	Organiser
1.	M&A Mastery 2025: Cracking the Code of Corporate Power Plays in a Shifting Global Landscape	6 March	Institute of Corporate Directors Malaysia (ICDM)
2.	New Zealand Infrastructure Investment Summit	13 & 14 March	Government of New Zealand
3.	Enhanced Conflict of Interest Framework (Updated Edition)	3 November	MRCB/CKM Advisory
DATO' WAN KAMARUZAMAN WAN AHMAD			
No.	Training / Seminar Attended	Date	Organiser
1.	CGS International 17th Annual Malaysia Corporate Day 2025	7 January	Employees Provident Fund (EPF)
2.	Malaysia Economic Forum	9 January	MBSB Bank
3.	ASEAN Finance Track	8 April	Khazanah Nasional
4.	ASEAN Investment Conference 2025	8 & 9 April	Securities Commission Malaysia
5.	Nominee Directors Summit 2025	24 April	Employees Provident Fund (EPF)
6.	ASEAN Business Forum 2025	29 May	MBSB Bank
7.	Corruption Awareness Session	2 July	MBSB Bank
8.	Ikhlas Capital Annual Conference 2025	17 July	Ikhlas Capital
9.	AgroESG First Edition Seminar Series – A Hands-On Guide for Agriculture SMEs	21 August	MBSB Bank
10.	Sustainability – An Evolution Driving Business Growth	15 October	MBSB Bank
11.	PNB Knowledge Forum 2025	21 October	PNB
12.	SFG Climate Conference for SMEs 2025	17 November	MBSB Bank
13.	EPF Investment Seminar 2025	20 November	Employees Provident Fund (EPF)
14.	AI Workshop for Bosses: Prompt Like a Pro	12 December	MRCB
MOHAMAD HAFIZ KASSIM			
No.	Training / Seminar Attended	Date	Organiser
1.	Advanced Management Program: Module 1	9 – 28 February	Harvard Business School
2.	Advanced Management Program: Module 2	1 March – 26 April	Harvard Business School
3.	Advanced Management Program: Module 3	27 April – 16 May	Harvard Business School
4.	Introduction to Corporate Directorship in the New Era of ESG	23 & 24 June	Institute of Corporate Directors Malaysia (ICDM)
5.	World Social Security Forum (WSSF 2025)	29 September – 3 October	International Social Security Association (ISSA) / Social Security Organisation (PERKESO) / Employees Provident Fund (EPF)

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MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

DATO' DR JUNAIDAH KAMARRUDDIN			
No.	Training / Seminar Attended	Date	Organiser
1.	Women, Peace, and Security Conference	20 May	Langkawi International Maritime and Aerospace Exhibition (LIMA 2025)
LIM FEN NEE			
No.	Training / Seminar Attended	Date	Organiser
1.	E-Invoice & Service Tax Impact on Independent Directors	15 April	FIDE Forum
2.	MIA Digital Month 2025 – Digital Empowerment for a Sustainable Future: Technology in Practice: Artificial Intelligence	16 April	Malaysian Institute of Accountants (MIA)
3.	International Financial Reporting Standards (IFRS) S1 and S2 Awareness Training and Implementation	23 April	Allianz Malaysia
4.	Sustainability Conference ACCA 2025	29 April	Association of Chartered Certified Accountants (ACCA)
5.	Global Boardroom Program Roundtable – Governance of AI: Are Boards Ready?	30 April	Deloitte Malaysia
6.	Overview of International Education Standards (IES) - IFAC	30 April	International Federation of Accountants (IFAC)
7.	Masterclass Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities	6 May	FIDE Forum
8.	MIA Digital Month 2025 – Digital Empowerment for a Sustainable Future: Mastering the Future Workplace	7 May	Malaysian Institute of Accountants (MIA)
9.	Burning Tax Issues in 2025	29 May	Deloitte Malaysia
10.	Technology Series – AI Monitor: Exploring Trends, Innovations, and AI Challenges	25 June	Association of Chartered Certified Accountants (ACCA)
11.	Corporate Sustainability and Climate Change	4 July	MRCB
12.	Navigating Digital Disruption: How Can Boards in Financial Institutions Enhance Strategic Digital Governance	17 July	FIDE Forum
13.	ICDM Power Talk Boardroom Blindspots: How Our Perceptions of Risk Influence Our Boardroom Effectiveness	3 September	Institute of Corporate Directors Malaysia (ICDM)
14.	Updates on Personal Data Protection	10 September	Allianz Malaysia
15.	Ethical AI Roundtables with CISI (APAC Region)	11 September	Association of Chartered Certified Accountants (ACCA)
16.	The Federal Reserve's Monetary Policy Strategy: Back to the Future	12 September	Asia School of Business

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

LIM FEN NEE (Cont'd)			
No.	Training / Seminar Attended	Date	Organiser
17.	ACCA Dialogue with Nenad Pacek (Economist)	1 October	Association of Chartered Certified Accountants (ACCA)
18.	Khazanah Megatrends Forum 2025	6 & 7 October	Khazanah Nasional
19.	Navigating the AI Frontier: Urgent Ethical Challenges for ACCA Professionals	19 November	Association of Chartered Certified Accountants (ACCA)
20.	Navigating Climate Risks: How Insurance Companies Prepare for it and the Board's Strategic Role	6 December	Allianz Malaysia
21.	MIA Risk Management Conference 2025	8 December	Malaysian Institute of Accountants (MIA)
22.	New Statement on Risk Management & Internal Control Guide 2025	9 December	Allianz Malaysia
DATUK RASHIDAH MOHD SIES			
No.	Training / Seminar Attended	Date	Organiser
1.	Shariah Committee & Board Strategic Engagement	21 February	Bank Pembangunan Malaysia
2.	Engagement Session on Bank Negara Malaysia's 2024 Annual Report	21 April	FIDE Forum / Bank Negara Malaysia
3.	Power, Progress, Possibility: Redefining Leadership Together	5 May	30% Club Malaysia / Securities Commission Malaysia
4.	In-House Training Programme: Sustainability Trends and Landscape Training for Board of Directors and Senior Leadership Teams	7 May	PwC / Bank Pembangunan Malaysia
5.	Impact of Climate Change on Supply of Key Economic Resources	21 May	Climate Governance Malaysia
6.	Launch of FIDE Forum's Board Culture & Leadership Report 2025 – Seminar on the Influence of Board Culture on Corporate Performance	5 June	FIDE Forum / Bank Negara Malaysia
7.	ERM: IFRS Readiness, Transition Risk Quantification and GHG Review	4 July	MRCB
8.	Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level	28 July	Bursa Malaysia / Institute of Corporate Directors Malaysia (ICDM)
9.	Enhanced Conflict of Interest and Disclosure Obligations	12 August	Asian Institute of Chartered Bankers (AICB) / MSWG
10.	Conduct of Directors and Common Breaches	25 September	Malaysian Institute of Accountants (MIA) / CMDF

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

DATUK RASHIDAH MOHD SIES (Cont'd)			
No.	Training / Seminar Attended	Date	Organiser
11.	Climate Change Forum: Suara Alam 2025	30 September	Ministry of Natural Resources and Environmental Sustainability (NRES) / Malaysian Green Tech & Climate Change Corporation (MGTC) / Bank Pembangunan Malaysia
12.	Khazanah Megatrend Forum – Debugging Uncertainty: Lessons from the Grasshopper and the Ant on Living with Risk	6 & 7 October	Khazanah Nasional
13.	National Conference on Integrity and Governance	7 & 8 October	Association of Development Finance Institutions of Malaysia (ADFIM)

Remuneration

MRCB's Remuneration Policy for the Board of Directors and Senior Management sets out the Company's approach to designing competitive remuneration packages for Non-Executive Directors, Executive Directors, and Senior Management. It aims to attract and retain experienced, qualified, and high-calibre talent capable of driving the Group's business strategies, objectives, values, and long-term interests. The policy is reviewed and updated periodically to ensure its continued relevance and alignment with best practices.

 Please peruse our Remuneration for the Board of Directors and Senior Management Policy on our corporate website at www.mrcb.com.my/corporate-governance.html.

Non-Executive Directors' Remuneration

The Nomination & Remuneration Committee reviews the remuneration packages of Non-Executive Directors every three years, benchmarking against industry and market standards. Recommendations from this review are submitted to the Board for endorsement before being presented to shareholders for approval at the Annual General Meeting. Non-Executive Directors receive a fixed base fee, meeting allowances, and benefits-in-kind for their Board duties, with total fees subject to shareholder approval. Remuneration for Non-Executive Directors is not linked to individual performance.

Executive Directors' and Senior Management's Remuneration

The remuneration packages of Executive Directors and Senior Management comprise basic salary, allowances, and other emoluments, reflecting the demands and complexity of the Group's operations, the nature of the role, and the individual's skills, experience, and responsibilities.

The remuneration packages are designed to align rewards with both corporate and individual performance, while supporting the Group's long-term interests. MRCB's balanced scorecard is developed annually, incorporating financial, operational, strategic, and sustainability targets, and serves as the basis for establishing the Key Performance Indicators (KPIs) of the Executive Directors. These KPIs are subsequently cascaded to the Senior Management to ensure alignment of objectives, including addressing material sustainability risk and opportunities, and are approved by the Nomination & Remuneration Committee. The Group's annual performance is measured against the balance scorecard.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

In addition to the Executive Directors' and Senior Management's remuneration packages, an annual bonus is directly linked to the Group's performance against the balanced scorecard and the achievement of individual KPIs. To determine remuneration levels, the Nomination & Remuneration Committee assesses performance against the balanced scorecard and related KPIs, prior to submitting a recommendation to the Board for approval. The Company does not presently operate with a long-term incentive programme and therefore does not practice claw back provisions or deferred bonuses.

The Company ensures that the Group Managing Director's remuneration remains fair and competitive to attract and retain a high-calibre leader capable of delivering long-term shareholder value. As Directors do not receive remuneration from other companies within the Group, all amounts disclosed relate solely to services rendered to MRCB for the financial year ended 31 December 2025.

Remuneration packages of key Senior Management are reviewed upon contract renewals. A summary of the top five (5) Senior Management members' remuneration for the financial year ended 31 December 2025 is presented below.

Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits-in-Kind (RM)	Other Emoluments (RM)	Total (RM)
Non-Independent Non-Executive Chairman							
Dato' Mohamad Nasir Ab Latif	200,000	156,000	-	-	1,590	-	357,590
Executive Vice Chairman							
Tan Sri Mohamad Salim Fateh Din	-	-	2,046,000	-	61,314	237,533	2,344,847
Group Managing Director							
Dato' Imran Salim	-	-	1,736,000	-	43,061	548,613	2,327,673
Non-Independent Non-Executive Director							
Mohamad Hafiz Kassim*	150,000	169,000	-	-	1,590	-	320,590
Independent Directors							
Dato' Wan Kamaruzaman Wan Ahmad	150,000	100,000	-	-	3,315	-	253,315
Dato' Dr Junaidah Kamarruddin	150,000	87,000	-	-	2,298	-	239,298
Lim Fen Nee	150,000	72,000	-	-	1,590	-	223,590
Datuk Rashidah Mohd Sies	150,000	54,000	-	-	1,590	-	205,590
Total	950,000	638,000	3,782,000	-	116,348	786,145	6,272,493

* 50% of the Directors' fees for EPF nominess on the Board of the Company are paid directly to EPF.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Senior Management	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments (RM)	Total (RM)
Group Chief Financial Officer						
Ann Wan Tee	1,450,001 - 1,500,000	50,001- 100,000	-	50,001- 100,000	300,001 - 350,000	1,850,001 - 1,900,000
Group Chief Operating Officer						
Kwan Joon Hoe	1,400,001 - 1,450,000	50,001 - 100,000	-	50,001 - 100,000	250,001 - 300,000	1,800,001 - 1,850,000
Chief Corporate Officer						
Amarjit Singh Chhina	1,000,001 - 1,050,000	50,001 - 100,000	-	50,001 - 100,000	200,001 - 250,000	1,350,001- 1,400,000
Executive Vice Presidents						
Dato’ Haji Ishak Bin Haji Mohamed	1,150,001 - 1,200,000	50,001 - 100,000	-	0 - 50,000	0 - 50,000	1,300,001 - 1,350,000
Datuk Dell Akbar Khan Bin Hyder Khan	900,001 - 950,000	50,001 - 100,000	-	50,001 - 100,000	0 - 50,000	1,050,001 - 1,100,000

Senior Management’s Shareholdings

Details of Senior Management’s shareholdings in the Company, including any changes during the financial year, are presented below:

Senior Management	Number of Ordinary Shares			
	Balance as of 01.01.2025	Acquisition during the year	Disposal during the year	Balance as of 31.12.2025
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

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. Senior Independent Director, Dato’ Wan Kamaruzaman Wan Ahmad, chairs the Audit & Risk Management Committee, where he is supported by two (2) other suitably qualified independent members.

For the financial year ended 31 December 2025, the Board agreed that the Audit & Risk Management Committee has continued to support the Board in reviewing financial, audit, and risk matters and contributed to the overall effectiveness of the Board’s decision-making process. The Board is satisfied that the Audit & Risk Management Committee has discharged its functions, duties, and responsibilities in accordance with the Audit & Risk Management Committee’s Terms of Reference.

 Further details on the activities and structure of the Audit and Risk Management Committee are set out in the Committee Report on pages 317 to 320 of this report.

FINANCIAL REPORTING

The Board is fully committed to providing a fair, objective, and meaningful assessment of the financial position and future outlook of the Group in all its reports. All financial results and statements undergo review by the Audit & Risk Management Committee prior to being recommended to the Board for approval.

 The Statement by Directors on the preparation of the annual audited financial statements is presented on page 14 of the 2025 Financial Report.

The Audit & Risk Management Committee holds regular meetings with the external auditors to discuss and review any audit findings brought to their attention. Additionally, the Audit & Risk Management Committee receives written assurances from the external auditors affirming their continued objectivity, impartiality, and independence throughout the audit engagement, in accordance with the terms of all pertinent professional and regulatory requirements.

 Further details on our relationship with external auditors are set out in the Committee Report on page 320 of this report.

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 Audit & Risk Management Committee and Senior Management. A structured process is in place to identify, assess, respond to, monitor, and report on significant risks that may affect the Group’s ability to meet its business objectives.

 Further details on our risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 300 to 316 of this report.

The Group Internal Audit reports functionally to the Audit & Risk Management Committee and administratively to the Group Managing Director to maintain impartiality and independence in performing their duties. The Audit & Risk Management Committee has exclusive authority over the appointment, renewal, or removal of the Head of Internal Audit, further safeguarding the Group Internal Audit’s ability to carry out its function without fear or favour. The principal role of the Group Internal Audit is to conduct audits and reviews to evaluate the effectiveness of the Group’s internal controls, governance, and risk management processes, providing independent and objective assurance to the Board and Management on the adequacy and integrity of these systems.

As the Board holds ultimate responsibility for overseeing the Company, it is consistently kept informed by the Audit & Risk Management Committee of its activities. In this regard, Audit & Risk Management Committee meetings are always scheduled before Board meetings to ensure that all critical issues, significant findings, or irregularities are promptly communicated to the Board.

 Further details on our internal audit and risk management functions are set out in the Committee Report on pages 319 to 320 of this report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL
RELATIONSHIP WITH STAKEHOLDERS

CORPORATE INTEGRITY & ETHICS

Corporate Liability

The Corporate Liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 imposes criminal liability on organisations for corruption-related acts committed by associated persons for the organisation’s benefit. MRCB is firmly committed to conducting all business dealings with integrity and maintains a zero-tolerance stance towards all forms of bribery and corruption. The Group has implemented a comprehensive Anti-Bribery and Corruption Policy, which aligns with the stringent standards of MRCB’s Anti-Bribery Management System (ABMS). The Anti-Bribery and Corruption Policy is reviewed and updated periodically, with the last revision taking effect on 12 November 2025.

The Board remains confident that the ABMS, supported by robust internal communications, targeted training programmes, and proactive engagement with external stakeholders, provides adequate safeguards for the Company and its stakeholders. Nevertheless, recognising the dynamic nature of corruption risks, the Group is committed to continuously strengthening its internal controls and procedures to maintain full compliance and protect the integrity of its operations.

 A comprehensive list of our ABMS initiatives undertaken in 2025 is detailed on pages 310 to 311 of this report.

 Please peruse our Anti-Bribery and Corruption Policy on our corporate website at www.mrcb.com.my/corporate-governance.html.

Trading on Insider Information

The Capital Markets and Services Act 2007 (CMSA) and Bursa Malaysia’s Main Market Listing Requirements (MMLR) strictly prohibit trading in securities based on material non-public information or disclosing such information to others who may trade on it.

To ensure compliance, the Company Secretary issues a quarterly Notice of Closed Period to Directors and Senior Management, outlining restrictions on trading MRCB shares during both “Closed Period” and “Outside Closed Period,” as these individuals may have access to price-sensitive information.

During the year under review, neither the Board nor the Principal Officers of the Company engaged in any trading activity within the closed period.

Integrity of Information

The Board is dedicated to presenting clear, fair, and objective evaluations of the Group’s financial position and future prospects in all disclosures, including quarterly results, annual financial statements, integrated annual reports, and other communications to shareholders, investors, regulators, and stakeholders.

APPROACH TO INVESTOR RELATIONS (IR)

Continuous engagement and transparent communication with stakeholders are fundamental to sustaining strong relationships and maintaining accountability. To support the strategy for long-term growth and sustainability, MRCB is committed to cultivating strong ties with its shareholders and investors. Accessibility in an ever-changing investment climate is also important, particularly during periods of uncertainty.

A multi-channel communication approach – including press conferences, engagement forums, social media, and a dedicated Investor Relations team – is employed to respond to daily inquiries from investors and analysts effectively. Furthermore, the corporate website and IR App are updated in a comprehensive and timely manner, serving as central repositories for the Group’s Integrated Annual Reports, financial results, press releases, quarterly results presentations, ESG Briefs, and disclosures to Bursa Malaysia.

 Further details on our approach to stakeholder engagement and concern resolution are set out in the Our Stakeholders section on pages 47 to 58 of this report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL
RELATIONSHIP WITH STAKEHOLDERS

Investor Relations Engagement

In 2025, MRCB continued to engage with the investment community through a combination of physical and virtual platforms. One-on-one and group meetings remained the cornerstone of our direct interaction with institutional investors, investment analysts, and brokers.

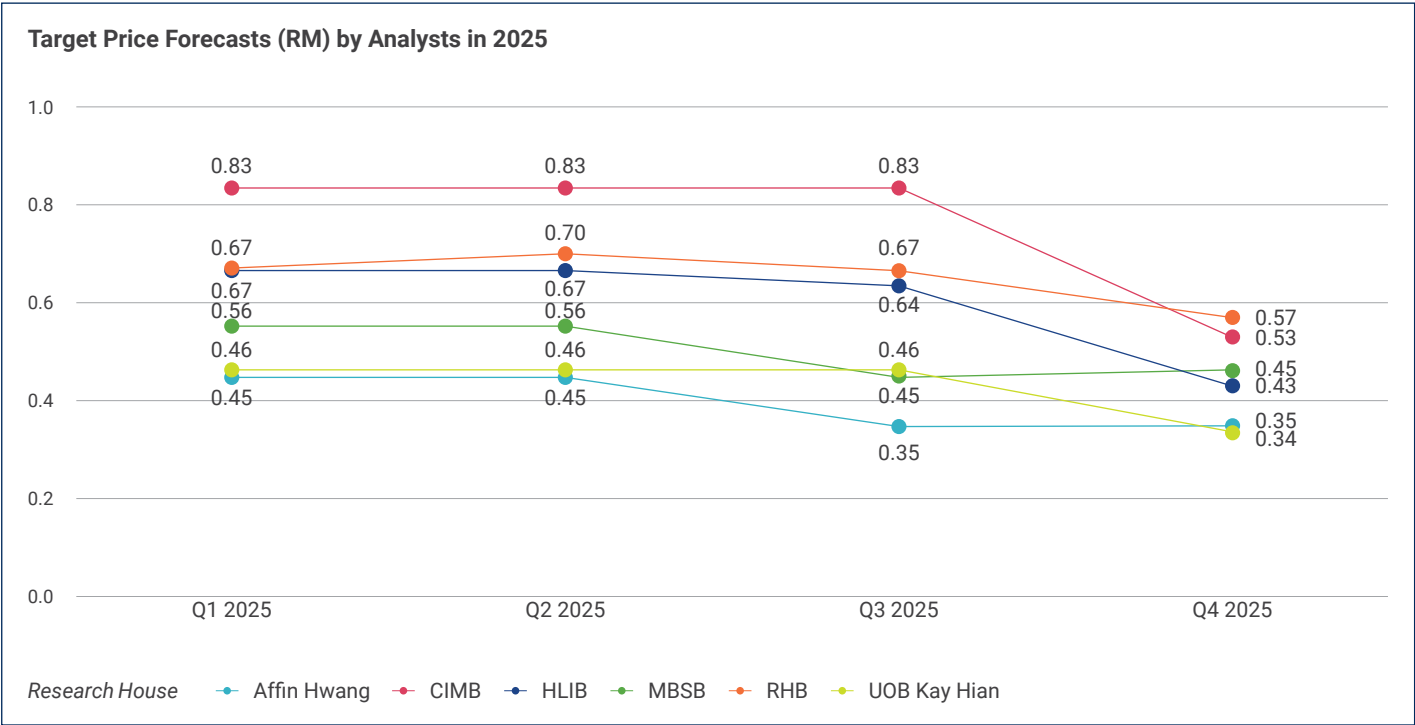
In line with the release of quarterly results, we conducted Quarterly Results Analysts’ Briefings virtually, ensuring broad participation and enabling analysts to engage proactively during presentations and Q&A sessions. To uphold equal access to information, all briefing materials were uploaded to the Company’s website on the same day. Press conferences were also held during the year, managed by the Corporate Communications Department.

As a corporate member of the Minority Shareholders Watch Group (MSWG), MRCB maintained regular dialogue with MSWG to stay abreast of developments in minority shareholder rights and to ensure senior management remained accessible to address any queries promptly.

 A list of media-related events is detailed in the Our Stakeholders section on page 56 of this report.

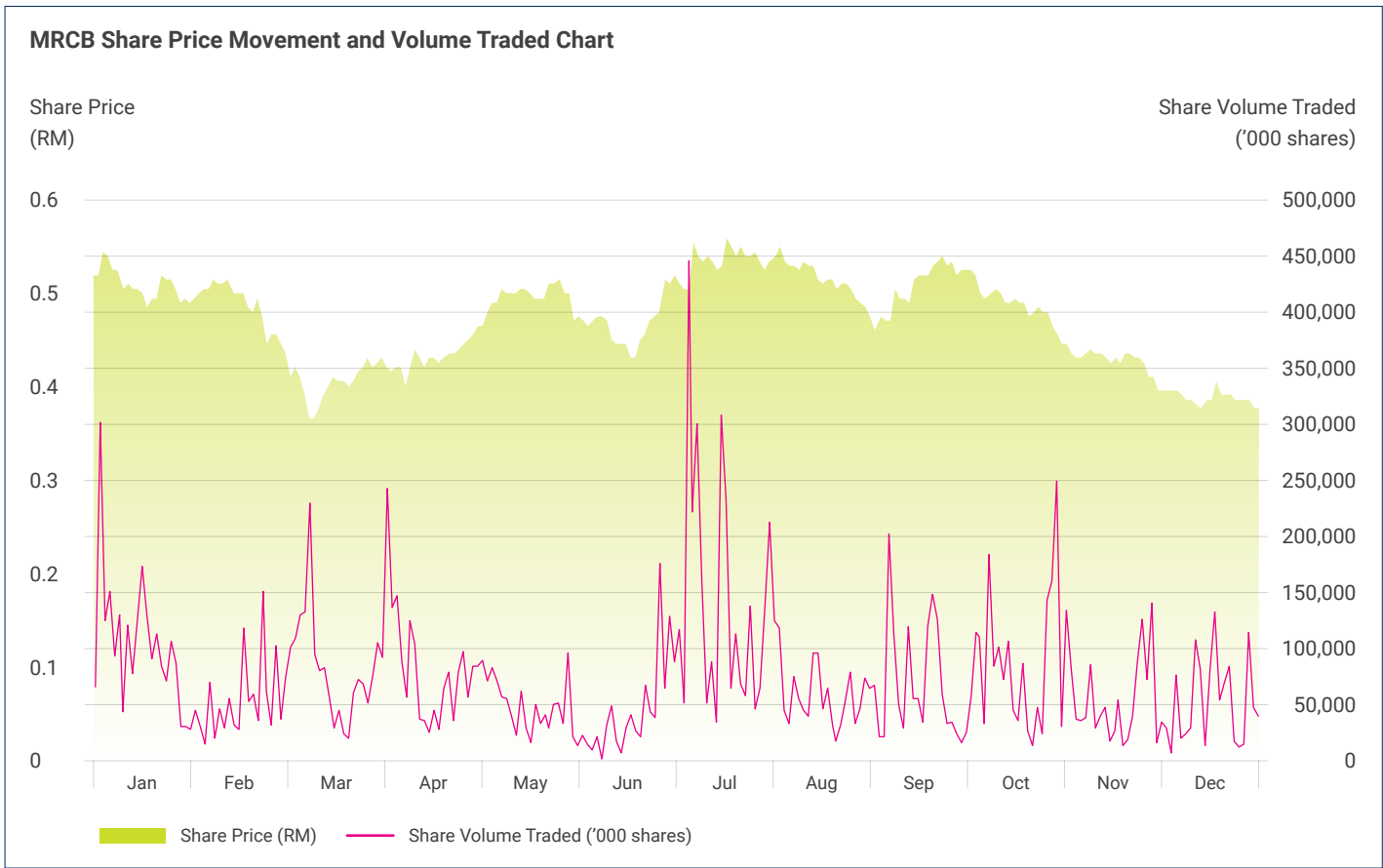
Key IR Activities in 2025

ACTIVITIES	FREQUENCY
Investment Professionals Met	108
Meeting Sessions	12
Quarterly Analysts’ Briefings	4
Research Analysts Covering MRCB	6



CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL
RELATIONSHIP WITH STAKEHOLDERS



General Meetings

MRCB 54th Annual General Meeting			
Conducted 04 June 2025	Format Physical	Questions Answered 43	6 detailed questions from MSWG
			Attended by 718 shareholders and 227 proxies
MRCB Extraordinary General Meeting			
Conducted 18 December 2025	Format Physical	Questions Answered 24	0 questions from MSWG
			Attended by 338 shareholders and 104 proxies

The Annual General Meeting (AGM) remains a key platform for the Board to engage directly with shareholders, providing updates on the Group’s progress, performance, strategic direction, and other related matters. During the AGM, shareholders are actively encouraged to participate, ask questions, and share their views. Where significant questions cannot be addressed immediately, the Chairman ensures that written responses are provided after the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL
RELATIONSHIP WITH STAKEHOLDERS

For any special business or proposed special resolutions, detailed explanations of their implications are presented in the Annual General Meeting Notice to promote transparency and informed decision-making. The Annual General Meeting Notice is issued at least 28 days prior to the meeting, allowing shareholders ample time to review the agenda.

As mandated under Bursa Malaysia’s Main Market Listing Requirements, all resolutions are voted on by poll. The Company aims to leverage technology solutions that enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at General Meetings.

MRCB conducted its 54th Annual General Meeting in a physical manner on 4 June 2025 at M Resort & Hotel, Kuala Lumpur. The decision to organise a physical AGM is in line with the updated requirements issued by Securities Commission Malaysia on 30 August 2024.

The AGM provided shareholders and other stakeholders with the opportunity to engage directly with the Board and Senior Management through an open and interactive question-and-answer (Q&A) session. All questions were raised live during the meeting and were addressed on the spot by the relevant respondents. The Chairman facilitated the session to ensure meaningful, orderly and transparent engagement, allowing shareholders to seek clarification across a broad range of financial, non-financial, strategic and administrative matters.

A total of 43 questions were received and responded to during the AGM. The Chairman ensured that each question was given due consideration and that the Q&A session was only concluded after all queries had been satisfactorily addressed, reinforcing MRCB’s commitment to openness and accountability.

Following the AGM, a comprehensive Q&A document setting out all questions received on an “as-is” basis, with only minor contextual or grammatical edits where appropriate, together with the corresponding responses, was published on the Company’s corporate website within twenty (20) business days on 3 July 2025. The minutes of the AGM were also made available on the corporate website on the same date.

MRCB also conducted an Extraordinary General Meeting (EGM) in a physical manner on 18 December 2025 at M World Hotel, Selangor. The EGM was called to seek shareholder approval for the acquisition of the remaining 80% equity interest in Bukit Jalil Sentral Property Sdn Bhd (BJSP) from the Employees Provident Fund (EPF).

The proposed Special Resolution was voted on by poll. The Company provided opportunities for shareholders to participate, ask questions, and share their views, with the Chairman ensuring a meaningful discussion was held regarding the transaction before proceeding to the vote. The minutes of the EGM were made available to shareholders on 27 January 2026 on the corporate website.

Please peruse our Annual General Meeting-related documents on our corporate website at <https://www.mrcb.com.my/investor-relations/shareholder.html>.

Dividend Policy

The Company has established a Dividend Policy whereby shareholders can expect a dividend payout amounting to at least 20% of core net profits. For the financial year ending 31 December 2025, the Company is proposing a first and final single-tier dividend of one (1) sen per ordinary share.

Feedback

As part of our efforts to increase transparency and engagement, MRCB provides multiple channels for shareholders and investors to share their questions, feedback, and concerns. These channels are clearly listed on the “Contact Us” page of the Company’s website. Shareholders and members of the public may also directly contact the Company’s Senior Independent Director, Dato’ Wan Kamaruzaman Wan Ahmad, via email at wkwa@mrcb.com.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board remains fully committed to upholding the principles and best practices outlined in the Malaysian Code on Corporate Governance (MCCG) 2021 and continues to implement measures to address any remaining departures.

While significant progress has been made in strengthening our governance framework, the Board acknowledges that robust governance is ultimately driven by the people entrusted to apply and uphold these standards. Accordingly, we place strong emphasis on the continuous development of our workforce to ensure that our policies, processes, and structures deliver maximum value.

Looking ahead, our priority will be to foster a culture of integrity, accountability, and responsibility across the organisation, which we believe is fundamental to achieving our vision of **Setting the Standard** in value creation for all stakeholders.

This Corporate Governance Overview Statement was reviewed and approved by the Board of Directors at its meeting held on 27 February 2026.

MATERIAL CONTRACTS

1. SALE AGREEMENT DATED 8 SEPTEMBER 2025 BETWEEN TANJUNG WIBAWA SDN BHD AND RUKUN JUANG SDN BHD

Rukun Juang Sdn Bhd, a wholly-owned subsidiary of MRCB Land Sdn Bhd, which in turn is a wholly-owned subsidiary of MRCB, had on 8 September 2025 entered into a share sale agreement (“SSA”) with Tanjung Wibawa Sdn Bhd (“Vendor”), a wholly-owned subsidiary of the Employees Provident Fund Board, to acquire 8,000,000 ordinary shares in Bukit Jalil Sentral Property Sdn Bhd (“BJSP”), representing 80.00% equity interest in BJSP, and 1,132,930,490 redeemable preference shares – class A in BJSP, from the Vendor for a total purchase consideration of RM1,578,785,023 upon the terms and conditions as set out in the SSA.

2. JOINT VENTURE DEVELOPMENT AGREEMENT DATED 11 JULY 2025 BETWEEN COUNTRY ANNEXE SDN BHD AND IPOH SENTRAL SDN BHD

On 11 July 2025, Country Annexe Sdn Bhd (“CASB”), a wholly-owned subsidiary of MRCB, has entered into a Joint Venture Development Agreement (“JVDA”) with Ipoh Sentral Sdn Bhd (“ISSB”) to formalise the collaboration of the parties for a proposed mixed development of Ipoh Sentral based on a Transit-Oriented Development model on the lands held under H.S(D) 940438 PT 284760 and part of H.S(D) 940439 PT 284761, both situated in Bandar Ipoh (U), District of Kinta, State of Perak (“Proposed Collaboration”) for an estimated Gross Development Cost of RM5,620,000,000.

3. LETTER OF ACCEPTANCE BETWEEN MALAYSIAN RESOURCES CORPORATION BERHAD AND PROJEK LEBUHRAYA USAHASAMA BERHAD

Malaysian Resources Corporation Berhad had on 21 May 2025 entered into a contract with Projek Lebuhraya Usahasama Berhad for the Construction of Additional Lanes on the North-South Expressway (PLUS) from Yong Peng (North) to Senai (North) Phase 1: Senai (North) – Sedenak (Package B) Works for a fixed sum amount of RM160,128,043.22.

4. LETTER OF ACCEPTANCE DATED 16 MAY 2025 RELATING TO THE CONSTRUCTION AND COMPLETION OF KOMPLEKS SUKAN SHAH ALAM

Lembaran Prospek Sdn Bhd (“LPSB”), a wholly-owned subsidiary of MRCB Land Sdn Bhd (“MRCBL”), which in turn is a wholly-owned subsidiary of MRCB, had on 16 May 2025, received and accepted a letter of acceptance (“surat setuju terima”) dated 16 May 2025 (“LOA”) from Menteri Besar Selangor (Pemerbadanan) (“MBI Selangor”) for the construction and completion of Kompleks Sukan Shah Alam (“KSSA”) for a total value of RM2,937,000,000.

MATERIAL CONTRACTS

5. SHARE SALE AGREEMENT DATED 17 MARCH 2025 ENTERED BETWEEN MRCB LAND SDN BHD AND CYBERVIEW SDN BHD

SALE AND PURCHASE AGREEMENT DATED 17 MARCH 2025 ENTERED BETWEEN CYBERJAYA CITY CENTRE LAND SDN BHD, CYBERVIEW SDN BHD, AND SUBANG SENTRAL SDN BHD

MLSB, a wholly owned subsidiary of MRCB had entered into a share sale agreement dated 17 March 2025 (“SSA”) with Cyberview Sdn Bhd (“CSB”) in relation to the disposal by MLSB of 700,000 ordinary shares and 2,282,000 redeemable preference shares in CSB Development Sdn Bhd (“CSBD”), representing 70% of the issued and paid-up share capital of CSBD, to CSB for a total cash consideration of RM219,038,500.30 (“Disposal”);

Subang Sentral Sdn Bhd (“SSSB”), a wholly owned subsidiary of MRCB, had entered into a sale and purchase agreement dated 17 March 2025 with Cyberjaya City Centre Land Sdn Bhd (“CCCL”) (being the beneficial owner) and CSB (being the registered proprietor) in relation to the acquisition of seven (7) parcels of land held under (1) GRN 453427 Lot No. 10078, Bandar Cyberjaya; (2) GRN 453428 Lot No. 10079, Bandar Cyberjaya; (3) H.S.(D) 42238 PT No. 57733, Mukim Dengkil; (4) GRN 453431 Lot No. 10074, Bandar Cyberjaya; (5) GRN 453429 Lot No. 10073, Bandar Cyberjaya; (6) H.S.(D) 36050 PT No. 50070, Mukim Dengkil; and (7) H.S.(D) 42239 PT No. 57734, Mukim Dengkil, all of Daerah Sepang, Negeri Selangor from CCCL, a wholly owned subsidiary of CSB, for a total cash consideration of RM287,746,173.79 (“Acquisition”).

The Disposal SSA transaction was completed on 18 April 2025, and the Acquisition SPA transaction was completed on 17 March 2025.

6. LETTER OF ACCEPTANCE BETWEEN SETIA UTAMA LRT 3 SENDIRIAN BERHAD AND PRASARANA MALAYSIA BERHAD

Malaysian Resources Corporation Berhad had on 26 February 2025 entered into a contract with Prasarana Malaysia Berhad for the proposed design, construction, completion, testing and commissioning of reinstatement works for five LRT3 stations from Bandar Utama to Johan Setia for a fixed sum amount of RM2,467,855,000.00.

7. JOINT VENTURE AND SHAREHOLDERS’ AGREEMENT DATED 24 JANUARY 2025 BETWEEN MRCB LAND SDN BHD, PM MULTILINK SDN BHD AND MAJESTIC QUEST SDN BHD

On 24 January 2025, MRCB Land Sdn Bhd (“MLSB”), a wholly owned subsidiary of Malaysian Resources Corporation (“MRCB”), PM Multilink Sdn Bhd (“PMM”), a wholly owned subsidiary of Melaka Corporation, and Majestic Quest Sdn Bhd (“Majestic Quest”) signed a Joint Venture and Shareholders’ Agreement. Majestic Quest, a 70:30 joint venture company between MLSB and PMM will undertake the development of a hospital to be located in Mukim Bukit Baru, Daerah Melaka Tengah, Negeri Melaka for an estimated Gross Development Cost of RM520,000,000, and to lease the hospital to Putra Specialist Hospital (Melaka) Sdn Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2025.

This statement was prepared in line with Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of 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) and in conjunction with Main Market Practice Note 9 and ACE Market Guidance Note 11.

The Board recognises the importance of managing uncertainties that may affect the achievement of MRCB’s objectives and is committed to managing the Group’s risk pragmatically by embedding risk management into its internal controls, management system, and decision-making process.

ROLES AND RESPONSIBILITIES

At Board Level	
The Board • Affirms its overall responsibility to set the “tone-at-the-top” to drive a “risk-aware” culture throughout the Group, establish and oversee sound risk management practices, and ensure the adequacy and effectiveness of its Risk Management Policy and Framework and system of internal control. • Balances the risk-return trade-off within the established risk appetite and risk tolerance level of the Group in its decision-making to achieve the Group’s goals and objectives. • Periodically reviews and responds to key risks to ensure effectiveness of the risk management system. • Reviews and approves the Group’s Key Enterprise Risks and the Key Risk Indicators.	The Audit & Risk Management Committee • Assists the Board in the oversight of adequate, efficient, and effective risk management and internal control functions for the Group. • Reviews and approves the Key Enterprise Risks, Key Risk Indicators, and Risk Management Policy and Framework. • Promotes risk-based culture into daily operations and the decision-making process as an integral part of business practices at all levels. • Reviews the effectiveness of risk governance implementation, internal control, and processes. • Reviews and responds to significant risks escalated by the Group Risk Management Committee and Corporate Governance and Risk Management Department and assesses the adequacy and effectiveness of its mitigation plans. • Reviews and escalates to the Board the Group’s Key Enterprise Risks and status of Key Risk Indicators. • Reviews and recommends the Group’s Statement on Risk Management and Internal Control (SORMIC) to the Board.

At Management Level
The Group Risk Management Committee • Reviews the Risk Management Policy and Framework and oversees the overall implementation of the risk management process. • Reviews and responds to significant risks escalated from the operational level and assesses the adequacy and effectiveness of its mitigation plans. • Reviews and proposes Key Enterprise Risks to the Audit & Risk Management Committee. • Provides feedback for the improvement progress of the risk management activities and initiatives. • Reviews the Group’s Statement on Risk Management and Internal Control (SORMIC) and proposes it for adoption to the Audit & Risk Management Committee and the Board. • Assists the Audit & Risk Management Committee and the Board to ensure the adequacy, efficiency, and effectiveness of the overall risk management functions of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

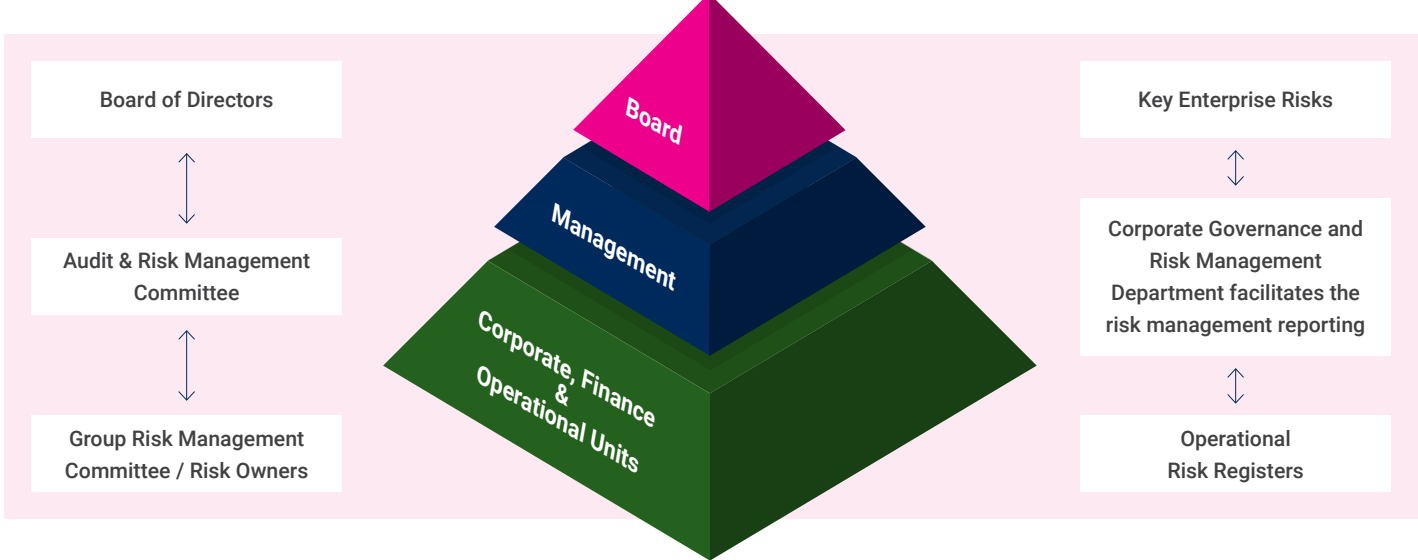
At Operational Level
Risk Owners • Identify and assess risks, including the implementation of mitigation action plans and the monitoring of those risks to ensure they are at an acceptable level. • Maintain the highest alert on both internal and external activities or circumstances that may have adverse risk impacts and consequences. • Update, review, and approve the completed risk registers.
Risk Coordinators • Act as a focal point coordinating the implementation of all aspects of the risk function. • Monitor, report, and maintain the risk database. • Liaise with Risk Owners and team members on risk management matters. • Assist risk owners in updating and ensuring timely submission of the risk registers to the Corporate Governance and Risk Management Department.
All Employees • General duty to assess risks and responsibility to comply with policies and procedures. • Provide input and assistance to Risk Owners and Risk Coordinators on internal and external activities, risk identification, implementation of action plans and control effectiveness.
The Corporate Governance and Risk Management Department • Provides support to the Board and Management, facilitates the implementation of the risk oversight function, promotes a “risk-aware” culture, and integrates risk management into the decision-making process. • Promotes risk-based thinking and conducts risk management facilitations. • Reviews the Operational Risk updates and ensures the operational units and Management have implemented satisfactory controls and have effective action plans and strategies to mitigate risks that could impact the Group’s objectives. • Communicates and reports on the Key Enterprise Risks to the Audit & Risk Management Committee every quarter for effective and efficient risk management governance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT GOVERNANCE

MRCB’s Risk Management Governance consists of a Risk Oversight Structure, Risk Management Policy and Framework, and an Enterprise Risk Management process to ensure the efficiency and effectiveness of the Group’s risk management function.

Risk Oversight Structure



- The risk management oversight structure maps the escalation and cascading process of the identified risks.
- Controls and mitigation strategies are articulated at various levels of the organisation for effective oversight.
- The Board provides strategic direction in terms of risk management and mandates the Audit & Risk Management Committee to oversee the establishment and implementation of the risk management process.
- At the Management level, the Group Risk Management Committee assists the Audit & Risk Management Committee and the Board in discharging their responsibilities relating to risk management.
- All departments and business units are required to conduct Quarterly Risk Reviews to assess and update the Operational Risks, which are consolidated by the Corporate Governance and Risk Management Department, and the significant risks are escalated to the Group Risk Management Committee.
- The Corporate Governance and Risk Management Department also prepares update reports on the Key Enterprise Risks and the status of the Key Risk Indicators.
- On a quarterly basis, the Audit & Risk Management Committee is updated on the overall risk management status and initiatives by the Corporate Governance and Risk Management Department.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Policy and Framework

The Risk Management Framework provides the foundations, components, and arrangements that embed an effective risk management process within the Group:

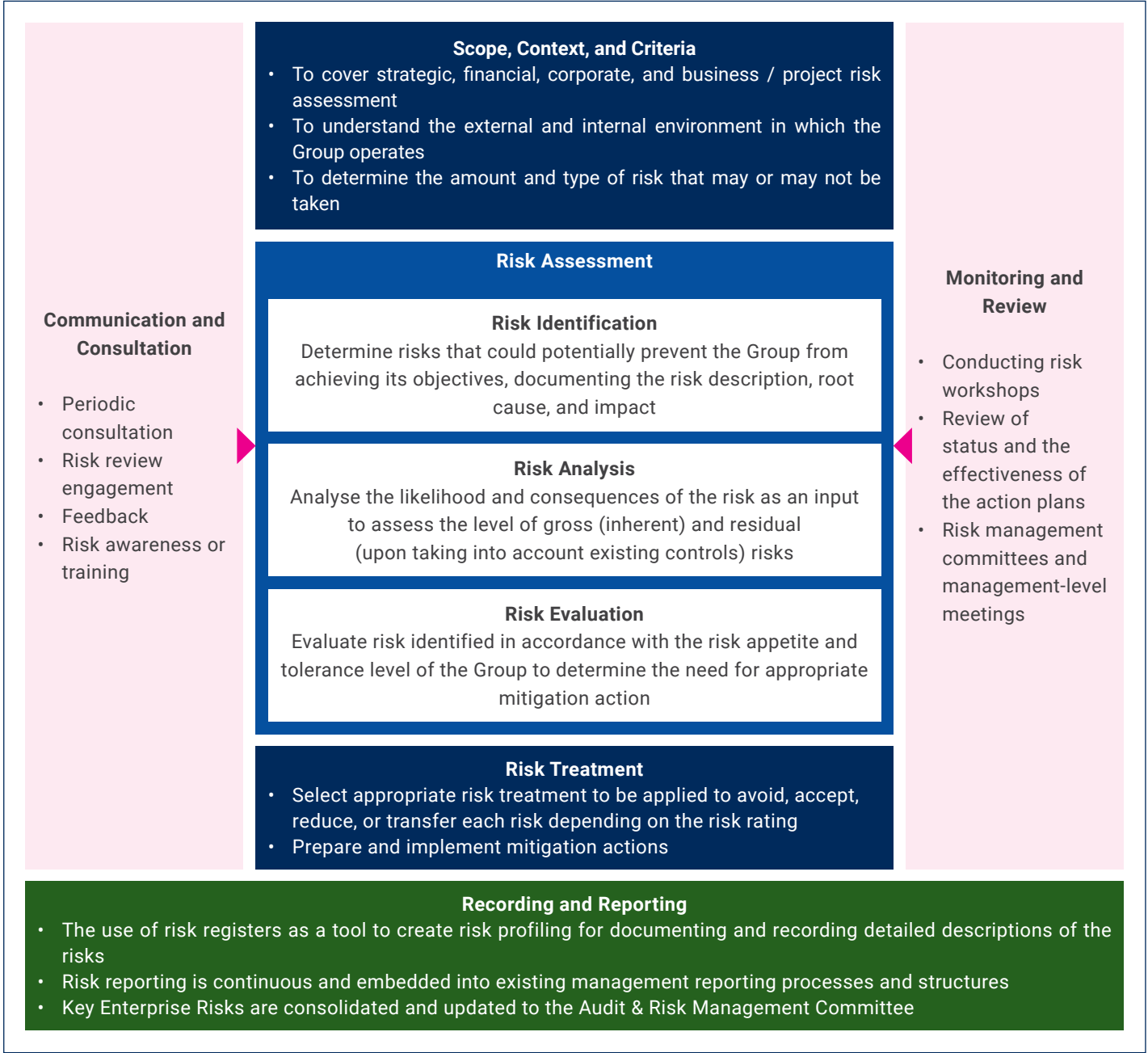
Leadership & Commitment	• The Board of Directors and Senior Management demonstrate leadership and ongoing commitment to risk management, implementing all components of the risk management framework, policy, and procedures • Ensure that necessary resources are provided, and that authority, responsibility, and accountability are assigned at the appropriate level
Integration	• Embed risk management with adequate controls in every process • Establish governance structure to determine risk management strategy, direction, accountability, escalation, and oversight roles
Design	• Understand the Group’s internal and external context • Assign and communicate the responsibilities of relevant risk management roles • Allocate resources for risk management processes • Establish effective communication and consultation support
Implementation	• Develop an appropriate plan and ensure the managing of risks is understood and practiced • Conduct periodic risk reviews and inculcate risk-based thinking
Evaluation	• Periodic review and evaluation of the Risk Management Policy and Framework • Identify and remediate gaps
Improvement	• Continuously enhance the Risk Management Framework to improve the suitability, adequacy, and effectiveness of the risk management process and its alignment with the Group’s activities

- The Group is exposed to a range of strategic, corporate, financial, and business operational-related risks associated with its core property development and investment, and construction businesses.
- The Group’s Risk Management Policy and Framework adopt the globally accepted risk management standard of ISO 31000:2018 Risk Management – Guidelines, which provides a robust platform to ensure effective risk management practices within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ENTERPRISE RISK MANAGEMENT PROCESS

The Group developed an ERM process designed to identify potential unfavourable events that may adversely affect the Group’s objectives and strategies and prioritise managing material risks to be within the Group’s risk appetite and tolerance level. This is in line with the ISO 31000:2018 guidelines, which have been tailored to fit the Group’s business operations. The risk management process is structured and aligned with the Group’s strategies, processes, people, technology, and knowledge.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT IN 2025

In 2025, the Group continued to strengthen its risk governance capabilities through comprehensive enhancements to its Risk Management Policy & Framework and Risk Management Procedures. These updates ensured continued alignment with evolving industry best practices, regulatory expectations, and the Group’s strategic priorities.

A key focus for the year was the further refinement of the operational risk register. Several important improvements were implemented to enhance accuracy, transparency, and decision-making value. These enhancements included:

- Integration of structured risk categories that reflect both internal and external risk drivers, enabling a more holistic understanding of the organisation’s exposure.
- Development of Key Risk Indicators for each identified risk to support proactive monitoring and early detection of potential risk escalations.
- Incorporation of opportunity identification, recognising that effective risk mitigation can also unlock operational and strategic benefits.
- Improved the tracking mechanism for the implementation status of action plans, providing clearer visibility into risk treatment progress and accountability.

To complement these enhancements, the Group developed a formal mechanism to monitor the implementation of action plans and systematically track residual risk rating movement at the operational level. This ensured that risk responses were effective and timely, enabling business units to meet their objectives.

Capacity building remained a cornerstone of the Group’s risk management efforts. During the year, the Group conducted Risk Management Facilitation sessions for risk coordinators and risk owners across all 28 corporate business units and 50 project units. These sessions aimed to strengthen competencies in risk identification, assessment, mitigation, and reporting, while promoting consistent, high-quality updates to the respective risk registers.

The Group also intensified its efforts in emerging risk exploration. This initiative focused on identifying and evaluating evolving threats that posed a potential impact to the organisation. By assessing these risks early, the Group aimed to enhance organisational resilience, gain competitive advantage by proactively capturing arising opportunities, prevent significant financial and reputational impacts, and reinforce stakeholder confidence through robust strategic decision-making.

Through these initiatives, the Group continues to demonstrate its commitment to building a mature, agile, and value-adding risk management culture.

INTEGRATION OF ESG WITH SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

Sustainability- and Climate-Related Risks and Opportunities

The Group remained committed to advancing climate action and strengthening organisational resilience by actively identifying, addressing, and responding to key sustainability-related risks and opportunities, including climate change and transition risks. These considerations were embedded within our Enterprise Risk Management (ERM) framework, which serves as the foundation for systematically evaluating risks across the organisation through quarterly risk register reviews and Key Enterprise Risk reports.

While our ERM process of identifying and managing risks in the Group remained unchanged in 2025, sustainability-related risks were considered and incorporated into our risk assessment framework, where relevant. [IFRS S1.44\(a\)\(vi\) / S2.25\(a\)\(vi\)](#)

As part of our alignment with IFRS S1, the Group undertook a materiality assessment during the year to also evaluate potential financial impacts of sustainability-related risks and opportunities. Based on the current analysis, no sustainability-related matters were identified as having a material financial impact on the Group based on our financial threshold. Nevertheless, we continue to closely monitor and manage relevant risks – such as those linked to health and safety, which may have operational or reputational implications – to ensure the Group remains well-positioned to respond to future developments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Sustainability and climate-related risks were identified, evaluated, and monitored using inputs and data from all business units and functions across both Malaysian and foreign operations where such risks may arise. The primary data sources include risk registers from key business units, particularly within our Construction and Property Development divisions, as well as supporting departments such as Health & Safety. This integrated and data-driven approach enabled the Group to maintain a holistic view of sustainability-related exposures and to proactively manage potential impacts across the value chain. [IFRS S1.44\(a\)\(i\),\(v\) / S2.25\(a\)\(i\),\(b\)](#)

The Group’s Climate Strategy Framework is guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and is progressively aligning with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, particularly IFRS S2 – Climate-Related Disclosures. This strategic alignment ensures our climate governance and disclosures remain robust, transparent, and consistent with global best practices.

Our integrated approach strengthened our ability to holistically identify, assess, and manage climate-related risks and opportunities across the organisation.

Through climate scenario analysis, we assessed the potential impacts of both physical risks and transition risks on our assets and operations under a range of plausible climate futures. These insights directly informed our strategic planning, risk mitigation strategies, and capital allocation decisions, ensuring resilience and long-term value creation.

The framework also supported the development of targeted strategies to manage and adapt to identified risks, while enabling us to monitor progress through clearly defined metrics and performance targets. This includes ongoing tracking of greenhouse gas (GHG) emissions, energy consumption, and climate resilience indicators. We also aligned and adopted best global practices and disclosures, such as IFRS, TCFD, and GRI. [IFRS S2.25\(b\)](#)

 Further details on our TCFD- and IFRS-related disclosures are set out in Our Performance: Environment section on pages 154 to 165 of this report.

Climate-related risks are monitored at multiple levels within MRCB to ensure a comprehensive risk management approach:

Sustainability Management Committee
Provides strategic direction and oversight of climate-related risks at a broader level, supports the development of risk mitigation and decarbonisation strategies, and ensures alignment with the Group’s sustainability and climate objectives.
Group Level
1. Climate-related risks are overseen within the Key Enterprise Risks framework to ensure structured governance and prioritisation. 2. Climate scenario analyses are conducted to explore potential future risks and enhance resilience, mitigation strategies and proactive decision-making.
Operational Level
Physical climate-related risks are integrated into departmental operational risk registers and project risk registers, aligning with each project’s strategy and service delivery importance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Climate-related risks have been identified as a key strategic risk and are prioritised alongside other Key Enterprise Risks (KERs) within our risk management framework. Of the eight identified KERs, two are directly related to climate and sustainability and are monitored under the following KERs and Key Risk Indicators (KRIs):

- Environmental, Social, and Governance (KER 5):
 - Percentage reduction of Scope 1 and Scope 2 GHG Emissions; and,
 - Number of reports received through our Whistleblowing channels.

 Further details on our GHG Emissions in Climate and Energy Transition are set out in Our Performance: Environment section on pages 154 to 192 and in Our Performance: Governance on pages 142 to 151 of this report.
- Health, Safety, and Environment (KER 7):
 - Number of Lost Time Injury incidents that occurred within the past 12 months, which serves as a measure of the Company’s Health, Safety, and Environment (HSE) performance.

These sustainability- and climate-related risks are assessed and managed with the same rigour as other KERs, ensuring they receive proper oversight and mitigation efforts.

[IFRS S1.44\(a\)\(iii\),\(iv\),\(c\) / S1.46 / S2.25\(a\)\(i\),\(iii\),\(iv\)](#)

 Further details on our mitigation strategies and results of KER 5 and KER 7 are set out in Our Risks and Mitigations section on pages 83 to 84 and pages 87 to 88 of this report, respectively.

Strategic Approach to Sustainability- and Climate-Related Risks and Opportunities

[IFRS S1.44\(b\),\(c\) / S2.25\(c\)](#)

The Group continuously assesses and monitors both macro and industry-specific trends and developments to our risks and opportunities. The Senior Management and Business Units play a key role in this process, tracking competitive landscapes and proposing potential opportunities to the Board during Strategy Meetings held throughout the year. Guided by these insights, the Board establishes the strategic direction, which are subsequently executed by the Senior Management.

Following the establishment of strategic priorities, Key Performance Indicators are defined to ensure alignment with sustainability and climate objectives. To support effective implementation, a skills gap analysis is conducted, supplemented by an internal SWOT analysis, to identify capability needs. These assessments underpin targeted talent development initiatives, ensuring that the organisation is equipped with the right competencies to capture emerging opportunities and sustain long-term growth.

Key sustainability- and climate-related risks initiatives and outcomes of this approach include:

- Setting a net zero target for Scopes 1, 2, and 3 GHG emissions by 2050.
- Identification of new markets, such as the renewable energy segment and waste-to-energy, to benefit from market opportunities in transitioning to a low-carbon economy.
- Tendering for climate change adaptation infrastructure projects, drawing on our specialised skills in water-related initiatives such as flood mitigation.

 Further details on our sustainability performance in 2025 are set out in Our Performance: Social and Our Performance: Environment sections on pages 204 to 245 and pages 152 to 203 of this report, respectively.

Sustainability Control Measures

The Group maintains robust control measures to monitor its sustainability metrics and targets. Our approach includes a structured framework to govern sustainability- and climate-related data, ensuring accuracy and consistency with disclosure requirements.

We operationalised standardised processes for collecting and validating Scope 1, 2, and 3 GHG emissions, supported by recognised methodologies (e.g., GHG Protocol) and annual assurance reviews. In 2025, we strengthened our GHG emissions inventory model by utilising a digitisation tool, the Centralised Sustainability Intelligence (CSI) platform, to support our data collection and performance monitoring.

Furthermore, we embedded climate-related risk and opportunity assessments within our governance and strategy disclosures. These are aligned with TCFD recommendations and include scenario analysis and resilience testing.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Climate- and Sustainability-Related Scenario Analyses

As an extension of our established Climate Strategy Framework, the Group conducted a comprehensive climate scenario analysis, expanding the analysis progressively from 2022 to 2024, to deepen our understanding of the potential impacts of climate-related risks and opportunities. This exercise supported our alignment with the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS S2 – Climate-Related Disclosures under the IFRS Sustainability Disclosure Standards. Using internationally recognised climate scenarios, we evaluated a range of plausible climate futures, allowing us to undertake the quantification of both physical climate risks and transition risks.

 Further details on the results of our qualitative and quantitative analyses of our physical climate and transition risks are set out in Our Performance: Environment section on pages 165 to 170 and pages 172 to 183 of this report, respectively.

Insights gained from this scenario analysis informed strategic and operational planning across the Group, enabling us to prioritise risk mitigation measures, enhance asset resilience, and guide capital allocation decisions. The scenario analysis also supported the development of targets and performance metrics, which were tracked and disclosed as part of our climate-related reporting.

In addition to climate scenario analysis, our Health & Safety Department conducted its own scenario-based assessments as part of its Emergency Response Plan (ERP) and Hazard Identification, Risk Assessment, and Determining Control (HIRADC) processes. These analyses covered a broad range of risks, including natural disasters, disasters caused by human activities, and everyday workplace hazards. By integrating these assessments, MRCB enhanced its ability to manage sustainability across multiple dimensions, ensuring workforce safety and environmental resilience. Moving forward, we intend to broaden our scenario analysis to cover other material sustainability-related areas for risk identification beyond the climate and safety & health topics. [IFRS S1.44\(a\)\(ii\),\(iv\) / S2.25\(a\)\(ii\)](#)

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.

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Business Operations - Business processes are documented in the form of policies and procedures and equipped with proper controls to mitigate inherent risks associated with the processes. - The owner of each process is identified to ensure responsibility, accountability, as well as a well-managed resource allocation. - Heads of divisions, departments, business units, and all employees of the Group are responsible and accountable for protecting the Group from uncertainties through risk-based and controlled business processes.	Risk Oversight Function - The risk oversight function forms the second line of defence through the assessment and mitigation of emerging risks. - The Group Risk Management Committee oversees and ensures the effectiveness of the risk management function. - The Corporate Governance and Risk Management Department is entrusted to facilitate, coordinate, and monitor the implementation and escalation of the risk management process.	Audit Oversight Function - The audit oversight is the third line of defence, performed by the Group Internal Audit (GIA). - GIA provides independent assurance to the Board and Management on the effectiveness of risk management and internal control governance and proposes improvements based on its findings and observations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Main Features of Internal Control

Internal Control is an integral part of risk management, and a risk-based process is adopted as the main management control. The Group’s internal control framework consists of the five (5) following integrated components:

Control Environment - Business processes are governed by a well-defined Board-approved Limits of Authority, as well as a set of policies and procedures which have been embedded with inherent risks and controls. - The Board and Senior Management set the tone at the top regarding the importance of internal control. - The Senior Management reinforces control at various levels of the organisation.	Control Activities - Actions taken to minimise risk through various mediums such as policies, procedures, techniques, and mechanisms. - Ensure the execution of Senior Management’s directives to mitigate risks pursuant to achieving the targeted objectives.
Risk Assessment Process for identifying, analysing, and evaluating risks pursuant to achieving the targeted objectives.	Information & Communication - Precise information and effective dissemination of information are crucial components of internal control. - Effective communication is essential to ensure that necessary information is received at all levels.
	Monitoring Activities Ongoing evaluations to ascertain whether each of the five components of internal controls are present and functioning.

Internal Control Initiatives

The Group’s internal controls, which have been in place throughout the year, are divided into three (3) key elements: People Management, Process Management, and Technology Management. The details are as follows:

People Management
Organisational Structure and Reporting Lines - The Group maintains clearly defined lines of authority within a divisional organisational structure. This framework facilitates the effective supervision and monitoring of both individual business units and group support service departments. - All directors and employees of the Group are governed by a formal Code of Business Ethics (Code). To ensure compliance and accountability, all personnel are required to acknowledge they have read and understood the Code upon their appointment or the commencement of their employment. - Employee performance is tracked through a formal appraisal process based on clearly defined goals. Achievements are monitored and appraised, with rewards aligned to the successful attainment of established targets.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

People Management (Cont'd.)
Anti-Bribery & Corruption Policy
Commitment and Zero Tolerance
• The Group maintains a zero-tolerance policy towards all forms of bribery and corruption. We are committed to conducting business ethically and in compliance with all applicable laws and regulations in the countries where it operates. • Bribery and corruption may take the form of giving and receiving anything of value, such as money, goods, services, property, privileges, and employment positions, as well as preferential treatment or “gratification” as defined in the Malaysian Anti-Corruption Commission Act 2009.
Prohibition and Compliance
• All personnel and business associates are strictly prohibited from directly or indirectly offering, giving, receiving, or soliciting any item of value to illicitly influence the actions or decisions of individuals in positions of trust. This applies whether the intended benefit is for the individual or for the Group. • All MRCB personnel shall certify in writing that they have read, understood, and will abide by the Anti-Bribery and Corruption Policy. • The Anti-Bribery and Corruption Policy applies equally to its business dealings with commercial (private sector) and government (public sector) entities, including their directors, personnel, agents, and other appointed representatives.
Scope of Application
• The Anti-Bribery and Corruption Policy applies in all countries where the Group operates, without exception and without regard to regional customs, local practices, or competitive conditions.
Key Commitment and Safeguards
• The Group’s commitment to anti-bribery and corruption is upheld through the following measures: - Ensuring that employees and/or external parties will not face demotion, penalties, or any adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour. - Continuously conducting mandatory anti-bribery and corruption training programmes, which include e-learning for all personnel and awareness sessions and workshops for external parties, such as vendors and business associates. - Conducting due diligence checks on prospective personnel, particularly for appointments to high-risk positions. - Establishing and maintaining suitable reporting channels for all stakeholders to raise their concerns with regard to bribery and corruption risks.
Anti-Bribery Management System (ABMS) ISO 37001:2016
System Framework & Certification
• The Group has an ISO 37001:2016-aligned Anti-Bribery Management System (ABMS) to prevent, detect, and respond to bribery risks while fostering a culture of integrity, transparency, openness, and compliance. • Successfully achieved recertification in 2025, marking MRCB’s seventh consecutive year of ISO 37001:2016 certification. • Successfully attained Anti-Bribery Management System ISO 37001:2016 certification for our Engineering, Construction & Environment (ECE) Division. • The implementation of the ABMS remains closely aligned with the UN Sustainable Development Goal 16: Peace, Justice, and Strong Institutions. • There were no confirmed incidents of bribery and corruption in 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

People Management (Cont'd.)
Anti-Bribery Management System (ABMS) ISO 37001:2016 (Cont'd.)
Risk Management & Governance
• Maintained the mandate that all MRCB contracts include an anti-bribery and corruption clause, requiring compliance with Malaysian laws and Company policies; non-compliance provides grounds for contract termination and legal action. • Assessed 100% of MRCB’s operations for bribery, corruption, and fraud-related risks through Bribery Risk Assessments and Bribery Risk Facilitations of all departments to build a comprehensive picture of the risks that the Group faces, evaluate the controls, likelihood, and impact of these risks, along with the measures to address them reasonably with periodic monitoring. • Conducted 69 Bribery Risk Facilitation sessions involving 118 employees. • Conducted a Regulatory Compliance Assessment (RCA) for key departments, including Corporate Secretarial, Facilities Management, Government & Authority Liaison, Human Resources, Taxation, Semasa Security, and Semasa Parking Sdn Bhd.
Training & Employee Engagement
• All employees have signed a Corruption-Free Pledge to reinforce the Group’s commitment to preventing bribery and corruption risk. • Conducted “Integrity Breeds Integrity (IBI)” training for 712 employees throughout 2025. • Achieved a 95.01% completion rate for the Anti-Bribery and Anti-Corruption E-Learning Assessment, with successful employees scoring 80% or higher. • Conducted an Anti-Bribery Management System ISO 37001:2016 Internal Audit Training and Workshop specifically for internal auditors. • Conducted specialised Anti-Bribery, Anti-Corruption, and Anti-Fraud briefing sessions for employees without laptop access, including Drivers, Tea Ladies and Dispatch staff, which were completed in stages throughout 2025. • Conducted Corporate Liability Section 17A of MACC Act 2018 (Amendment) training for Heads of Departments. • Conducted Anti-Bribery awareness sessions for all new staff, including our Graduate Employability Programme (GEP) trainees. • Revised and implemented the “Be Prepared (version 2)” internal guidelines for auditees, incorporating ISO 37001:2016 standards to enhance employee understanding of the audit process. • Utilised Viva Engage, a digital internal communications platform, to share integrity and anti-bribery control activities with all staff. • Conducted an Ethics & Compliance Crossword Puzzle Contest to engage employees in integrity-related topics. • Displayed Whistleblowing awareness posters in strategic locations across MRCB office spaces. • Issued digital reminders to all employees regarding the Company’s “No Gift” acceptance policy. • Maintained continuous digital communication and awareness of MRCB’s anti-bribery policies to all staff via Electronic Direct Mail (EDM) and through LED video display panels located within MRCB’s premises. • Promoted ongoing awareness of bribery provisions under Section 17 of the Malaysian Anti-Corruption Commission (MACC) Act 2009 to all employees.
Stakeholder Outreach & Awareness
• Conducted an “Integrity and Anti-Bribery Awareness Programme” for vendors, attended by 86 individuals from 84 different companies. • Disseminated company and regulatory anti-bribery policies, procedures, and guidelines via Electronic Direct Mail (EDM) to 1,886 suppliers within our supply chain database.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

People Management (Cont'd.)
Gift, Hospitality, Donations & Similar Benefits Policy
• The Policy prohibits giving and accepting gifts of any kind from external parties. This measure is designed to prevent: - any potential conflict of interest; - any influence or perceived influence on impartial decision-making; and, - any gestures that could be viewed as a bribe or a violation of legal standards, such as anti-bribery and corruption laws. • In instances where gifts are received despite the Group’s “No Gift” reminders, they are formally recorded through a mandatory gift registration process. This process outlines specific procedures for returning such items to the senders. • To ensure transparency and accountability, the Gift Register is presented to the Board for review on a quarterly basis.
Conflict of Interest Policy
• This Policy was designed to ensure actual, potential, and perceived conflicts of interest are systematically identified and managed through a formal declaration process. • The effective management of conflicts ensures that all business decisions are made objectively and exclusively in the Group’s best interests, free from personal bias or external influence. • When a conflict of interest is identified, the Group takes immediate steps to mitigate its impact on the decision-making process. These measures include: - Requiring the interested party to abstain or recuse themselves from any involvement or deliberation regarding the matter; or - Requiring the individual to relinquish the specific interest that gives rise to the conflict.
Whistleblowing Policy
• Since 2013, the Group has maintained a dedicated whistleblowing process. It provides a secure and confidential avenue for both internal and external stakeholders to report concerns regarding integrity, unlawful acts, or improper misconduct by any Director or employee of MRCB. • Any employee who discloses information in good faith is protected from reprisal or any adverse consequences resulting from their disclosure. • All genuine whistleblowing reports are thoroughly investigated by the Integrity and Discipline Department (IDD), and firm action is taken accordingly, including reporting of all confirmed illegal acts to the appropriate authority. • All whistleblowing reports submitted through the Group’s Whistleblowing E-Form located on the corporate website are automatically and electronically routed to the designated recipient(s) based on an established matrix, including the Senior Independent Director. • This process has proven to be a highly effective tool for Senior Management in detecting and combating fraud and improper conduct within the Group. • All whistleblowing reports and the outcomes of investigations are presented to the Board every quarter. • The Whistleblowing Policy is aligned with the UN Sustainable Development Goal 16: Peace, Justice, and Strong Institutions.
Code of Business Ethics
• The Code of Business Ethics (Code) mandates that all employees observe the highest ethical standards of honesty and integrity. These core values are expected to be integrated into all day-to-day activities and business interactions. • The Code also serves as a guide and reference to assist personnel in conducting business and performing their duties in an efficient, effective, and fair manner. • The Code highlights key ethical issues and identifies the relevant policies, procedures, and resources that govern business conduct. This ensure that all duties are performed in line with MRCB standards. • All employees are held accountable for upholding these ethical business standards and applying these values in their day-to-day work.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Process Management
Financial Management
• Annual budgets are prepared by all corporate departments and divisions through a detailed and systemic budgeting process. These budgets undergo evaluation and scrutiny by the Senior Management and the Executive Committee. Following this review, they are recommended to the Board for final approval. • The Finance Department circulates monthly Financial Performance Reports to Business Units and Project Teams. These reports serve as a critical tool for monitoring ongoing costs against the approved Annual Business Plan and Project Budgets. • Performance against the budget is also tracked by conducting budget variance analyses on a quarterly basis.
Health, Safety, and Environment (HSE) Management
• The HSE Department continues to enhance health, safety, and environment awareness across the Group, aligned with the UN Sustainable Development Goal 3: Good Health and Well-Being. We maintain strict compliance with all relevant regulations and best practices. • Detailed HSE Reports are presented to the Board on a quarterly basis. These reports provide transparent data on health, safety, and environment-related incidents, notices, penalties issued by authorities, audits, site inspections, and training milestones. • The key achievements and initiatives undertaken during the year by the HSE department include: 1) Conducted a pre-assessment for the Safety and Health Assessment System in Construction (SHASSIC): - Reviewed site compliance against SHASSIC requirements for the FINAS Headquarters construction project. - Provided improvement recommendations and ensured corrective actions were implemented. Results: - SHASSIC Score: 98.91% - Rating: 5 Stars - Strengthened project safety culture and boosted client confidence 2) Zero fatalities across all projects, reflecting our commitment to safety excellence. 3) Zero environment and safety-related fines throughout the year, reflecting strong governance and proactive risk management. 4) Completed scheduled Safety and Environment Audits across all sites with high compliance scores. Corrective and preventive measures were implemented promptly following all audit findings. 5) Conducted the Ex-Sentral Emergency Preparedness Exercise at Station Sentral Kuala Lumpur. This large-scale drill involved relevant authorities and agencies, including BOMBA, PDRM, CIDB, DOSH, HKL, and major rail operators (ERL, Prasarana, and KTM). 6) Launched a QR Code Hazard Reporting System at MRCB HQ and Project Sites to enable quick and efficient reporting of any imminent danger, work-related hazards, and hazardous situations, improving response time and preventive actions. 7) Enforced health requirements through an integrated Occupational Safety and Health Act (OSHA) Checklist, including Chemical Hazardous Risk Assessment (CHRA), Noise Risk Assessment (NRA), and Ergonomic Assessments, at project sites. 8) Successfully passed the SIRIM Surveillance Audit for ISO 14001 (Environmental Management) and ISO 45001 (Occupational Safety and Health Management) for MRCB Builders Sdn Bhd and Transmission Technology Sdn Bhd, demonstrating strong commitment to continuous improvement and compliance with international standards.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Process Management (Cont'd.)
Health, Safety, and Environment (HSE) Management (Cont'd.)
9) Reviewed and adopted revisions to the HSE Non-Compliance Rate Guidelines to align with the recent amendments to the Occupational Safety and Health Act (OSHA) and Environmental Quality Act (EQA). 10) Successfully organised an in-house OSH Coordinator training for 60 staff members, with 30 staff successfully registered as Trained Persons / Orang Yang Kompeten (OYK) with the Department of Occupational Safety and Health (DOSH). 11) Conducted 22 HSE awareness programmes for internal and external contractors, alongside 9 dedicated training sessions and toolbox talks to reinforce safe work practices at project construction sites. 12) Increased employee participation in hazard identification and reporting, fostering a strong safety culture. 13) Shifted to digital record-keeping, which significantly accelerated audit processes by providing quick and easy access to records. This digital approach ensures secure sharing of files anytime and anywhere, enhances collaboration among teams, reduces paperwork, improves data accuracy, and supports real-time updates for better decision-making.
Limits of Authority (LOA)
A Limits of Authority document has been in place for the Group to specify the clear division and delegation of responsibilities from the Board to its Committees and members of the Management, as well as the authorisation levels for various transactions and aspects of the Group's operations. The effectiveness of the LOA is reviewed periodically and, when necessary, enhancements are proposed by the Management team to be approved by the Board with the recommendation of the Audit & Risk Management Committee.
Group Centralised Procurement (GCP) Process
The Group Centralised Procurement (GCP) Department operates as an independent unit responsible for the identification and categorising of vendors. It monitors all procurement activities to ensure that the business units comply with all established procurement procedures. All procurement activities across the organisation are governed by the Principles of GCP and Procurement Methods policies and procedures. These frameworks are designed to promote fair, transparent, and efficient practices; strengthen organisational accountability; and support improved productivity and cost-efficiency.
Vendor Management Process
The Vendor Management Policy and Procedures govern the entire lifecycle of vendor engagement. Key activities include pre-qualification, registration, assessment, approval, issuance of the Vendor Letter of Declaration (VLOD), and ongoing performance evaluation. The vendor management process is conducted through a designated registration system. This ensures that the Group engages only with reliable and competent partners who are capable of supporting the successful attainment of our business objectives. A specialised Vendor Management Unit (VMU) within the Group Centralised Procurement (GCP) Department is responsible for managing these activities. The VMU ensures all vendor-related processes are conducted ethically and in compliance with all applicable legal and regulatory standards.
Business Operations & Project Management
The performance of business divisions and the status of key projects are monitored through weekly meetings conducted at various levels of the organisation. The Group's assets and operational risks are insured against financial losses. The policies cover untoward incidents, such as fire, theft, or other unforeseen events, ensuring business continuity. Successfully passed the SIRIM Surveillance Audits for ISO 9001 (Quality Management) for MRCB Builders Sdn Bhd, Semasa Parking Sdn Bhd, MRCB Environmental Services Sdn Bhd, and Transmission Technology Sdn Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Process Management (Cont'd.)
Business Operations & Project Management (Cont'd.)
The Group continued to prioritise technology adoption and innovation to drive operational excellence. Key initiatives include: - Fully deployed an Enterprise Resource Planning (ERP) system to digitise and automate core processes. This system streamlines workflows, enhances data analysis capabilities, and significantly improves overall productivity. - Implemented digital transformation initiatives across business units to improve operational efficiency, refine processes, and reduce reliance on manual paperwork. - Adopted a new cloud-based construction management platform. This has enhanced collaboration among stakeholders and improved the management of projects throughout their lifecycle, from design to completion. - Enhanced the sales experience with a Customer Relationship Management (CRM) system. - In 2025, the Group implemented a new, advanced IT Service Desk. This centralised hub streamlines the management of all IT-related incidents, service requests, and inquiries, ensuring faster response time and improved technical support.
Communications Management
The Senior Management provided the Board and its Committees with comprehensive information on a quarterly basis. This reporting covered financial performance, achievement of key performance indicators, the progress of key projects, utilisation of funds, and the Group's cash flow position on a quarterly basis. Quarterly briefings were conducted for investment analysts to present Board-approved financial performance and Environmental, Social, and Governance (ESG) updates. These sessions provide a platform for the investment community to engage directly with Senior Management through structured Q&A sessions. By proactively managing ESG expectations, the Group aims to mitigate miscommunications that could lead to potential reputational and financial risks. The presentation slides used during these briefings were uploaded onto the Group's corporate website and MRCB IR App on the same day for easy access by the public.
Detailed information regarding our communication and engagement activities with various stakeholders can be found on pages 47 to 58 of this report.
Technology Management
IT and Data Management
The MRCB ICT Manual was developed to include security policies which ensure the Group protects its business, customers, data, viability, and integrity. The ICT Manual is continuously reviewed to ensure relevant risks and potential threats are addressed, managed, and reflected. The Group acknowledges the importance of leveraging on information technology to digitalise and automate processes and promote efficient business operations. However, reliance on IT may expose the Group to emerging cybersecurity threats. Thus, the Group has established rigorous cybersecurity controls, which include, amongst others: - Continuous review of cybersecurity posture; - An annual IT audit performed by an external consultant covering the areas of security, access control, backup, disaster recovery, and internal IT general controls; - Continuous monitoring and managing of unified Microsoft XDR Security solutions to identify and mitigate cybersecurity incidents efficiently and effectively; - Continuous monitoring and managing of Security Information and Event Management (SIEM) through Microsoft Sentinel and other enhanced security features rolled out by Microsoft that provide the capabilities to detect and protect potential threats, as well as enable the Group to respond to threats faster with new unified alerts; and, - Ongoing validation of the relevancy and effectiveness of the disaster recovery strategies through bi-annual testing. The Group has rolled out an extensive staff communication plan, which includes continuous communication and information dissemination to all employees on new cybersecurity risks through multimedia notifications.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Technology Management (Cont'd.)

IT and Data Management (Cont'd.)

- The Group continued its efforts towards combating cyberthreats via the use of advanced tools to mitigate against the increased risks as a result of remote working and to ensure optimal business continuity by using:
 - An enterprise-level Microsoft Defender Endpoint Protection software tool that provides external malware protection and remediation with precise threat detection, proactive threat blocking, prevention of zero-day exploits thorough remediation from the cloud; and,
 - A well-known third-party server auditing tool that reviews and monitors Active Directory and Windows Server event logs that help to detect and respond to insider threats, privilege misuse, and other indicators of compromise.
- The Group also uses FortiGate as an advanced Intrusion Prevention System (IPS). It provides real-time threat protection by detecting and blocking network-based attacks before they compromise systems. Unlike basic firewalls that only filter ports and IPS, IPS inspects traffic content using signature-based, behaviour-based and anomaly-based detection techniques.
- The following activities were carried out by the Group IT department in 2025:
 - Implemented Microsoft 365 E5 Security for all employees and deployed Microsoft Defender for Cloud.
 - Adopted e-invoicing to comply with Lembaga Hasil Dalam Negeri's (LHDN) e-invoicing requirements.
 - Held phishing simulations and cybersecurity awareness campaigns for employees to recognise and mitigate cyberthreats.
 - Adopted artificial intelligence power tools such as Microsoft CoPilot to streamline operations and boost productivity, enabling our workforce to focus on higher value adding tasks.
 - Fully deployed all Enterprise Resource Planning software modules and operations across the organisation.
 - Implemented Intrusion Prevention System (IPS) for real time threat protection.
- There were no customer data breaches in 2025.

MATERIAL JOINT VENTURES AND ASSOCIATES

The disclosures in this statement do not include the risk management and internal control practices of the Company's material Joint Ventures and Associates. The Company's interests in these entities are safeguarded through the appointment of members of the Group's Senior Management team to the Board of Directors and, in certain cases, the Management Committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed by the Board.

The Board has received assurance from the Group Managing Director (GMD) and the Group Chief Financial Officer (GCFO) that the Group's risk management and internal control system is operating adequately and effectively. Thus, the Board is of the view that the risk management and internal control system in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests, and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3) issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee (ARMC) was established by the Board of Directors as a Committee of the Board, in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), to assist the Board in discharging its duties and responsibilities effectively. The ARMC is governed by a Terms of Reference, which sets out its key roles and responsibilities.

MEMBERSHIP OF THE ARMC



Name align
from left to right

**DATO' DR JUNAIDAH
KAMARRUDDIN**

Independent Director

**DATO' WAN
KAMARUZAMAN WAN
AHMAD**

Senior Independent Director
(Chairman)

LIM FEN NEE

Independent Director

Lim Fen Nee is a Fellow of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants.

The profile of each of the ARMC members is set out in the Directors' Profiles section of this Integrated Annual Report, beginning on pages 258 to 260.

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 seven (7) ARMC meetings were held during the financial year ended 31 December 2025, of which 4 were quarterly meetings and 3 special meetings. All meetings had 100% attendance.

The dates the meetings were held is as follows:

22
January
2025

24
February
2025

24
March
2025

23
May
2025

30
July
2025

25
August
2025

24
November
2025

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 the 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 set out the authority, duties, and responsibilities of the ARMC, which are consistent with the requirements of the MMLR.

The Chairman of the ARMC is responsible for the management, development, and effective performance of the ARMC, and provides leadership to the ARMC. He acts as the Chairman at all ARMC meetings, and maintains active, ongoing dialogue with Management and both internal and external auditors, while encouraging open discussion. He also ensures that the ARMC maintains effective communication and a constructive working relationship with the Board, Management and internal, as well as external auditors.

The TOR of the ARMC may be viewed on the Company's website at <https://www.mrcb.com.my/corporate-governance.html>.

PERFORMANCE OF THE ARMC

The performance of the ARMC and its members is assessed through an annual Board Effectiveness Evaluation ("BEE") exercise, with the intention of providing insights into the effectiveness of the ARMC. The objectives of the assessment are to evaluate the effectiveness of the Board and the individual Board Committees as well as the performance and contribution of each individual member of the Board and Board Committees, including Independent Directors. The Board is assessed on its scope, composition and renewal, processes, and tasks. Based on the findings of the BEE, the Board is satisfied with its performance, effectiveness, and composition, and that of the Board Committees.

REPORTING TO THE EXCHANGE

In 2025, 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 2025 were as follows:

Financial Reporting

- Reviewed the quarterly financial results and the annual audited financial statements of the Group, and the accompanying announcements to Bursa Malaysia prior to the approval by the Board. Among matters discussed were those related to accounting policies, significant matters highlighted by Management or the external auditors, compliance with accounting standards and other legal or regulatory requirements.

Internal Audit

- Reviewed and approved the annual internal audit plan to ascertain the extent of its scope and coverage of the Group's activities, including the adequacy of the Group Internal Audit's resources in supporting completion of the plan.

- 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.
- 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.
- 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.
- Suggested additional improvement opportunities in the areas of internal control and operational efficiency.

External Audit

- Reviewed and approved the external auditors' audit plan, approach, scope, and their proposed fees prior to the commencement of their audit.
- 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.
- Discussed with the external auditors the significant impact of any proposed or new developments in accounting standards and regulatory requirements applicable to the Group.
- Assessed the performance of the external auditors and provided a recommendation for their reappointment and remuneration to the Board.

Risk Management

- Reviewed and provided feedback for improvement on the Group's risk management activities throughout the year, which include the Key Enterprise Risk Report, Key Risk Indicators status update, as well as other Risk Management Initiatives such as the enhancement of Risk Management Policy Framework & Procedures and the updating of the Operational Risk Register template.
- Reviewed the status of the Key Risk Indicators (KRIs) for the Key Enterprise Risks (KERs) quarterly.
- Reviewed and deliberated the Group's Statement on Risk Management and Internal Control (SORMIC) and recommended it for approval by the Board for inclusion in the Integrated Annual Report.

Other activities

- Reviewed dividend payments proposed by Management and the results of the solvency tests performed on the Group pursuant to Section 132(3) of the Companies Act 2016.
- Reviewed and recommended to the Board for approval, the ARMC Report for inclusion in the Integrated Annual Report.
- Reviewed Related Party Transactions of the Group to ensure compliance with the Companies Act 2016, the MMLR and the Malaysian Financial Reporting Standards, and made recommendations to the Board for approval.
The ARMC reviewed the Proposed Acquisition by Rukun Juang Sdn Bhd, a wholly-owned subsidiary of MRCB Land Sdn Bhd (which in turn is a wholly-owned subsidiary of MRCB), of an 80% equity interest in Bukit Jalil Sentral Property Sdn Bhd from Tanjung Wibawa Sdn Bhd, a wholly-owned subsidiary of the Employees Provident Fund Board (EPF), and was of the opinion that the transaction was fair, reasonable and on normal commercial terms.
- No conflict of interest situations arose during the financial year which necessitated review by the ARMC.

INTERNAL AUDIT FUNCTION

The ARMC is supported by the internal audit function in discharging its duties and responsibilities. The GIA operates independently of Management and reports directly to the ARMC, and administratively to the Group Managing Director. The ARMC has authority to approve the appointment and termination of the Head of Internal Audit.

The internal audit function is governed by the Internal Audit Charter that has been approved by the ARMC. The Internal Audit Charter defines the objectives, mission, scope, organisation, authority, and responsibilities of the GIA. The GIA comprises six staff, and is headed by Tee Leong Yen, who holds a bachelor's degree in Accounting and Banking & Finance from Monash University Malaysia and is a member of the Malaysian Institute of Accountants ("MIA") and CPA Australia. He has extensive experience in financial due diligence and is also experienced in external and internal audit. The internal auditors have the relevant qualifications, and all staff are encouraged to continuously enhance their knowledge, skills, and competencies by attending relevant professional education, seminars, formal training, and on-the-job training.

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AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The principal roles of the GIA are to undertake audits and reviews to evaluate the effectiveness of internal controls, governance, and risk management processes to provide independent and objective assurance to the Board and Management on the adequacy and integrity of the Group’s internal control systems, governance, and risk management processes.

The GIA has direct access to the ARMC Chairman on all internal control and audit issues. The GIA also communicates with the external auditors to assist in clarifying matters raised by the external auditors where necessary.

The GIA adopts a risk-based audit approach in its annual audit planning which takes into consideration the risk assessment, business plan, previous audit results, as well as the ARMC’s and Management’s inputs. The audits are guided by the established internal audit framework of the Group, as well as the Global Internal Audit Standards (GIAS) issued by 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 2025, the GIA completed a total of ten (10) audit assignments, comprising audits of key property development and construction projects, and other operating units and corporate functions of the Group. Continuous follow-up reviews were also carried out to ascertain the status of the implementation of corrective and preventive measures taken by Management in relation to audit findings raised previously. The status of these Management action plans was also reported to the ARMC for its 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 RM1,664,760.

RISK MANAGEMENT FUNCTION

The ARMC is responsible for assisting the Board in the oversight of 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 implementation of the risk oversight function.

The ARMC discharged its roles and responsibilities concerning the Group’s risk management and internal control functions, and their implementation by ensuring adequate and systematic risk assessment processes were integrated into the management system, business operations and decision-making process. This includes the process of identifying, analysing and evaluating the level of risk exposure, risk treatment, risk escalation, reporting and communication of significant risks.

The Statement of Risk Management and Internal Control, as set out on pages 300 to 316 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 2025, they have maintained their independence in accordance with their firm’s requirements and with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code). They have also reviewed the non-audit services provided to the Group during the year in accordance with the independence requirements and are not aware of any non-audit services that have compromised their independence as external auditors of the Group. They also reaffirmed their independence at the completion of their audit.

EXECUTIVE COMMITTEE REPORT



MOHAMAD HAFIZ KASSIM
Chairman

Total Meetings Held in 2025

4
All members attended all meetings in 2025

COMPOSITION OF THE COMMITTEE

The Executive Committee (EXCO) comprises the following members:

- Mohamad Hafiz Kassim
(Non-Independent Non-Executive Director) – Chairman
- Dato’ Imran Salim
(Group Managing Director)
- Dato’ Wan Kamaruzaman Wan Ahmad
(Senior Independent Director)
- Dato’ Dr Junaidah Kamarruddin
(Independent Director)

MEETINGS AND ATTENDANCE

A total of four (4) EXCO meetings were held during the financial year ended 31 December 2025 and all meetings had a 100% attendance. The dates of the meetings held were as follows:

Meeting Dates in 2025	13 Jan	13 Mar	7 July	18 Nov
Mohamad Hafiz Kassim	✓	✓	✓	✓
Dato’ Imran Salim	✓	✓	✓	✓
Dato’ Wan Kamaruzaman Wan Ahmad	✓	✓	✓	✓
Dato’ Dr Junaidah Kamarruddin	✓	✓	✓	✓

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 2025

During the Financial Year Ended 31 December 2025, the EXCO undertook the following key activities:

- Reviewed the progress of key projects;
- Deliberated on MRCB Strategy Plan for FY2026;
- Deliberated on MRCB Business Plan for FY2026;
- Deliberated on major business proposals and transactions;
- Reviewed sales performance of MRCB projects; and
- Reviewed projects budget.

NOMINATION & REMUNERATION COMMITTEE REPORT



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)
4. Datuk Rashidah Mohd Sies (Independent 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 2025 and attendance at the meeting were as follows:

Meeting Dates in 2025	19 Feb	21 Mar	20 Aug
Dato’ Wan Kamaruzaman Wan Ahmad	✓	✓	✓
Dato’ Dr Junaidah Kamarruddin	✓	✓	✓
Mohamad Hafiz Kassim	X	✓	✓
Datuk Rashidah Mohd Sies	✓	✓	✓

Meetings of the NRC are also attended by the Group Managing Director. Other members of Senior Management are invited to the meetings of the NRC when necessary to support detailed discussion on matters relevant to the agenda of the meeting.

ROLES OF THE COMMITTEE

The NRC assists the Board in reviewing the size and balance of the Board for appropriate mix of skills, experience and knowledge of directors, succession planning, human capital development and the remuneration framework for the Directors, Senior Management and employees.

Detailed Terms of Reference for the Committee are available on MRCB’s website under the Corporate Governance section at <https://www.mrcb.com.my>.

OUR FOCUS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

During the Financial Year Ended 31 December 2025, the NRC undertook the following key activities:

1. **Nomination Function**
 - Recommended the re-election of Directors retiring at the 2025 Annual General Meeting (AGM)
 - Recommended contract renewal for the Group Chief Financial Officer
 - Recommended contract renewal for the Group Chief Operating Officer
 - Monitored the conduct of the Board Effectiveness Evaluation (BEE) for 2025
 - Reviewed and noted the implementation of new Group Operations Organisation Structure

NOMINATION & REMUNERATION COMMITTEE REPORT

2. Remuneration Function

- Deliberated on 2025 Corporate Scorecard Targets and Key Performance Indicator Targets for the Group Managing Director and C-Suite
- Deliberated on 2025 Annual Salary Increment
- Deliberated on 2025 Annual Salary Increment for C-Suite
- Deliberated on 2025 Annual Salary Increment for Executive Vice Chairman and Group Managing Director
- Deliberated on ex-gratia payment for eligible employees

APPOINTMENT OF DIRECTORS

MRCB employs a rigorous and transparent screening process for the appointment of Directors, ensuring that the Board’s composition and needs are carefully considered. The NRC has access to a broad pool of candidates, which may include recommendations from existing Board members, Management, major shareholders and external sources. All proposed appointments are assessed by the NRC, which is responsible for identifying any gaps in the Board’s expertise before initiating the search for potential candidates.

The NRC plays a crucial role in the screening and selection of candidates, evaluating their qualifications and attributes before making recommendations to the Board. The assessment of potential candidates for appointment to the Board by the NRC is governed by the parameters set out in the Board Fit and Proper Policy. In considering candidates as potential Directors, the NRC takes into account the following criteria:

- Skills, knowledge, expertise and experience
- Time commitment, character, professionalism and integrity
- Perceived ability to work cohesively with other members of the Board
- Specialist knowledge or technical skills in line with the Group’s strategy
- Diversity in age, gender and experience / background

The Board then makes a decision on the appointment based on NRC’s recommendation.

Once a potential candidate is shortlisted, the Company Secretary conducts thorough background checks, including assessments of any civil or criminal charges from publicly available sources, to evaluate the candidate’s character and integrity. In addition, the NRC considers the Group’s strategic direction when evaluating candidates for new appointments.

In accordance with the provisions of the Listing Requirements, none of the Directors held more than five directorships in listed issuers during the financial year ended 31 December 2025.

During the year, there were no appointments of directors.

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 55th AGM of the Company to be held on 18 June 2026. 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 55th AGM are:

- Dato’ Imran Salim
- Dato’ Wan Kamaruzaman Wan Ahmad
- Dato’ Dr Junaidah Kamarruddin

For the purpose of determining the eligibility of the Directors for re-election at the 55th AGM, the Board through the NRC, has assessed each of the retiring Directors, and considered the following:

- the findings of Board Effectiveness Assessment 2025 on the Director’s performance and contribution for the financial year as well as fulfilment of the fit and proper criteria;
- the Director’s level of contribution to Board deliberations by way of his or her skills, experience and strengths; and
- the level of independence demonstrated by the Independent Director, and his or her ability to act in the best interest of the Company in decision-making.

Based on the assessment, both the Board and the NRC are satisfied that the Directors seeking re-election at MRCB’s 55th AGM meet the performance criteria essential for an effective and high-performing Board. These Directors have consistently demonstrated their commitment to diligently fulfilling their duties and aligning with the Board’s expectations.

Directors who seek for re-election have provided their consent and offered themselves for re-election at the 55th AGM.

LONG-TERM INCENTIVE PLAN COMMITTEE REPORT



COMPOSITION OF THE COMMITTEE

The Long-Term Incentive Plan (LTIP) Committee comprises the following members:

1. Lim Fen Nee
(Independent Director) – Chairman
2. Dato’ 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 2025.

ROLES OF THE COMMITTEE

The duties and responsibilities of the LTIP Committee are as set out in the LTIP By-Laws as approved by the shareholders and include, amongst others, the following:-

- i) To exercise all the powers and undertake the duties and responsibilities stated in the LTIP By-Laws;
- ii) To report its activities, including how it has discharged its responsibilities, to the Board on a regular basis and promptly provide to the Board copies of the minutes of meetings of the LTIP Committee;
- iii) To arrange for periodic review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval;
- iv) To act in line with directions of the Board; and
- v) To consider and examine such other matters as the LTIP Committee considers appropriate.

Detailed Terms of Reference for the LTIP Committee are available on MRCB’s website under the Corporate Governance section at <https://www.mrcb.com>.

OUR FOCUS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

During the Financial Year Ended 31 December 2025, the LTIP Committee did not carry out any activities.

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 2025 were RM1,491,000 and RM290,000 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 2025 were RM663,000 and RM184,000 respectively, detail as follows:

Description	Group (RM’000)	Company (RM’000)
(i) Provision of Taxation Services by PricewaterhouseCoopers Taxation Sdn Bhd (PwC Tax)	122	22
(ii) Provision of consultation and advisory services by PwC Tax, PricewaterhouseCoopers Risk Services Sdn Bhd and PricewaterhouseCoopers Advisory Services Sdn Bhd in relation to the corporate tax matters, corporate exercise and agree-upon procedures	541	162
Total	663	184

III) MATERIAL CONTRACTS INVOLVING INTEREST OF DIRECTORS OR MAJOR SHAREHOLDERS

Rukun Juang Sdn Bhd, a wholly-owned subsidiary of MRCB Land Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had on 8 September 2025 entered into a share sale agreement (“SSA”) with Tanjung Wibawa Sdn Bhd (“Vendor”), a wholly-owned subsidiary of the Employees Provident Fund Board (“EPF”), to acquire 8,000,000 ordinary shares in Bukit Jalil Sentral Property Sdn Bhd (“BJSP”), representing 80.00% equity interest in BJSP, and 1,132,930,490 redeemable preference shares – class A in BJSP, from the Vendor for a total purchase consideration of RM1,578,785,023, which will be satisfied entirely in cash, upon the terms and conditions as set out in the SSA.

EPF is one of the major shareholders of the Company.

Save for the above, there were no material contracts entered into by the Company and/or its subsidiaries involving interest of Directors and major shareholders.

IV) LONG-TERM INCENTIVE PLAN

The Company established a Long-Term Incentive Plan (LTIP), which consists of two types of share awards, Restricted Share Plan (RSP) and Performance Share Plan on 28 November 2017 for a duration of five (5) years. The LTIP was extended for a further period of five (5) years to 27 November 2027.

ADDITIONAL COMPLIANCE INFORMATION

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 2025 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 from the year 2020 to 2025.

As at 31 December 2025, the actual percentage of LTIP units granted in aggregate to Senior Management of the Company is 14% since the commencement of the LTIP.

V) DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group’s business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group	
	2025 RM'000	2024 RM'000
Total Income		
Revenue	1,197,781	1,645,415
Other income	58,150	33,628
Finance income	72,381	26,685
Share of results of associates	15,382	15,337
Total	1,343,694	1,721,065
Total Assets	9,448,769	9,033,978

(b) Business Activities

Shariah Non-Compliant Activities	Group	
	2025 RM'000	2024 RM'000
Finance income generated from conventional accounts	9,796	8,811
Dividend income received from conventional instruments	102	92
Total	9,898	8,903

ADDITIONAL COMPLIANCE INFORMATION

(c) Component of Financial Position

(i) Cash Component

	Group	
	2025 RM'000	2024 RM'000
Islamic Account/Instruments		
Deposits with licensed banks	116,793	16,629
Cash held under Housing Development Accounts	125,841	159,980
Cash and bank balances	157,147	357,750
Unit Trust	812	789
Total Cash	400,593	535,148
Conventional Account/Instruments		
Deposits with licensed banks	3,351	10,838
Cash held under Housing Development Accounts	3,965	1,398
Cash and bank balances	250,451	452,631
Total Cash	257,767	464,867

(ii) Debt Component

	Group	
	2025 RM'000	2024 RM'000
Islamic Financing		
Current		
Borrowings	766,050	225,468
Non-current		
Borrowings	1,522,179	1,678,320
Total Financing	2,288,229	1,903,788
Conventional Borrowing		
Current		
Borrowings	260,624	355,200
Non-current		
Borrowings	-	-
Total Debt	260,624	355,200

GRI CONTENT INDEX

Statement of use	MRCB has reported in accordance with the GRI Standards for the period of 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)

GRI	DISCLOSURES	LOCATION	NOTES & OMISSIONS
GRI 2: General Disclosures 2021			
2-1	Organizational details	4-5, 16, 252	
2-2	Entities included in the organization's sustainability reporting	2-3, 16	
2-3	Reporting period, frequency and contact point	2-3	
2-4	Restatements of information	184-199, 201, 219, 223	
2-5	External assurance	345-347	
2-6	Activities, value chain and other business relationships	3, 6, 13-16 149-157 of Financial Report	
2-7	Employees	219-220	
2-8	Workers who are not employees	231, 238	
2-9	Governance structure and composition	253-261, 265	
2-10	Nomination and selection of the highest governance body	280-292	The Corporate Governance Report can be found at https://www.mrcb.com.my/corporate-governance.html
2-11	Chair of the highest governance body	254	
2-12	Role of the highest governance body in overseeing the management of impacts	130-131, 269-273, 293-297	
2-13	Delegation of responsibility for managing impacts	130-134, 262-263, 275-276	
2-14	Role of the highest governance body in sustainability reporting	130-131, 269-270	
2-15	Conflicts of interest	254-261, 282, 312	More information on conflict of interest can be found in our Conflict of Interest Policy at https://www.mrcb.com.my/corporate-governance.html
2-16	Communication of critical concerns	205, 234, 235, 312	
2-17	Collective knowledge of the highest governance body	285-290	
2-18	Evaluation of the performance of the highest governance body	283-285	
2-19	Remuneration policies	290-292, 376	
2-20	Process to determine remuneration	290-291, 322-323, 376	
2-21	Annual total compensation ratio	291	
2-22	Statement on sustainable development strategy	22-37, 137	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION	NOTES & OMISSIONS
2-23	Policy commitments	134, 143, 194-195, 207, 217-218, 310-312	More policies and commitments can be found at https://www.mrcb.com.my/corporate-governance.html and https://www.mrcb.com.my/sustainability/sustainability-statements.html
2-24	Embedding policy commitments	134, 143, 194-195, 207, 217-218, 310-312	
2-25	Processes to remediate negative impacts	234, 235, 312	
2-26	Mechanisms for seeking advice and raising concerns	205, 234, 235, 312	
2-27	Compliance with laws and regulations	152, 202, 217, 233-235	
2-28	Membership associations	57-58	
2-29	Approach to stakeholder engagement	47-57	
2-30	Collective bargaining agreements	233	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	59-64	
3-2	List of material topics	60-62, 65-66	
3-3	Management of material topics	99-127, 142-151, 154-203, 204-251	
GRI 101: Biodiversity 2024			
101-1	Policies to halt and reverse biodiversity loss	Information unavailable/incomplete	This information is to be disclosed in future reports
101-2	Management of biodiversity impacts	Information unavailable/incomplete	
101-3	Access and benefit-sharing	Information unavailable/incomplete	
101-4	Identification of biodiversity impacts	Information unavailable/incomplete	
101-5	Locations with biodiversity impacts	Information unavailable/incomplete	
101-6	Direct drivers of biodiversity loss	Information unavailable/incomplete	
101-7	Changes to the state of biodiversity	Information unavailable/incomplete	
101-8	Ecosystem services	Information unavailable/incomplete	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	70-71, 92-97, 99-112, 113-121, 236	
201-2	Financial implications and other risks and opportunities due to climate change	154-183	
201-3	Defined benefit plan obligations and other retirement plans	130-131 of Financial Report	
201-4	Financial assistance received from government	143-144 of Financial Report	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION	NOTES & OMISSIONS
GR1 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Information unavailable/incomplete	This information is to be disclosed in future reports
202-2	Proportion of senior management hired from the local community	Information unavailable/incomplete	
GR1 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	237-244	
203-2	Significant indirect economic impacts	161	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	54, 57, 71	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related corruption	85, 147, 311	
205-2	Communication and training about anti-corruption policies and procedures	72, 85, 147, 311	
205-3	Confirmed incident of corruption and actions taken	147, 310	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Refer to page 14 of the Code of Business Ethics on our corporate website	The Code of Business Ethics can be found at https://www.mrcb.com.my/corporate-governance.html
GRI 207: Tax 2019			
207-1	Approach to tax	Information unavailable/incomplete	This information is to be disclosed in future reports
207-2	Tax governance, control, and risk management	Information unavailable/incomplete	
207-3	Stakeholder engagement and management of concerns related to tax	Information unavailable/incomplete	
207-4	Country-by-country reporting	Information unavailable/incomplete	
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Information unavailable/incomplete	This information is to be disclosed in future reports
301-2	Recycled input materials used	Information unavailable/incomplete	
301-3	Reclaimed products and their packaging materials	Information unavailable/incomplete	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION	NOTES & OMISSIONS
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	190	This information is to be disclosed in future reports
302-2	Energy consumption outside of the organization	Information unavailable/incomplete	
302-3	Energy intensity	190-192	
302-4	Reduction of energy consumption	190	
302-5	Reductions in energy requirements of products and services	190-192	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	200-202	
303-2	Management of water discharge-related impacts	200-202	
303-3	Water withdrawal	201	
303-4	Water discharge	Information unavailable/incomplete	This information is to be disclosed in future reports
303-5	Water consumption	201	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	185-187	
305-2	Energy indirect (Scope 2) GHG emissions	185-187	
305-3	Other indirect (Scope 3) GHG emissions	188-189	
305-4	GHG emissions intensity	187, 189	
305-5	Reduction of GHG emissions	185-189	
305-6	Emissions of ozone-depleting substances (ODS)	Information unavailable/incomplete	This information is to be disclosed in future reports
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	191	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	198-200	
306-2	Management of significant waste-related impacts	198-200	
306-3	Waste generated	198-200	
306-4	Waste diverted from disposal	199	
306-5	Waste directed to disposal	199	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Information unavailable/incomplete	This information is to be disclosed in future reports
308-2	Negative environmental impacts in the supply chain and actions taken	Information unavailable/incomplete	

GRI CONTENT INDEX

GRI	DISCLOSURES	LOCATION	NOTES & OMISSIONS
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402-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	220, 222	
401-3	Parental leave	220	
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	233	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	205-208	
403-2	Hazard identification, risk assessment, and incident investigation	207-208, 213	
403-3	Occupational health services	209-211	
403-4	Worker participation, consultation, and communication on occupational health and safety	209-211	
403-5	Worker training on occupational health and safety	209-211	
403-6	Promotion of worker health	209-211	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	205-207, 209-211	
403-8	Workers covered by an occupational health and safety management system	206-215	
403-9	Work-related injuries	212-215	
403-10	Work-related ill health	212-215	
GRI 404: Training & Education 2016			
404-1	Average hours of training per year per employee	218, 231	
404-2	Programs for upgrading employee skills and transition assistance programs	228-231	
404-3	Percentage of employees receiving regular performance and career development reviews	232	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	253	
405-2	Ratio of basic salary and remuneration of women to men	223	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	217, 233	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	233	More information on our right to freedom of association and collective bargaining can be found in our Human Rights Policy at https://www.mrcb.com.my/sustainability/sustainability-statements.html

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GRI	DISCLOSURES	LOCATION	NOTES & OMISSIONS
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	222, 233	We adhere to the minimum working age in all our locations
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	217-218, 233	We adhere to national wage and working hour requirements in all of our locations
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	209	
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	Information unavailable/incomplete	This information is to be disclosed in future reports
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	237-244	
413-2	Operations with significant actual and potential negative impacts on local communities	Information unavailable/incomplete	This information is to be disclosed in future reports
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Information unavailable/incomplete	This information is to be disclosed in future reports
414-2	Negative social impacts in the supply chain and actions taken	Information unavailable/incomplete	
GRI 415: Public Policy 2016			
415-1	Political contributions	Refer to page 15 of the Gifts, Hospitality, Donations & Similar Benefits Policy on our corporate website	The Gifts, Hospitality, Donations & Similar Benefits Policy can be found at https://www.mrcb.com.my/corporate-governance.html
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	109,117, 120, 208, 313	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	215	
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Not applicable	Not relevant to our business operation
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable	
417-3	Incidents of non-compliance concerning marketing communications	Not applicable	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	15, 48, 71, 82, 143, 316	

IFRS S1 DISCLOSURE INDEX

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

Disclosures		Page number
Governance		
(27)(a)(i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	130-131
(27)(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities;	131-132
(27)(a)(iii)	How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities;	130-131
(27)(a)(iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	131
(27)(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies.	131, 133
(27)(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	131
(27)(b)(ii)	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	131
Strategy		
(30)(a)	Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	63, 138
(30)(b)	The time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur;	134, 138
(30)(c)	The definitions of 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	134, 138
(32)(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain;	63-64
(32)(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	63
(33)(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	131
(33)(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information;	138, 144, 147, 150, 208, 218
(33)(c)	Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	72, 130
(34)(a)	The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	63, 147, 215

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Strategy		
(34)(b)	The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	63
(35)(a)	Quantitative and qualitative information about how sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	63-64
(35)(b)	Quantitative and qualitative information about the sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	63-64
(35)(c)(i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	63-64
(35)(c)(ii)	Its planned sources of funding to implement its strategy; and	63-64
(35)(d)	Quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	63-64
(41)	A qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon.	133-134, 138
Risk Management		
(44)(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	133, 138, 306
(44)(a)(ii)	Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks;	308
(44)(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	307
(44)(a)(iv)	Whether and how the entity prioritises sustainability-related risks relative to other types of risk	138, 307-308
(44)(a)(v)	How the entity monitors sustainability-related risks; and	130, 306
(44)(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	305
(44)(b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities	307
(44)(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	307

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Metrics and Targets		
(46)(a)	Metrics required by an applicable IFRS Disclosure Standards for each sustainability-related risk and opportunity that could reasonably be expected to affect an entity's prospects	139, 144, 147, 150, 208, 218, 307
(46)(b)	Metrics the entity uses to measure and monitor sustainability-related risk or opportunity and its performance in relation to that, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation	139, 144, 147, 150, 208, 218, 307
(50)(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than the IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source	144, 147, 150, 208, 218
(50)(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green - or RAG - status)	144, 147, 150, 208, 218
(50)(c)	Whether the metric is validated by a third party, and, if so, which party	3, 345
(50)(d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	144, 147, 208, 218
(51)(a)	The metric used to set the target and to monitor progress towards reaching the target	144, 147, 150, 208, 218
(51)(b)	The specific quantitative or qualitative target the entity has set or is required to meet	144, 147, 150, 208, 218
(51)(c)	The period over which the target applies	144, 147, 150, 208, 218
(51)(d)	The base period from which progress is measured	134
(51)(e)	Any milestones and interim targets	144, 147, 150, 208, 218
(51)(f)	Performance against each target and an analysis of trends or changes in the entity's performance	144, 147, 150, 208, 218
(51)(g)	Any revisions to the target and an explanation for those revisions	147, 208

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IFRS S2 Climate-related Disclosures

Disclosures		Page number
Governance		
(6)(a)(i)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	130-131, 155
(6)(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	131-132
(6)(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	131, 155
(6)(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	130-131, 155
(6)(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	131, 155
(6)(b)(i)	Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee;	131, 155
(6)(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	131, 155
Strategy		
(9)(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	138, 154-155, 157, 166-167, 182
(9)(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	138, 160
(9)(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	138, 160, 162, 183
(9)(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	138, 155, 182
(9)(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	138, 165, 168, 172, 174
(10)(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	154, 166-167, 182

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Strategy		
(10)(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	163, 182
(10)(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur;	159
(10)(d)	Explain how the entity defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	134
(13)(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity’s business model and value chain. Specifically, the entity shall disclose: A description of the current and anticipated effects of climate-related risks and opportunities on the entity’s business model and value chain;	160
(13)(b)	A description of where in the entity’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	160
(14)(a)(i)	Disclose information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: Current and anticipated changes to the entity’s business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	155, 157, 160, 183
(14)(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	155, 157, 160, 183
(14)(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	150, 155, 157, 160, 183
(14)(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity’s transition plan relies;	155, 157, 160, 162, 183
(14)(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	155, 157-158, 160, 183
(14)(b)	How the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	183
(14)(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	183
(15)(a)	The effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period (current financial effects);	171, 181-182
(15)(b)	The anticipated effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity’s financial planning (anticipated financial effects).	171, 181-182
(16)(a)	Quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	182
(16)(b)	Quantitative and qualitative information about the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	182

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Disclosures		Page number
Strategy		
(16)(c)(i)	Specially, an entity shall disclose quantitative and qualitative information about how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	182
(16)(c)(ii)	Its planned sources of funding to implement its strategy; and	131, 182
(16)(d)	An entity shall disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	182
(21)(a)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: explain why it has not provided quantitative information;	182
(21)(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and	182
(21)(c)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	182
(22)(a)(i)	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity’s identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity’s circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose the entity’s assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: The implications, if any, of the entity’s assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	138, 162-163, 165, 168-180, 182
(22)(a)(ii)	The significant areas of uncertainty considered in the entity’s assessment of its climate resilience.	138, 162-163, 165, 168-180, 182
(22)(a)(iii)(1)	The entity’s capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: The availability of, and flexibility in, the entity’s existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	138, 162-163, 165, 182
(22)(a)(iii)(2)	The entity’s ability to redeploy, repurpose, upgrade or decommission existing assets;	138, 162-163, 165, 182
(22)(a)(iii)(3)	The effect of the entity’s current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.	138, 162-163, 165, 182

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Disclosures		Page number
Strategy		
(22)(b)(i)(1)	How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including: which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	138, 162-163, 165, 168, 174, 182
(22)(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios;	138, 162-163, 165, 168, 172, 174, 182
(22)(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	138, 162-163, 165, 168, 174, 182
(22)(b)(i)(4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	138, 162-163, 165, 168, 172, 174, 177, 182
(22)(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	138, 162-163, 165, 168, 172, 174, 182
(22)(b)(i)(6)	The time horizons the entity used in the analysis; and	138, 162-163, 165, 168, 174, 182
(22)(b)(i)(7)	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	138, 162-163, 165, 168, 174, 182
(22)(b)(ii)(1)	The key assumptions the entity made in the analysis, including assumptions about: Climate-related policies in the jurisdictions in which the entity operates;	138, 162-163, 165, 174, 182
(22)(b)(ii)(2)	Macroeconomic trends;	138, 162-163, 165, 175, 182
(22)(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).	138, 162-163, 165, 172, 182
(22)(b)(ii)(4)	Energy usage and mix; and	138, 162-163, 165, 175, 182
(22)(b)(ii)(5)	Developments in technology; and	138, 161-163, 165, 182
(22)(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	63, 138, 162-163, 165, 182
Risk Management		
(25)(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	138, 162-163, 166, 306-307
(25)(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	133, 162, 308
(25)(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	138, 162-163, 307
(25)(a)(iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk	138, 162, 307
(25)(a)(v)	How the entity monitors climate-related risks; and	162, 307

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Risk Management		
(25)(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	162, 305
(25)(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	306
(25)(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	162, 307
Metrics and Targets		
(29)(a)(i)(1)	An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gases—the entity shall: disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as Scope 1 greenhouse gas emissions;	183-185
(29)(a)(i)(2)	Scope 2 greenhouse gas emissions; and	183-185
(29)(a)(i)(3)	Scope 3 greenhouse gas emissions;	183-185
(29)(a)(ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	183-185
(29)(a)(iii)(1)	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	183-185
(29)(a)(iii)(2)	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	183-185
(29)(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	183-185
(29)(a)(iv)(1)	Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: The consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and	183-185
(29)(a)(iv)(2)	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).	183-185
(29)(a)(v)	Location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	184
(29)(a)(vi)(1)	Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57: The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and	183-185
(29)(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63).	185
(29)(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	160
(29)(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	167

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Disclosures		Page number
Metrics and Targets		
(29)(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	160
(29)(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	182-183
(29)(f)(i)	Internal carbon prices—the entity shall disclose an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	183
(29)(f)(ii)	Internal carbon prices—the entity shall disclose the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	181, 183
(29)(g)(i)	Remuneration—the entity shall disclose a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and	133
(29)(g)(ii)	Remuneration—the entity shall disclose the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	133
(33)(a)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: the metric used to set the target (see paragraphs B66–B67);	164
(33)(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	164
(33)(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	164
(33)(d)	The period over which the target applies;	164
(33)(e)	The base period from which progress is measured;	164
(33)(f)	Any milestones and interim targets;	164
(33)(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and	164
(33)(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	164
(34)(a)	Whether the target and the methodology for setting the target has been validated by a third party;	164
(34)(b)	The entity's processes for reviewing the target;	164
(34)(c)	The metrics used to monitor progress towards reaching the target; and	164
(34)(d)	Any revisions to the target and an explanation for those revisions.	164
(35)	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	187
(36)(a)	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: which greenhouse gases are covered by the target.	183-185
(36)(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	164
(36)(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69).	159
(36)(d)	Whether the target was derived using a sectoral decarbonisation approach.	164

IFRS S2 DISCLOSURE INDEX

Disclosures		Page number
Metrics and Targets		
(36)(e)(i)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71: The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	165
(36)(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits;	165
(36)(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	165
(36)(e)(iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	165
Industry-based Guidance		
Engineering & Construction Services		
(IF-EN-160a.1)	Number of incidents of non-compliance with environmental permits, standards, and regulations	152
(IF-EN-160a.2)	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	194
(IF-EN-250a.1)	Amount of defect- and safety-related rework costs	215
(IF-EN-250a.2)	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	215
(IF-EN-410a.1)	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	195
(IF-EN-410a.2)	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	161
(IF-EN-410b.1)	Amount of backlog for (1) hydrocarbonrelated projects and (2) renewable energy projects	190
(IF-EN-410b.2)	Amount of backlog cancellations associated with hydrocarbon-related projects	190
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Home Builders		
(IF-HB-160a.1)	Number of (1) lots and (2) homes delivered on redevelopment sites	170
(IF-HB-160a.2)	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	170
(IF-HB-160a.3)	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	152
(IF-HB-160a.4)	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	194
(IF-HB-410a.1)	(1) Number of homes that obtained a certified HERS® Index Score and (2) average score	192
(IF-HB-410a.2)	Percentage of installed water fixtures certified to a water efficiency standard	200
(IF-HB-410a.3)	Number of homes delivered certified to a third-party multi-attribute green building standard	195
(IF-HB-410a.4)	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	180
(IF-HB-420a.1)	Number of lots located in 100-year flood zones	170
(IF-HB-420a.2)	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	171, 181

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT INDEX

Global Compact Principle	Reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	141, 217, 233-234
Principle 2: Make sure that they are not complicit in human rights abuses.	43, 45, 141, 149-150, 233-234
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	233
Principle 4: The elimination of all forms of forced and compulsory labour;	217-218, 233-235
Principle 5: The effective abolition of child labour; and	223, 233-235
Principle 6: The elimination of discrimination in respect of employment and occupation.	217, 233-235
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	152-203
Principle 8: Undertake initiatives to promote greater environmental responsibility; and	152-203
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	161, 193-203
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	146-148

INDEPENDENT ASSURANCE OPINION STATEMENT

FOR MALAYSIAN RESOURCES CORPORATION BERHAD



To the Directors of Malaysian Resources Corporation Berhad,

Holds Statement No.: SRA 842126

The British Standards Institution (**BSI**) has conducted a **reasonable assurance** engagement on the sustainability information (described in the “Scope”) in the Integrated Annual Report 2025 of Malaysian Resources Corporation Berhad (**MRCB**).

Scope

The scope of engagement agreed upon with MRCB covers the information on the following subject matters in the MRCB’s Integrated Annual Report for the year 2025:

- Scope 1 Emissions:
 - Fuel consumption from stationary combustion
 - Fuel consumption from mobile combustion, i.e., company-owned vehicles
 - Direct fugitive emissions from refrigerant and fire suppression
- Scope 2 Emissions: Electricity consumption (owned and managed assets)
- Scope 3 Emissions:
 - Category 3 – Fuel and energy-related activities
 - Category 6 – Business Travel
 - Category 7 – Employee Commuting
 - Category 13 – Downstream leased assets
- Energy Consumption
- Water Consumption
- Health and Safety Data:
 - Safety Matrix/Performance – Incident Rate, Rate of Recordable Work-Related Injuries, Lost Time Incident Rate & Fatality Rate
 - Number of employees trained on health and safety standards
- Employment (GRI 401)
- Diversity and Equal Opportunity (GRI 405)
- Training and Education (GRI 404)
- Anti-corruption (GRI 205)
- Customer Privacy (GRI 418)

INDEPENDENT ASSURANCE OPINION STATEMENT

FOR MALAYSIAN RESOURCES CORPORATION BERHAD

Opinion Statement

We have conducted a **reasonable assurance** engagement on the sustainability information described in the “Scope” above (Sustainability Information).

In our opinion, the accompanying Sustainability Information is fairly presented, in all material respects, in accordance with the Global Reporting Initiatives (GRI) and Bursa Malaysia Sustainability Reporting Guide (3rd edition).

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG statement. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to MRCB’s policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on MRCB’s approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- Interviews with staff involved in sustainability management, report preparation and provision of report information were carried out.
- Document review of relevant systems, policies, and procedures where available
- Review of the findings of internal assurances.
- Review of supporting evidence for claims made in the reports
- Visit of the Headquarters of MRCB to confirm the data collection processes, record management and practices

Responsibility

MRCB is responsible for the preparation and fair presentation of the sustainability information and reports in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

INDEPENDENT ASSURANCE OPINION STATEMENT

FOR MALAYSIAN RESOURCES CORPORATION BERHAD

Independence, Quality Control and Competence

BSI is independent of MRCB and has no financial interest in the operation of MRCB other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of MRCB only for the purposes of verifying its statements relating to its environmental, social and governance (ESG), more particularly described in the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by MRCB. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by MRCB is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and GHG inventory and management systems and processes.

Issue Date: 26th March 2026

For and on Behalf of BSI:



Shaiful Rahman
Lead Assurer



Evelyn Chye
Managing Director BSI Malaysia

SUSTAINABILITY KEY PERFORMANCE INDICATOR

ECONOMIC

Indicator	Unit of Measurement	2021	2022	2023	2024	2025
Economic Value						
Revenue	RM' Million	1,448.0	3,205.0	2,537.0	1,645.0	1,198.0
Gross Profit	RM' Million	180.0	446.0	331.0	270.0	299.0
Investment in Community	RM' Million	2.9	0.7	5.3	2.2	1.9
Customer Satisfaction						
Overall Customer Service Excellence Score	Percentage	95	85	80	95	96
Quality Products and Services						
Average QCLASSIC score	Percentage	-	-	>70	81	80

GOVERNANCE

Indicator	Unit of Measurement	2021	2022	2023	2024	2025
Alignment with the Malaysian Code on Corporate Governance (MCCG) 2021						
43 Practices	Number	39	41	41	42	41
5 Optional Step-Up Practices	Number	3	3	4	4	4
Regulatory Compliance						
Regulatory Breaches	Number	0	0	0	0	0
Customer Data Protection						
Customer Data Breaches	Number	0	0	0	0	0
Board Diversity						
Female Board Representation	Percentage	22	25	29	38	38
Anti-Bribery and Anti-Corruption						
Operations Assessed for Corruption-related Risks	Percentage	-	100	100	100	100
Employees Completed Mandatory Anti-Corruption Trainings	Percentage	71.9	79.7	98.4	98.7	95.0
Incidents of Reported Corruption, Bribery, or Unethical Business Conduct	Number	0	0	0	0	0
Supporting Local Business						
Spending on Local Suppliers	Percentage	96.0	95.0	99.6	98.1	90.0

Note:

- “-” indicates data that was either not applicable for the reporting period or not collected at that point in time, but is now available as we continue to enhance our disclosures and adopt best practices.
- Figures for 2022 exclude our subsidiary, Setia Utama LRT3 Sdn Bhd.

SUSTAINABILITY KEY PERFORMANCE INDICATOR

ENVIRONMENT

Indicator	Unit of Measurement	2021	2022	2023	2024	2025	
Emissions							
i. GHG Emissions from Internal Operations							
Scope 1							
Fuel Consumption From Site Activity	tCO ₂ e	1,237.0	1,478.0	3,420.0	6,873.0		
Fuel Consumption From Company Vehicles		601.0	671.0	442.0	285.0		
Refrigerant		184.0	2,189.0	4,009.0	1,928.0		
Fire-suppression		-	-	-	-		
Sub-total Scope 1		2,022.0	4,338.0	7,870.0	9,086.0		13,099.0
Scope 2							
Purchased Electricity	tCO ₂ e	22,302.0	24,726.0	27,339.0	21,553.0		
Sub-total Scope 2		22,302.0	24,726.0	27,339.0	21,553.0		20,999.0
Overall GHG Emissions (Scope 1 and 2)		24,324.0	29,064.0	35,210.0	30,638.0	34,097.0	
ii. Indirect Emissions From External Sources							
Scope 3							
Category 1 & 2 - Purchased Goods and Services & Capital Goods							
	tCO ₂ e	154.0	7,153.0	6,926.0	70,569.0		
Category 3 - Fuel- and Energy-Related Activities							
		4,471.0	4,278.0	4,921.0	6,173.0		
Category 4 - Upstream Transportation and Distribution							
		-	-	-	20.0		
Category 5 - Waste Generated in Operations							
		-	-	-	83.0		
Category 6 - Business Travel							
		-	190.0	127.0	299.0		
Category 7 - Employee Commuting							
		773.0	1,021.0	1,062.0	3,018.0		
Category 11 - Use of Sold Products							
		-	-	-	195,879.0		
Category 13 - Downstream Leased Assets							
	4,946.0	5,206.0	6,157.0	6,245.0			
Category 15 - Investments							
	-	-	-	3,249.0			
Overall GHG Emissions Scope 3		10,344.0	17,848.0	19,194.0	285,535.0	170,951.0	
Cumulative Emissions (Scope 1 + 2 + 3)		34,668.0	46,912.0	54,403.0	316,173.0	205,049.0	

Note:

- “-” indicates data that was either not applicable for the reporting period or not collected at that point in time, but is now available as we continue to enhance our disclosures and adopt best practices.
- Figures may not sum to the exact total due to rounding.

SUSTAINABILITY KEY PERFORMANCE INDICATOR

Indicator	Unit of Measurement	2021	2022	2023	2024	2025
Emissions (Cont'd.)						
iii. GHG Emissions (scope 1 + Scope 2) Intensity						
Intensity	tCO ₂ e/RM' Million	16.8	9.1	13.9	18.6	28.5
Overall GHG Emissions Intensity		16.8	9.1	13.9	18.6	28.5
Energy						
i. Energy Consumption Within our Operational Boundary						
Fossil Fuel						
Diesel	GJ	15,926.0	23,802.0	47,761.0	91,383.0	110,091.0
Petrol		9,974.0	5,038.0	2,786.0	1,615.0	1,414.0
Total Energy		25,900.0	28,840.0	50,547.0	92,998.0	111,505.0
Purchased Energy						
Electricity	GJ	106,058.0	115,006.0	127,160.0	100,245.0	98,204.0
Total Purchased Energy		106,058.0	115,006.0	127,160.0	100,245.0	98,204.0
Total Energy Within Our Operational Boundary		131,958.0	143,846.0	177,706.0	193,243.0	209,709.0
Water						
i. Water Withdrawal						
Water Withdrawal by Source						
Purchased Water	m ³	630,939.0	730,484.0	573,053.0	504,454.0	481,808.0
Total Water Withdrawal		630,939.0	730,484.0	573,053.0	504,454.0	481,808.0
Waste						
i. Waste Generated						
Total Waste						
Total Waste Generated		5,714.0	6,719.0	3,610.0	261,853.0	413,911.0
Directed to Disposal (Landfill)						
General Waste	Tonnes	5,617.0	6,161.0	3,227.0	505.0	325.0
Total General Waste Directed to Disposal		5,617.0	6,161.0	3,227.0	505.0	325.0
ii. Recycling of General Waste						
Diverted From Disposal (Recycled)						
Scrap Materials and Others	Tonnes	97.0	558.0	383.0	261,348.0	413,587.0
Total General Waste Diverted From Disposal		97.0	558.0	383.0	261,348.0	413,587.0

Note:
- Figures may not sum to the exact total due to rounding.

SUSTAINABILITY KEY PERFORMANCE INDICATOR

SOCIAL

Indicator	Unit of Measurement	2021	2022	2023	2024	2025
Health and Safety						
i. Occupational Health and Safety Performance						
Fatality	Number	2	0	0	0	0
Number of incidents	Number	13	5	12	10	30
Man-hours	Number	8,719,107	8,932,798	15,857,101	12,099,556	8,957,243
Incident rate	Number	1.83	1.63	0	1.78	1.72
Injury rate	Number	1.18	0.12	0.34	0.17	0.33
Lost Time Injury Rate	Number	0.36	0.12	0	0.17	0.22
HSE rating/SHASSIC CIDB score	Percentage	89	80	93	97	99
Employee Distribution						
i. Average Number of Employees by Gender						
Male	Number	970	852	1,031	892	768
Female		594	549	627	586	550
Total		1,564	1,401	1,658	1,478	1,318
ii. Average Number of Employees by Age Group						
Under 30 years old	Number	454	275	253	190	171
30-50 years old		954	965	1,177	1,061	937
More than 50 years old		156	161	228	227	210
Total		1,564	1,401	1,658	1,478	1,318
iii. Average Number of Employees by Employee Category						
Senior Management	Number	-	62	72	73	71
Middle Management		-	240	384	365	328
Executive		-	609	751	682	609
Non-Executive		-	490	451	358	310
Total		-	1,401	1,658	1,478	1,318
iv. Average Number of Employees by Employment Type						
Contract	Number	-	939	1,257	583	371
Permanent		-	462	401	791	947
Total		-	1,401	1,658	1,374*	1,318
v. Average Number of Employees by Ethnicity						
Malay	Number	1,236	1,093	1,289	1,153	1,038
Chinese		172	168	195	177	146
Indian		109	98	122	104	90
Others		47	42	52	44	44
Total		1,564	1,401	1,658	1,478	1,318

Note:
- “-” indicates data that was either not applicable for the reporting period or not collected at that point in time, but is now available as we continue to enhance our disclosures and adopt best practices.
- Figures for 2022 exclude our subsidiary, Setia Utama LRT3 Sdn Bhd.
* Data as at 31 December 2024.

SUSTAINABILITY KEY PERFORMANCE INDICATOR

Indicator	Unit of Measurement	2021	2022	2023	2024	2025
New Hires						
i. New Hires by Gender						
Male	Number	116	151	162	110	108
Female		65	89	108	79	94
Total		181	240	270	189	202
ii. New Hires by Age						
Under 30 years old	Number	87	96	81	55	75
30-50 years old		80	130	162	110	114
More than 50 years old		14	14	27	24	13
Total		181	240	270	189	202
Employee Turnover						
i. Turnover Rate						
Total		21.3	27.6	23.0	27.8	19.1
ii. Employee Turnover by Gender						
Male	Number	-	258	252	281	151
Female		-	129	130	131	102
Total		-	387	382	412	253
iii. Employee Turnover by Age						
Under 30 years old	Number	-	119	73	59	40
30-50 years old		-	239	262	276	175
More than 50 years old		-	29	47	77	38
Total		-	387	382	412	253
Training and Development						
i. Training Hours						
Total Training Hours	Number	11,229	15,338	8,884	40,661	47,514
Total		11,229	15,338	8,884	40,661	47,514
Average Training Hours per Employee						
Average Hours per Employee	Number	9.2	4.6	6.4	27.5	36.1
Average		9.2	4.6	6.4	27.5	36.1

Note:

- “-” indicates data that was either not applicable for the reporting period or not collected at that point in time, but is now available as we continue to enhance our disclosures and adopt best practices.
- Figures for 2022 exclude our subsidiary, Setia Utama LRT3 Sdn Bhd.

SUSTAINABILITY KEY PERFORMANCE INDICATOR

Indicator	Unit of Measurement	2021	2022	2023	2024	2025
Training and Development (Cont'd.)						
Average Training Hours by Gender						
Male	Number	9.3	5.5	5.9	28.4	31.8
Female		9.2	4.1	7.1	26.0	42.0
Average		9.3	4.8	6.5	27.2	36.9
Total Training Hours by Employee Level						
Senior Management	Number	1,565	917	882	1,655	2,676
Middle Management		5,748	3,041	2,498	7,966	12,748
Executive		3,517	8,644	4,876	20,985	28,643
Non-Executive		351	2,736	628	10,055	3,448
Total		11,229	15,338	8,884	40,661	47,514
ii. Training Expenditures (RM)						
Training cost	Number	1,353,652.00	905,651.00	568,516.00	1,189,274.00	2,273,760.00
Total		1,353,652.00	905,651.00	568,516.00	1,189,274.00	2,273,760.00
iii. Average Training Expenditures per Full Time Employee (RM/employee)						
Average Training Cost Per Employee	Number	1,106.00	272.21	411.67	801.94	1,725.16
Average		1,106.00	272.21	411.67	801.94	1,725.16

Note:

- Figures for 2022 exclude our subsidiary, Setia Utama LRT3 Sdn Bhd.

BURSA MALAYSIA’S PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Governance and Compliance	Alignment with the Malaysian Code on Corporate Governance (MCCG) 2021	Number of Practices	41	43	No assurance	
Governance and Compliance	Adoption of the Malaysian Code on MCCG 2021 Optional Step-Up Practices	Number of Adoption	4	5	No assurance	
Governance and Compliance	Regulatory Breaches	Number	0	0	No assurance	
Governance and Compliance	Customer Data Breaches	Number	0	0	External (Reasonable)	
Anti-Bribery and Anti-Corruption	Operations Assessed for Corruption-related Risks	Percentage	100	100	External (Reasonable)	
Anti-Bribery and Anti-Corruption	Incidents of Reported Corruption, Bribery or Unethical Business Conduct	Number	0	0	External (Reasonable)	
Anti-Bribery and Anti-Corruption	Employees Completed Mandatory Anti-Corruption Trainings	Percentage	95	100	External (Reasonable)	
Anti-Bribery and Anti-Corruption	Vendor adherence to the Code of Business Ethics	Percentage	100	100	No assurance	
Responsible Supply Chain	Procurement spent on local suppliers	Percentage	90	100	Internal	
Health and Safety	Incident rate	Number	1.72	<2.5	External (Reasonable)	
Health and Safety	Fatality	Number	0	0	External (Reasonable)	
Health and Safety	Lost Time Injury Rate	Number	0.22	0	External (Reasonable)	
Health and Safety	Injury Rate	Number	0.33	0	External (Reasonable)	
Health and Safety	SHASSIC Score CDB Rating	Percentage	98.9	>80	External (Reasonable)	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Health and Safety	IF-EN-250a.2: Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	RM	0	-	External (Reasonable)	
Health and Safety	Non-Conformance Report (NCR) Closure Rate	Percentage	89	85% closed within 7 days	External (Reasonable)	
Health and Safety	Stop Work Orders (SWO)	Number	0	0	External (Reasonable)	
Our People, Employment Practices, and Human Rights	Number of human rights breaches	Number	0	0	Internal	
Our People, Employment Practices, and Human Rights	Average training hours per employee	Number	361	>32	External (Reasonable)	
Our People, Employment Practices, and Human Rights	Female representation in leadership (Board)	Percentage	375	30	External (Reasonable)	

BURSA MALAYSIA’S PRESCRIBED TABLE

BURSA MALAYSIA’S PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate and Energy Transition	Total Scope 1	tCO ₂ e	13,099	2030: 28% reduction of Scope 1 and 2 emissions 2040: 46% reduction of Scope 1 and 2 emissions 2050: 91% reduction of Scope 1, 2, and 3 emissions	External (Reasonable)	
Climate and Energy Transition	Total Scope 2	tCO ₂ e	20,999	2030: 28% reduction of Scope 1 and 2 emissions 2040: 46% reduction of Scope 1 and 2 emissions 2050: 91% reduction of Scope 1, 2, and 3 emissions	External (Reasonable)	
Climate and Energy Transition	Total Scope 3	tCO ₂ e	170,951	2030: 27% reduction of Scope 3 emissions 2040: 41% reduction of Scope 3 emissions 2050: 91% reduction of Scope 1, 2, and 3 emissions	No assurance	
Climate and Energy Transition	Scope 3 Category 1 and Category 2: Purchased goods and services, and Capital Goods	tCO ₂ e	40,963	-	No assurance	
Climate and Energy Transition	Scope 3 Category 3: Fuel- and Energy-related Activities	tCO ₂ e	6,382	-	External (Reasonable)	
Climate and Energy Transition	Scope 3 Category 4: Upstream Transportation and Distribution	tCO ₂ e	207	-	No assurance	
Climate and Energy Transition	Scope 3 Category 5: Waste Generated in Operations	tCO ₂ e	137	-	No assurance	
Climate and Energy Transition	Scope 3 Category 6: Business Travels	tCO ₂ e	318	-	External (Reasonable)	
Climate and Energy Transition	Scope 3 Category 7: Employee Commuting	tCO ₂ e	2,405	-	External (Reasonable)	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate and Energy Transition	Scope 3 Category 11: Use of Sold Products	tCO ₂ e	110,111	-	No assurance	
Climate and Energy Transition	Scope 3 Category 13: Downstream Leased Assets	tCO ₂ e	7,207	-	External (Reasonable)	
Climate and Energy Transition	Scope 3 Category 15: Investments	tCO ₂ e	3,222	-	No assurance	
Climate and Energy Transition	Amount of business activities vulnerable to climate-related transition risks	Narrative	All business activities (100%) across Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), and Facilities Management & Parking (FMP)	-	No assurance	Please refer to Transition Climate Risk section (Page 172-183)
Climate and Energy Transition	Percentage of business activities vulnerable to climate-related transition risks	Percentage	100	-	No assurance	Please refer to Transition Climate Risk section (Page 172-183)
Climate and Energy Transition	Amount of assets vulnerable to climate-related physical risks	Narrative	30 assets assessed	-	No assurance	Please refer to Physical Climate Risk section (Page 165-172)
Climate and Energy Transition	Percentage of assets vulnerable to climate-related physical risks	Percentage	100% based on relevance	-	No assurance	Please refer to Physical Climate Risk section (Page 165-172)
Climate and Energy Transition	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	RM'000	621	-	No assurance	Please refer to the Effects on Financial Position, Performance, and Cash Flow section (Page 182)
Climate and Energy Transition	IF-HB-160a.3 Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	RM	0	-	No assurance	

ANALYSIS OF SHAREHOLDINGS

AS AT 13 MARCH 2026

Total Number of Issued Shares : 4,467,509,508
Class of Shares : Ordinary shares
No. of Shareholders : 41,635
Voting Rights : One vote for every share

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Name	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
1. EMPLOYEES PROVIDENT FUND BOARD	1,617,485,447	36.21	-	-
2. GAPURNA SDN BHD	691,624,394	15.48	-	-
3. LEMBAGA TABUNG HAJI	238,960,246	5.35	-	-

INFORMATION ON DIRECTORS’ SHAREHOLDINGS

No.	Names of Directors	Direct Interest		Deemed Interest	
		No. of Shares Held	%	No. of Shares Held	%
1.	DATO’ MOHAMAD NASIR AB LATIF	-	-	-	-
2.	TAN SRI MOHAMAD SALIM FATEH DIN	1,388,800	0.03	691,624,394*	15.48
3.	DATO’ IMRAN SALIM	468,200	0.01	-	-
4.	MOHAMAD HAFIZ KASSIM	-	-	-	-
5.	DATO’ WAN KAMARUZAMAN WAN AHMAD	286,875	0.01	-	-
6.	DATO’ DR JUNAIDAH KAMARRUDDIN	-	-	-	-
7.	LIM FEN NEE	-	-	-	-
8.	DATUK RASHIDAH MOHD SIES	-	-	-	-

* Held through Gapurna Sdn Bhd

DISTRIBUTION OF SHAREHOLDING

Size of Shareholdings	No. of Holders Shareholders	Percentage of Shareholders (%)	No. of Share	Percentage of Share Capital (%)
less than 100	4,426	10.63	157,542	0.00
100 to 1,000	7,582	18.21	4,124,458	0.09
1,001 to 10,000	16,236	39.00	81,852,515	1.83
10,001 to 100,000	11,085	26.62	392,351,875	8.78
100,001 to less than 5% of issued shares	2,303	5.53	1,440,953,031	32.26
5% and above of issued shares	3	0.01	2,548,070,087	57.04
TOTAL	41,635	100.00	4,467,509,508	100.00

TOP 30 LARGEST SHAREHOLDERS

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTER HOLDER)
AS AT 13 MARCH 2026

No.	Name	Holdings	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,098,982,689	24.599
2	GAPURNA SDN BHD	691,624,394	15.481
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	518,502,758	11.606
4	LEMBAGA TABUNG HAJI	231,574,446	5.184
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	91,948,271	2.058
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	35,130,800	0.786
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	31,676,797	0.709
8	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	30,545,901	0.684
9	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	28,642,700	0.641
10	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	28,177,017	0.631
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA MA YU	25,000,000	0.560
12	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND J724 FOR SPDR PORTFOLIO EMERGING MARKETS ETF	23,678,559	0.530
13	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	22,610,679	0.506
14	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	19,460,651	0.436
15	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	19,142,100	0.428
16	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	16,650,018	0.373
17	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	15,353,500	0.344
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	14,668,213	0.328
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	14,247,700	0.319
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	13,071,100	0.293
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	13,000,000	0.291

TOP 30 LARGEST SHAREHOLDERS

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTER HOLDER)

AS AT 13 MARCH 2026

No.	Name	Holdings	%
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH EQUITY FUND	12,000,000	0.269
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	10,443,000	0.234
24	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.	8,630,679	0.193
25	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR VANGUARD FTSE ALL-WORLD EX-US SMALL-CAP INDEX FUND	8,192,438	0.183
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	8,099,834	0.181
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL ISLMC)	7,890,000	0.177
28	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	6,317,500	0.141
29	YU KOK ANN	6,215,215	0.139
30	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT	6,000,000	0.134
Total		3,057,476,959	68.438

ANALYSIS OF WARRANT B HOLDINGS

AS AT 13 MARCH 2026

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	Direct Interest		Deemed Interest	
	No. of Warrants	%	No. of Warrants	%
1. GAPURNA SDN BHD	67,642,649	15.43	-	-

INFORMATION ON DIRECTORS' WARRANT HOLDING

No.	Names of Directors	Direct Interest		Deemed Interest	
		No. of Warrants	%	No. of Warrants	%
1.	DATO' MOHAMAD NASIR AB LATIF	-	0.00	-	-
2.	TAN SRI MOHAMAD SALIM FATEH DIN	-	0.00	67,642,649*	15.43
3.	DATO' IMRAN SALIM	-	-	-	-
4.	MOHAMAD HAFIZ KASSIM	-	-	-	-
5.	DATO' WAN KAMARUZAMAN WAN AHMAD	-	-	-	-
6.	DATO' DR JUNAIDAH KAMARRUDDIN	-	-	-	-
7.	LIM FEN NEE	-	-	-	-
8.	DATUK RASHIDAH MOHD SIES	-	-	-	-

* Held through Gapurna Sdn Bhd

DISTRIBUTION SCHEDULE OF WARRANT HOLDING

Size of Warrant Holdings	No. of Holders Warrant Holders	Percentage of Warrant Holders (%)	No. of Warrant	Percentage of Warrant Capital (%)
less than 100	864	11.67	34,096	0.01
100 to 1,000	3,047	41.16	1,447,101	0.33
1,001 to 10,000	1,983	26.79	7,238,719	1.65
10,001 to 100,000	1,026	13.86	42,822,871	9.76
100,001 to less than 5% of issued warrant	482	6.51	319,332,721	72.82
5% and above of issued warrant	1	0.01	67,642,649	15.43
TOTAL	7,403	100.00	438,518,157	100.00

TOP 30 LARGEST WARRANT B HOLDERS

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTER HOLDER)
AS AT 13 MARCH 2026

No.	Name	Holdings	%
1	GAPURNA SDN BHD	67,642,649	15.425
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SZE HSIEN @ CHEE AH KOW (029)	14,496,100	3.306
3	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED NIZAM BIN MOHAMED JAKEL (MI0070)	10,000,000	2.280
4	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LUQMAN BIN MOHAMED JAKEL (MI0072)	9,504,200	2.167
5	ER SOON PUAY	9,234,900	2.106
6	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH KOK KEONG (E-TAI)	7,983,300	1.821
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHAI CHUIN FOOK	7,133,700	1.627
8	CHEE CHUNG YEN	6,280,400	1.432
9	ANG TIAM KING	5,510,600	1.257
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YEW BENG (E-SJA)	4,900,000	1.117
11	FONG YEW KONG	4,774,301	1.089
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG HON SING (KKINABALU-CL)	4,392,600	1.002
13	MUHAMMAD HABIL BIN ABD HALIL	4,000,000	0.912
14	DOMINIC ONG SHENG YEW	3,750,800	0.855
15	LIM POH HOCK	3,665,000	0.836
16	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,624,441	0.827
17	LEE YEN CHUAN	3,460,400	0.789
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE YEN CHUAN	3,456,600	0.788
19	ENG CHONG HENG	3,250,000	0.741
20	MUHAMAD ALI BIN ABD RAJAB	3,010,000	0.686
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MADHARAN A/L KIPi NAMBIA (7002490)	2,851,600	0.650

TOP 30 LARGEST WARRANT B HOLDERS

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTER HOLDER)
AS AT 13 MARCH 2026

No.	Name	Holdings	%
22	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,634,201	0.601
23	NG KIM HOCK	2,500,000	0.570
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUA SEH SOON (E-KBU/KKI)	2,484,400	0.567
25	ORIENTAL CONSTRUCTION & RENOVATION SDN BHD	2,345,300	0.535
26	MOOMOO NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH KOK KEONG	2,299,000	0.524
27	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PEK HAN TIONG (SECTION 17 -CL)	2,277,700	0.519
28	NG CHIUN WEI	2,164,000	0.493
29	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,029,274	0.463
30	FUNG HUI QI	2,000,000	0.456
Total		203,655,466	46.442

PROPERTIES OF THE GROUP

31 DECEMBER 2025

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2025 (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.	47,704	19,170	1982	Leasehold 47 years expiring on 2.10.2044	43	Nil
Land for proposed mixed housing development	PT 30095, PT 33467, PT 33468, PT 33566, PT 33630, PT 33631, PT 33632, PT 33652, PT 33653, PT 33654, PT 35759, PT 35760, and PT 30010 Lot 37809 Sek. 10, Lot 37855 Sek. 10, Lot 37906 Sek. 10, Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	30,333	3,820	1987	Freehold	-	Nil
Land for proposed commercial development	Lot 74 Sek. 70 Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	23,080	514,390	1998	Freehold	-	Yes
Land for proposed commercial development	Lot 20006, Seksyen 72, Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	1,533	3,345	2016	Freehold	-	Nil
Plaza Sentral Tower – Office Units	Unit 1B-G-1, Unit 1B-03-1, Unit 1B-03-2, Block A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Wilayah Persekutuan.	759	2,347	2008	Freehold	17	Nil
Land for proposed commercial development	Lot 20007, Seksyen 70, Jalan Tun Sambanthan, Bandar Kuala Lumpur, Wilayah Persekutuan.	3,805	-	1998	Freehold	-	Nil
2 storey shop office	No. 55 & 55A, Persiaran Dataran 4, Iskandar Perdana, 32610 Seri Iskandar, Perak Darul Ridzuan.	156	131	2005	Leasehold 99 years expiring on 18.3.2102	23	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2025

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2025 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed condominium development	Country lease No. 015146120, Municipality and District of Kota Kinabalu, Sabah.	11,534	0	1989	Leasehold 999 years expiring on 4.7.2918	-	Nil
Several parcels of land for proposed mixed development	Lot 1210-1241, Lot 1271-1393, Lot 1399-1494, PT 721-763, PT 1008, 1009, PT 1011, PT5081-5736, PT5739, 5745, PT5747 KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	201,590	46,582	2001, 2002, 2009, 2010, 2019	Leasehold 33-99 years expiring between 13.3.2031 to 22.12.2118	-	Nil
Ascott Sentral - 21-storey block of service residence apartments	No. 211, Jalan Tun Sambanthan, 50470 Kuala Lumpur, Wilayah Persekutuan.	23,121	67,740	2007	Freehold	12	Yes
Land for proposed mixed development	Lot 481117, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	9,617	27,231	2013	Leasehold 99 years expiring on 11.5.2113	-	Nil
Land for proposed mixed development	PT 36 & 37, Section 98, Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	1,880	7,168	2016	Freehold	-	Nil
Land for proposed mixed development	PT 12 & 13 Section 26, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	36,880	622,858	2010, 2023	Leasehold 99 years expiring on 9.2.2108	-	Nil
Land for proposed mixed development	GM 2892, GM 2893, GM 2894, GM 2896, GM793 Mukim Pulau, District of Johor Bahru, Johor.	246,080	77,390	2015	Freehold	-	Nil
2 units of single storey warehouse	Plot No. 143, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,490	718	2014	Freehold	12	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2025

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2025 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Industrial land	Lot 21192 & 21194, Jalan industry 2/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	18,210	6,269	1997	Freehold	-	Nil
Land for proposed future development	GRN 173112, GRN 173113, GRN 173114, HSD 13256 (PT 333), HSD 13404 (Lot 62), HSD 32876 (PT 712), GRN 173115, GRN 173116, and GRN 173117. Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.	73,853	305,503	2013/2014/ 2016/2017	Freehold	-	Nil
Penang Sentral Transportation terminal	GRN 173111 Lot 20164, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.	18,211	183,291	2013/2014	Freehold	8	Nil
Land for proposed commercial office and serviced apartment with car park	HS(D) 93833, PT 27759, Bukit Rahman Putra, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	18,421	52,381	2014	Freehold	-	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	1,292,658	2017	Leasehold 96 years expiring on 12.5.2115	-	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2025

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2025 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed mixed development	H.S.(D) 39260, PT 184, Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	20,492	381,467	2018	Leasehold 99 years expiring on 26.5.2080	-	Nil
Land for proposed mixed development	PN 49755, Lot 20000 Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	2,240		2018	Leasehold 99 years expiring on 29.11.2109	-	Nil
Land for proposed mixed development	Geran 80517, Lot 20019 Seksyen 48, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	17,990		2018	Freehold	-	Nil
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	42,188	2021	Leasehold 99 years expiring on 10.10.2106	-	Nil
Several parcels of land for proposed mixed development	Lot 312363 – 312365 Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	2,676,212	123,767	2021	Leasehold 99 years expiring on 23.09.2107	-	Nil
Several parcels of land for proposed mixed development	Lot 312366, Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	394,240	18,478	2022	Leasehold 99 years expiring on 26.05.2121	-	Nil
Several parcels of land for proposed mixed development	PT 26998 & PT 26999, Simpang Pulai, Mukim Sungai Raya, Daerah Kinta, Perak Darul Ridzuan.	120,691	13,731	2022	Leasehold 99 years expiring on 31.05.2121	-	Nil
Several parcels of land for proposed mixed development	PT6569, Daerah Perak Tengah, Perak Darul Ridzuan.	650,895	9,112	2025	Leasehold 99 years expiring on 19.08.2124	-	Nil

PROPERTIES OF THE GROUP

31 DECEMBER 2025

Description / Existing Use	Location	Area (Sq. Metres)	Net Book Value as at 31/12/2025 (RM'000)	Year of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed residential tower development.	Lot 3 on RP59972, Lot 169 on RP21845, Lot 8, Lot 10, Lot 12, Lot 14 and Lot 16 on SP243229, 26 Vista Street, 27 Thornton Street and 2949-2957 Surfers Paradise Boulevard, Gold Coast, Australia	3,100	74,135	2022	Freehold	-	Yes
Land for proposed residential tower development	20-20A Queen St, Southport, Gold Coast, Queensland	1,743	28,453	2024	Freehold	-	Nil
Land for proposed future development	Lot 17182 Block 26 Mukim Muara Tuang Daerah Samarahan, Sarawak	89,314	31,645	2022	Leasehold 60 years expiring on 14.06.2082	-	Nil
2 parcels of industrial land erected with single storey purpose built detached factory and ancillary buildings	Lot 102306 & 102307, Kawasan Perindustrian Lembah Chuping (CVIA), Off Jalan Ulu Pauh - Padang Besar, Perlis	20,032	78,629	2023	Leasehold 60 years expiring on 13.06.2083	2	Yes
2 parcels of industrial land	PT 10758, PT 10759, Mukim Titi Tinggi, Lembah Chuping, Perlis.	19,895	412	2023	Leasehold 60 years expiring on 13.06.2083	-	Nil
6 parcels of commercial land	Plot A - Lot 10078, Plot B - Lot 10079, Plot D - Lot 10074, Plot E - Lot. 10073, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor. Plot C - PT 57733, Plot F - PT 50070, Mukim Dengkil, Daerah Sepang, Negeri Selangor.	145,932	283,315	2025	Freehold	-	Nil
1 parcel of commercial land	Plot PPU - PT 57734, Mukim Dengkil, Daerah Sepang, Negeri Selangor.	2,435	4,431	2025	Leasehold 99 years expiring on 5.5.2115	-	Nil

Note – “0” denotes as amount less than RM1,000.

CORPORATE DIRECTORY

MALAYSIAN RESOURCES CORPORATION BERHAD

Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

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FACILITIES MANAGEMENT & PARKING

SEMASA SENTRAL SDN BHD

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SEMASA PARKING SDN BHD

Suite 2A-3-1, Level 3 Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

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ASSOCIATES

SENTRAL REIT MANAGEMENT SDN BHD

G27A, Level 3A, Block B, Platinum Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

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OVERSEAS

MRCB AUSTRALIA HOLDING COMPANY PTY LTD

MRCB PROJECT CARNEGIE PTY LTD

MRCB PROJECT QUEEN STREET PTY LTD

MRCB PROJECT VISTA PTY LTD

21-23 Aristoc Road, Glen Waverley Vic, 3150 Australia

MRCB NEW ZEALAND HOLDINGS LIMITED

MRCB AOTEA CENTRAL LIMITED

MRCB BLEDISLOE HOUSE LIMITED

Floor 8, 57 Symonds Street, Grafton, Auckland, 1010 New Zealand

MRCS (SINGAPORE) PTE LTD

36 Robinson Road, #20-01 City House, Singapore 068877

SUBSIDIARIES

PROPERTY DEVELOPMENT & INVESTMENT

MRCB LAND SDN BHD

Lot B-L1-12, Level 1, Block B, Blok Komersial VIVO 9 Seputeh, No. 29, Jalan Teluk Datok, Off Jalan Klang Lama, 58000 Kuala Lumpur.

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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

PROPERTY GALLERIES

9 SEPUTEH

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Tel: +603 7971 9983

PJ SENTRAL

Level 30, Menara Allianz Sentral, No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 5 0470 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

SENTRAL SUITES

G-16, Ground Floor, Sentral Suites, No. 248, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

Tel: +603 2276 3382

KALISTA PARK HOMES

Lot 27759, Jalan BRP 4/1, Bukit Rahman Putra, Seksyen U20, 40160 Shah Alam, Selangor.

Tel: +603 2718 1771

KWASA DAMANSARA CITY CENTRE

KDCC Property Gallery PT 51710, Persiaran Kwasa Utama, Seksyen U4, 40150 Shah Alam, Selangor.

Tel: +603 2718 1733

PENANG SENTRAL

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+604 313 9888 (Leasing)

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NOTICE OF THE 55TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 55th Annual General Meeting (“AGM”) of Malaysian Resources Corporation Berhad (“MRCB” or “the Company”) will be held on **Thursday, 18 June 2026 at 10.00 a.m.** at **President Ballroom, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur** for the following purposes:

AGENDA

Ordinary Business

1. To receive the Statutory Financial Statements of the Company for the financial year ended 31 December 2025 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) Dato’ Imran Salim
(ii) Dato’ Wan Kamaruzaman Wan Ahmad
(iii) Dato’ Dr Junaidah Kamarruddin
Refer to Explanatory Note 2

3. To approve the payment of Directors’ Fees to the following Directors for the financial year ending 31 December 2026:
(i) RM200,000 for Dato’ Mohamad Nasir Ab Latif
(ii) RM150,000 for Mohamad Hafiz Kassim
(iii) RM150,000 for Dato’ Wan Kamaruzaman Wan Ahmad
(iv) RM150,000 for Dato’ Dr Junaidah Kamarruddin
(v) RM150,000 for Lim Fen Nee
(vi) RM150,000 for Datuk Rashidah Mohd Sies
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 19 June 2026 until the next AGM of the Company.
Refer to Explanatory Note 4

5. To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.
Refer to Explanatory Note 5

6. To transact any other business for which due notice has been received.
- Resolution 1**
Resolution 2
Resolution 3
- Resolution 4**
Resolution 5
Resolution 6
Resolution 7
Resolution 8
Resolution 9
- Resolution 10**
- Resolution 11**
- ### BY ORDER OF THE BOARD
- MOHD NOOR RAHIM YAHAYA**
MAICSA 0866820 / SSM PC No. 202008002339
Company Secretary
Kuala Lumpur
21 April 2026
- # NOTICE OF THE 55TH ANNUAL GENERAL MEETING
- ## Notes:
1. A member of the Company who is entitled to attend, participate, speak and vote at the 55th AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.

2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”) as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint not more than two (2) proxies in respect of each securities account he/she holds with ordinary shares in the Company standing to the credit of the said securities account.

5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 55th AGM must submit instrument appointing a proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

6. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or lodged electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or by email to bsr.proxy@boardroomlimited.com, not less than 24 hours before the time appointed for the taking of the poll in accordance with Article 83 of the Company’s Constitution.

7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

8. If you have submitted your Proxy Form and subsequently decided to appoint another person or you wish to attend, participate, speak and vote in the 55th AGM, please write to bsr.proxy@boardroomlimited.com or via electronic means at <https://investor.boardroomlimited.com> (as the case may be) to revoke the appointment of proxy no later than Tuesday, 16 June 2026 at 10.00 a.m., being 48 hours before the AGM.

9. Last date and time for lodging the Proxy Form is Wednesday, 17 June 2026 at 10.00 a.m..

10. For the purpose of determining who shall be entitled to attend, participate, speak and vote in the 55th AGM, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 64 of the Company’s Constitution to issue a Record of Depositors as at 10 June 2026. Only members whose names appear in the said Record of Depositors shall be eligible to attend, participate, speak and vote at the 55th AGM or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf.

11. Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of 55th AGM will be put to vote by poll.
- ## EXPLANATORY NOTES:
- ### A. FOR ORDINARY RESOLUTION
- #### 1. Statutory Financial Statements for the financial year ended 31 December 2025
- The Statutory Financial Statements laid in accordance with Section 340(1)(a) of the Companies Act 2016 are for discussion only under Agenda 1. There is no requirement to seek shareholders’ approval and hence, 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 Directors who are subject to re-election at the 55th AGM of the Company are Dato’ Imran Salim, Dato’ Wan Kamaruzaman Wan Ahmad and Dato’ Dr Junaidah Kamarruddin. Being eligible, they have offered themselves for re-election.

NOTICE OF THE 55TH ANNUAL GENERAL MEETING

For the purpose of determining the eligibility of the Directors to stand for re-election at the 55th AGM, the Board through its Nomination & Remuneration Committee (“NRC”), had assessed each of the retiring Directors and considered the following:

- (i) satisfactory performance and have met the Board’s expectation in discharging their duties and responsibilities;
- (ii) level of contribution to Board discussion through his/her skill, experience and expertise;
- (iii) evaluation of Director’s character, integrity, competence and experience as well as fit and properness to discharge their role effectively;
- (iv) the director’s commitment and time allocation to ensure effective fulfillment of their responsibilities; and
- (v) level of independence demonstrated by the Independent Directors and their ability to act in the best interests of the Company in decision-making.

Based on the aforesaid assessment, the Board and the NRC are satisfied that the performance of each of the retiring Directors have met the performance criteria required of an effective and high-performance Board and the Board’s expectations by continuously discharging their duties diligently as Directors of the Company.

The profiles of Directors standing for re-election are set out on pages 256, 258 and 259 of the Integrated Annual Report 2025.

3. **Ordinary Resolutions 4, 5, 6, 7, 8 and 9 - Payment of Directors’ Fees to Non-Executive Directors’ (“NED”) For The Financial Year Ending 31 December 2026**

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 2026 based on the rate of RM200,000 per year for the Chairman and RM150,000 per year for other NEDs.

4. **Ordinary Resolution 10 - 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 (“EXCO”)	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 11 - Re-appointment of Auditors**

The Board has at the meeting held on 14 April 2026 approved the recommendation of the Audit & Risk Management Committee on the re-appointment of Messrs PricewaterhouseCoopers PLT (“PwC”) as Auditors of the Company. The Board is satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources that PwC had provided to MRCB Group as prescribed under Paragraph 15.21 of the Listing Requirements.

STATEMENT ACCOMPANYING NOTICE OF 55TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for re-election are as follows:

Resolution 1
DATO’ IMRAN SALIM Group Managing Director
Nationality Age Gender Malaysian 44 Male
Date of Appointment 1 March 2015
Length of Tenure 11 Years and 1 Month

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

- Degree in Electrical and Electronics from the University of Manchester Institute of Science and Technology, United Kingdom
- Masters in Commerce from Deakin University, Australia
- Member of the Institution of Engineers, Malaysia
- Member of the Institute of Electrical and Electronic Engineers, United Kingdom
- Member of the Institute of Corporate Directors Malaysia

DIRECTORSHIP/RELEVANT APPOINTMENT

Listed Entities

- Nil

Others

- Nil

RELEVANT EXPERIENCE

Upon his graduation in early 2004, Dato’ Imran commenced his career as an Engineer with Bistraya Construction Sdn Bhd, a wholly-owned subsidiary of Gapurna Sdn Bhd, a medium sized diversified group and was promoted to Project Director in the following year. From there, he held various senior posts in the Group including the post of Chief Operating Officer and Director of GTC Global Sdn Bhd where he managed the day to day running of a boutique set-up providing total solutions for security surveillance.

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

Dato’ Imran holds 468,200 shares in MRCB. He 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 shareholder of MRCB, has no conflict or potential conflict of interest with MRCB, has not been convicted for any offence within the past five (5) years and has not been subjected to any public sanction or penalty imposed by the relevant regulatory bodies during the FY2025.

STATEMENT ACCOMPANYING
NOTICE OF 55TH ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Resolution 2
DATO’ WAN KAMARUZAMAN WAN AHMAD Senior Independent Director
Nationality Age Gender Malaysian 66 Male Date of Appointment 15 April 2021 Length of Tenure 5 years

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

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

DIRECTORSHIP/RELEVANT APPOINTMENT

Listed Entities

- Chairman, MBSB Berhad

Others

- Chairman, MBSB Bank Berhad
- Chairman, MBSB Investment Bank Berhad
- Director, Global LNG Sdn Bhd
- Chairman, Iris Capital Partners Sdn Bhd
- Member, EPF Investment Panel
- Director, Lembaga Penduduk dan Pembangunan Keluarga Negara
- Director, Mudarabah Innovation Fund Investments Ltd

RELEVANT EXPERIENCE

Dato’ Wan Kamaruzaman is currently the Chairman of MBSB Berhad, the holding company of MBSB Bank Berhad and MBSB Investment Bank Berhad.

He was the Chief Executive Officer (“CEO”) of Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”) from May 2013 to October 2018, and prior to that, he was General Manager of the Treasury Department at EPF from October 2007.

He began his career with Malayan Banking Berhad (“Maybank”) in 1981, primarily in the Treasury Department, including overseas postings in Hamburg, Germany as Chief Dealer and in 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.

Dato’ Wan Kamaruzaman hold 286,875 shares in MRCB. He has no family relationship with any Director and/or major shareholder of MRCB, has no conflict or potential conflict of interest with MRCB, has not been convicted of any offence within the past five (5) years and has not been subjected to any public sanction or penalty imposed by the relevant regulatory bodies during the FY2025.

STATEMENT ACCOMPANYING
NOTICE OF 55TH ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Resolution 3
DATO’ DR JUNAIDAH KAMARRUDDIN Independent Director
Nationality Age Gender Malaysian 65 Female Date of Appointment 1 July 2021 Length of Tenure 4 Years and 9 Months

ACADEMIC/PROFESSIONAL QUALIFICATION(S)/MEMBERSHIP(S)

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

DIRECTORSHIP/RELEVANT APPOINTMENT

Listed Entities

- Nil

Others

- Director, Casemix Solutions Sdn Bhd
- Director, Global Conference and Exhibition Sdn Bhd
- Committee Member, Kings University College, Kuala Lumpur
- Chairman, Lembaga Penduduk Dan Pembangunan Keluarga Negara (LPPKN) Senior Management Succession Planning Task Force

RELEVANT 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 Organisational 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 the Undersecretary at the International Division of the MHR. In 2010, she became the Senior Undersecretary (Management Services) at the Ministry of Natural Resources and Environment Malaysia (NRE) and subsequently, she was attached to the Malaysian Maritime Enforcement Affairs Division under Prime Ministers (PM) Department as a Director General.

In December 2015, she was promoted as the Deputy Secretary General (Policy) at the Ministry of Defence Malaysia until October 2018 and later became the Deputy Secretary of General (Administration) at the PMs 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 a Distinguished Fellow at Faculty of Defence Studies and Management, Universiti Pertahanan Nasional Malaysia.

Dato’ Dr Junaidah does not hold any shares in MRCB. She has no family relationship with any Director and/or major shareholder of MRCB, has no conflict or potential conflict of interest with MRCB, has not been convicted of any offence within the past five (5) years and has not been subjected to any public sanction or penalty imposed by the relevant regulatory bodies during the FY2025.

Number of Ordinary Share(s) held					CDS Account No.										
				-				-							

I/We (FULL NAME IN CAPITAL LETTERS) _____

NRIC No./Passport No./Company No. _____

of (FULL ADDRESS) _____

Tel. No. _____/email address _____ being a member/members of Malaysian Resources Corporation Berhad hereby appoint:

Name of Proxy in capital letters			Proportion of Shareholding to be represented by the proxies:	
			Number of shares	Percentage (%)
Proxy 1	Name:			
	NRIC No./Passport No.:			
	Tel. No.:			
	Email address:			
And/or failing him/her				
Proxy 2	Name:			
	NRIC No./Passport No.:			
	Tel. No.:			
	Email address:			

Total _____

or failing him/her, the Chairman of the Meeting as my/our proxies to attend and vote for me/us on my/our behalf at the 55th Annual General Meeting of the Company to be held on Thursday, 18 June 2026 at 10.00 a.m. at President Ballroom, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur and at any adjournment thereof (as the case may be).

My/our proxy is to vote on the Resolutions as indicated by an “X” in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

No	Resolution	For	Against
To re-elect the following Directors, who retire pursuant to Articles 101 and 102:			
1	Dato’ Imran Salim		
2	Dato’ Wan Kamaruzaman Wan Ahmad		
3	Dato’ Dr Junaidah Kamarruddin		
To approve the payment of the Directors’ Fees to the following Directors for the financial year ending 31 December 2026:			
4	RM200,000 for Dato’ Mohamad Nasir Ab Latif		
5	RM150,000 for Mohamad Hafiz Kassim		
6	RM150,000 for Dato’ Wan Kamaruzaman Wan Ahmad		
7	RM150,000 for Dato’ Dr Junaidah Kamarruddin		
8	RM150,000 for Lim Fen Nee		
9	RM150,000 for Datuk Rashidah Mohd Sies		
10	To approve the benefits extended to the Non-Executive Directors of the Company, as detailed out in Note 4 of the explanatory notes, from 19 June 2026 until the next AGM of the Company.		
11	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		

Dated this _____ day of _____ 2026

Signature of Shareholders
* DELETE IF NOT APPLICABLE

Fold this flap for sealing

Notes:

1.

A member of the Company who is entitled to attend, participate, speak and vote at the 55th AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.

2.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3.

Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”) as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

4.

Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint not more than two (2) proxies in respect of each securities account he/she holds with ordinary shares in the Company standing to the credit of the said securities account.

5.

A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 55th AGM must submit instrument appointing a proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
6.

To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notariallly certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or lodged electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or by email to bsr.proxy@boardroomlimited.com, not less than 24 hours before the time appointed for the taking of the poll in accordance with Article 83 of the Company's Constitution.

7.

Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

8.

If you have submitted your Proxy Form and subsequently decided to appoint another person or you wish to attend, participate, speak and vote in the 55th AGM, please write to bsr.proxy@boardroomlimited.com or via electronic means at <https://investor.boardroomlimited.com> (as the case may be) to revoke the appointment of proxy no later than **Tuesday, 16 June 2026 at 10.00 a.m.**, being 48 hours before the AGM.

9.

Last date and time for lodging the Proxy Form is **Wednesday, 17 June 2026 at 10.00 a.m.**.

10.

For the purpose of determining who shall be entitled to attend, participate, speak and vote in the 55th AGM, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 64 of the Company's Constitution to issue a Record of Depositors as at 10 June 2026. Only members whose names appear in the said Record of Depositors shall be eligible to attend, participate, speak and vote at the 55th AGM or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf.

11.

Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of 55th AGM will be put to vote by poll.

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Affix
Stamp

Boardroom Share Registrars Sdn Bhd

(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia

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PERSONAL DATA PRIVACY NOTICE

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 55th AGM and/or any adjournment thereof (as the case may be), a member of the Company:

- (i)

consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representatives appointed for the 55th AGM (including any adjournment thereof (as the case may be)) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 55th AGM (including any adjournment thereof (as the case may be)), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”),

- (ii)

warrants that where the member discloses the personal data of the member's proxy(ies), attorney(s) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and

- (iii)

agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

www.mrcb.com.my



MALAYSIAN RESOURCES CORPORATION BERHAD

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