



OPERATIONS REVIEW

PROPERTY DEVELOPMENT

In 2014, the 348 Sentral development comprising Menara Shell and Ascott Sentral, saw its first year in operation as a shining example of MRCB's continuous commitment to Sustainable Development, which has become a key performance indicator for the Group's investment projects.

MRCB's property arm via MRCB Land is presently developing several projects that also adopt, similar to 348 Sentral, the US-based Leadership in Energy and Environmental Design (LEED) and Malaysian Green Building Index (GBI) principles, as well as Singapore's Building and Construction Authority (BCA) Green Mark standards for Sustainability.

Together with the completion of 348 Sentral, MRCB Land's business activities progressed smoothly within the iconic Kuala Lumpur Sentral CBD and were complemented with launches of commercial and residential products in Bandar Seri Iskandar Township in Perak and the 23-acre Senawang Sentral Business Park in Senawang Negeri Sembilan.



Menara Shell

KUALA LUMPUR SENTRAL CENTRAL BUSINESS DISTRICT (CBD)

Developments at Kuala Lumpur Sentral CBD

348 SENTRAL – MENARA SHELL AND ASCOTT SENTRAL

Lot 348 is a 100% MRCB-owned project with a GDV worth almost RM1 billion comprising the Grade A office tower Menara Shell and a 157-unit serviced residences block above a five-storey retail podium known as Ascott Sentral Kuala Lumpur. The state-of-the-art Menara Shell showcases the latest Green Building features that include a unique daylight harvesting system utilising internal light shelves with glare control to extend daylight penetration within the work spaces inside the office floor, which is alternatively illuminated by efficient T5 fluorescent lights with perimeter daylight sensor. Other Green features include preferred parking for low-emission and fuel efficient vehicles and a provision of 5% of parking space for electric car charging and a Thermal Energy Storage System, which uses rain water and the surrounding environment's temperature to regulate the internal temperature of the building. With these features installed,



Ascott Sentral dining room

PROPERTY DEVELOPMENT



Ascott Sentral lobby



CIMB Tower

Menara Shell was awarded with the Leadership in Energy and Environmental Design (LEED) Platinum standard certification from the US Green Building Council and a Malaysian Green Building Index (GBI) Gold certification in recognition of the tower's expected 46% energy savings and 5,000 tonnes in carbon emission reduction. Shell People Services, a regional company providing various services within the Shell Group, had signed an agreement in 2009 to be the anchor tenant occupying 17 floors of the office tower with the rest of the floors occupied by other major tenants. The company will consolidate all Shell businesses and corporate functions in the Klang Valley that include real estate, finance and management consultancies and recruitment, learning and human resources information technology support.

Menara Shell is 100% occupied. The Tenants includes Shell People Services Asia Sdn Bhd, Saipem Malaysia Sdn Bhd, YM Consultants Sdn Bhd, Trade Winds Corporation Bhd, Advance Defense Sdn Bhd, AmGeneral Insurance Malaysia Bhd, Coca Cola Far East Ltd, Jardine Lloyd Thompson Sdn Bhd, San Francisco Coffee, Meal Station, Food Addiction Ventures Sdn Bhd, RHB Bank, Drs Young Newton and Partners, Creschlink Sdn Bhd and Edunxt Global Sdn Bhd.

Complementing Menara Shell is the Ascott Sentral Kuala Lumpur, an elegant serviced residences with 157 units ranging from 40 to 213 sqm that features stylish living area, a modern kitchen, luxurious bedrooms and bathrooms, a designated work space with optimal lighting through the floor-to-ceiling windows. The guests are able to enjoy the benefits of modern conveniences like internet access, individually controlled air conditioning and daily housekeeping. Ascott Sentral Kuala Lumpur is managed by Ascott International, a global serviced residence operator that has 25,000 operating units in key cities of Asia Pacific, Europe and the Gulf Region.

LOT A

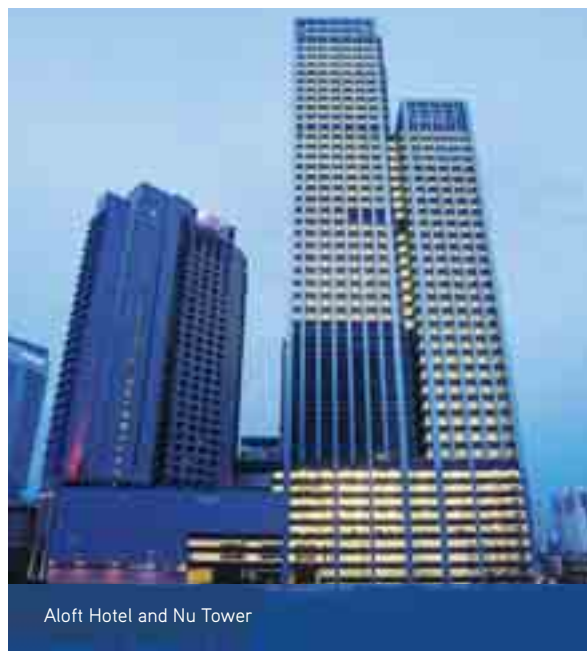
Lot A, a prime development within the Kuala Lumpur Sentral CBD that is built facing the exclusive Federal Hill, Bangsar and Damansara neighbourhoods, is now known as Menara CIMB, the new corporate headquarters of CIMB Investment Bank. Lot A Sentral Sdn Bhd (LASSB), a joint venture company between Maple Dextra Pte Ltd and CMREF1 Sdn Bhd, acquired Lot A in 2007.

Menara CIMB, completed in March 2013, incorporates Islamic motifs in its architectural design and offers full-fledged international fine dining experience with a state-of-the-art 200-seat auditorium, apart from a full service banking hall. Menara CIMB has a GFA of 834,000 sq. ft. and a GDV of RM404 million. This new office tower will bring a major financial institution to Kuala Lumpur Sentral CBD and will act as the anchor for the development of a new financial hub for Kuala Lumpur.

PROPERTY DEVELOPMENT



1 Sentrum



Aloft Hotel and Nu Tower

Q SENTRAL

Q Sentral is destined to become an iconic landmark in the Kuala Lumpur skyline, as a stratified Grade A 45-storey office tower with a GBI Gold accreditation that carries one of the highest rating for Green Standards. The office tower will be one of the largest single floor plates at 40,000 sq. ft. compared to the average 15,000 sq. ft. for most offices. The project is expected to be completed in 2015 and will have a GDV of about RM1.2 billion. Since its launch in September 2011, sales of 92% have been achieved. Q Sentral is an important component in the realisation of the overall vision for Kuala Lumpur Sentral CBD.

Q Sentral is strategically located between the up-and-coming MRT Station and Kuala Lumpur's transportation hub, Stesen Sentral Kuala Lumpur (SSKL). With its unique and strategic location, it will act as a pathway for the public to move between the MRT station, SSKL and Kuala Lumpur Sentral CBD with a walkway connecting it to Platinum Sentral, another Green building developed by MRCB.

ALOFT HOTEL AND NU TOWER 1 & 2

A joint development at Lot G by MRCB and partner, Aseana Properties Limited, UK, has produced two office towers known as Nu Tower 1 & 2 and the 482-room business class hotel known as Aloft Hotel. Both were completed at the end of 2012 and March 2013 respectively. The Aloft hotel complements Hilton Kuala Lumpur and

Le Meridien Kuala Lumpur by offering a different level of service to discerning business and leisure travelers, besides enhancing the city's hospitality industry with its dynamic blend of modern design, technology and entertainment. The Aloft hotel in Kuala Lumpur is the largest in the world with a 700 capacity banquet hall.

Currently, Nu Tower 1 is nearly 100% and Nu Tower 2 is 50% leased and is expected to be fully tenanted this year. The tenants includes, MRCB Headquarters, Allianz Life & General Insurance Group, Tenaga Nasional Bhd, L'Occitane Malaysia Sdn Bhd, Ecofirst Consolidated Bhd, Servcorp, Sentro, International SOS Pte Ltd, Asian Banking School, Monster and Celcom Planet Sdn Bhd.

The 26-storey Nu Tower 1 offers a total of 259,632 sq. ft. of nett lettable area while the Nu Tower 2 has 498,309 sq. ft. of nett lettable area.

PROPERTY DEVELOPMENT



1 Sentrum



An interior view of NU Sentral

1 SENTRUM AND NU SENTRAL

The Nu Sentral Shopping Centre has two major anchor tenants, Parkson and Golden Screen Cinemas (GSC). GSC has 11 screening halls and these two occupy more than 183,000 sq. ft. Other well-known retail brands include MPH, Celebrity Fitness, Quizzin Food Court, The Ballroom Bowling Centre, Harvey Norman, H&M, Uniqlo, Monki, Victoria Secret, Dorothy Perkins, Swiss Watch Gallery and Tumi.

These tenants occupy approximately 177,000 sq. ft. of floor space and GDV of over RM1 billion that offers 270 retail lots for lease. Food & beverage tenants include Tony Roma's, McDonald's, Dubu Dubu, Nando's, Manhattan Fish Market, Sakae Sushi, Waroeng Penyet, Cream & Fudge, Sushi Tei, Pasta Zanmai, Starbucks, O'Briens, Melur & Thyme and many more. Cotton On, Levi's, Dockers, Hush Puppies, L'Occitane, The Executive, Pedro, Charles & Keith, and Scholl are some of the brands under the fashion category. Nu Sentral has the first Monki in South East Asia, a famous fashion brand store.

A plus factor for Nu Sentral is its direct link to the Aloft hotel via an air-conditioned bridge from the first floor of the hotel, which is expected to reflect its promise to combine lifestyle shopping with convenience that appeals to discerning modern and urban consumers. Its retail mall is complemented by 1.8 acres of roof garden with huge event area and alfresco dining illuminated by lanterns in the evenings.

With a captive market of over 800,000 households and a total population of over 3.6 million, Nu Sentral offers a combination of connectivity, convenience and convergence to meet the ever-changing needs of retailers and consumers. Its ideal location is naturally enhanced by direct connectivity to the Kuala Lumpur

Sentral Monorail station and Stesen Sentral Kuala Lumpur. Positioned as "the first integrated lifestyle retail mall" in Malaysia. The retail mall is owned by Nu Sentral Sdn Bhd, a joint venture between MRCB and PHB and operated by MRCB Land.

Since opening its doors in 29 March 2014, NU Sentral Shopping Centre has transformed shopping experience by providing shoppers and travelers with the convenience of the public transportation systems. As the first transit mall in the country, NU Sentral has the unique feature of providing global connectivity that accommodates a dynamic and active lifestyle. Linked to KL's largest transit hub; Stesen Sentral Kuala Lumpur, NU Sentral provides the community with improved access to places, jobs and economic opportunities. With an extensive range of retail stores, dining selections and entertainment venues integrated with a network of transit facilities, NU Sentral further affirms its foothold in the competitive retail industry.

The 1 Sentrum office tower with a GFA of over 540,000 sq. ft. adds an outstanding dimension to Jalan Tun Sambanthan, one of Kuala Lumpur's major public arterial transportation routes along the century old Brickfields community. Pre-certified as a LEED Silver office building, awarded by the United States Green Building Council, it will reinforce MRCB leadership in sustainable development geared towards attracting international investors and businesses. More importantly, Lot G also provides an additional 2,000 car park bays to the existing car parking space in Kuala Lumpur Sentral CBD development.

Two major tenants of 1 Sentrum are Agoda International (M) Sdn Bhd and JLL Property Services (M) Sdn Bhd.

PROPERTY DEVELOPMENT

On-going Residential and Commercial Developments

THE ST. REGIS HOTEL AND RESIDENCES KUALA LUMPUR

With a total investment worth about RM1.2 billion, CMY Capital Sdn Bhd, MRCB and Jitra Perkasa Sdn Bhd formed a joint venture company, One IFC Sdn Bhd, to acquire and develop Lot C into the prestigious St. Regis Hotel and Residences. A tower comprising 208 rooms and 160 units of luxury residences with a GFA totalling over 1 million sq. ft., the 6-star St. Regis Hotel will occupy floors 1 to 22 of the tower while the luxury residences will be located above the hotel from floors 23 to 48.

This new high-end hospitality development will be managed by 6-star luxury hospitality brand St. Regis and will create a new benchmark in the hospitality industry and also a new landmark in the country's international tourism promotion. The hotel is expected to tap into a market of high-income tourists as the St. Regis brand caters to heads of states, diplomats, dignitaries and captains of industries. It will have 200,000 sq. ft. of convention facilities and will be one of the hotels with rooms that are among the largest in the world. The construction of the hotel and residences tower commenced in the fourth quarter of 2010 and completion is expected by end 2015 and the Hotel & Residences will operate by mid 2016.

THE SENTRAL RESIDENCES

Located next to the St. Regis Hotel and Residences, the development of Lot D undertaken by MRCB with the Quill Group of Companies, has recorded 85% sales secured for all 752 units of luxurious condominiums being offered under the brand The Sentral Residences.



The Sentral Residences



A view of 9 Seputeh

With a GFA of 1.4 million sq. ft. spread over two 57-storey towers and GDV of RM1.3 billion, The Sentral Residences will complement the existing Suasana Sentral and Suasana Sentral Loft Condominiums. In the topmost 8 levels, 80 of its most luxurious units are designed with extra volume ceiling heights to offer the best views of the fantastic Kuala Lumpur skyline panorama. Overlooking the Lake Gardens, National Museum and the city centre, The Sentral Residences will have spectacular views and luxury amenities for both its towers that are connected at the rooftop by a sky bridge. The generous facilities include a garden deck at level 2, Sky Lounge at level 45 and Sky Club at the rooftop of level 55. The garden deck offers a whole range of facilities that include a lush tropical garden landscape concept. The Sky Club has a more extensive offering of two rooftop saltwater infinity pools; a cafeteria surrounded by sun-shaded decks; verdant tropical trees landscaping and a gymnasium; a vantage point from where residents can enjoy views of Lake Gardens and KL City Centre while working out. More facilities are available at this rooftop level connected across both towers, creating an expansive relaxation area amongst the clouds.

The concept of exclusivity and luxury is incorporated into all units of The Sentral Residences, which are designed with individual private lift lobby, attached bathroom to all bedrooms and a powder room for guests. As with all new buildings under construction in Kuala Lumpur Sentral CBD, The Sentral Residences is designed for GBI Gold green rating and is expected to be completed in 2016.

9 SEPUTEH

MRCB's ongoing mixed development project in the Seputeh area known as 9 Seputeh comprises a mix of sophisticated commercial and residential units nestled in the mature neighbourhood of Jalan Klang Lama on a 17.3-acre stretch of prime land, where facilities and amenities are abundant for business, leisure and family life.

PROPERTY DEVELOPMENT



Semarak City

The development has been envisioned by MRCB as the catalyst to transform Jalan Klang Lama into a more hip, vibrant and modern place to live, work and play, while building on the strength of the main thoroughfare's history as an important link for the Klang Valley population for more than a hundred years. This famous main road, built from 1905 to 1908, is the oldest and the first major road in Klang Valley, before the Federal Highway was built in 1965.

Set against this historic background, 9 Seputeh is a development that will redefine the future of this mature residential and commercial zone, while providing a fresh look to the Sungai Klang riverscape. It features Jalan Klang Lama's tallest structures as well as signature residential and commercial components. The development's Phase 1 with a GDV of about RM860 million, comprising the 44-storey Tower C (190 units), the 42-storey Tower D (222 units) and a 15-storey SoHo (Vivo Suites) block (287 units) were 70% sold as of the end of 2014.

The commercial components consist of 2&3 storey retail lots, 1 hypermarket and 1 foodcourt. This integrated development is seamlessly connected to the retail, commercial and transportation hubs of Kuala Lumpur Sentral CBD, Mid Valley and Bangsar with its own dedicated link to the New Pantai Expressway as well as a planned covered link bridge to the proposed monorail station that will make travelling on this public more convenient.

SEMARAK CITY

This strategically located integrated development by MRCB on Jalan Sultan Yahya Petra (formerly known as Jalan Semarak) is a serene, green enclave within the heart of Kuala Lumpur. Stylishly built on 27.41 acres of prime land, Semarak City enjoys convenient access to and from the DUKE expressway, and plans are underway to widen the existing main access road to a generous 6 lanes to enhance this accessibility.



PJ Sentral Garden City

Semarak City is conceptualized as a new urban centre offering a modern urban living environment that integrates meticulously planned commercial, residential, lifestyle shopping mall and leisure components. It is designed as an eco-sustainable development to meet the Green Building index (GBI) requirements, and is cocooned within the lush greenery of the surrounding areas, including the adjacent 25-acre DBKL Recreational Park that has been taken under the wings of MRCB Land and will be restored to a pristine lushness. This initiative for preservation was conceived to bring a better quality of life for residents of Semarak City and communities in its vicinity for generations to come.

Approximately 3,400 serviced apartments, shops and SoHo units will be built over several phases; The Padang (Phase 1) consists of shop and serviced apartments, The Puncak (Phase 2) consists of shop and SOHO and The Rentak (Phase 3) consists of a shopping mall and serviced apartment. The 4-storey shopping mall will have a GFA of 774,232 sq. ft.

PJ SENTRAL

As one of MRCB's premier development, PJ Sentral will bring a welcome change to the landscape of Petaling Jaya and become a catalyst for the rejuvenation of this first ever modern township in the Klang Valley that was opened in 1952. The project seeks to establish a new vision for the urban regeneration of Petaling Jaya based on the principles of modern design excellence, as well as provisions for social and economic well-being that gives cognizance to environmental responsibility.

PROPERTY DEVELOPMENT

The proposed development will adopt the Green Building Index (GBI) Gold for the individual building and US Leadership in Environmental & Energy Design (LEED) Neighborhood and Township Development Gold rating for the overall development.

PJ Sentral comprises 6 towers, of which 4 are owned by Celcom (Lot 8), Selangor State Development Corporation (PKNS), Malaysia Building Society Berhad (MBSB) and Intellectual Property Corporation of Malaysia (MyIPO) Tower, with a total GFA of 3,883,899 sq. ft. and a total NFA of 2,691,107 sq. ft.

The towering edifices are located within 4 acres of public park at the development site in Section 52 Petaling Jaya. Water fountains, children's playground and covered walkways will be part of the landscape that also offers F& B and Retail Shops, auditoriums, conference halls and a convention centre, as well as Sky Gardens on the towers.

THE GRID @ 21 KIA PENG

Located in one of Malaysia's most desirable locations, the residential precinct of KLCC; The Grid by MRCB will provide residents with their own personal sanctuary with landscaped gardens, KLCC viewing deck, charming water features and modern facilities within quick reach, all within a 36-storey tower with 277 exclusive units, offering one to three bedroom high end condominium units measuring from 843 sq. ft. to 1,206 sq. ft.

The GBI-certified tower block also include an infinity pool with children pool, a gymnasium, children's playground, a yoga deck, a landscaped garden, a BBQ area, viewing deck, infinity pool, lounge, covered car park with access card and 24 hour security (CCTV).

Interest is very strong in The Grid, which has been conceptualised as an aesthetically enhanced development that seamlessly combines concrete, metal and glass to create a timeless building that will meld within the ultra-urban setting. The development is expected to be launched by 2nd quarter 2015.

This integrated development is seamlessly connected to the retail, commercial and transportation hubs of Kuala Lumpur Sentral CBD, Mid Valley and Bangsar with its own dedicated link to the New Pantai Expressway as well as a planned covered link bridge to the proposed monorail station that will make travelling on this public more convenient.



The Grid

PROPERTY DEVELOPMENT



FRISIA, Double Storey (Phase 2C), Bandar Seri Iskandar

BANDAR SERI ISKANDAR, MALAYSIA

Carrying on from the success of Phase 1 of the Bandar Seri Iskandar Development, undertaken by Seri Iskandar Development Corporation Sdn Bhd (SIDEK), a 70:30 joint venture between Malaysian Resources Development Sdn Bhd (MRDSB) and the Perak State Development Corporation (PKNP), further launches were carried out while a review is underway for the remainder of the development land. The current Phase 2A, B and C branded as Puncak Iskandar is due for completion by 2017 while the original commercial development of Phase 2D is being replanned to cater to the continued demand for single and double storey terrace houses.



CASPIA, Semi-D double Storey (Phase 2B), Bandar Seri Iskandar

Puncak Iskandar, or BSI Phase 2, was conceptualized as a high end low density development consisting of single storey bungalows selling from RM480,000, single storey semi-detached houses from RM340,000 as well as single and double storey terrace houses fetching prices from RM135,000 and RM260,000 respectively.

All the phases launched have received fantastic response from the buyers and each phase has sold out reflecting the confidence and support from the buyers for the kind of products offered by SIDEK. To-date a total of 2212 units (1937 units in Phase 1 and 275 units in Phase 2) units have been successfully handed over to the purchasers and ongoing there are 310 units of different types and phase in various stages of construction with sales of more than 90% achieved. Towards the tail-end of the current development parcels, 2015 will see the launching of the final phases of 40 units single storey bungalows and 88 units of single storey semi-detached units with encouraging response and enquiries having been recorded. SIDEK will continue to focus on providing unique design elements as well as emphasizing on the quality and finishes of the houses to firmly establish SIDEK's presence as a committed developer in Central Perak.

The performance of SIDEK continues to grow as the development now moves on to the new development Phases of 2D and 3. Last year, MRCB is focused on SIDEK adopting good work and construction practices to ensure timely delivery and quality that meet the expectations of the buyers. Timely response to purchasers as well as a more effective customer relationship has been put in place, where high priority is given to customers' satisfaction and maintain good relationships.

PROPERTY DEVELOPMENT



3 Residences

Going forward, the replanning of Phases 2D covering approximately 70 acres as mentioned above will consist of a total of 783 units of single and double storey terrace houses plus a limited range of walkup apartments (a first for SIDEDEC) will further emphasise upon SIDEDEC's commitment to provide housing that meets the demand of the local population.

Whereas the future development of Phase 3, located at the highest terrain of Bandar Seri Iskandar will focus upon a new range of community type of housing development with clusters and neighbourhood spaces, both soft and hard landscaping features plus enhancements to the built environment to cater for the new lifestyle as well as having security features. Totalling 1064 units, the design and features of the houses to be launched in Phase 3 are targeted towards the higher end property sector consisting of double storey terrace houses, semi-detached and bungalows and will cover an area of 159 acres. Demand is expected to be good due to the continued growth in the Ipoh-Lumut corridor as well as the ease of access to the development. The two new development areas are targeted to come onstream and commence launching in 2016 as the current phases are completed.

TAMAN KAJANG UTAMA

A wholly-owned subsidiary of the Group, MRCB Utama Sdn Bhd (MRCB Utama), is undertaking the last parcel of development for Taman Kajang Utama, a matured township of 300 acres consisting of freehold commercial, residential and industrial components, offering connectivity and accessibility to a population of over 20,000. The development is in close proximity to various public amenities and offers a perfect environment for family and community living within its vicinity. The final project for this development is the Kajang Utama Phase 7 known as 3 Residences, with floor areas ranging from 850 sq. ft. to 1,200 sq. ft. and expected to be launched in 2015.

This development is strategically located in Kajang, Selangor. It is accessible from highways via the North-South Highway, Cheras Highway and SILK Highway. These highways provide an amazing network of connectivity and mobility for residents to travel to Kajang, Sungai Besi, Cheras, Bangi, Kuala Lumpur, Putrajaya, Cyberjaya and beyond. Public transportation such as bus service is available within the township and the KTM commuter station in nearby Kajang town provides a link to the huge multi rail network in the Klang Valley.

PENANG SENTRAL

Penang Sentral Sdn Bhd, wholly owned by MRCB is entrusted by the Government of Malaysia to develop Penang Sentral.

Penang Sentral is a Transport Hub, an integrated urban development, comprising commercial and residential components incorporated with Transport Terminal and "Park n Ride" facilities. It is located in Seberang Perai, Butterworth, occupying a land area of approximately



Penang Sentral

PROPERTY DEVELOPMENT

23 acres. Penang Sentral forms part of the Northern Corridor Economic Region (NCER), which was launched by the Government in 2007 and is destined to be the catalyst of growth that will rejuvenate the economy in the Northern region. Upon completion, Penang Sentral would have a potential Gross Development Value (GDV) of approximately RM2.3 billion.

The Transport Terminal provides the much needed connectivity for ferry, bus, taxi, train and potentially monorail services in the future. It is designed to cater for 180,000 commuters per day. With the newly completed KTMB's Electric Train Services (ETS) in December 2014, train journey between Penang Sentral and Kuala Lumpur Sentral CBD would only take about three hours.

Lands for Phase 1, 2 & 3 have been secured and the remaining land acquisition are in progress. Targeted completion by mid-2015. The Development Order and Building Plan approvals for Phase 1, 2 & 3 have been issued by Majlis Perbandaran Seberang Prai. Construction works for Phase 1, 2 & 3 which include the Transport Terminal, Retail Mall and Hotel components are targeted to commence by Jan 2015. The Transport Terminal is targeted to be completed by end 2017. The targeted completion dates for the Retail Mall and the Hotel is by end 2019 and 2021 respectively.



Easton Burwood, Australia

THE EASTON BURWOOD, MELBOURNE, AUSTRALIA

MRCB's Australian residential development project Easton Burwood is lauded as the new vibrant centre for the Burwood suburb of Melbourne. Located in the centre of East Melbourne and perched on a hilltop overlooking panoramic views of the Melbourne Central Business District, this development is Burwood's most desirable and convenient address.

Comprising 126 luxury apartments of 1, 2 and 3 bedrooms in two buildings (A & B), residents of Easton Burwood enjoy a range of facilities that include an internal communal courtyard in Building B, a communal garden with BBQ area and seating between Building A and B and roof top terrace gardens with elevator access. They also enjoy 148 car park bays, 126 storage spaces provided in the buildings' basement, secure entrances and 24-7 CCTV and security services for this development with a GFA of 168,014 sq ft.

Whether it is high street shopping or the high end luxury of nearby Chadstone shopping centre, life at Easton Burwood built by MRCB Land Australia Pty Ltd is rich with style and flair.

PROPERTY INVESTMENT

KOMPLEKS SENTRAL

The Kompleks Sentral continued to be the preferred choice for warehousing and storage among a diverse range of clients, partly as a result of sustained and rigorous marketing efforts that has helped pushed occupancy rate up to 90%. Formerly known as Resource Complex, Kompleks Sentral is another of the Group's investment assets and comprises 562,493 sq.ft. of flatted factory for lease in Segambut, at the outskirts of Kuala Lumpur. The premise is managed and owned by Malaysian Resources Development Sdn Bhd, a wholly-owned subsidiary of MRCB.

The team is now focusing on further improving the property value by attracting more businesses to set up offices and factories at the complex.

PLATINUM SENTRAL

Originally known as "Kuala Lumpur Sentral Park", the FIABCI Award winning Platinum Sentral is now a full-fledged unique green office offering seamless connectivity, a creative working environment and contemporary business lifestyle. Winning praise and accolades for all its impressive design attributes packaged in an environmentally sustainable structure, this office-campus style green building in the Kuala Lumpur Sentral CBD had deservedly won the FIABCI Malaysia Property Award 2013 under the Sustainable Development category and continues to win the coveted World Gold winner at FIABCI World Prix d'Excellence Award 2014 in the Sustainable Development.

With a central atrium connecting all five enclosed blocks of its built up area, Platinum Sentral is truly Kuala Lumpur Sentral CBD's first Green Office Campus. Platinum Sentral's GFA of approximately 980,000 sq. ft. includes contemporary office buildings, retail, business centres, hospitality zones and green spaces.

PROPERTY DEVELOPMENT



Platinum Sentral

Platinum Sentral is one of MRCB's signature projects, with contemporary and best-in-class office solutions, designed in compliance with Singapore's Building & Construction Authority BCA Green Mark Platinum rating. Platinum Sentral is Malaysia's first commercial building that uses CISCO's Smart+Connected Real Estate (S+CRE) to enhance the tenants' experiences through better planning, construction and space configuration. It provides a truly unique state-of-the-art, distinctive smart green building that offers seamless connectivity and a creative working environment.

One unique solution is its digital guidance system that autonomously manages the ample car parks within the building. This is in line with MRCB's agenda in promoting sustainable development, particularly in Energy Efficient and Green Design buildings. Platinum Sentral was also the winner of the Edge-PAM Green Excellence Awards 2012. It was also selected as a recipient for the Best Green Office Development and also Best Green Initiative at the Editor's Choice Property Awards 2012.

Wholly owned by MRCB, Platinum Sentral has secured 100% tenancy with SME Corp Malaysia, SBM Corp, SPAD, ICLIF and PEMANDU listed among its major tenants.

PLAZA ALAM SENTRAL

Despite intense competition from shopping malls in its vicinity, to date Plaza Alam Sentral is still Shah Alam's favourite shopping destination. Its appeal lies in its mix of tenants and its wide variety of specialised products ranging from telecommunications gadgets and computers to textiles, fashions, bowling, karaoke and televised entertainment – not to mention its array of food and beverages outlets. With a lettable area of more than 430,000 sq. ft. being taken up by tenants at 95% occupancy and ever growing visitors, Plaza Alam Sentral provides a wholesome retail experience for consumers in Shah Alam and the south of the Klang Valley, including Petaling Jaya, Subang, Puchong and Klang. Continued and vigorous marketing and promotion combined with frequent events and exhibitions, have made Plaza Alam Sentral a centre for family fun and a popular weekend destination – helping to push up visitor numbers every year. The management team is focused on further improving the retail mix by attracting more

PROPERTY DEVELOPMENT



locally renowned brands and targeting shoppers with higher purchasing power and also aiming to boost the mall's income stream by balancing store sizes and sales revenue.

SOOKA SENTRAL

Sooka Sentral was opened in 2007 with a GFA of 140,000 sq. ft. The GDV of Sooka Sentral is RM80 million with a total of 26 tenants and offering a wide range of local, regional and western food & beverages that, among others include Malones, Killiney Kopitiam, Lilies, Starbucks, The Teh Tarik Place, Chillis, Olive's, Star Anise, Chrispy Popiah, Bread Delicious, Meals Station, Kelantan Delights and Noodle Shack. Sooka Sentral's Food Court on Level 2 offers a wider variety of local and Asian cuisine to customers, who range from business-suited senior managers to casually-dressed international backpackers.

Alammi Spa is an avenue for patrons to de-stress and relax their mind and body. Other tenants listed are Citra Melur Sdn Bhd, Ex-Print and Bakti Healthcare Sdn Bhd. Sooka Sentral promises an experience that will 'rejuvenate, refresh and relive' the discerning modern consumer, especially among the corporate workforce during and after work.



An aerial, high-angle photograph of a city. In the foreground, a worker wearing a blue shirt, blue pants, and a white hard hat is working on a rooftop or elevated platform. The worker is leaning over, possibly handling equipment or materials. The background shows a dense urban landscape with tall buildings, streets, and some greenery. The image has a slight motion blur, giving it a sense of activity and height.

FACILITIES MANAGEMENT

We go to great lengths to ensure that all services and processes are well managed to optimize efficiency and productivity.



FACILITIES MANAGEMENT



With a strong performance and equipped with capable manpower, the FM is now recognised as one of the main players in the field

MRCB's Facilities Management (FM) has successfully established its own brand as a major player in the country for many years now. With a strong performance and support from a capable workforce, FM offers total integrated facilities management services such as the operation, maintenance and management of facilities. These services are provided for integrated transportation hubs, commercial, government, industrial sectors and high-rise buildings that include Green Buildings.

It all started in 2005 when we spin off the technical team of Stesen Sentral Kuala Lumpur to set up Semasa Services Sdn Bhd (SSRV). Today, SSRV is the facilities management company in the MRCB Group, capable of self-delivering integrated facility services solutions to customers. We create experience for our clients and brings to them not only efficient, reliable and flexible services but also help them to reduce their risks and achieve their purpose and objective.



Led and managed by a team with years of experience in various aspects of facility management, SSRV offers a diverse range of services that suits clients' requirements. We customize our service to individual customer needs, providing them one or more services within cleaning services, support services, property management, facilities management, energy management and security services. Our customers generally do not consider these services to be core part of their business operations. At SSRV, provision of these services is our core business.

In recent years, customers have realised the benefit of having fewer providers take care of their facilities. In line with that, SSRV has developed a full range of services that allows the customer to have a single provider delivering all facility services in a package that is more flexible, consistent and efficient across all their operations.

FACILITIES MANAGEMENT

In 2014, SSRV had secured new contracts for facilities management services to office buildings like Menara Shell, Menara Axiata and Nu Tower in Kuala Lumpur Sentral CBD as well as Wisma Scope in Technology Park. Apart from projects that involved facilities management at office buildings and high rise buildings, SSRV also extended its services in managing the newly opened shopping mall in Kuala Lumpur Sentral CBD known as NU Sentral. With dedicated and experienced team, SSRV has managed to expand its services and widen its scope and experience in handling operations of shopping including commercial lots, café area and food court.

The SSRV employs more than 180 highly technically competent and resourceful employees nationwide who offer excellent quality and reliable performances for clients. With its services being offered extensively in Klang Valley, Pulau Pinang, Perak, Johor, Pahang and Sabah, SSRV is well-positioned to expand business operations to other parts of the country. The company's team of professionals pride themselves on their high levels of responsiveness towards clients' needs, time management and the orderly manner in which all tasks are implemented.

This level of commitment has ensured SSRV's capabilities to deliver outstanding assessment process for newly completed buildings to ascertain the classification for each one. To further expand its expertise in this field, SSRV aims to manage a wider scope of green rated buildings under various green certification bodies i.e. Malaysia's Green Building Index (GBI), Singapore's BCA Green Mark and USA's LEED. Currently, amongst the prominent buildings under its supervision are Platinum Sentral, located in Kuala Lumpur Sentral CBD and the Energy Commission's Diamond Building in Putrajaya. Green buildings allow clients to benefit from the premium rental rate they command while attracting reputable tenants who are conscious of the need for sustainability. In addition, it also helps to incorporate energy and water efficient technologies. Best of all, it reduces building management costs and create value-added services.

SSRV offers energy efficiency and green technology consultancy services, building energy audits and also energy initiatives either through outright purchase or shared savings with clients. Many of its clients have benefited from the multiple initiatives of the energy efficiency programmes carried out at several buildings and continue their projects with SSRV including Stesen Sentral Kuala Lumpur (SSKL), 1 Sentral and Plaza Sentral where promising results in the reduction of electricity cost, ranging from 11% to 15%, have been recorded consistently. This programme will eventually record a reduction in carbon emission, which supports the government's aspiration towards more green initiatives. Energy efficiency initiatives at these buildings include energy assessments, building benchmarking, cost-effective energy efficiency improvements and green workforce training and education.

With proven track record and successful energy management and energy efficiency projects, SSRV managed to gain clients' confidence in obtaining new energy related projects. In 2014, SSRV was awarded with new contracts involving the supply and installation of Light Emitting Diode (LED) lights at Platinum Sentral, Plaza Sentral and Nu Towers. This new service focuses on increasing the efficiency of resource utilization in energy usage and ultimately providing savings to the clients. The usage of LED lights tubes can be five times more efficient than conventional lighting, environmentally safe, with extended life and durability, all of which will translate into energy savings. Among current projects benefitting from LED tubes include Stesen Sentral Kuala Lumpur, Plaza Sentral, Sooka Sentral, 1 Sentral and Kompleks Sentral.



Maintenance work

FACILITIES MANAGEMENT



Stesen Sentral Kuala Lumpur at night

AWARDS AND RECOGNITION

The FM's operation complies with well established standard procedures aimed at delivering excellence. It is committed to its ISO certification and has ensured the ongoing validity of this certification. SSRV has successfully passed its Surveillance Audit conducted by SIRIM in March 2014.

In the quest for excellence, SSRV was among the first five companies in Malaysia to be certified with the ISO 50001 Energy Management System, which would further expand and improve its professional delivery for energy services. The company obtained its certification on 28 June 2013 from SIRIM.

PROJECTS

Facilities Management (FM) Services

Since the inception of this service seven years ago, it has evolved into a business that has been growing steadily over the years. FM contracts, managed by Semasa Services include services for Plaza Sentral Joint Management Body, YTR Harta Sdn Bhd and various properties under the Employees Provident Fund (EPF),

Companies Commission of Malaysia (CCM) and Malaysian Industrial Development Authority (MIDA) for their buildings in Kuala Lumpur Sentral CBD.

Station Management

Semasa Sentral's most prominent project is the management of Stesen Sentral Kuala Lumpur (SSKL), the nation's main rail transportation network hub. The station is the embodiment of everything a world-class transportation hub should be. The SSKL forms the integration point for Keretapi Tanah Melayu Berhad's (KTMB) Intercity and Komuter inter-State and inter-city rail systems, the Light Rail Transit (LRT) system operated by Rangkaian Pengangkutan Integrasi Deras (RAPID), Klang Valley's urban rail network system, as well as the Express Rail Link (ERL) high-speed train service to the Kuala Lumpur International Airport (KLIA).

The SSKL has also evolved into not only a rail transportation hub but has become one of the city's bus hubs. Bus operators in the SSKL include Rapid KL's revamped bus network and buses to KLIA – both the Main and Low-Cost Carrier terminals. After 13 years of operation, SSKL continues to receive 160,000 passengers on a daily basis, thus proving its standing as a popular integrated transportation hub.

FACILITIES MANAGEMENT

Another major project that continues to be managed by Semasa Sentral is the Penang Sentral Temporary Terminal in Butterworth (PSTT). This temporary hub is built to make way for the development of the planned six million sq. ft. Penang Sentral development, comprising retail, commercial and residential components that will include multi-level basement car parks and an integrated transportation hub linking rail, ferry and bus services.

The PSTT provides facilities for its users such as toilets, surau, information kiosk and a link way to the ferry terminal and operates on a 24-hour basis. Currently, the PSTT has a passenger capacity of about 32,000 daily.



Penang Sentral

SECURITY MANAGEMENT

Security Policy

The Security Policy at KL Sentral CBD is to protect MRCB properties and to ensure a safe and secured environment for all MRCB employees, residence, visitors and occupiers. We strive to protect and educate KL Sentral CBD community and visitors on crime awareness, crime prevention methods and techniques, and to encourage the community to be aware, vigilant and conscious of their own and related surroundings.

Roles, Functions and Responsibility of Security Departments

This department implements security policy, principles, systems, measures, procedures, guidelines and regulations. This is to ensure effective and efficient administration, control and enhancement of security requirements throughout MRCB project areas and job sites. The Security Department strives to protect and prevent MRCB physical assets from being abused, tampered with and damaged due to accidents and criminal acts. This vigilance is also extended to the protection of MRCB resources, classified documents and information from abuse, falling into unauthorized hands and/or damaged by security threats.



Auxiliary Police at the Fire Control Centre

The range of tasks also include investigation into alleged malpractices, undesirable elements, vice-related activities, irregularities, suspicions, breaches of security and security observation reports within MRCB construction sites. Assistance is extended to other Departments or Divisions within MRCB in securing, protecting or maintaining the company policy, interests and requirements.

All contractors at MRCB construction areas are monitored by the Security Department with regards to their compliance with MRCB Security Guidelines and Regulations, while encouraging and assisting these contractors to develop their own in-house security functions that will cooperate, assist, contribute or reciprocate in reinforcing MRCB security requirements. This is part of the Security's effort to inculcate security awareness amongst all MRCB staff, the contractors as well as their employees.



Marching session

SECURITY MANAGEMENT

Semasa Security Sdn Bhd, has been appointed and entrusted with the management of the Auxiliary Police and MRCB Security Guards. They are committed to the development, implementation and continuous improvement of security services. MRCB is expanding its business activities and the Security Department will continue to provide its services with emphasis on trained staff and the procurement of the latest technological advances to improve efficiency and address future challenges. Our customer needs are of utmost concern.



Auxiliary Police in briefing

ENVIRONMENTAL, SAFETY AND HEALTH



Construction in progress

- To carry out activities or deliver products or services with minimum Environmental, Safety and Health impact, promote awareness among our employees, contractors and interested parties and encourage them to work responsibly in a manner compliant with Environmental, Safety and Health principles.
- To conserve natural resources through innovative processes with the Reduce, Reuse, Recycle, Rethink and Respect (5R) method of environment, safety and health.
- To promote energy conservation with sustainable usage to ensure efficient and effective use of materials and resources within our facility that includes non-renewable sources of water, electricity and other resources.
- To comply with all relevant environment, safety and health, legal and other requirements and to review this policy periodically.

The Environmental, Safety and Health of our colleagues, contractors, visitors, interested parties and the communities in which we live and operate is an integral part of MRCB's vision of becoming a leading Malaysian Organization, that is to be recognized for the delivery of world-class services in each of our core businesses with a corporate presence in strategically selected countries and markets.

We will act in a responsible manner:

- To prevent incident, injury and ill-health arising from the work activities with continual improvement of OHSAS 18001:2007, MS 1722:2011 and ISO 14001:2004.
- To provide and communicate through adequate training and awareness programmes, to ensure all persons working in the Organization are aware of their individual obligations in Environmental, Safety and Health aspects.
- To engage our contractors on a daily basis and provide advice and supervision on Environmental, Safety and Health at work sites and work place by means of monitoring, inspection and internal audit.
- To respond effectively to Environmental, Safety and Health emergencies involving our operations.
- To implement and maintain equipment, facilities, documents and processes in a safe manner.



Safety briefing at the site

ENVIRONMENTAL, SAFETY AND HEALTH

OBJECTIVES

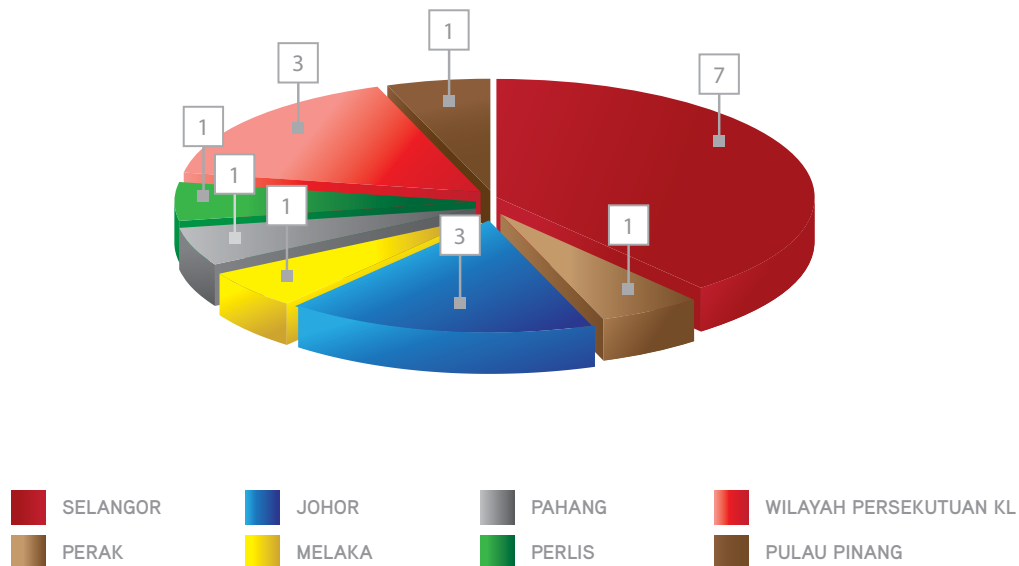
HEALTH & SAFETY DEPARTMENT

- All projects to reduce the number of the Stop Work Order from Department of Safety and Health (DOSH) or other relevant authorities by 50%.
- All projects to achieve zero life loss and strive towards reducing accidents at project sites.
- All projects to ensure 100% of new employees (company employees, subcontractors & workers) have attended the induction course organized by Safety & Health team in order to improve awareness on good safety and health practices.
- All projects to ensure 100% of all new project staff have attended the CIDB green card training.

ENVIRONMENTAL DEPARTMENT

- All projects to achieve Zero stop work order related environmental issues from Department of Environmental (DOE) and other relevant authorities.
- All projects to ensure 100% of new employees (company employees, subcontractor & workers) have attended the induction course organized by Environmental team in order to improve awareness on good environmental practices.

DISTRIBUTION OF CONSTRUCTION PROJECT BY STATE



Vertical Plant at NU Sentral's Skypark

SAFETY, HEALTH & ENVIRONMENT (SHE) INITIATIVES

- Full involvement in the entire business process right from Pre-Qualification Process, Tender Bidding, During Construction and Post Construction Processes.
- Standardisation of SHE documents across all the project sites.
- Weekly SHE reporting and monthly SHE meeting for all project sites.
- Monthly site visits by Group SHE in all project sites.
- Audit compliance at construction sites.

An aerial photograph of a city. In the foreground, a multi-lane highway is filled with cars and trucks. To the right, a large bridge is under construction, with its concrete pillars and framework visible. The background shows a cityscape with various buildings and a cloudy sky.

POWERING INFRASTRUCTURE

As a Malaysian company, we are evolving and going from strength to strength in contributing to the development of our nation and progress for our future generations.



ENGINEERING & CONSTRUCTION

With reported revenue of RM790 million from construction projects delivered during the financial year under review, 2014 was another busy year for the Engineering and Construction (E&C) Division.

In addition, the E&C Division has an unbilled order book worth RM2.4 billion representing construction works encompassing Grade A office buildings, retail mall, residential buildings and infrastructure packages.

As a division entrusted with frontline construction work, E&C has implemented the ISO Quality Management Systems to be certified under ISO 9001 and ISO 14001, together with the OHSAS 18001 Occupational Health And Safety Management System in the coming financial year. Each of the ISO standard provides different benefits such as improved product quality and customer service (ISO 9001) and reduced environmental impact (ISO 14001), while the OHSAS 18001 will complement initiatives to reduce accident rates.



Ascott Sentral Lounge



Menara Shell

PROJECTS COMPLETED

The E&C Division had recorded good progress in 2014 with completion of the LEED Platinum certified Menara Shell at Lot 348. Menara Shell is the new headquarters of Shell Malaysia and Ascott Sentral, a 27-storey serviced residences managed by The Ascott International; the world's largest international serviced residences provider with properties spread across key cities in Asia-Pacific, Europe and the Gulf.

Another landmark project undertaken by the E&C Division was the construction of a 41-storey office tower, known as Menara CIMB in Kuala Lumpur Sentral CBD. Menara CIMB is home to the CIMB Investment Bank, one of the largest financial institutions in South East Asia. The Menara CIMB had been handed over to Lot A Sentral Sdn Bhd (LASSB) in January 2013, a joint venture company between Maple Dextra Pte Ltd and CMREF1 Sdn Bhd, which acquired the land in 2007. Menara CIMB was awarded a provisional Green Mark Gold rating by the Building and Construction Authority (BCA), Singapore. The BCA Green Mark is a Singapore green building rating system promoting sustainability in the construction of buildings.

ENGINEERING & CONSTRUCTION



NU Sentral Skypark

The Division has also completed the Lot G shopping mall known as Nu Sentral. It was officially opened for business on 29 March 2014. The nine-storey mall has a GFA of 1.3 million sq. ft. and has delivered on its promise to combine lifestyle shopping with convenience that will appeal to discerning modern and urban consumers in the Klang Valley.

CURRENT PROJECTS

High-Rise Buildings

With built-in green features the Q Sentral, a 45-storey Grade A strata office building project includes an exclusive transit passengers' walkway, which links the upcoming National Museum MRT Station and Stesen Sentral Kuala Lumpur. This project is expected to complete by 2015 and as at end 2014 is 48.93% completed. Set to be awarded the MSC status, Q Sentral will fully accommodate the requirements of MSC Status companies.

Another ongoing project was the development of The Sentral Residences; an avant-garde premier residence, consisting of two blocks of 57-storey high-end condominium that offers panoramic views of the Lake Gardens, National Museum and KLCC. The exclusivity and luxury incorporated into all units of The Sentral Residences, are strikingly represented in the building's design features that include individual private lift lobbies, attached bathroom to all bedrooms and a powder room for guests. As with all new buildings under construction in Kuala Lumpur Sentral CBD, The Sentral Residences has been designed for GBI Gold green rating. This project is expected to be completed in 2016 and is more than 10% completed as of December 2014.

ENGINEERING & CONSTRUCTION

Another project well on its way to the halfway mark to completion by third quarter of 2016 is PJ Sentral Garden City – Phase 1 (Lot 8 & Lot 12). Totalling 12 acres (Lot 12 is 9.86 acres, Lot 8 is 2 acres), this development contains a 4-storey basement car park, 1-storey basement service level (at Lot 12). Of the 5 towers available, one 27-storey office tower was purchased by MBSB while another 25-storey office tower was purchased by MyIPO (Malaysia Intellectual Property Organisation). At Lot 8, a 33-storey office tower was leased out to Celcom. Current progress for Lot 8 is 25% and is scheduled for completion by 3rd quarter of 2016. The basement service level and the 2 towers at Lot 12 was scheduled for delivery by 3rd quarter 2016.

Also on track in 2014 is 9 Seputeh, a 17.63-acre development comprising Parcel A, Parcel B, Parcel C and Parcel D. Parcel C consists of 4 residential towers (service apartments) from 42 to 44-storey high, one tower of SOHO 12-storey high, a 9-storey podium and retail space with a 2-storey basement car park. The

basement works was at 6% completion and the whole development is scheduled to be completed by 4th quarter 2017.

In 2014 MRCB started construction of Giant outlet located in Taman Danau Kota, Setapak with a GFA of 147,473 sq. ft. in a Turnkey Contract awarded by Guardian Health & Beauty Sdn Bhd (formerly known as GCH Retail (M) Sdn Bhd). The construction process was in progress at 18.5% completion and scheduled for delivery by 3rd quarter 2015.

MRCB also constructed the Giant Kangar outlet located in Mukim Utan Aji, Perlis Indera Kayangan. This outlet has a GFA of 88,481 sq. ft. and was also awarded a Turnkey Contract by Guardian Health & Beauty Sdn Bhd. The construction is in progress and 17.2% completed. It is scheduled for delivery by 3rd quarter 2015.



9 Seputeh

ENGINEERING & CONSTRUCTION



Pantai Siring project

First ever project in Malaysia to install high voltage overhead electricity transmission line crossing over the Strait of Melaka from Pantai Siring to Pulau Besar in Melaka.

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

The extension project for another Giant facility – the Giant Sepang Distribution Centre – was awarded to MRCB in early December 2014 by Jupiter Lagoon Sdn Bhd. This facility in Dengkil, Sepang district is expected to be completed by July 2015. Currently, it is at piling works stage.

MRCB also entered into a joint venture with Arch Angel DMC Sdn Bhd to form MRCB Putra Sdn Bhd for the construction of Putrajaya P2C4, which is located in Precinct 2 Putrajaya at a strategic location facing the Ministry of Finance building. This development is a 13-storey office tower targeting for GBI Gold Certificate with a total NFA of 409,926 sq. ft. and a GFA of 666,649 sq ft. Works commenced in December 2014 and the project is scheduled to complete within 36 months.

INFRASTRUCTURE PROJECTS

The E&C Division is involved in the ongoing works for Delivery of Package B (Construction of Facilities Works) for the Ampang LRT Line Extension that started in October 2011. The project alignment begins from the existing Sri Petaling LRT Station and terminates at the Putra Heights Integrated Terminal, an extension of about 10km of a total length of 17.70km of the project. The Division was also nominated as the subcontractor to fabricate and deliver segmental box girders under Package B of the Kelana Jaya LRT Line Extension.

Our joint venture company, i.e. UEMB-MRCB JV Sdn Bhd had also commenced construction of the fourth lane extension from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and Nilai Utara to Seremban for PLUS. The JV Company will deliver this RM1.4 billion project by mid-2015.

ENERGY SECTOR

The Division through its wholly-owned subsidiary, Transmission Technology Sdn Bhd (TTSB), is actively involved in the Engineering, Procurement and Construction (EPC) of high voltage transmission projects comprising substations, overhead transmission lines and underground cabling works. TTSB which had earlier successfully completed and handed over to Tenaga Nasional Berhad (TNB) the works related to 132kV Overhead Lines and Underground Cable for future development of KL North 132kV GIS substation in June 2014.

TTSB has been awarded five projects in 2014, amounting to RM94.38 million by TNB. The five awarded projects include works related to:-

- i) 275kV Monopole (1000MVA) from Kg Chempaka to PMU Ara Damansara, KL
- ii) 132/33kV PMU (2x90MVA) UIAM Kuantan, Pahang
- iii) 132/33kV PMU (2x45MVA) Batu Arang Extension, Selangor
- iv) 132kV Underground Cable Damansara City, Kuala Lumpur
- v) Increase Height of existing 500kV and 275kV Overhead Lines at Tg. Bin, Johor

ENGINEERING & CONSTRUCTION

On the development of the on-going project, the 132kV Transmission Line from Pantai Siring to Pulau Besar, Melaka (i.e. the first ever project to install Overhead Lines in Malaysia crossing over a stretch of sea in the Straits of Melaka) is progressing well four (4) months ahead of schedule and expect completion by April 2015.

ENVIRONMENTAL SECTOR

While constructing Phase 2 works of the Sungai Pahang river mouth rehabilitation project at Pekan in Pahang, MRCB had commenced negotiation with the Government to continue with the works under Phase 3. A Letter of Award for the Phase 3 works amounting to RM130 million was awarded to MRCB with works commencing on 18 September 2013. While the project is expected to be completed by 17 September 2015, works at site are progressing ahead of schedule by 20% and is on target for early completion. The works involves the construction of a dyke and extensions of two breakwater arms, measuring 368 metres and 201 metres. We have recently submitted to our client a proposal to continue with the Phase 4 works.

Apart from the secured works, MRCB is actively looking at securing other projects involving river, beach and coastline rehabilitation. The division is also exploring into other concession businesses such as Waste-to-Energy, rapid transit and district cooling.

FUTURE PROSPECTS

The experience gained in constructing world-class Green and Energy Efficient Buildings in Kuala Lumpur Sentral CBD, as well as large-scale infrastructure projects has prepared E&C Division to take on more challenging projects in the future. Such impressive track records, together with its abilities to provide innovative solutions to its clients, will help to enrich its order book.

The current unbilled order book of the E&C Division, from both high-rise buildings and infrastructure projects, will continue to keep us busy for the next coming years.



132 kV transmission line from Pantai Siring to Pulau Besar, Melaka



Workers at work in Pantai Siring project

CORPORATE EVENTS 2014

28/
JANUARY



KELANTAN DELEGATES VISIT KUALA LUMPUR SENTRAL CBD

A delegation of Kelantan State Government officials visited the Kuala Lumpur Sentral CBD and was briefed on the ongoing development at this Central Business District (CBD) and the overall strategy of MRCB's property development endeavours.



NU SENTRAL RETAIL ENGAGEMENT

A special event was held for retailers in preparation for a soft launch of NU Sentral, Kuala Lumpur Sentral CBD's latest retail mall development.

About 300 retailers comprising business owners and senior management representatives of well-known retail brands attended the gala event at the Hilton Kuala Lumpur, where they were feted and briefed on NU Sentral's upcoming soft launch.

29/
JANUARY



SIGNING CEREMONY BETWEEN EKOVEST AND MRCB

MRCB entered into a sale agreement with Ekovest Berhad and its subsidiaries for the disposal of MRCB's 30% equity in the Duta-Ulu Kelang Expressway (DUKE).

The sale entails the disposal by MRCB of 1.5 million ordinary shares of RM1.00 each and 13.5 million redeemable preference shares of RM1.00 each in Nuzen, which represent the 30% MRCB stake in the concession highway project.

06/
FEBRUARY



PINTAR YOUNG LEADERS CAMPAIGN PROGRAMME

MRCB has organized a Young Leaders Campaign programme, where MRCB allocates sponsorship of school uniforms, school shoes and school bags for needy primary students. A total of 750 students from schools in Penang, Perak, Kuala Lumpur and Pahang had benefitted from this programme.



SIGNING CEREMONY BETWEEN MRCB SENTRAL PROPERTIES AND QUILL CAPITAL TRUST

MCRB signed a Heads of Agreement (HOA) via its wholly-owned subsidiary, MRCB Sentral Properties Sdn Bhd, with Quill Capita Trust (QCT) for the sale of Platinum Sentral, the Kuala Lumpur Sentral CBD's campus-style green office low-rise building. The HOA has set out that the purchase consideration of RM750 million for the sale of Platinum Sentral will be satisfied by QCT with RM486 million in cash, with RM15 million in refundable earnest deposit payable upon the execution of the HOA.

CORPORATE EVENTS 2014

11/
FEBRUARY



SPONSORSHIP CHEQUE HAND OVER TO NEWSPAPER IN EDUCATION PROGRAMME

MRCB handed over RM120,000 to the New Straits Press (M) Berhad (NSTP) as part of its sponsorship programme for education enhancement via the Didik educational pullout, purchase of daily newspaper, UPSR Clinic and educational workshops conducted by the NSTP group.

21/
FEBRUARY



CONTRIBUTION OF MINERAL WATER TO COMMUNITIES IN CHERAS

YABhg. Datin Paduka Seri Rosmah Mansor, wife to the Prime Minister, distributed 1000 of the 5.5-litre bottles of mineral water to the Taman Desa Cheras and Seri Perindu at Alam Damai and the Taman Desa Baiduri communities in Cheras on behalf of MRCB. MRCB donated the mineral water as part of its CSR's Community Services. The activity was aimed at easing the burden of communities in the Klang Valley experiencing water supply interruption during this dry spell that also impacts other urban areas in the country.

17/
FEBRUARY



NEGERI SEMBILAN STATE GOVERNMENT DELEGATES VISIT KUALA LUMPUR SENTRAL CBD

A delegation of Negeri Sembilan State Government officials from the State's Economic Planning Unit visited the Kuala Lumpur Sentral CBD and was briefed on the ongoing development at this Central Business District and the overall strategy of MRCB's property development endeavours, including its focus on Transport Oriented Development.

19/
FEBRUARY



CHAIRUL TANJUNG VISITS KUALA LUMPUR SENTRAL CBD

Chairul Tanjung, a billionaire businessman and former Coordinating Minister for Economics in the Indonesian cabinet paid a visit to Kuala Lumpur Sentral CBD with representatives of his business conglomerate in a fact-finding mission on MRCB's latest property developments.

CORPORATE EVENTS 2014

11/
MARCH



UTP STUDENTS AND LECTURERS VISIT KUALA SUNGAI PAHANG

A group of Universiti Teknologi Petronas (UTP) students and lecturers paid a visit to MRCB's ongoing river mouth remedial and breakwater construction project at Kuala Sungai Pahang. They were on a study tour of the project, which MRCB had conducted to improve the navigation of the river mouth area, while providing safe anchorage for local fishermen behind the breakwater.

22/
FEBRUARY



MRCB VOLUNTEERS DISTRIBUTE FOOD WITH KECHARA SOUP KITCHEN

A group of senior management team members from MRCB volunteered to help distribute food to the homeless in Kuala Lumpur as part of the company's sponsorship programme in collaboration with the Kechara Soup Kitchen (KSK). The KSK is an NGO which rely on volunteers and donations to cook and distribute food and personal hygiene packs to as many as 850 homeless individuals every Saturday night in the city.

27/
MARCH



TAXI DRIVERS FAMILIARISATION PROGRAMME AT NU SENTRAL

About 150 taxi drivers and their vehicles from several operators namely, Public Cab Sdn Bhd, Sunlight Taxi Group and Puncak Holding Sdn Bhd were welcomed for a drive-through of the pick-up and drop-off zones at the newly opened NU Sentral retail mall in the CBD here.

As the country's first retail mall integrated within the country's largest transportation hub, Stesen Sentral Kuala Lumpur, the familiarisation exercise sought to integrate road transportation such as taxi services with rail transportation provided at the Stesen Sentral Kuala Lumpur (SSKL), which is a major part of the Kuala Lumpur Sentral CBD.

CORPORATE EVENTS 2014

29/
MARCH



EARTH HOUR 2014

For the fifth consecutive year, MRCB switched off all non-essential lights for one hour in buildings and property under its management as a show of support for the Earth Hour initiative, to enhance awareness about the threat of global warming.

Several buildings in the Kuala Lumpur Sentral CBD development were involved, comprising the landmark office tower 1 Sentral (where MRCB's Headquarters is located) and Malaysia's largest and busiest transport hub, the Stesen Sentral Kuala Lumpur, as well as MRCB's Shah Alam property - Plaza Alam Sentral.

29/
MARCH



NU SENTRAL SOFT OPENING

Positioned to bring urban and fresh retail concept to market, MRCB's NU Sentral retail mall marked this important milestone in retail development with a ribbon cutting ceremony at exactly 3.30pm, which was deemed an auspicious time for the official opening of the mall.

The senior management teams from MRCB and Pelaburan Hartanah Berhad (PHB), both joint venture partners of NU Sentral Sdn Bhd as well as the developer of the mall attended the event together with NU Sentral's retailers to witness the opening for business by the country's first 'transumer' mall.

02/
APRIL



CIDB VISITS KUALA LUMPUR SENTRAL CBD

A delegation from the Construction Industry Development Board (CIDB) paid a visit to gain insight on MRCB's ongoing development at this premier transportation hub and for an update on the Group's other development projects in the country.

CORPORATE EVENTS 2014

03/
APRIL



QUILL REIT SIGNING

MRCB entered into a definitive agreement with Quill Capita Trust (QCT) REIT to divest the office-campus style Green building Platinum Sentral for RM750 million, with a RM250 million gain being made upon its divestment. Subsequent to an announcement dated 29 January 2014, with regards to the execution of a Heads of Agreements between MRCB's wholly-owned subsidiary MRCB Sentral Properties Sdn Bhd and QCT, both parties had signed a sale and purchase agreement (SPA) for Platinum Sentral for a total RM750 million, of which RM486 million will be satisfied in cash and RM264 million will be satisfied via the issuance of 200 million Units in QCT REIT at an issue price of RM1.32 per Unit.

04/
APRIL



HIS EXCELLENCY SYED HASSAN RAZA PAKISTAN HIGH COMMISSIONER TO MALAYSIA VISITS KUALA LUMPUR SENTRAL CBD

His Excellency Syed Hassan Raza the successor to former Pakistan High Commissioner to Malaysia, Shahid Masroor Gul Kiani, paid a visit to Kuala Lumpur Sentral CBD as part of his familiarisation tour in the country since assuming his duties on 27 February 2014.

18/
APRIL



MRCB SIGNS THE MACC'S CIP PLEDGE

In committing to become a signatory to the Corporate Integrity Pledge (CIP), MRCB signalled its continued commitment to maintain a high level of organisational accountability by promoting integrity, transparency and good governance in all aspects of its operations.

08/
APRIL



SULTAN OF PERAK VISITS KUALA LUMPUR SENTRAL CBD

The Duli Yang Maha Mulia Paduka Seri Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfurlah, the Sultan of Perak, paid an informal visit to Kuala Lumpur Sentral CBD in his capacity as the then Raja Muda of Perak before his proclamation as the Sultan of Perak on 29 May 2014. His Royal Highness was briefed on MRCB's development within the CBD and elsewhere in the country.

CORPORATE EVENTS 2014

18/
APRIL



CHEQUE HAND OVER TO MALAYSIAN PRESS INSTITUTE

In a simple but meaningful ceremony MRCB handed over a cheque to the Malaysian Press Institute (MPI) as contribution for the conduct of its annual activities, including the prestigious annual MPI Journalism Awards.

18-20/
APRIL



PINTAR-UPSR CLINIC PROGRAMME

MRCB has organised UPSR Clinic in collaboration with Berita Harian (BH) Education Unit, as part of PINTAR activities for year 2014. Through this 2 day sessions the students were taught the techniques to answer question based on the requirements and examinations format outlined by the Malaysian Examination Board.

25/
APRIL



DOUBLE WIN FOR MRCB AT GLOBAL LEADERSHIP AWARD 2014

MRCB and its Group Managing Director (GMD), YBhg. Tan Sri Mohamad Salim Fateh Din received awards for two categories of the Global Leadership Award 2014 held at the Putrajaya International Convention Centre tonight.

YBhg. Tan Sri Mohamad Salim Fateh Din and MRCB came out tops respectively in the "Masterclass CEO Of The Year" award category and the Best Urban Regeneration Development award category.

07/
MAY



PRESIDENT OF PANASONIC JAPAN PAYS COURTESY CALL ON MRCB

Mr. Kazuhiro Tsuga, President of Panasonic Corporation, Japan stopped over at MRCB headquarters to pay a courtesy call on MRCB to strengthen his organization's long standing and cordial relationship with MRCB and potential business opportunities.

21/
MAY



MRCB WINS FIABCI WORLD PRIX D'EXCELLENCE AWARDS 2014

MRCB won the FIABCI World Prix d'Excellence Awards 2014 under the Sustainable Development category for Platinum Sentral, its office-campus style Green Building in the Kuala Lumpur Sentral CBD.

Platinum Sentral edged out other candidates vying for this recognition, which came as no surprise because Platinum Sentral looked like a clear winner from the onset of this prestigious annual international competition, held at the Rockhal concert hall venue in Esch-sur-Alzette, Southern Luxembourg.

CORPORATE EVENTS 2014

29/
MAY



HAND OVER OF CHEQUE FOR NST STREET RACE SPONSORSHIP

MRCB contributed RM31,800 to the race in its third edition, since its inception in 2011. A total of 125 teams of four solved puzzles, picked up clues and raced to the finish line in the 2014 edition.

05/
JUNE



PRIME MINISTER'S WORKING VISIT TO KUALA LUMPUR SENTRAL CBD

MRCB hosted a working visit by the Prime Minister, YAB Dato' Sri Mohd Najib Tun Abdul Razak to the Stesen Sentral Kuala Lumpur (SSKL) and the Nu Sentral Mall, together with representatives from the Prime Minister's Department, federal government agencies and private companies operating in the Kuala Lumpur Sentral CBD.

The senior management teams from MRCB and Pelaburan Hartanah Berhad (PHB), both joint venture partners of NU Sentral Sdn Bhd the developer of the mall, joined NU Sentral's retail tenants to welcome YAB. Dato' Sri Mohd Najib at the country's first 'transumer' mall.

20/
JUNE



MRCB ENTERS INTO SETTLEMENT WITH PKNS

Together with Nusa Gapurna Development Sdn Bhd (NGD), MRCB entered into a settlement agreement with the Selangor Economic Development Corporation (PKNS) to amicably resolve all the disputes against each other pertaining to the PJ Sentral Garden City development. In conjunction with the settlement agreement, PKNS has also agreed to dispose its 30% equity stake held in PJ Sentral Garden City development to MRCB for a cash consideration of RM85.3million.

CORPORATE EVENTS 2014

26/
JUNE



HAND OVER OF KEYS TO RESIDENTS OF NEW HIGH RISE GOVERNMENT QUARTERS

Together with its 70% owned subsidiary Country Annexe Sdn Bhd (Country Annexe), MRCB witnessed the handing over of keys to residents of the new high rise government quarters in Jalan Ang Seng, Brickfields, signifying the successful delivery of another project in Brickfields.

The keys to 212 units in the new quarters were handed over by YBhg. Tan Sri Dr. Ali Hamsa, Chief Secretary to the Government of Malaysia, to representatives of households who represent the total of 848 people who will be residing in this new block of apartments, after they move from their current accommodations in the 100 Quarters.

27/
JUNE



43rd ANNUAL GENERAL MEETING (AGM)

MRCB held its 43rd Annual General Meeting at the Hotel Istana, Kuala Lumpur, with more than 2,000 shareholders in attendance.

17/
JULY



HANDING OVER OF ASSISTANCE TO ORPHANS AND SINGLE MOTHERS FOR RAMADHAN 2014

In a simple yet meaningful function that celebrated the spirit of giving in Ramadhan, 650 orphans and single mothers, together with 10 orphanages and associations that represented their interests, received cash assistance from MRCB. In the function held at the Stesen Sentral Kuala Lumpur (SSKL) MRCB's guest of honour, YABhg. Datin Paduka Seri Rosmah Mansor wife of the Prime Minister presented the cash assistance to 500 orphans and another 150 single mothers who also received hampers filled with food and basic necessities.

Representatives of 10 orphanages and associations also received a cheque for RM5,000 each from YABhg. Datin Paduka Seri Rosmah Mansor. About 1,500 guests and MRCB staff attended the morning function, including YBhg. Tan Sri Azlan Zainol, MRCB Chairman, YBhg. Tan Sri Mohamad Salim Fateh Din, MRCB's Group Managing Director and other MRCB Directors, staff and business partners.

CORPORATE EVENTS 2014

24/
JULY



PENANG SENTRAL SDN BHD BECOMES WHOLLY-OWNED SUBSIDIARY OF MRCB

MRCB entered into a share sales agreement (SSA) with Pelaburan Hartanah Berhad (PHB) to acquire the latter's 51% equity interest in Penang Sentral Sdn Bhd, a joint-venture company that was set up to implement the Penang Sentral project. With the SSA signed, Penang Sentral Sdn Bhd will become a wholly-owned subsidiary of MRCB.

04/
AUGUST



MINISTER OF INTERNATIONAL TRADE AND INDUSTRY VISITS KUALA LUMPUR SENTRAL CBD

YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry visited the CBD to be briefed about MRCB's the latest developments and progress on its major undertakings.

14/
AUGUST



MRCB SIGNS AGREEMENT WITH KWASA LAND SDN BHD FOR PROJECT MX-1

MRCB signed a shareholders' agreement with Kwasa Land Sdn Bhd (Kwasa Land) for Project MX-1 that would allow MRCB and Kwasa Land to work together on MX-1, which is the first project to be undertaken at the Kwasa Damansara township, located on a 64-acre land earmarked for mixed development, with a gross development value (GDV) of RM8 billion. Both parties will develop the parcel as the main town centre for Kwasa Damansara as partners via a special purpose vehicle (SPV) company known as Kwasa Development (2) Sdn Bhd.

23/
AUGUST



MRCB'S NU SENTRAL HOSTS THE CIMB MALAYSIAN OPEN SQUASH CHAMPIONSHIPS 2014

As part of its programme as venue sponsor for the CIMB Malaysian Open Squash Championships 2014, the NU Sentral retail mall hosted a charity match to collectively raise funds for the family members and loved ones of the perished technical and cabin crew members onboard MH17 as well as for the Palestinian/Gaza Relief Fund. The charity squash match for MH17 fund-raising was held between MRCB Group Managing Director, YBhg. Tan Sri Mohamad Salim Fateh Din and CIMB Investment Bank's Chief Executive Officer, YM Tengku Dato' Zafrul Tengku Abdul Aziz. The charity match has successfully collected RM812,000.

05/
SEPTEMBER



RMIT STUDENTS' EXHIBITION IN NU SENTRAL

MRCB hosted an exhibition by a group of 12 Masters of Architecture students from the Royal Melbourne Institute of Technology University (RMIT) to promote academics and pursue cutting edge concepts in urban regeneration.

In the exhibition that was opened to the public held at the NU Sentral retail mall main concourse from 10am to 7pm, the artful and breathtaking renditions by the students helped cast a new light on National Museum, one of the most iconic structures in Malaysia that has become part of the country's architectural landscape. The National Museum is very near to Kuala Lumpur Sentral CBD.

CORPORATE EVENTS 2014

10/
SEPTEMBER



SULTAN OF PERAK VISITS KUALA LUMPUR SENTRAL CBD

The Duli Yang Maha Mulia Paduka Seri Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfurlah, the Sultan of Perak, consented to visit the Kuala Lumpur Sentral CBD. His Royal Highness was briefed on MRCB's development within the CBD and elsewhere in the country. The briefing also highlighted MRCB's proposal for a new development in Ipoh.

23/
SEPTEMBER



EXTRAORDINARY GENERAL MEETING (EGM) FOR ACQUISITION

MRCB shareholders approved an ordinary resolution on the Proposed Acquisition of 30% Equity Interest in PJ Sentral Development Sdn Bhd from PKNS Holdings Sdn Bhd for cash consideration of RM85.3 million, which was tabled at the Extraordinary General Meeting.

18/
SEPTEMBER



XMT TECHNOLOGIES SIGNING

MRCB entered into a share sale agreement with XMT Technologies Holdings Sdn Bhd (XMT) for the disposal of MRCB's entire equity interest in its subsidiary, MRCB Technologies Sdn Bhd (MRCB Tech). The sale of MRCB Tech entails the disposal of 6 million ordinary shares of RM1.00 each and 5.5 million redeemable preference shares of RM0.01 each, for a total purchase price of RM7.81 million. MRCB encourages bumiputra entrepreneurship and supports potential entrepreneurs.



MRCB HANDS OVER DONATION FOR MH17 TECHNICAL AND CABIN CREW MEMBERS

MRCB's Group Managing Director, YBhg. Tan Sri Mohamad Salim Fateh Din handed

over a cheque for RM512,000, which was collected for a charity match between him and CIMB Investment Bank's Chief Executive Officer, YM Tengku Dato' Zafrul Tengku Abdul Aziz during the CIMB Malaysian Open Squash Championships 2014, held at the NU Sentral retail mall on 23 August 2014. The amount donated was pledged and contributed by MRCB's business affiliates and community of contractors as a sincere contribution and as a mark of respect for the exemplary dedication and sacrifice of the technical and cabin crew members of MH17. A further RM54,000 was later collected later in the year, bringing the total donated to RM566,000.

14/
OCTOBER



MOSTI LAUNCHES AEDES ANTI LARVAE PRODUCT AT KUALA LUMPUR SENTRAL CBD

YB Datuk Dr. Ewon Ebin, Minister of Science, Technology and Innovation (MOSTI) and Entogenex Industries Sdn Bhd (Entogenex) rolled out a long term environmentally friendly anti larvae called MOUSTICIDE, as a prevention measure against Aedes and other mosquito larvae at Kuala Lumpur Sentral CBD.

CORPORATE EVENTS 2014

02/
NOVEMBER



SIR EDWARD LISTER, LONDON DEPUTY MAYOR VISITS KUALA LUMPUR SENTRAL CBD

Sir Edward Lister stopped over at the CBD on his working visit to Malaysia and was briefed on MRCB's capability to develop large transport hubs that serve as convergence points for various land transportation modes, especially rail networks.

17/
NOVEMBER



MENTERI BESAR OF PERAK VISITS KUALA LUMPUR SENTRAL CBD

YAB Datuk Seri Diraja Dr Zambry bin Abdul Kadir, the Menteri Besar of Perak came to the Kuala Lumpur Sentral CBD in an official visit to gain insight on MRCB's development works and the Group's strategies for offering lifestyle based mixed development, including its unique Transport Oriented Development (TOD) approach.

11/
NOVEMBER



JALAN KLANG LAMA-NPE LINK BRIDGE GROUND BREAKING CEREMONY

A ground breaking ceremony was held to mark the beginning of MRCB's project to build a dedicated overhead bridge to connect Jalan Klang Lama with the link road from the Federal Highway leading to New Pantai Expressway (NPE).

YB Datuk Seri Tengku Adnan Tengku Mansor, Minister of Federal Territories, was the guest of honour who officiated the ground breaking ceremony at the construction site of the RM135 million overhead bridge project site, situated on the east bank of Sungai Klang, close to the third mile mark of Jalan Klang Lama.

14/
NOVEMBER



FRENCH AMBASSADOR VISITS KUALA LUMPUR SENTRAL CBD

His Excellency Christophe Penot the French Ambassador to Malaysia paid a visit to the Kuala Lumpur Sentral CBD as part of his familiarisation tour of the country. Among others, he was briefed on the advantages of the Kuala Lumpur Sentral CBD as a highly protected and exclusive environment, which can offer a balance between architectural aesthetics and security features that foreign embassies have always sought to incorporate in their building designs.

20/
NOVEMBER



NACRA 2014 AWARDS

MRCB became a finalist for the NACRA 2014 Awards, which promotes excellence in corporate reporting via greater transparency and accountability by the respective participating parties in their financial reporting/annual reports.

CORPORATE EVENTS 2014

29/
NOVEMBER



MRCB CONTRIBUTES TO TREE PLANTING

MRCB contributed RM10,000 and took part in a tree planting event that saw its staff lending their time and efforts to plant fruit trees together with the staff and volunteers of 22 other corporations, developers and NGOs.

The tree planting event, which was part of a Green CSR programme organised by Kuala Lumpur City Hall (DBKL), was held at the Batu floodwater retention lake in Sentul and was officiated by YBhg. Datuk Seri Hj. Ahmad Phasal Hj. Talib, the Mayor of Kuala Lumpur.

30/
NOVEMBER



MAYOR OF LONDON VISITS KUALA LUMPUR SENTRAL CBD

MRCB hosted a visit by Mr Boris Johnson, the Mayor of London who arrived at Stesen Sentral Kuala Lumpur (SSKL), the country's largest transportation hub upon his arrival here from the Kuala Lumpur International Airport via the ERL express rail service.

The Mayor who was on a three-day visit to Kuala Lumpur was ushered to SSKL VIP Lounge for a briefing on the development of Kuala Lumpur Sentral CBD and the outlook for MRCB as a major property player in Malaysia. He was greeted by YBhg. Tan Sri Azlan Zainol, MRCB's Chairman and YBhg. Tan Sri Mohamad Salim Fateh Din and members of the senior management team from MRCB.

06/
DECEMBER



ANNUAL EMERGENCY RESPONSE EXERCISE 'EX SENTRAL'

The Ex-Sentral annual series of mock emergency response exercises was conducted at the SSKL to test the overall protocol and standard operating procedures under the SSKL Emergency Response Plan, which was designed to tackle various situations from fires and mishaps to bomb threats and natural disasters.

In 2014's 'bomb attack' scenario, the chain of events was set off when the SSSB Duty Officer was alerted by the Fire Control Centre (FCC) Operator about a bomb threat call received by a Customer Service Officer at the station's information counter.

12/
DECEMBER



SITE VISIT AT THE RIVER OF LIFE PROJECT

YB Senator Dato' Sri Idris Jala, Minister in the Prime Minister's Department and CEO of PEMANDU, visited the first phase of beautification works at Presint 7 for the River of Life project. The beautification project worth RM130 million involves the Masjid Jamek and Central Market areas and was awarded to a joint venture (JV) Company of Ekovest Bhd and MRCB.



CORPORATE GOVERNANCE

We practise good corporate governance to remain competitive in an evolving business environments.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of MRCB (“the Board”) firmly believes that sound corporate governance practices are vital for ensuring sustainable business performance and value creation for the company’s shareholders and remains committed in ensuring that the highest standards of business ethics, integrity and professionalism are applied across the activities of MRCB and its subsidiaries (“the Group”).

In this statement, the Board is pleased to set out its application of the principles set out in the Malaysian Code of Corporate Governance 2012 and also relevant requirements set out in the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”).

1. MRCB’S BOARD STRUCTURE

a. Composition of Members

As at 31 December 2014, the MRCB Board had 8 members, comprising the Chairman (Non-Independent Non-Executive), one (1) Executive Director and six (6) Non-Executive Directors. Four (4) of the Non-Executive Directors are Independent Directors and two (2) are Non-Independent Non-Executive Directors.

The profiles of each member of the Board, their designations and memberships on the Board Committees are set out on pages 46 to 54 of this report.

The members of the Board bring with them a diversity and depth of experience in corporate strategy, finance, business management, property development and property management. Together with their strong networking in the public and private sectors, the members of the Board provide effective oversight and strategic leadership to the Management team.

With the composition as at 31 December 2014, the Independent Directors constituted 50% of the Board and these Independent Directors provide effective debate and uphold the principles of objectivity and integrity during Board deliberations.

The Board believes that its present composition and size enables it to discharge its duties and responsibilities effectively and competently. From time to time, the Nomination Committee of the Board reviews the mix of skills, knowledge, experience and independence of its members. The Board is satisfied that there have been no compromises to the independence of the Independent Directors in 2014. As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a cumulative term of 12 years. The Board believes that this tenure provides a balance of effectiveness and independence that is appropriate for the Group.

b. Appointment to the Board and Re-election of Directors

The Nomination & Remuneration Committee (“NRC”) is entrusted with the responsibility of assessing capable candidates to be appointed as members of the Board. In assessing the suitability of candidates for membership to the Board, the NRC takes into consideration the background, skills, experience, time commitment and the potential contribution of the candidates to the Board, and to the current and future business requirements of the Group.

During the year, Tan Sri Ahmad Fuad Ismail and Dato’ Johari Razak were appointed to the Board as Independent Directors on 5 February 2014. This was followed by the appointment of Puan Rohaya Mohammad Yusof as a Non-Independent Non-Executive Director on 6 March 2014. Two Independent Directors, Dato’ Ahmad Ibniহার and Mr Che King Tow resigned from the Board on 10 January 2014 and 2 April 2014 respectively. Subsequently, Dato’ Ishak Haji Mohamed, a Non-Independent Non-Executive Director, and Tan Sri Ahmad Fuad Ismail, an Independent Director, had resigned on 8 October 2014.

All newly appointed Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election. This requirement is set out in Article 106 of the Company’s Articles of Association. Additionally, Articles 101 and 102 of the Company’s Articles of Association require that at least one-third of the Directors retire by rotation, and the Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election.

STATEMENT ON CORPORATE GOVERNANCE

At the AGM held on 27 June 2014, Tan Sri Azlan Zainol and Datuk Shahril Ridza Ridzuan, who retired pursuant to Articles 101 and 102 of the Articles of Association of the Company, had been duly re-elected. At the same time, Tan Sri Mohamad Salim Fateh Din, Tan Sri Ahmad Fuad Ismail, Dato' Ishak Haji Mohamed, Dato' Johari Razak and Puan Rohaya Mohammad Yusof had retired pursuant to Article 106 of the Articles of Association of the Company and all of them were duly re-elected.

c. Roles and Responsibilities

The Board oversees the business and affairs of the Group and are principally responsible for strategic planning, risk management, succession planning, oversight of operations and reviewing the adequacy of the management information and internal control systems of the Group. The Board is guided by a Charter which was reviewed and adopted on 20 November 2012. Amongst others, the Board Charter sets out the principal role of the Board, the functions, roles, responsibilities and powers of the Board and its various committees. The contents of the Board Charter can be viewed at the company's website, www.mrcb.com.

The following matters have been reserved by the Board for its decision:

- Corporate plans and programmes;
- Annual budgets, including major capital commitments;
- New ventures;
- Material acquisitions and disposals of undertakings and properties; and
- Changes to the management and control structure of the Company and its subsidiaries, including key policies.

The Group Managing Director is responsible for the day-to-day business operations of the Group while the Non-Executive Directors are responsible for bringing independent judgement and scrutiny to the decisions made by the Board and to provide objective challenge to management. The Non-Executive Directors do not engage in any business dealings with the Group to ensure that they are capable of exercising independent judgement and act in the best interest of the Group and its shareholders.

The roles of the Chairman and Group Managing Director are held by separate individuals, with clear division of responsibilities and authorities. While the Chairman, who is a non-executive director, is responsible for leadership, ensuring effective functioning of the Board and providing oversight over the operations of the Group, the Group Managing Director is responsible for making and implementing operational decisions and the day-to-day management of the Group. The Group Managing Director charts the overall business direction of the Group, reports and communicates key strategic matters and proposals to the Board, and implements decisions made by the Board.

The Chairman is responsible for chairing the meetings of the Board and ensuring that there is adequate deliberation and evaluation of proposals and information provided by management. In the absence of the Chairman, the most Senior Independent Director, Dato' Abdul Rahman Ahmad, chaired the Board meetings.

d. Board of Directors Meetings

The schedule of Board of Directors meeting for each year is established before the end of the preceding year along with a schedule of matters to be discussed in these meetings. Apart from the scheduled meetings, additional meetings may be requested by the Chairman to deliberate on urgent or important matters that require attention.

A total of twelve (12) Board of Directors' meetings were held between 1 January 2014 and 31 December 2014. All the directors have attended more than 50% of the Board of Directors' meetings during the period.

STATEMENT ON CORPORATE GOVERNANCE

Table 1: Details of attendance of the Directors at the Board Meetings held from 1 January 2014

Name of Director	Number of Meetings Attended	Number of Meetings Held	Percentage (%)
Tan Sri Azlan Zainol (Chairman)	11	12	92%
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)	12	12	100%
Datuk Shahril Ridza Ridzuan	12	12	100%
Dato' Abdul Rahman Ahmad	12	12	100%
Dato' Chong Pah Aung	11	12	92%
Jamaludin Zakaria	12	12	100%
Dato' Johari Razak (appointed 5 Feb 2014)	9	11	82%
Rohaya Mohammad Yusof (appointed 6 Mar 2014)	10	10	100%
Che King Tow (resigned on 2 Apr 2014)	3	3	100%
Dato' Ishak Haji Mohamed (resigned on 8 Oct 2014)	6	8	75%
Tan Sri Ahmad Fuad Ismail (appointed on 5 Feb 2014 and resigned 8 Oct 2014)	6	7	86%

Amongst the matters deliberated by the Board in 2014 were:

- Major business proposals and transactions (eg. PJ Sentral deal, Kwasa Land, Investment in a REIT);
- Business plan and budget for 2014 & 2015;
- Performance bonus and remuneration package for Senior Management;
- Reconstitution of the Committee of the Board and Senior Directors;
- Appointment of additional independent directors and non-independent non-executive directors;
- Remuneration package for the Group Managing Director, Group Chief Operating Officer and Chief Financial Officer; and
- Revision to the director's benefits.

2. BOARD COMMITTEES

The Board has established four (4) Committees, each with specific authorities and responsibilities, to assist the Board discharge its duties and responsibilities effectively. At these Committees, detailed review and deliberation of strategic issues are carried out and the Chairman of the various Committees will report on their respective deliberations and recommendations to the Board at the next Board meeting. However, the Board retains the ultimate responsibility for decisions made by the Committees.

During the year, the Nomination Committee and Remuneration Committee were disbanded and the Nomination and Remuneration Committee was formed. The Nomination and Remuneration Committee assumed the combined roles and responsibilities of the Committees that were disbanded.

The composition, responsibilities and activities of the various Committees are set out below.

a. Audit Committee

A report of the Audit Committee, setting out its membership, roles and activities during the year is set out on pages 148 to 151.

STATEMENT ON CORPORATE GOVERNANCE

b. Executive Committee (“EXCO”) of the Board

The Executive Committee of the Board (“EXCO”) was established to enhance the Board’s leadership and management of the Group. Comprised of two (2) Non-Executive Directors and the Group Managing Director, the main functions of the EXCO are:

- i) To guide Management in the implementation of the GLC Transformation Initiatives;
- ii) To review and recommend the annual business plan and budget of the Group to the Board for approval;
- iii) To consider and review significant and/or major issues relating to the business direction of the Group; and
- iv) To deliberate on all major business transactions and issues relating to the Group that require the EXCO’s or Board’s approval in line with the approved Limits of Authority.

Three (3) members form the quorum for a meeting. For 2014, a total of five (5) EXCO meetings were held and these were fully attended by all the members of the EXCO.

Table 2: Details of attendance of members at the EXCO meetings held from 1 January 2014 to 31 December 2014

NAME OF EXCO MEMBER	ATTENDANCE
Datuk Shahril Ridza Ridzuan (Chairman)	5/5
Tan Sri Mohamad Salim Fateh Din	5/5
Dato’ Chong Pah Aung	5/5
Che King Tow (Resigned w.e.f. 2 Apr 14)	1/1
Dato’ Ishak Haji Mohamed (Appointed w.e.f. 25 Feb 14, resigned w.e.f. 8 Oct 14)	2/4

Among the activities carried out by the EXCO in 2014 were:

- Reviewed the progress of key projects;
- Deliberated on major business proposals and transactions;
- Reviewed the achievement of the budget for 2014;
- Reviewed the business plan and budget for 2015.

c. Nomination and Remuneration Committee (“NRC”)

Prior to the disbandment of the Nomination Committee and Remuneration Committee on 25 February 2014, the Committees had each held one (1) meeting on 24 February 2014. Thereafter, after the establishment of the Nomination and Remuneration Committee, a total of three (3) NRC meetings were held in 2014 and these were fully attended by the members.

The NRC comprises three (3) members, all of whom are Independent Directors.

Table 3: Details of attendance of members at the Nomination Committee meeting held from 1 January 2014 to 31 December 2014

NAME OF NOMINATION COMMITTEE MEMBER	ATTENDANCE
Che King Tow (Chairman)	1/1
Dato’ Abdul Rahman Ahmad	1/1
Dato’ Chong Pah Aung	1/1

STATEMENT ON CORPORATE GOVERNANCE

Table 4: Details of attendance of members at the Remuneration Committee meeting held from 1 January 2014 to 31 December 2014

NAME OF REMUNERATION COMMITTEE MEMBER	ATTENDANCE
Dato' Abdul Rahman Ahmad (Chairman)	1/1
Che King Tow	1/1
Dato' Chong Pah Aung	1/1

Table 5: Details of attendance of members at the Nomination and Remuneration Committee meeting held from 1 January 2014 to 31 December 2014

NAME OF NOMINATION AND REMUNERATION COMMITTEE MEMBER	ATTENDANCE
Dato' Johari Razak (Chairman)	3/3
Dato' Abdul Rahman Ahmad	3/3
Dato' Chong Pah Aung	3/3
Tan Sri Ahmad Fuad Ismail (Resigned w.e.f. 8 Oct 14)	2/2

Among the activities carried out by the Nomination Committee, Remuneration Committee and Nomination and Remuneration Committee in 2014 were:

- i) Reviewed the performance bonus and remuneration package for Senior Management;
- ii) Deliberated on the reconstitution of the Committee of the Board and Senior Directors;
- iii) Deliberated on the appointment of additional independent directors and non-independent non-executive directors;
- iv) Deliberated on the remuneration package for the Group Managing Director, Group Chief Operating Officer and Chief Financial Officer; and
- v) Deliberated on the revision to the director's benefits.

The principal duties and responsibilities of the Nomination and Remuneration Committee are:
(*In relation to its nomination function*)

- i) To nominate and recommend to the Board, candidates to be appointed as Director of the Company.
- ii) To consider in making its recommendations, candidates for directorships proposed by the Group Managing Director or by any other senior executive or any director or shareholder.
- iii) To recommend to the Board, directors to fill the seats on board committees.
- iv) To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board.
- v) To assist the Board in implementing an assessment programme to assess the effectiveness of the Board as a whole, the committees of the Board and the individual director on an annual basis.

(*In relation to its remuneration function*)

- i) To determine and recommend to the Board the framework or broad policy for the remuneration packages of the Company's or Group's Chief Executive, the Chairman of the Company and such other members of the executive management of Grade 8 and above, as it is designated to consider.
- ii) To establish a formal and transparent procedure for developing policy on the total individual remuneration package of executive directors, chief executive officer and other designated executive management including, where appropriate, bonuses, incentives and share options.

STATEMENT ON CORPORATE GOVERNANCE

- iii) To design remuneration package for all executive directors, chief executive officer and other designated executive management with the aim of attracting and retaining high-calibre designated executive management who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Group operates. Once formulated, to recommend to the Board for approval.
- iv) To review and recommend to the Board improvement (if any) on designated executive managements' remuneration policy and package and any other issues relating to benefits of designated executive management on an annual basis.
- v) To review any major changes in employee benefit structures throughout the Company or Group, and recommend to the Board for adoption if appropriate.
- vi) To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include:
 - Merit increment
 - Merit bonus
 - Project completion incentives.
- vii) To seek any information it requires from any employee of the Company in order to perform its duties.
- viii) To obtain, at the Company's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of the external advisers at its meeting if it considers necessary, and to obtain reliable, up-to-date information about the remuneration in other companies.

The NRC shall have full authority to commission any report or survey which it deems necessary to help it fulfil its obligations.

d. Employees' Share Option Scheme Committee ("ESOS")

The Employees' Share Option Scheme ("ESOS") Committee was set up to ensure that the implementation of the ESOS was administered fairly in accordance to the Company's by-laws of the ESOS approved by the Shareholders.

The ESOS Committee, which comprises three (3) members of the Board, meets as and when required and three (3) members form the quorum for a meeting. No ESOS Committee meeting was held during the year under review.

The members of the ESOS Committee are:

- Datuk Shahril Ridza Ridzuan (Chairman)
- Jamaludin Zakaria
- Dato' Johari Razak

3. BOARD REMUNERATION

a. Remuneration Policy for Directors and Senior Management

The remuneration of the Group Managing Director and designated senior management personnel are based on the Nomination and Remuneration Committee's review and assessment of the achievements and contribution of each individual, measured against their respective Key Performance Indicators. Recommendations are then made by the Nomination and Remuneration Committee for a decision by the Board on suitable remuneration for each personnel.

Non-Executive Directors receive a fixed base fee as a consideration for their Board duties. The aggregate amount of Directors' fees paid to Non-Executive Directors is recommended by the Board for the approval of the shareholders at the Company's Annual General Meeting.

STATEMENT ON CORPORATE GOVERNANCE

b. Directors' Remuneration

Details of the Directors' remuneration for financial year ended 31 December 2014 are set out in Tables 6 and 7 below.

The total Directors' remuneration for the financial year ended 31 December 2014 is approximately RM3.17 million, with the highest paid director being the Group Managing Director.

Table 6: Details of Aggregate Directors' Remuneration for 2014

NAME OF DIRECTOR	FEE RM'000	SALARY & BONUS RM'000	EPF & SOCSO RM'000	ALLOWANCE RM'000	CAR ALLOWANCE RM'000	BENEFITS- IN-KIND RM'000	TOTAL RM'000
Tan Sri Azlan Zainol (Chairman)	150			60			210
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)		1,600	345		120	24	2,089
Datuk Shahril Ridza Ridzuan	100			120		7	227
Dato' Abdul Rahman Ahmad	100						100
Dato' Chong Pah Aung	100						100
Jamaludin Zakaria	100						100
Dato' Johari Razak	90						90
Rohaya Mohammad Yusuf	82						82
Dato' Ishak Haji Mohamed (resigned on 8 Oct 2014)	77						77
Tan Sri Ahmad Fuad Ismail (resigned on 8 Oct 2014)	67						67
Che King Tow (resigned on 2 Apr 2014)	25						25
Dato' Ahmad Ibnihar (resigned on 10 Jan 2014)	3						3
Total	894	1,600	345	180	120	31	3,170

Table 7: Analysis of Directors' Remuneration by Bands of RM50,000

DIRECTORS' REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	TOTAL
RM0 – RM50,000	-	2	2
RM50,001 – RM100,000	-	7	7
RM100,001 – RM150,000	-	-	-
RM150,001 and above	1	2	3
TOTAL	1	11	12

STATEMENT ON CORPORATE GOVERNANCE

4. BOARD CONDUCT

a. Code of Ethics and Conduct for Board Members

The Directors are expected to conduct themselves with the highest ethical standards. All Directors of the Group are given a copy of the Executive Handbook and the Code of Business Ethics upon their appointment. Compliance with the provisions in these documents is deemed to be part of the terms and conditions of their service. Amongst others, the Executive Handbook and Code of Business Ethics set out the expected standards of conduct and behaviour when dealing with external customers, suppliers and conflict of interest situations; and in preserving the confidentiality of company information.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

b. Director's Training and Continuing Education Programme

The Board members are mindful of the need to continuously upgrade and improve their knowledge and enhance their skills for the benefit of the Group. All new Directors are required to attend the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. In addition to that, the Board assesses the training needs of its Directors from time to time and ensures that the Directors have access to continuing education programmes.

During the year, members of the Board had attended various courses on corporate governance, risk management, techniques and practices in leadership and management at the Board level. The details of the courses attended by the Directors are set out in Table 8 below.

Table 8: Training Courses Attended by Directors in 2014

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Tan Sri Azlan Zainol	KPMG Training: Managing Risks in Islamic Banks for RHB Bank Berhad and RHB Islamic Bank Berhad Board of Directors Date: 10 Feb 2014 Organiser: RHB Banking Group
	ICAAP Training Date: 11 Mar 2014 Organiser: RHB Banking Group
	Breakfast Talk: Singapore National ICT Master Plan Date: 28 May 2014 Organiser: RHB Banking Group
	FIDE (Financial Institute of Directors' Education) Programme & Session – Board Dynamic: A Conversation with a Chairman Date: 3 Jun 2014 Organiser: The ICLIF Leadership & Governance Centre
	FIDE Forum Event – A Comprehensive Talent-based Approach to Board Recruitment Date: 16 Jun 2014 Organiser: FIDE Forum
	Corporate Governance Conference: Panel speaker for “The Challenges of Corporate Governance in the Financial Services Sector” Date: 6 Aug 2014 Organiser: Asian Institute of Chartered Bankers (formerly known as IBBM)

STATEMENT ON CORPORATE GOVERNANCE

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Tan Sri Mohamad Salim Fateh Din	Directors' Continuing Education Programme 2014 Date: 27 Jun 2014 Organiser: In-house Corporate Training under British American Tobacco (Malaysia) Berhad organised by Guinness Anchor Berhad
Datuk Shahril Ridza Ridzuan	Board of Directors' Workshop Date: 24 Sep 2014 Organiser: Media Prima Berhad
Dato' Abdul Rahman Ahmad	Malaysian Private Equity Forum Date: 9 – 10 Sep 2014 Organiser: Ekuiti Nasional Berhad
Dato' Chong Pah Aung	Continuing Professional Development Talk on "Seminar on Understanding Valuation Requirements: MVS, IVS, & SC's Asset Valuation Guidelines" Date: 8 Sep 2014 Organiser: Persatuan Penilai, Pengurus Harta, Ejen Harta & Perunding Harta Swasta Malaysia (PEPS) Board of Directors Breakfast Series – "Great Companies Deserve Great Boards" Date: 10 October 2014 Organiser: Bursa Malaysia Berhad
Jamaludin Zakaria	Islamic Venture Capital and Private Equity Date: 25 Mar 2014 Organiser: IBFIM Money, Banking and Capital Market Date: 9 Sep 2014 Organiser: CHK Consultancy Sdn Bhd
Dato' Johari Razak	In-house Corporate Training programme in respect of "Roles & Responsibilities of Directors Under the Listing Requirements" and "Updates on Corporate Governance Guide – 2nd Edition" Date: 5 May 2014 Organiser: Tricor Knowledge House Sdn Bhd Risk Management & Internal Control : Workshop for Audit Committee Members "An Integrated Assurance on Risk Management and Internal Control – Is Our Line of Defence Adequate and Effective?" Date: 3 Jun 2014 Organiser: Bursa Malaysia & CG Board Asia Pacific
Rohaya Mohammad Yusuf	CIMB Asean Domestic Bond Markets Round Table Series Date: 3 Apr 2014 Organiser: CIMB Innovative & Creative Circle Programme (ICC) Date: 5 May 2014 Organiser: KWSP

STATEMENT ON CORPORATE GOVERNANCE

NAME OF DIRECTOR	TRAINING COURSE ATTENDED
Rohaya Mohammad Yusuf	CMB 4th Annual Asia Pacific Conference @ Invest Malaysia Leading Leaders Programme Date: 9 Jun 2014 Organiser: CIMB
	International Seminar “Demographic Changes Recognising the Challenge & Opportunities” Date: 8 Sep 2014 Organiser: KWSP
	Malaysian Private Equity Forum Date: 9 Sep 2014 Organiser: KWSP
	Asean Fixed Income Summit Date: 29 Sep 2014 Organiser: Bank Negara Malaysia
	Leadership at the Peak in Singapore Date: 1 – 5 Dec 2014 Organiser: Program Pembangunan Bakat (KWSP)

c. Performance Evaluation

The Board, through the Nomination and Remuneration Committee, reviews and evaluates its performance and the performance of individual Directors every two years. At the time of issuance of this statement, the performance evaluation of the directors for 2013/2014 was being conducted by an external consultant.

d. Relationship of the Board with Management

The relationship between the Board and Management remain strong and cohesive during the year under review and the Board continues to have direct and unrestricted access to the management team of the Group. The Board supports the Management by providing leadership, and the setting of business targets. At the same time, the Board also serves a check-and-balance function by challenging and debating decisions made by the Management before they are endorsed and approved. To do this, an established and structured reporting system has been put in place where the Board is regularly briefed and updated on the performance of the Group. This system enables the Board to closely monitor the achievement of targets set. Rewards to the Management and employees, such as bonuses and ESOS allocation, are based on financial performance and achievement of key business targets.

e. Full Access to Information

In the course of discharging their duties, the Directors have:

- i) Full and unrestricted access to timely and accurate information. The agenda and a full set of Board papers are typically distributed at least 7 days before the Board or its Committee meetings. This process ensures that the Directors have sufficient time to review, consider and if necessary, obtain further information on the matters to be discussed, and thus be properly briefed and prepared during the meetings;
- ii) Unrestricted access to the advice and services of the Company Secretary and other members of senior management; and
- iii) Unrestricted advice and services of external and independent professionals, made available to Board members individually and collectively. These advice and services are made available independent of Management's intervention.

STATEMENT ON CORPORATE GOVERNANCE

The Company Secretary is a member of Malaysian Institute of Chartered Secretaries and Administrators and has the requisite experience to provide unhindered advice to the Board to ensure their effective functioning and compliance with regulatory requirements.

In order to enhance the accountability of the Board and Senior Management, the Group has in place Limits of Authority approved by the Board which sets out the limits of transactions for each level of Management to approve, and transactions that need to be approved by the EXCO or the Board.

f. Keeping Tabs with the Company's Activities on the Ground

The Board has adopted a hands-on approach in discharging its role. During the year, the Directors made visits to the Company's project sites in KL Sentral. During these visits, the Directors gained a better understanding of the Company's projects and the challenges faced, thus enhancing the Board's effectiveness during its deliberations and decision-making.

g. Accountability for Financial Information

The Board undertakes to ensure that:

- i) the Group's annual financial statements, quarterly announcement of results to shareholders, reports to regulators and other price-sensitive public reports are presented with a balanced and understandable assessment of the Group's position and prospects;
- ii) the Group's financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates and in adherence to all applicable accounting standards; and
- iii) accounting records are accurate, within margins of reasonableness and which discloses the financial position of the Group in a true and fair manner.

The statement by directors pursuant to Section 169(15) of the Companies Act, 1965 in relation to the preparation of the financial statements are set out on page 195 of this report under "Statement by Directors".

h. Relationship with External Auditors

The Company maintains a transparent and professional relationship with its auditors through the Audit Committee. During the year, the Company engaged its external auditors for statutory audits and tax-related matters.

The Audit Committee meets regularly with the External Auditors to discuss and review the Audit Plan, and annual financial results, reports of examination and any audit findings that are highlighted by the External Auditors for the Audit Committee's attention.

In recommending the External Auditors for reappointment, the Audit Committee reviews their performance, suitability and independence. For 2014, the Audit Committee has obtained a written assurance from PricewaterhouseCoopers, the External Auditors, that they have maintained their independence in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.

Further details on the activities of the Audit Committee in relation to the External Auditors is described on page 150.

5. PROTECTION OF SHAREHOLDERS' VALUE

a. Risk Management and Internal Control

The Board acknowledges that it is responsible for the effective management of risks and for ensuring that an effective system of internal control exists. Regular reviews on the risk management framework and the system of internal controls are conducted to ensure its continued relevance, adequacy and integrity.

STATEMENT ON CORPORATE GOVERNANCE

The Board believes that a sound system of internal control, financial or otherwise, should provide reasonable assurance on:

- i) the effectiveness and efficiency of the Group's operations;
- ii) effective management of risks;
- iii) the reliability of the Group's financial information; and
- iv) compliance with laws and regulations.

However, due to the limitations inherent in any system of internal control, the system designed can only manage rather than eliminate the risk of failure to achieve the Group's objectives.

The Statement on Risk Management and Internal Control that is set out on pages 156 to 158 of this report provides an overview on the risk management processes and the main features of the system of internal controls within the Group.

b. Prevention of Fraud

The Board has also put in place the Prevention of Fraud Manual which serves to guide the Management and employees on maintaining the highest standards of conduct and integrity in all dealings, as well as detailing out Management's responsibility to set up the proper control processes to prevent and detect fraud. It defines what constitutes fraud and fraudulent activities, and puts together a framework for preventing fraud.

A Whistleblowing Policy has also been established. The Whistleblowing Policy outlines the avenues and procedures for whistleblowers to communicate their concerns to the Board (either through the Chairman of the Audit Committee or the Head of Corporate Governance) without Management's intervention and interference. The Whistleblowing Policy also describes the procedures to be taken for investigating and dealing with reports on the misconduct of employees.

c. Corporate Integrity

MRCB signed the Corporate Integrity Pledge on 18 April 2014 to indicate its support towards the anti-corruption efforts in Malaysia, in line with the objectives of the National Key Result Area of "Fighting Corruption" under the Government Transformation Programme.

With this Pledge, MRCB commits to, amongst others, promote values of integrity, transparency and good governance in carrying out its business activities, and comply with anti-corruption laws, policies and procedures.

d. Assurance on Performance of Associated Companies

To safeguard the Company's investments in associated companies and to oversee their performance, the Company appoints its representatives to the Board of Directors of the associated companies. For active associated companies, key financial information and significant issues pertaining to these companies are sought and reviewed by the MRCB Board on a regular basis.

6. SHAREHOLDERS, INVESTORS AND STAKEHOLDERS

a. Looking after Minority Interests

The Independent Directors do not represent any of the substantial shareholders and will therefore represent and act in the interests of the minority shareholders, investors and stakeholders. The Board also maintains communications with the Minority Shareholder Watchdog Group on the interests of the minority shareholders.

STATEMENT ON CORPORATE GOVERNANCE

b. Dividend Policy

The Company has established a Dividend Policy in 2007, whereby shareholders can expect a dividend payout amounting to at least 20% of the Consolidated Profit after Taxation and Non-controlling Interests. For the financial year ended 31 December 2014, the Company is proposing a first and final single-tier dividend of 2.5% or 2.5 sen per ordinary share. This proposal is subject to the approval of the shareholders at the forthcoming 44th Annual General Meeting.

c. Communication and Transparency

In order to ensure that the stakeholders and investing public has up-to-date information on the Group's performance, operations and other significant developments, various corporate announcements required under the MMLR (including timely release of quarterly financial results) have been made during the period under review. In addition, detailed information on the Group's significant corporate events and developments were made through the media via press releases and/or press conferences.

Shareholders, investors and stakeholders can conveniently access up-to-date information on the Group's projects, quarterly financial position, investor relations and general corporate information at its regularly-updated corporate public website <http://www.mrcb.com>.

There is also a "Contact Us" icon on the Company's website, which leads to a webpage where shareholders and investors can conveniently forward their questions and comments to the Company. Shareholders and members of the public may also contact the Senior Independent Director of the Company, Dato' Abdul Rahman Ahmad, to convey their concerns or questions. Dato' Abdul Rahman Ahmad may be contacted at: Email: arahman.dir@mrcb.com.my

d. Annual General Meeting

The Annual General Meeting is another forum through which the Board communicates with shareholders on the Group's progress and performance and where the Board clarifies issues pertaining to the Group's business activities, performance and other related matters. Shareholders are encouraged to participate in the meeting and are given the opportunity to ask questions and state their views. Where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting.

Where there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions are provided in the notice of the Annual General Meeting and where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting and where appropriate, these matters are put to vote by poll.

7. ON-GOING GLC TRANSFORMATION INITIATIVES

The Group is also continuing its efforts to further improve its organization and processes towards becoming a stronger, efficient and more competitive business entity as well as a responsible corporate citizen as guided by the Putrajaya Committee on GLC Transformation Initiatives. The Group believes that this is an ongoing process and will monitor and fine-tune the initiatives as necessary.

STATEMENT ON CORPORATE GOVERNANCE

8. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

a. CSR Programmes

The Group’s highlight of CSR activities for 2014 was its involvement in flood relief efforts for Peninsular Malaysia’s communities, especially those in the East Coast, which were hit with the worst flooding ever in several decades.

As guided by the framework outlined in the “Silver Book – Achieving Value through Social Responsibility” adopted since 2007 under the GLC Transformation Programme, MRCB mobilised its resources and provided warehousing facility and marshalled volunteers from among its staff for disaster relief work, apart from providing foodstuff and hygiene kits for families stricken by the unprecedented flooding in recent times.

MRCB volunteers joined flood remedial work at Sekolah Kebangsaan Kg Kerilla in Machang, Kelantan where they helped to clean and repaint the flood-damaged school. The volunteers also lent their time and energy for a similar work at Sekolah Kebangsaan Pulau Beluru in Tumpat, Kelantan.

In addition, MRCB presented RM1 million to the Girl Guides Association of Malaysia Flood Relief Fund, while further cash contributions of RM50,000 each were made to the Perak Flood Relief Fund and the Bera (Pahang) Flood Relief Fund, together with a contribution of RM100,000 to the Federal Territory Ministry to beef up the ministry’s own flood relief fund.

Earlier in the year, during a dry weather spell that hit the country in February, Tan Sri Mohamad Salim Fateh Din, MRCB’s Group Managing Director accompanied Yang Amat Berbahagia Datin Paduka Seri Rosmah Mansor, wife to the Prime Minister, to distribute 5.5-litre bottles of mineral water to more than 1,000 households at the Seri Perindu Apartment community in Taman Alam Damai and Taman Desa Baiduri in Cheras, which were experiencing water supply interruption during the dry spell.

Later in the year MRCB joined other GLCs and major corporations at the Batu floodwater retention lake in Sentul, which is one of the locations where Kuala Lumpur City Hall (DBKL) is creating a ‘Dusun Bandar’ or city fruit orchard for the greening of Kuala Lumpur. MRCB sponsored 100 trees for the tree planting activity that is one of nine Entry Point Projects (EPP) in the greater Kuala Lumpur National Key Economic Area (NKEA) agenda under the larger Economic Transformation Programme (ETP). MRCB also maintained its involvement in implementing another EPP under the ETP in Kuala Lumpur called The River of Life project, which aims to transform and revitalize Sungai Klang and Sungai Gombak.

While contributing its efforts to the environment, the Group also donated RM1.4 million in total to more than 30 associations, NGOs, charities, community and governmental initiatives such as the Genextor Carnival 2014, the Toh Puan Zurina Foundation, Majlis Yayasan Ehsan Seputeh, the yearly 2014 programme for the Member of Parliament and State Assemblymen Wives’ Association, Pertubuhan Kebajikan Ar-Redhuan Negeri Melaka, the Land Public Transport Symposium 2014, Malam Cinta Rasul in Putrajaya, financial grant assistance for the Yayasan Ehsal Siswa (YES) and spearheaded a donation drive for MH17’s technical and cabin crew families.

Apart from giving out regular donations as requested by numerous NGOs, charity and philanthropic bodies, MRCB conducted a unique hands-on initiative to assist those identified at the Stesen Sentral Kuala Lumpur (SSKL) and its vicinity who were found to be genuinely destitute, homeless and in need of assistance.

Led by MRCB’s senior management team, about 100 personnel took part in the initiative that was also joined by Kuala Lumpur City Hall (DBKL), Land Public Transport Commission (SPAD), the National Registration Department (JPN), the Immigration Department, the National Anti-Drug Agency Malaysia (AADK), Kuala Lumpur Hospital (KLH), Keretapi Tanah Melayu Berhad (KTMB), Express Rail Link Sdn Bhd (ERL) and Rapid KL.

This initiative has benefitted the homeless and destitute by empowering them to improve their life’s situation and find means of livelihood through the pooled efforts of the agencies and institutions that joined MRCB during an inspection of SSKL’s premises conducted from midnight to early morning on 16 March 2014.

STATEMENT ON CORPORATE GOVERNANCE

In 2014, MRCB continued to enthusiastically promote enhancement in the understanding of Mathematics, English and Science subjects in the PINTAR school programme for the seventh year running. Underprivileged and lower-performing students gained direct benefits from focused and specialized tutoring sessions from experienced former teachers and academicians. As of 2014, MRCB had adopted close to 18,000 students since becoming a member of PINTAR in 2007 and they will continue to touch other lives as they progress, mature and enter the job market in the future.

In 2014 too, MRCB's tradition of caring and giving continues with the giving of close to 800 school bags, shoes, socks and stationery sets to underprivileged students from its nine adopted PINTAR schools in Pulau Pinang, Perak, Kuala Lumpur and Pahang.

Apart from these community CSR activities, MRCB continued to positively impact the lives of thousands more with its ongoing Green and sustainable projects through the Sungai Pahang estuary rehabilitation Phase 3 project in Pekan, Pahang worth RM130 million (MRCB successfully completed Phase 1 & 2) and the iconic and first ever project in Malaysia to install high voltage overhead transmission lines crossing over a stretch of sea in the Straits of Melaka in a tourism designated area stretching from Pantai Siring to Pulau Besar in Melaka.

b. Awards and Recognition

The Company continues to receive recognition and accolades in 2014. In a double win in early 2014, MRCB and its Group Managing Director Tan Sri Mohamad Salim Fateh Din received awards under two categories of the Global Leadership Award (GLA) 2014 held at the Putrajaya International Convention Centre.

Tan Sri Mohamad Salim Fateh Din and MRCB came out tops respectively in the "Masterclass CEO of the Year" award category and the best "Urban Regeneration Development" award category, signalling a significant recognition by industry specialists on the achievements of MRCB and its leadership.

MRCB was also declared "World Gold Winner" at the FIABCI Prix d'Excellence International Awards 2014 under the award's Sustainable Development category for Platinum Sentral, its office-campus style Green Building in the Kuala Lumpur Sentral CBD. Platinum Sentral edged out other candidates vying for this recognition, which came as no surprise because Platinum Sentral looked like a clear winner from the onset of this prestigious annual international competition, held at the Rockhal concert hall venue in Esch-sur-Alzette, Southern Luxembourg.

Selected as a winner of the Malaysia GreenTech Awards 2014 under a "Malaysia Top 30 Catalysts in 2014" category, MRCB received further accolade as one of the top drivers of the nation's green agenda. The award is organised by Malaysian Green Technology Corporation (GreenTech Malaysia), which is a non-profit organisation under the purview of the Ministry of Energy, Green Technology and Water Malaysia (KeTTHA).

MRCB continues to be represented as a committee member of the Malaysian chapter of the United Nations Global Compact ("UNGC") in keeping with the Group's aim of adopting international standards for its CSR programmes and vision. The goal is to incorporate all the 10 UNGC principles on human rights, labour rights, environmental sustainability and anti-corruption into the Group's operations and strategies and to report on their implementation.

Details of the Group's CSR programmes are available in a separate report on CSR, which is an integral part of this report.

STATEMENT ON CORPORATE GOVERNANCE

9. RESPONSIBILITY STATEMENT IN RESPECT OF THE FINANCIAL YEAR UNDER REVIEW

(Pursuant to paragraph 15.26a of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.)

The Board ensures that the Audited Financial Statements are prepared in accordance with the Companies Act, 1965 and the applicable approved accounting standards set out by the Malaysian Accounting Standards Board so as to present a true and fair view of the state of affairs of the Group and of the profit or loss and cash flows as at the end of the accounting period.

In preparing the Audited Financial Statements, the Directors are satisfied that the applicable approved Accounting Standards in Malaysia have been complied with and reasonable and prudent judgements and estimates have been made. The Audited Financial Statements are also prepared on a going concern basis as the Board has reasonable expectation, after having made enquiries that the Group has adequate resources to continue in operational existence for the foreseeable future.

10. STATEMENT ON COMPLIANCE WITH THE REQUIREMENTS OF BURSA MALAYSIA IN RELATION TO APPLICATION OF PRINCIPLES AND ADOPTION OF BEST PRACTICES LAID DOWN IN THE MALAYSIAN CODE OF CORPORATE GOVERNANCE 2012

(Pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.)

The above statements are clear reflections of the conscious efforts of the MRCB Board and Management to strengthen its governance process and maintain its position as one of the leaders in the application of corporate governance.

The Board is pleased to report to the shareholders that the Company has complied with the principles set out in the Malaysian Code on Corporate Governance 2012 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board believes this to be an ongoing process and will continue to strive for adoption of leading practices in corporate governance.

This Statement on Corporate Governance is made by the Board of Directors in accordance to its resolution dated 23 February 2015.

PENYATA MENGENAI TADBIR URUS KORPORAT

Lembaga Pengarah MRCB ("Lembaga") amat percaya bahawa amalan tadbir urus korporat yang kukuh adalah penting bagi memastikan prestasi perniagaan boleh dikekalkan dan pembentukan nilai bagi pemegang-pemegang saham syarikat dan kekal komited dalam memastikan bahawa standard tertinggi etika perniagaan, integriti dan keprofesionalan diguna pakai dalam kesemua kegiatan MRCB dan anak-anak syarikatnya ("Kumpulan").

Dalam penyata ini, Lembaga dengan sukacitanya menyatakan penggunaan prinsip-prinsip yang dinyatakan dalam Kod Tadbir Urus Korporat Malaysia dan juga syarat-syarat yang berkenaan yang dinyatakan dalam Syarat-syarat Penyenaraian Bursa Malaysia Securities Berhad ("MMLR").

1. STRUKTUR LEMBAGA MRCB

a. Komposisi Ahli

Pada 31 Disember 2014, Lembaga MRCB mempunyai 8 orang ahli, terdiri daripada Pengerusi (Bukan Eksekutif Bukan Bebas), satu (1) Pengarah Eksekutif dan enam (6) Pengarah Bukan Eksekutif. Empat (4) Pengarah Bukan Eksekutif adalah Pengarah Bebas dan dua orang Pengarah Bukan Eksekutif Bebas.

Profil setiap ahli Lembaga, jawatan dan keahlian mereka dalam Jawatankuasa Lembaga dinyatakan pada muka surat 46 hingga 54 laporan ini.

Ahli-ahli Lembaga membawa bersama mereka pelbagai pengalaman dan pengetahuan mendalam dalam strategi korporat, kewangan, pengurusan perniagaan, pembangunan hartanah dan pengurusan hartanah. Bersama-sama dengan rangkaian kukuh mereka dalam sektor awam dan swasta, ahli-ahli Lembaga memberikan wawasan yang berkesan dan kepimpinan strategik kepada pasukan Pengurusan.

Dengan komposisi pada 31 Disember 2014, para Pengarah Bebas membentuk 50% daripada Lembaga dan para Pengarah Bebas ini memberikan hujah-hujah yang berkesan dan berpegang pada prinsip-prinsip objektiviti dan integriti semasa pertimbangan Lembaga.

Lembaga percaya bahawa komposisi semasa dan saiznya membolehkan Lembaga untuk menjalankan tugas dan tanggungjawabnya secara berkesan dan kompeten. Dari masa ke masa, Jawatankuasa Pelantikan Lembaga mengkaji campuran kemahiran, pengetahuan, pengalaman dan kebebasan ahli-ahlinya. Lembaga berpuas hati bahawa tidak ada kompromi kepada kebebasan para Pengarah Bebas pada 2014. Sebagai perkara dasar, Lembaga telah menetapkan bahawa tempoh para Pengarah tidak boleh melebihi tempoh kumulatif selama 12 tahun. Lembaga percaya bahawa tempoh ini memberikan keseimbangan keberkesanan dan kebebasan yang sewajarnya bagi Kumpulan.

b. Pelantikan ke Lembaga dan Pelantikan Semula para Pengarah

Jawatankuasa Pelantikan & Imbuhan ("NRC") telah diamanahkan dengan tanggungjawab untuk menilai calon-calon yang akan dilantik sebagai ahli-ahli Lembaga. Dalam menilai kesesuaian calon-calon bagi keahlian dalam Lembaga, NRC mengambil kira latar belakang, kemahiran, pengalaman, komitmen masa dan sumbangan yang berpotensi bagi calon-calon yang akan menganggotai Lembaga, dan untuk keperluan semasa dan masa hadapan perniagaan Kumpulan.

Dalam tahun, Tan Sri Ahmad Fuad Ismail dan Dato' Johari Razak telah dilantik menganggotai Lembaga sebagai Pengarah Bebas pada 5 Februari 2014. Ini diikuti oleh pelantikan Puan Rohaya Mohammad Yusof sebagai Pengarah Bukan Eksekutif Bukan Bebas pada 6 Mac 2014. Dua orang Pengarah Bebas, Dato' Ahmad Ibnihajar dan En Che King Tow telah meletakkan jawatan daripada Lembaga masing-masing pada 10 Januari 2014 dan 2 April 2014. Kemudiannya, Dato' Ishak Haji Mohamed, Pengarah Bukan Eksekutif Bukan Bebas, dan Tan Sri Ahmad Fuad Ismail, Pengarah Bebas, telah meletakkan jawatan pada 8 Oktober 2014.

PENYATA MENGENAI TADBIR URUS KORPORAT

Semua para Pengarah yang baru dilantik akan memegang jawatan hanya sehingga Mesyuarat Agung Tahunan yang akan datang dan adalah layak untuk pelantikan semula. Keperluan ini dinyatakan dalam Artikel 106 Tataurus Pertubuhan Syarikat. Selain itu, Tataurus 101 dan 102 Tataurus Pertubuhan Syarikat yang memerlukan sekurang-kurangnya satu pertiga daripada para Pengarah yang bersara mengikut giliran, dan para Pengarah akan bersara pada setiap tahun adalah para Pengarah yang paling lama memegang jawatan sejak pelantikan atau pemilihan semula mereka.

Pada AGM yang diadakan pada 27 Jun 2014, Tan Sri Azlan Zainol dan Datuk Shahril Ridza Ridzuan, yang bersara selaras dengan Artikel 101 dan 102 Tataurus Pertubuhan Syarikat, telah dilantik dengan sewajarnya. Pada masa yang sama, Tan Sri Mohamad Salim Fateh Din, Tan Sri Ahmad Fuad Ismail, Dato' Ishak Haji Mohamed, Dato' Johari Razak dan Puan Rohaya Mohammad Yusof telah bersara selaras dengan Artikel 106 Tataurus Pertubuhan Syarikat dan semua daripada mereka yang telah dilantik semula dengan sewajarnya.

c. Peranan dan Tanggungjawab

Lembaga mengawasi perniagaan dan hal ehwal Kumpulan dan pada dasarnya bertanggungjawab bagi perancangan strategik, pengurusan risiko, rancangan penggantian, pemantauan operasi dan mengkaji kecukupan maklumat pengurusan dan sistem kawalan dalaman Kumpulan. Lembaga dipandu oleh Piagam yang dikaji dan diterima pakai pada 20 November 2012. Antara lain, Piagam Lembaga menyatakan peranan utama Lembaga, fungsi, peranan, tanggungjawab dan kuasa Lembaga dan pelbagai jawatankuasanya. Kandungan Piagam Lembaga boleh dilihat dalam laman web syarikat, www.mrcb.com.

Perkara-perkara yang berikut telah dirizabkan oleh Lembaga untuk keputusannya:

- Rancangan dan program korporat;
- Belanjawan tahunan, termasuk komitmen modal utama;
- Usaha niaga baru;
- Pengambilalihan dan pelupusan material akan usaha niaga dan hartanah; dan
- Perubahan kepada struktur pengurusan dan kawalan Syarikat dan anak-anak syarikatnya, termasuk dasar-dasar penting.

Pengarah Urusan Kumpulan bertanggungjawab bagi operasi perniagaan harian Kumpulan sementara para Pengarah Bukan Eksekutif bertanggungjawab bagi memberi keputusan dan penilaian bebas kepada keputusan yang dibuat oleh Lembaga dan untuk memberikan cabaran objektif kepada pengurusan. Para Pengarah Bukan Eksekutif tidak terlibat dalam apa-apa urusan perniagaan dengan Kumpulan untuk memastikan bahawa mereka berkeupayaan untuk melaksanakan keputusan bebas dan bertindak demi kepentingan terbaik Kumpulan dan pemegang-pemegang sahamnya.

Peranan Pengerusi dan Pengarah Urusan Kumpulan dipegang oleh individu berasingan, dengan pembahagian tanggung jawab dan kuasa yang jelas. Sementara Pengerusi, yang merupakan pengarah bukan eksekutif, bertanggungjawab bagi kepimpinan, memastikan kefungsi berkesan Lembaga dan menyediakan pemantauan operasi Kumpulan, Pengarah Urusan Kumpulan bertanggungjawab bagi membuat dan melaksanakan keputusan operasi dan pengurusan harian Kumpulan. Pengarah Urusan Kumpulan menentukan hala tuju keseluruhan Kumpulan, melapor dan mengkomunikasikan perkara-perkara dan cadangan-cadangan strategik kepada Lembaga, dan melaksanakan keputusan-keputusan yang dibuat oleh Lembaga.

Pengerusi bertanggungjawab bagi mempengerusikan mesyuarat-mesyuarat Lembaga dan memastikan bahawa terdapat pertimbangan dan penilaian cadangan dan maklumat yang disediakan oleh pengurusan. Dalam ketiadaan Pengerusi, Pengarah Bebas Kanan yang paling kanan, Dato' Abdul Rahman Ahmad, mempengerusikan mesyuarat Lembaga.

d. Mesyuarat Lembaga Pengarah

Jadual Lembaga Pengarah bagi setiap tahun ditubuhkan sebelum akhir tahun sebelumnya bersama dengan jadual perkara-perkara yang akan dibincangkan dalam mesyuarat-mesyuarat ini. Selain daripada mesyuarat-mesyuarat yang dijadualkan, mesyuarat-mesyuarat tambahan boleh diminta oleh pengerusi untuk menimbangkan perkara-perkara segera dan penting yang memerlukan perhatian.

PENYATA MENGENAI TADBIR URUS KORPORAT

Sebanyak dua belas (12) mesyuarat Lembaga Pengarah telah diadakan di antara 1 Januari 2014 dan 31 Disember 2014. Kesemua pengarah telah menghadiri lebih daripada 50% Mesyuarat Lembaga Pengarah dalam tempoh tersebut.

Jadual 1: Butir-butir kehadiran para Pengarah dalam Mesyuarat Lembaga yang diadakan dari 1 Januari 2014

Nama Pengarah	Bilangan Mesyuarat Dihadiri	Bilangan Mesyuarat Diadakan	Peratusan (%)
Tan Sri Azlan Zainol (Pengerusi)	11	12	92%
Tan Sri Mohamad Salim Fateh Din (Pengarah Urusan Kumpulan)	12	12	100%
Datuk Shahril Ridza Ridzuan	12	12	100%
Dato' Abdul Rahman Ahmad	12	12	100%
Dato' Chong Pah Aung	11	12	92%
Jamaludin Zakaria	12	12	100%
Dato' Johari Razak (dilantik 5 Feb 2014)	9	11	82%
Rohaya Mohammad Yusof (dilantik 6 Mar 2014)	10	10	100%
Che King Tow (meletak jawatan pada 8 Oktober 2014)	3	3	100%
Dato' Ishak Haji Mohamed (meletak jawatan pada 8 Oktober 2014)	6	8	75%
Tan Sri Ahmad Fuad Ismail (dilantik pada 5 Feb 2014 dan meletak jawatan 8 Okt 2014)	6	7	86%

Antara perkara yang dipertimbangkan oleh Lembaga pada 2014 adalah:

- Cadangan dam urus niaga perniagaan utama (cth. urusan PJ Sentral, Tanah Kwasa, Pelaburan dalam REIT);
- Rancangan perniagaan dan belanjawan bagi 2014 & 2015;
- Bonus prestasi dan pakej imbuhan bagi Pengurusan Kanan;
- Pembentukan semula Jawatankuasa Lembaga dan Pengarah Kanan;
- Pelantikan para pengarah bebas dan pengarah bukan eksekutif bukan bebas tambahan;
- Pakej imbuhan bagi Pengarah Urusan Kumpulan, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan; dan
- Semakan kepada manfaat-manfaat para pengarah.

2. JAWATANKUASA LEMBAGA

Lembaga telah menubuhkan empat (4) Jawatankuasa, setiap satu dengan kuasa dan tanggungjawab khusus, bagi membantu Lembaga melupuskan tugas dan tanggungjawab secara berkesan. Dalam jawatankuasa-jawatankuasa ini, kajian dan pertimbangan terperinci isu-isu strategik dilaksanakan dan Pengerusi beberapa Jawatankuasa akan melaporkan mengenai pertimbangan dan pengesyoran masing-masing kepada lembaga dalam mesyuarat Lembaga yang akan datang. Walau bagaimanapun, Lembaga mengekalkan tanggungjawab muktamad untuk keputusan yang dibuat oleh Jawatankuasa.

Dalam tahun, Jawatankuasa Pelantikan dan Jawatankuasa Imbuhan telah dibubarkan dan Jawatankuasa Pelantikan dan Imbuhan telah ditubuhkan. Jawatankuasa Pelantikan dan Imbuhan mengambil alih peranan dan tanggungjawab yang digabungkan bagi Jawatankuasa-jawatankuasa yang telah dibubarkan.

Komposisi, tanggungjawab dan aktiviti pelbagai Jawatankuasa dinyatakan di bawah.

a. Jawatankuasa Audit

Laporan Jawatankuasa Audit, menyatakan keahliannya, peranan dan aktiviti dalam tahun dinyatakan pada muka surat 148 hingga 151.

PENYATA MENGENAI TADBIR URUS KORPORAT

b. Jawatankuasa Eksekutif ("EXCO") Lembaga

Jawatankuasa Eksekutif Lembaga ("EXCO") telah ditubuhkan untuk mempertingkatkan kepimpinan dan pengurusan Lembaga Kumpulan. Terdiri daripada dua (2) Pengarah Bukan Eksekutif dan Pengarah Urusan Kumpulan, fungsi-fungsi utama EXCO adalah:

- Untuk memberi panduan kepada pihak Pengurusan dalam pelaksanaan Inisiatif-inisiatif Transformasi GLC;
- Untuk mengkaji dan mengesyorkan rancangan perniagaan tahunan dan belanjawan Kumpulan kepada Lembaga untuk kelulusan;
- Untuk menimbang dan mengkaji isu-isu penting dan/atau utama berhubung dengan hala tuju perniagaan Kumpulan; dan
- Untuk menimbang mengenai semua urusan niaga perniagaan utama dan isu-isu berhubung dengan Kumpulan yang memerlukan Kelulusan EXCO atau Lembaga selaras dengan Had-had Kuasa yang diluluskan.

Tiga (3) ahli membentuk kuorum bagi satu mesyuarat. Bagi 2014, sebanyak lima (5) mesyuarat EXCO telah diadakan dan ini telah dihadiri sepenuhnya oleh kesemua ahli EXCO.

Jadual 2: Butir-butir kehadiran ahli mesyuarat EXCO yang diadakan dari 1 Januari 2014 hingga 31 Disember 2014

NAMA AHLI EXCO	KEHADIRAN
Datuk Shahril Ridza Ridzuan (Pengerusi)	5/5
Tan Sri Mohamad Salim Fateh Din	5/5
Dato' Chong Pah Aung	5/5
Che King Tow (Meletak jawatan berkuat kuasa 2 Apr 14)	1/1
Dato' Ishak Haji Mohamed (Dilantik berkuatkuasa 25 Feb 14, meletak jawatan berkuat kuasa 8 Okt 2014)	2/4

Di antara kegiatan-kegiatan yang dijalankan oleh EXCO pada 2014 adalah:

- Mengkaji kemajuan projek-projek penting;
- Menimbangkan cadangan dan urusan niaga perniagaan utama;
- Mengkaji pencapaian belanjawan bagi 2014;
- Mengkaji rancangan perniagaan dan belanjawan bagi 2015.

c. Jawatankuasa Pelantikan dan Imbuan ("NRC")

Sebelum pembubaran Jawatankuasa Pelantikan dan Jawatankuasa Imbuan pada 25 Februari 2014, Jawatankuasa masing-masing telah mengadakan satu (1) mesyuarat pada 24 Februari 2014. Kemudiannya selepas penubuhan Jawatankuasa Pelantikan dan Imbuan, sejumlah tiga (3) mesyuarat NRC telah diadakan pada 2014 dan ini telah dihadiri sepenuhnya oleh ahli-ahli.

NRC terdiri daripada tiga (3) ahli, kesemua yang mana adalah para Pengarah Bebas.

Jadual 3: Butir-butir kehadiran ahli dalam mesyuarat Jawatankuasa Pelantikan yang diadakan dari 1 Januari 2014 hingga 31 Disember 2014

NAMA AHLI JAWATANKUASA PELANTIKAN	KEHADIRAN
Che King Tow (Pengerusi)	1/1
Dato' Abdul Rahman Ahmad	1/1
Dato' Chong Pah Aung	1/1

PENYATA MENGENAI TADBIR URUS KORPORAT

Jadual 4: Butir-butir kehadiran ahli dalam mesyuarat Jawatankuasa Imbuhan diadakan dari 1 Januari 2014 hingga 31 Disember 2014

NAMA AHLI JAWATANKUASA IMBUHAN	KEHADIRAN
Dato' Abdul Rahman Ahmad (Pengerusi)	1/1
Che King Tow	1/1
Dato' Chong Pah Aung	1/1

Jadual 5: Butir-butir kehadiran ahli dalam mesyuarat Jawatankuasa Pelantikan dan Imbuhan yang diadakan dari 1 Januari 2014 hingga 31 Disember 2014

NAMA JAWATANKUASA PELANTIKAN DAN IMBUHAN	KEHADIRAN
Dato' Johari Razak (Pengerusi)	3/3
Dato' Abdul Rahman Ahmad	3/3
Dato' Chong Pah Aung	3/3
Tan Sri Ahmad Fuad Ismail (Meletak jawatan berkuat kuasa 8 Okt 14)	2/2

Antara aktiviti-aktiviti yang dijalankan oleh Jawatankuasa Pelantikan, Jawatankuasa Imbuhan dan Jawatankuasa Pelantikan dan Imbuhan pada 2014 adalah:

- i) Mengkaji bonus prestasi dan pakej imbuhan bagi Pengurusan Kanan;
- ii) Menimbangkan pembentukan semula Jawatankuasa Lembaga dan para Pengarah Kanan;
- iii) Menimbangkan mengenai pelantikan para pengarah bebas dan para pengarah bukan eksekutif bukan bebas tambahan;
- iv) Menimbangkan mengenai pakej imbuhan Pengarah Urusan Kumpulan, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan; dan
- v) Menimbangkan mengenai semakan kepada manfaat-manfaat para pengarah.

Tugas dan tanggungjawab Jawatankuasa Pelantikan dan Imbuhan adalah:
(*Berhubung dengan fungsi pelantikannya*)

- i) Untuk menamakan dan mengesyorkan kepada Lembaga, calon-calon yang akan dilantik sebagai Pengarah Syarikat.
- ii) Untuk menimbangkan dalam membuat pengesyorannya, calon-calon bagi jawatan pengarah dicadangkan oleh Pengarah Urusan Kumpulan atau oleh mana-mana eksekutif kanan lain atau mana-mana pengarah atau pemegang saham.
- iii) Untuk mengesyorkan kepada Lembaga, para pengarah mengisi kekosongan tempat dalam jawatankuasa-jawatankuasa lembaga.
- iv) Untuk membantu Lembaga dalam kajian tahunannya bagi campuran kepakaran dan pengalaman yang diperlukannya dan lain-lain kualiti, termasuk kekompetenan teras yang para pengarah bukan eksekutif harus bawa ke dalam lembaga.
- v) Untuk membantu Lembaga dalam pelaksanaan program penilaian untuk menilai keberkesanan Lembaga secara keseluruhan, jawatankuasa-jawatankuasa Lembaga dan pengarah individu atas dasar tahunan.

(*Berhubung dengan fungsi imbuhan*)

- i) Untuk menentukan dan mengesyorkan kepada Lembaga rangka kerja atau dasar meluas bagi pakej imbuhan Ketua Eksekutif Syarikat atau Kumpulan, Pengerusi Syarikat dan ahli-ahli lain tertentu bagi pengurusan eksekutif Gred 8 dan ke atas, sebagaimana ia ditetapkan untuk dipertimbangkan.
- ii) Untuk mewujudkan prosedur rasmi dan telus bagi membangunkan dasar mengenai pakej imbuhan individu menyeluruh bagi pengarah eksekutif, ketua pegawai eksekutif dan pengurusan eksekutif lain termasuk, di mana wajar, bonus, insentif dan opsyen saham.

PENYATA MENGENAI TADBIR URUS KORPORAT

- iii) Untuk merangka pakej imbuhan bagi semua pengarah eksekutif, ketua pegawai eksekutif dan lain-lain pengurusan eksekutif yang dilantik dengan tujuan untuk menarik dan mengekalkan pengurusan eksekutif dilantik yang amat berkaliber yang akan memberikan kejayaan bagi pemegang-pemegang saham dan perkhidmatan berstandard tinggi untuk para pelanggan, sambil mengambil kira kepada persekitaran perniagaan di mana Kumpulan beroperasi. Sebaik sahaja telah siap dirumuskan, akan mengesyorkan kepada Lembaga untuk kelulusan.
- iv) Untuk mengkaji dan mengesyorkan kepada Lembaga pembaikan (sekiranya ada) ke atas dasar dan pakej imbuhan pengurusan eksekutif dilantik dan mana-mana isu lain berhubung dengan manfaat pengurusan eksekutif dilantik atas dasar tahunan.
- v) Untuk mengkaji apa-apa perubahan utama dalam struktur manfaat kakitangan di seluruh Syarikat atau Kumpulan, dan mengesyorkan kepada Lembaga untuk diterima pakai sekiranya sesuai.
- vi) Untuk mengkaji dan mengesyorkan kepada Lembaga untuk penerimaan pakai rangka kerja bagi skim insentif tahunan Syarikat. Rangka kerja bagi skim insentif tahunan mungkin termasuk:
 - Kenaikan merit
 - Bonus merit
 - Insentif penyelesaian projek.
- vii) Untuk mencari maklumat yang ia perlukan daripada mana-mana kakitangan Syarikat untuk boleh melaksanakan tugasnya.
- viii) Untuk mendapatkan, atas tanggungan Syarikat, mana-mana nasihat undang-undang atau lain-lain profesional luar termasuk nasihat perunding imbuhan bebas, untuk memastikan kehadiran penasihat luar dalam mesyuaratnya jika difikirkannya perlu, dan untuk mendapatkan maklumat yang boleh dipercayai dan terkini mengenai imbuhan dalam syarikat-syarikat lain.

NRC hendaklah mempunyai kuasa penuh untuk memulakan apa-apa laporan tinjauan yang difikirkannya perlu untuk membantu ia melaksanakan obligasinya

d. Jawatankuasa Skim Opsyen Saham Kakitangan ("ESOS")

Jawatankuasa Skim Opsyen Saham Kakitangan ("ESOS") telah ditubuhkan untuk memastikan bahawa pelaksanaan ESOS ditadbir secara adil selaras dengan undang-undang kecil Syarikat bagi ESOS yang diluluskan oleh Pemegang-pemegang Saham.

Jawatankuasa ESOS yang terdiri daripada tiga (3) orang ahli Lembaga, bermesyuarat apabila diperlukan dan tiga (3) orang ahli membentuk kuorum bagi mesyuarat. Tiada mesyuarat Jawatankuasa ESOS telah diadakan dalam tahun di bawah kajian.

Ahli-ahli Jawatankuasa ESOS adalah:

- Datuk Shahril Ridza Ridzuan (Pengerusi)
- Jamaludin Zakaria
- Dato' Johari Razak

3. LEMBAGA IMBUHAN

a. Dasar Imbuhan bagi para Pengarah dan Pengurusan Kanan

Imbuhan bagi Pengarah Urusan Kumpulan dan kakitangan pengurusan kanan dilantik adalah berdasarkan kajian Jawatankuasa Pelantikan dan Imbuhan dan penilaian terhadap pencapaian dan sumbangan setiap individu, yang diukur berdasarkan Petunjuk Prestasi Penting mereka masing-masing. Pengesyorkan kemudiannya dibuat oleh Jawatankuasa Pelantikan dan Imbuhan untuk diputuskan oleh Lembaga Pengarah mengenai imbuhan yang sesuai bagi setiap personel.

Pengarah Bukan eksekutif menerima yuran asas tetap sebagai balasan bagi tugas mereka dalam Lembaga. Jumlah agregat bagi yuran Pengarah yang dibayar kepada Pengarah Bulan Eksekutif disyorkan oleh Lembaga untuk kelulusan pemegang-pemegang saham dalam Mesyuarat Agung Tahunan Syarikat.

PENYATA MENGENAI TADBIR URUS KORPORAT

b. Butir-butir Imbuhan

Para Pengarah bagi imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2014 dinyatakan dalam Jadual 6 dan 7 di bawah.

Jumlah imbuhan para Pengarah bagi tahun kewangan berakhir 31 Disember 2014 adalah lebih kurang RM3.17 juta, dengan pengarah yang menerima bayaran tertinggi adalah Pengarah Urusan Kumpulan.

Jadual 6: Butir-butir Agregat Imbuhan Para Pengarah bagi 2014

NAMA PENGARAH	YURAN	GAJI & BONUS	EPF & SOCSO	ELAUN	ELAUN KERETA	MANFAAT BUKAN BERUPA WANG	JUMLAH
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tan Sri Azlan Zainol (Pengerusi)	150			60			210
Tan Sri Mohamad Salim Fateh Din (Pengarah Urusan Kumpulan)		1,600	345		120	24	2,089
Datuk Shahril Ridza Ridzuan	100			120		7	227
Dato' Abdul Rahman Ahmad	100						100
Dato' Chong Pah Aung	100						100
Jamaludin Zakaria	100						100
Dato' Johari Razak	90						90
Rohaya Mohammad Yusuf	82						82
Dato' Ishak Haji Mohamed (meletak jawatan pada 8 Okt 2014)	77						77
Tan Sri Ahmad Fuad Ismail (meletak jawatan pada 8 Okt 2014)	67						67
Che King Tow (meletak jawatan pada 2 Apr 2014)	25						25
Dato' Ahmad Ibnihajar (meletak jawatan pada 10 Jan 2014)	3						3
Jumlah	894	1,600	345	180	120	31	3,170

Jadual 7: Analisis Imbuhan Para Pengarah mengikut Kumpulan sebanyak RM50,000

IMBUHAN PENGARAH	PENGARAH EKSEKUTIF	PENGARAH BUKAN EKSEKUTIF	JUMLAH
RM0 – RM50,000	-	2	2
RM50,001 – RM100,000	-	7	7
RM100,001 – RM150,000	-	-	-
RM150,001 dan ke atas	1	2	3
Jumlah	1	11	12

PENYATA MENGENAI TADBIR URUS KORPORAT

4. PENGENDALIAN LEMBAGA

a. Kod Etika dan Tata Laku bagi Ahli-ahli Lembaga

Para Pengarah dikehendaki untuk mengendalikan diri mereka dengan standard etika tertinggi. Semua Pengarah Kumpulan diberi satu salinan Buku Panduan Eksekutif dan Kod Etika Perniagaan selepas pelantikan mereka.

Mematuhi peruntukan dalam dokumen-dokumen ini adalah dianggap sebagai sebahagian daripada terma-terma dan syarat-syarat perkhidmatan mereka. Antara lain, Buku Panduan Eksekutif dan Kod Etika Perniagaan menetapkan standard pengendalian dan tata laku apabila berurusan dengan pelanggan luar, pembekal dan situasi percanggahan kepentingan; dan memelihara kerahsiaan maklumat syarikat.

Pengarah dikehendaki untuk mendedahkan apa-apa situasi percanggahan kepentingan yang mereka mungkin ada dalam urusan Kumpulan sebaik sahaja mereka menyedari kepentingan tersebut dan berkecuali daripada sebarang pertimbangan mengenai perkara itu.

b. Program Latihan dan Pendidikan Berterusan Para Pengarah

Ahli-ahli Lembaga Pengarah memaklumi keperluan untuk sentiasa memperbaiki dan menambah pengetahuan serta meningkatkan kemahiran mereka untuk manfaat Kumpulan. Semua Pengarah baru dikehendaki untuk menghadiri Program Akreditasi Mandatori seperti yang ditetapkan oleh Bursa Malaysia Securities Berhad. Selain itu, Lembaga Pengarah akan menilai keperluan latihan bagi para Pengarahnya dari masa ke masa dan memastikan bahawa para Pengarah mempunyai akses kepada program pendidikan berterusan.

Dalam tahun, ahli-ahli Lembaga telah menghadiri pelbagai kursus mengenai tadbir urus korporat, pengurusan risiko, teknik dan amalan dalam kepimpinan dan pengurusan di peringkat Lembaga. Butir-butir kursus yang dihadiri oleh para Pengarah adalah dinyatakan dalam Jadual 8 di bawah.

Jadual 8: Kursus Latihan Dihadiri oleh Para Pengarah pada 2014

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
Tan Sri Azlan Zainol	Latihan KPMG: Pengurusan Risiko dalam Bank-bank Islam bagi RHB Bank Berhad dan Lembaga Pengarah RHB Islamic Bank Berhad Tarikh: 10 Feb 2014 Penganjur: RHB Banking Group
	Latihan ICAAP Tarikh: 11 Mar 2014 Penganjur: RHB Banking Group
	Perbincangan Pagi: Singapore National ICT Master Plan Tarikh: 28 Mei 2014 Penganjur: RHB Banking Group
	FIDE Program & Sesi (Pendidikan Pengarah Institusi Kewangan) Dinamik Lembaga: Dialog bersama Pengerusi Tarikh: 3 Jun 2014 Penganjur: Pusat Kepimpinan & Tadbir Urus ICLIF
	Acara Forum FIDE – A Comprehensive Talent-based Approach to Board Recruitment Tarikh: 16 Jun 2014 Penganjur: FIDE Forum
	Persidangan Tadbir Urus Korporat: Penceramah Panel untuk “Cabaran-cabaran Tadbir Urus Korporat dalam Sektor Perkhidmatan Kewangan” Tarikh: 6 Ogos 2014 Penganjur: Asian Institute of Chartered Bankers (dahulunya dikenali sebagai IBBM)

PENYATA MENGENAI TADBIR URUS KORPORAT

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
Tan Sri Mohamad Salim Fateh Din	Program Pendidikan Berterusan Para Pengarah 2014 Tarikh: 27 Jun 2014 Penganjur: Latihan Korporat Dalam di bawah British American Tobacco (Malaysia) Berhad dianjurkan oleh Guinness Anchor Berhad
Datuk Shahril Ridza Ridzuan	Bengkel Lembaga Pengarah Tarikh: 24 Sep 2014 Penganjur: Media Prima Berhad
Dato' Abdul Rahman Ahmad	Forum Ekuiti Persendirian Malaysia Tarikh: 9 – 10 Sep 2014 Penganjur: Ekuiti Nasional Berhad
Dato' Chong Pah Aung	Ceramah Pembangunan Profesional Berterusan mengenai “Seminar mengenai Memahami Syarat-syarat Penilaian: Garis Panduan Penilaian Aset MVS, IVS, & SC” Tarikh: 8 Sep 2014 Penganjur: Persatuan Penilai, Pengurus Harta, Ejen Harta & Perunding Harta Swasta Malaysia (PEPS) Board of Directors Breakfast Series – “Great Companies Deserve Great Boards” Tarikh: 10 Okt 2014 Penganjur: Bursa Malaysia Berhad
Jamaludin Zakaria	Modal Teroka dan Ekuiti Persendirian Islam Tarikh: 25 Mar 2014 Penganjur: IBFIM Wang, Perbankan dan Pasaran Modal Tarikh: 9 Sep 2014 Penganjur: CHK Consultancy Sdn Bhd
Dato' Johari Razak	Program Latihan Korporat Dalam berhubung dengan “Peranan & Tanggungjawab Para Pengarah Di Bawah Syarat-syarat Penyenaraian” dan “Kemas Kini mengenai Panduan Tadbir Urus Korporat–Edisi Kedua” Tarikh: 5 Mei 2014 Penganjur: Tricor Knowledge House Sdn Bhd Pengurusan Risiko & Kawalan Dalam : Bengkel bagi Ahli Jawatankuasa Audit “Jaminan Bersepadu ke atas Pengurusan Risiko dan Kawalan Dalam– Adakah Barisan Pertahanan Kami Mencukupi dan Berkesan?” Tarikh: 3 Jun 2014 Penganjur: Bursa Malaysia & CG Board Asia Pacific
Rohaya Mohammad Yusuf	Siri Meja Bulat Pasaran Bon Domestik CIMB Asean Tarikh: 3 Apr 2014 Penganjur: CIMB Program Kumpulan Inovatif & Kreatif (ICC) Tarikh: 5 Mei 2014 Penganjur: KWSP

PENYATA MENGENAI TADBIR URUS KORPORAT

NAMA PENGARAH	KURSUS LATIHAN YANG DIHADIRI
Rohaya Mohammad Yusuf	Persidangan Asia Pasifik Tahunan Ke4 CIMB @ Program Peneraju-peneraju Terkemuka Pelaburan Malaysia Tarikh: 9 Jun 2014 Penganjur: CIMB
	Seminar Antarabangsa "Mengenal Perubahan Demografik Cabaran & Peluang" Tarikh: 8 Sep 2014 Penganjur: KWSP
	Forum Ekuiti Persendirian Malaysia Tarikh: 9 Sep 2014 Penganjur: KWSP
	Sidang Kemuncak Pendapatan Tetap Asian Tarikh: 29 Sep 2014 Penganjur: Bank Negara Malaysia
	Kepimpinan Di Masa Puncak di Singapura Tarikh: 1 – 5 Dis 2014 Penganjur: Program Pembangunan Bakat (KWSP)

c. Penilaian Prestasi

Lembaga melalui Jawatankuasa Pelantikan dan Imbuhan, mengkaji dan menilai prestasinya dan prestasi Pengarah secara individu setiap dua tahun. Pada masa pengeluaran penyata ini, penilaian prestasi para pengarah bagi 2013/2014 dikenali oleh perunding luar.

d. Perhubungan Lembaga dengan Pengurusan

Perhubungan di antara Lembaga dan Pengurusan kekal kukuh dan padu dalam tahun di bawah kajian dan Lembaga terus mempunyai akses langsung dan tidak terbatas kepada pasukan pengurusan Kumpulan. Lembaga menyokong Pengurusan dengan menyediakan kepimpinan, dan menetapkan sasaran perniagaan. Pada masa yang sama, Lembaga juga berperanan sebagai sekatan dan imbalan dengan mencabar dan mendebatkan keputusan yang dibuat oleh Pengurusan sebelum ia diendorseskan dan diluluskan. Untuk melakukan ini, sistem pelaporan yang dibentuk dan distrukturkan telah disediakan di mana Lembaga secara kerap diberi taklimat dan kemas kini mengenai prestasi Kumpulan. Sistem ini membolehkan Lembaga untuk memantau dengan rapat pencapaian sasaran yang ditetapkan. Ganjaran kepada Pengurusan dan kakitangan, seperti bonus dan peruntukan ESOS, adalah berdasarkan prestasi kewangan dan pencapaian sasaran perniagaan utama.

e. Akses Penuh kepada Maklumat

Dalam melaksanakan tugas mereka, para Pengarah mempunyai:

- Akses penuh dan tidak terbatas kepada maklumat tepat pada masa dan ketepatan. Agenda dan satu set kertas-kertas Lembaga yang lengkap lazimnya diedarkan sekurang-kurangnya 7 hari sebelum mesyuarat Lembaga atau Jawatankuasanya. Proses ini memastikan agar para Pengarah mempunyai masa yang mencukupi untuk mengkaji, mempertimbang dan jika perlu, mendapatkan maklumat lanjut berhubung perkara-perkara yang akan dibincangkan, dan justeru, diberi taklimat dengan sewajarnya dan bersedia semasa mesyuarat;
- Akses tidak terbatas kepada nasihat dan perkhidmatan Setiausaha Syarikat dan lain-lain ahli pengurusan kanan; dan
- Nasihat dan akses tidak terbatas daripada profesional luar dan bebas, yang tersedia kepada ahli Lembaga secara individu dan kolektif. Nasihat dan perkhidmatan ini tersedia bebas daripada campur tangan Pengurusan.

PENYATA MENGENAI TADBIR URUS KORPORAT

Setiausaha Syarikat adalah ahli Institut Setiausaha dan Pentadbir Berkanun Malaysia dan mempunyai pengalaman yang diperlukan untuk memberi nasihat tidak terbatas kepada Lembaga Pengarah untuk memastikan mereka berfungsi dengan berkesan dan mematuhi syarat-syarat berperaturan.

Bagi mempertingkatkan kebertanggungjawaban Lembaga dan Pengurusan Kanan, Kumpulan telah menetapkan Had-had Kuasa yang diluluskan oleh Lembaga bagi menyatakan had-had urus niaga yang dibenarkan untuk diluluskan oleh setiap peringkat Pengurusan untuk meluluskan, dan urus niaga yang perlu diluluskan oleh EXCO atau Lembaga.

f. Mengikuti Aktiviti Syarikat Tidak Kira Di Mana Jua

Lembaga telah menerima pakai pendekatan secara langsung dalam melaksanakan tugasnya. Dalam tahun, para Pengarah telah membuat kunjungan ke tapak projek Syarikat di KL Sentral. Semasa kunjungan ini, para Pengarah mendapat pemahaman yang lebih baik mengenai projek-projek Syarikat dan cabaran-cabaran yang dihadapinya, dengan itu meningkatkan lagi keberkesanan Lembaga semasa membuat pertimbangan dan keputusan.

g. Kebertanggungjawaban bagi Maklumat Kewangan

Lembaga mengaku janji untuk memastikan bahawa:

- i) penyata kewangan tahunan, pengumuman keputusan suku tahunan kepada pemegang saham, laporan kepada pengawal atur dan laporan-laporan umum sensitif harga Kumpulan yang lain dibentangkan dengan penilaian yang seimbang dan boleh difahami mengenai kedudukan dan prospek Kumpulan;
- ii) penyata kewangan Kumpulan disediakan berasaskan dasar-dasar perakaunan yang telah digunakan secara konsisten dan sewajarnya, disokong oleh pertimbangan dan anggaran yang munasabah dan berhemat serta mematuhi semua piawaian perakaunan yang diguna pakai; dan
- iii) rekod-rekod perakaunan adalah tepat, mengikut margin kemunasabahan dan yang mendedahkan kedudukan kewangan Kumpulan dalam cara yang benar dan saksama.

Penyata oleh para pengarah selaras dengan Seksyen 169(15) Akta Syarikat, 1965 berhubung dengan penyediaan penyata kewangan dinyatakan pada muka surat 195 laporan ini di bawah "Penyata oleh Para Pengarah".

h. Perhubungan dengan Juruaudit Luar

Syarikat mengekalkan perhubungan yang telus dan profesional dengan juruauditnya melalui Jawatankuasa Audit. Dalam tahun, Syarikat telah melantik juruaudit luar untuk audit berkanun dan hal-hal berkaitan cukai.

Jawatankuasa Audit bermesyuarat secara tetap dengan Juruaudit Luar untuk membincang dan mengkaji Rancangan Audit, keputusan kewangan tahunan, laporan pemeriksaan dan sebarang penemuan audit yang diketengahkan oleh Juruaudit Luar untuk perhatian Jawatankuasa Audit.

Dalam mengesyorkan pelantikan semula Juruaudit Luar, Jawatankuasa Audit mengkaji prestasi, kesesuaian dan kebebasan mereka. Bagi 2014, Jawatankuasa Audit telah mendapat jaminan bertulis daripada Juruaudit Luar iaitu PricewaterhouseCoopers, bahawa mereka telah memelihara kebebasan mereka selaras dengan peruntukan Undang-undang Kecil berhubung Kebebasan Profesional Institut Akauntan Malaysia.

Butir-butir lanjut mengenai aktiviti Jawatankuasa Audit berhubung dengan Juruaudit Luar dijelaskan pada muka surat 150.

PENYATA MENGENAI TADBIR URUS KORPORAT

5. PERLINDUNGAN NILAI PEMEGANG-PEMEGANG SAHAM

a. Pengurusan Risiko dan Kawalan Dalam

Lembaga mengakui bahawa ia bertanggungjawab terhadap keberkesanan pengurusan risiko dan bagi memastikan wujudnya satu sistem kawalan dalaman yang berkesan. Kajian tetap ke atas rangka kerja pengurusan risiko dan sistem kawalan dalaman dijalankan bagi memastikan kerelevanan, kecukupan integriti yang dari masa ke masa bagi memastikan ia kekal relevan, mencukupi dan berwibawa.

Lembaga percaya bahawa sistem kawalan dalaman yang kukuh, kewangan atau sebaliknya, akan memberikan jaminan munasabah ke atas:

- i) keberkesananan kecekapan operasi Kumpulan;
- ii) pengurusan risiko berkesan;
- iii) kebolehpercayaan maklumat kewangan kumpulan; dan
- iv) pematuhan undang-undang dan peraturan-peraturan.

Walau bagaimanapun, disebabkan oleh batasan-batasan sedia ada dalam mana-mana sistem kawalan dalaman, sistem yang dibuat tersebut hanya mampu mengurus dan bukan menghapuskan risiko kegagalan mencapai objektif-objektif Kumpulan.

Penyata Pengurusan Risiko dan Kawalan Dalam yang dinyatakan pada muka surat 156 hingga 158 laporan ini memberikan gambaran keseluruhan mengenai proses pengurusan risiko dan ciri-ciri utama sistem kawalan dalaman dalam Kumpulan.

b. Pencegahan Penipuan

Lembaga juga telah menyediakan Panduan Pencegahan Penipuan yang merupakan panduan kepada Pengurusan dan kakitangan dalam mengekalkan piawaian tertinggi tata laku dan integriti dalam semua urusan, dan juga memperincikan tanggungjawab Pengurusan untuk menubuhkan proses kawalan yang sesuai bagi mencegah dan mengesan penipuan. Ia mentakrifkan apa yang menjadi aktiviti penipuan dan aktiviti pemalsuan, dan mewujudkan satu rangka kerja untuk mencegah penipuan.

Dasar Pengaduan Salah Laku juga telah dibentuk. Dasar Pengaduan Salah Laku menggariskan saluran dan prosedur bagi pengadu-pengadu untuk memberitahu kebimbangan mereka kepada Lembaga (sama ada melalui Pengerusi dan Jawatankuasa Audit atau Ketua Tadbir Urus Korporat) tanpa penglibatan dan campur tangan Pengurusan. Dasar Pengaduan Salah Laku menjelaskan prosedur-prosedur yang akan diambil untuk menyiasat dan berurusan dengan laporan salah laku kakitangan.

c. Integriti Korporat

MRCB menandatangani Ikrar Integriti Korporat pada 18 April 2014 untuk menunjukkan sokongannya terhadap usaha-usaha anti-rasuah di Malaysia, selaras dengan objektif-objektif Bidang Keputusan Penting Negara bagi "Memerangi Rasuah" di bawah Program Transformasi Kerajaan.

Dengan Ikrar ini, MRCB mengkomit untuk, antara lain, menggalakkan nilai-nilai integriti, ketelusan dan tadbir urus yang baik dalam menjalankan aktiviti perniagaan, dan mematuhi undang-undang, dasar-dasar dan prosedur anti rasuah.

d. Jaminan ke atas Prestasi Syarikat-syarikat Bersekutu

Untuk melindungi pelaburan Syarikat dalam syarikat-syarikat bersekutu dan untuk menyelia prestasi mereka, Syarikat melantik wakil-wakilnya ke Lembaga Pengarah syarikat-syarikat bersekutunya. Bagi syarikat-syarikat bersekutu yang aktif, maklumat kewangan penting dan isu-isu penting berhubung dengan syarikat-syarikat ini di minta dan dikaji oleh Lembaga MRCB atas dasar tetap.

PENYATA MENGENAI TADBIR URUS KORPORAT

6. PEMEGANG SAHAM, PELABUR DAN PEMEGANG PELBAGAI KEPENTINGAN

a. Menjaga Kepentingan Minoriti

Para Pengarah Bebas tidak mewakili mana-mana pemegang saham utama, justeru itu, mereka akan mewakili dan bertindak demi untuk kepentingan pemegang-pemegang saham, pelabur dan pemegang pelbagai kepentingan minoriti. Lembaga Pengarah juga mengekalkan komunikasi dengan Kumpulan Pemerhati Pemegang Saham Minoriti bagi kepentingan para pemegang-pemegang saham minoriti.

b. Dasar Dividen

Syarikat telah mewujudkan Dasar Dividen pada 2007, yang mana pemegang-pemegang saham boleh mendapat pembayaran dividen berjumlah sekurang-kurangnya 20% daripada Keuntungan Disatukan selepas Cukai dan Kepentingan Bukan Mengawal. Bagi tahun kewangan berakhir 31 Disember 2014, Syarikat mencadangkan dividen satu tier pertama dan akhir sebanyak 2.5% atau 2.5 sen setiap saham biasa. Cadangan ini adalah tertakluk kepada kelulusan pemegang-pemegang saham dalam Mesyuarat Agung Tahunan Ke44 yang akan datang.

c. Komunikasi dan Ketelusan

Bagi memastikan supaya pemegang pelbagai kepentingan dan pelabur awam yang melabur mendapat maklumat terkini berhubung prestasi, operasi dan perkembangan penting lain Kumpulan, pelbagai pengumuman korporat diperlukan di bawah MMLR (termasuk pengeluaran keputusan kewangan suku tahun tepat pada masa) telah dibuat dalam tempoh di bawah kajian. Selain itu, maklumat terperinci mengenai acara dan perkembangan korporat Kumpulan yang penting telah dibuat melalui siaran akhbar dan/atau sidang akhbar.

Pemegang-pemegang saham, pelabur dan pemegang pelbagai kepentingan boleh mengakses dengan mudah maklumat terkini mengenai projek-projek, kedudukan kewangan suku tahun, hubungan pelabur dan maklumat korporat am Kumpulan di laman web awam korporatnya yang dikemas kini dari masa ke masa <http://www.mrcb.com>.

Terdapat juga ikon "Hubungi Kami" di laman web Syarikat yang memberi capaian ke laman web di mana para pemegang saham dan pelabur boleh dengan mudah mengemukakan soalan dan ulasan mereka kepada Syarikat. Pemegang-pemegang saham dan orang awam juga boleh menghubungi Pengarah Bebas Kanan Syarikat, Dato' Abdul Rahman Ahmad, untuk menyampaikan kemusykilan atau soalan mereka. Dato' Abdul Rahman Ahmad boleh dihubungi di: emel: arahman.dir@mrcb.com.my

d. Mesyuarat Agung Tahunan

Mesyuarat Agung Tahunan adalah satu lagi forum di mana Lembaga berkomunikasi dengan para pemegang saham berhubung kemajuan dan prestasi Kumpulan, dan di mana Lembaga menjelaskan isu-isu berkaitan aktiviti perniagaan, prestasi dan perkara-perkara lain berkaitan Kumpulan. Pemegang saham digalakkan untuk mengambil bahagian dalam mesyuarat dan diberi peluang untuk mengajukan soalan serta menyatakan pandangan mereka. Jika perlu, Pengerusi Lembaga akan menyediakan jawapan bertulis kepada mana-mana soalan penting yang tidak berkesempatan dijawab ketika Mesyuarat Agung Tahunan dijalankan.

Sekiranya terdapat urusan khas atau di mana resolusi khas dicadangkan, penjelasan mengenai kesan urusan khas atau resolusi khas tersebut diberikan di dalam notis Mesyuarat Agung Tahunan dan di mana perlu, Pengerusi Lembaga boleh menyediakan jawapan bertulis kepada mana-mana soalan yang tidak dapat dijawab semasa Mesyuarat Agung Tahunan dan di mana wajar, perkara-perkara ini boleh dibawa untuk undian.

7. INISIATIF TRANSFORMASI GLC YANG BERTERUSAN

Kumpulan juga meneruskan usaha-usahanya untuk terus mempertingkatkan organisasi dan proses-proses ke arah menjadi entiti perniagaan, yang cekap dan lebih bersaing serta sebagai warga korporat yang bertanggungjawab sebagaimana dipandu oleh Jawatankuasa Putrajaya ke atas Inisiatif Transformasi GLC. Kumpulan percaya bahawa ini adalah proses yang berterusan dan akan mengawasi dan mempertingkatkan inisiatif-inisiatif sebagaimana yang perlu.

PENYATA MENGENAI TADBIR URUS KORPORAT

8. TANGGUNGJAWAB SOSIAL KORPORAT ("CSR")

a. Program CSR

Kemuncak sorotan aktiviti CSR Kumpulan bagi 2014 adalah penglibatannya dalam usaha-usaha bantuan banjir bagi masyarakat Semenanjung Malaysia, terutamanya di Pantai Timur, yang telah dilanda banjir terburuk daripada yang pernah terjadi beberapa dekad.

Sebagaimana panduan diberi mengikut rangka kerja yang digariskan dalam "Buku Panduan Silver - Memperoleh Nilai Melalui Tanggungjawab Sosial" diterima pakai sejak 2007 di bawah Program Transformasi GLC, MRCB menggerakkan sumber dan menyediakan kemudahan pergudangan disediakan serta para sukarelawan dipilih dari kalangan kakitangannya untuk kerja-kerja bantuan bencana, selain menyediakan makanan dan peralatan kebersihan bagi keluarga yang dilanda malang oleh banjir yang tidak pernah berlaku sebegini sebelum ini.

Sukarelawan MRCB menyertai kerja-kerja pemulihan banjir di Sekolah Kebangsaan Kg Kerilla di Machang, Kelantan di mana mereka membantu untuk membersihkan dan mengecat semula sekolah yang rosak akibat banjir. Sukarelawan ini juga meluangkan masa dan tenaga mereka untuk kerja-kerja yang serupa di Sekolah Kebangsaan Pulau Beluru, Tumpat, Kelantan.

Selain itu, MRCB telah menyumbang RM1 juta kepada Tabung Bantuan Banjir Persatuan Pandu Puteri Malaysia, manakala sumbangan wang tunai tambahan sebanyak RM50,000 telah diberi kepada Tabung Bantuan Banjir Perak dan Tabung Bantuan Banjir Bera (Pahang), bersama-sama dengan sumbangan sebanyak RM100,000 kepada Kementerian Wilayah Persekutuan untuk meningkatkan dana bantuan banjir kementerian sendiri.

Pada awal tahun, semasa musim kemarau melanda negara ini pada Februari, Tan Sri Mohamad Salim Fateh Din, Pengarah Urusan Kumpulan MRCB diiringi Yang Amat Berbahagia Datin Paduka Seri Rosmah Mansor, isteri kepada Perdana Menteri, telah mengagihkan botol air mineral 5.5 liter kepada lebih daripada 1,000 isi rumah di komuniti Pangsapuri Seri Perindu di Taman Alam Damai dan Taman Desa Baiduri, Cheras, yang telah mengalami gangguan bekalan air pada musim kemarau.

Lewat tahun tersebut MRCB menyertai GLC lain dan syarikat-syarikat besar di Tasik tahanan air banjir Batu di Sentul, yang merupakan salah satu lokasi di mana Dewan Bandaraya Kuala Lumpur (DBKL) mewujudkan 'Dusun Bandar' atau kebun buah-buahan bandar bagi menghijaukan Kuala Lumpur. MRCB telah menaja 100 batang pokok untuk kegiatan penanaman pokok yang merupakan salah satu daripada sembilan Projek Pusat Masuk (EPP) dalam agenda Bidang Utama Ekonomi Negara (NKEA) di bawah Program Transformasi Ekonomi (ETP). MRCB juga mengekalkan penglibatannya dalam melaksanakan satu lagi EPP di bawah ETP di Kuala Lumpur yang disebut projek Sungai Nadi kehidupan, yang bertujuan untuk mengubah dan memulihkan Sungai Klang dan Sungai Gombak.

Sambil menyumbangkan usaha-usahanya kepada alam sekitar, Kumpulan juga menyumbang kepada lebih 30 persatuan, NGO, badan amal, inisiatif kemasyarakatan dan kerajaan seperti Genextor Carnival 2014, Yayasan Toh Puan Zurina, Majlis Yayasan Ehsan Seputeh, program tahunan 2014 bagi Ahli Parlimen dan Persatuan Isteri Ahli Dewan Undangan Negeri, Pertubuhan Kebajikan ArRedhuan Negeri Melaka, Simposium Pengangkutan Awam Darat 2014, Malam Cinta Rasul di Putrajaya, bantuan pemberian kewangan bagi Yayasan Ehwal Siswa (YES) dan menerajui usaha pengutipan derma bagi ahli keluarga anak kapal teknikal dan kabin MH17.

Selain memberi derma secara sebagaimana yang diminta oleh pelbagai badan NGO, kebajikan dan bantuan kemanusiaan, MRCB telah membuat inisiatif unik untuk membantu mereka yang dikenal pasti di Stesen Sentral Kuala Lumpur (SSKL) dan kawasan berhampirannya yang didapati sememangnya hidup melarat, tiada tempat tinggal dan memerlukan bantuan.

Diketuai oleh pasukan pengurusan kanan MRCB, lebih kurang seramai 100 personel telah mengambil bahagian dalam inisiatif yang juga turut disertai oleh Dewan Bandaraya Kuala Lumpur (DBKL), Suruhanjaya Pengangkutan Awam Darat (SPAD), Jabatan Pendaftaran Negara (JPN), Jabatan Imigresen, Agensi Anti-Dadah Kebangsaan Malaysia (AADK), Kuala Lumpur Hospital (KLH), Keretapi Tanah Melayu Berhad (KTMB), Express Rail Link Sdn Bhd (ERL) dan Rapid KL.

PENYATA MENGENAI TADBIR URUS KORPORAT

Inisiatif ini telah banyak membantu mereka yang hidup melarat dan tidak mempunyai tempat tinggal dengan memberikan mereka semangat untuk memperbaiki keadaan kehidupan dan mencari sumber pendapatan melalui usaha bersama agensi-agensi dan institusi-institusi yang menyertai MRCB semasa pemeriksaan premis oleh SSKL yang dilakukan dari tengah malam hingga awal pagi pada 16 Mac 2014.

Pada 2014, MCRB terus bersemangat untuk menggalakkan peningkatan dalam memahami mata pelajaran Matematik, Bahasa Inggeris dan Sains tertakluk dalam program sekolah PINTAR bagi tahun ketujuh. Para pelajar yang kurang bernasib baik dan pelajar yang lemah mendapat faedah langsung daripada sesi tunjuk ajar yang memberi tumpuan dan pengkhususan daripada bekas-bekas guru dan ahli akademik. Mulai 2014, MRCB telah mengambil sebagai anak angkat hampir 18,000 pelajar sejak menjadi ahli PINTAR pada 2007 dan mereka akan terus membantu kehidupan yang lain sambil mereka memajukan diri, matang dan memasuki pasaran kerja di masa hadapan.

Pada 2014 juga, tradisi MRCB yang prihatin dan dermawan diteruskan dengan memberi hampir 800 beg sekolah, kasut, setokin dan set alat tulis kepada pelajar yang kurang bernasib baik daripada sembilan sekolah PINTAR yang ditaja di Pulau Pinang, Perak, Kuala Lumpur dan Pahang.

Selain kegiatan CSR kemasyarakatan ini, MRCB terus secara positif memberi impak positif kepada kehidupan lebih 1000 orang lagi dengan projek Hijau dan projek-projek boleh laksana berterusannya melalui projek Fasa 3 pemuliharaan muara Sungai Pahang di Pekan, Pahang yang bernilai RM130 juta (MRCB berjaya menyelesaikan Fasa 1 & 2) dan projek ikonik dan pertama sekali di Malaysia untuk memasang talian transmisi overhead voltan tinggi yang merentasi laut di Selat Melaka di kawasan pelancongan yang dipilih merentangi dari Pantai Siring ke Pulau Besar di Melaka.

b. Anugerah dan Pengiktirafan

Syarikat terus menerima pengiktirafan dan penghargaan pada 2014. Dalam kemenangan berganda pada awal 2014, MRCB dan Pengarah Urusan Kumpulannya Tan Sri Mohamad Salim Fateh Din telah menerima anugerah di bawah dua kategori bagi Anugerah Kepimpinan Global (GLA) 2014 yang diadakan di Pusat Konvensyen Antarabangsa Putrajaya.

Tan Sri Mohamad Salim Fateh Din dan MRCB masing-masing menjadi pemenang dalam kategori anugerah "Masterclass CEO of the Year" dan kategori anugerah terbaik "Urban Regeneration Development", yang menunjukkan pengiktirafan ketara oleh pakar-pakar industri atas pencapaian MRCB dan kepimpinannya.

MRCB juga telah diisytiharkan "Pemenang Emas Dunia" di FIABCI Prix d'Excellence International Awards 2014 di bawah kategori Pembangunan Mampan bagi Platinum Sentral, Bangunan Hijau gaya pejabat-kampusnya di Kuala Lumpur Sentral CBD. Platinum Sentral mengatasi calon-calon lain yang menginginkan pengiktirafan ini, yang bukan suatu yang mengejutkan kerana Platinum Sentral memang nyata adalah pemenangnya dari permulaan pertandingan antarabangsa tahunan yang berprestij ini, diadakan di dewan konsert Rockha di Esch-sur-Alzette, Luxembourg Selatan.

Dipilih sebagai pemenang Malaysia GreenTech Awards 2014 di bawah kategori "30 Pemangkin Teratas Malaysia pada 2014", MRCB telah menerima pengiktirafan selanjutnya sebagai salah satu peneraju utama agenda hijau negara. Anugerah telah dianjurkan oleh Malaysian Green Technology Corporation (GreenTech Malaysia), yang merupakan sebuah organisasi bukan mementingkan keuntungan di bawah Kementerian Tenaga, Teknologi Hijau dan Air Malaysia (KeTTHA).

MRCB terus diwakili sebagai ahli jawatankuasa bahagian Malaysia bagi United Nations Global Compact ("UNGC") dalam memastikan tujuan Kumpulan menerima pakai standard antarabangsa bagi program dan visi CSRnya. Matlamat adalah untuk menggabungkan kesemua 10 prinsip UNGC mengenai hak asasi manusia, hak buruh, kebolehekekalan alam sekitar dan anti-rasuah ke dalam operasi dan strategi Kumpulan dan untuk melaporkan pelaksanaannya.

Butir-butir program CSR Kumpulan boleh didapati dalam laporan berasingan mengenai CSR, yang merupakan bahagian penting laporan ini.

PENYATA MENGENAI TADBIR URUS KORPORAT

9. PENYATA TANGGUNGJAWAB BERHUBUNG DENGAN TAHUN KEWANGAN DI BAWAH KAJIAN

(Selaras dengan perenggan 15.26a Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.)

Lembaga memastikan bahawa Penyata Kewangan Teraudit telah disediakan selaras dengan Akta Syarikat, 1965 dan standard perakaunan diluluskan yang terpakai dinyatakan oleh Lembaga Piawaian Perakaunan Malaysia untuk membentangkan gambaran sebenar dan saksama hal ehwal Kumpulan dan untung rugi dan aliran tunai pada akhir tempoh perakaunan.

Dalam menyediakan Penyata Kewangan Teraudit, para Pengarah berpuas hati bahawa Standard Perakaunan diluluskan Di Malaysia telah dipatuhi dan keputusan dan anggaran munasabah dan berhema telah dibuat. Penyata Kewangan Teraudit juga telah disediakan atas dasar berterusan memandangkan Lembaga mempunyai jangkaan yang munasabah, selepas membuat pertanyaan bahawa Kumpulan mempunyai sumber yang cukup untuk terus beroperasi bagi masa hadapan boleh ramal.

10. PENYATA PEMATUHAN DENGAN SYARAT-SYARAT BURSA MALAYSIA BERHUBUNG DENGAN PEMAKAIAN PRINSIP-PRINSIP DAN PENERIMAAN PAKAI AMALAN-AMALAN TERBAIK YANG DITETAPKAN DALAM KOD TADBIR URUS KORPORAT MALAYSIA 2012

(Selaras dengan perenggan 15.25 Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.)

Penyata-penyata di atas adalah gambaran jelas akan usaha-usaha nyata Lembaga MRCB dan Pengurusan untuk mengukuhkan proses tadbir urus korporat dan kedudukannya sebagai peneraju dalam pemakaian tadbir urus korporat.

Lembaga dengan suka citanya melaporkan kepada pemegang-pemegang saham bahawa Syarikat telah mematuhi prinsip-prinsip yang dinyatakan dalam Kod mengenai Tadbir Urus Korporat Malaysia 2012 dan Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad. Lembaga percaya ini sebagai satu proses yang berterusan dan akan terus berusaha untuk menerima pakai amalan-amalan terbaik dalam tadbir urus korporat.

Penyata mengenai Tadbir Urus Korporat ini dibuat oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 23 Februari 2015.





STRATEGIC VISION

Turning opportunities into value added deliverables.

AUDIT COMMITTEE REPORT

1. COMPOSITION OF THE COMMITTEE

The Audit Committee ("AC") comprises four (4) members i.e. with three (3) members being Independent Directors of the Company with one (1) member being Non-Independent Non-Executive Director. During the year under review, the Chairman of the Audit Committee is Dato' Abdul Rahman Ahmad, an Independent Director and also a member of the Malaysian Institute of Accountants ("MIA"). Dato' Abdul Rahman Ahmad was appointed on 25 February 2014, following Dato' Ahmad Ibnihar's retirement as both the Chairman of the AC and resignation as AC member on 10 January 2014.

During the year under review, Che King Tow resigned from the AC on 02 April 2014 with Rohaya Mohammad Yusof, a Non-Independent Non-Executive Director being appointed as member of AC on 12 May 2014. Tan Sri Ahmad Fuad bin Ismail, an Independent Director was being appointed as member of the AC on 25 February 2014 has subsequently resigned on 08 October 2014 whilst Dato' Chong Pah Aung, an Independent Director being appointed as member of the AC on 16 December 2014.

A total of six (6) Audit Committee meetings were held during the financial year ended 31 December 2014 which were attended by the members as tabulated below:

Table 1: Details of attendance of members at the Audit Committee's meetings held between 1 January 2014 to 31 December 2014

Name of Audit Committee members

Date of Audit Committee Meeting	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihar	Che King Tow	Dato' Chong Pah Aung	Jamaludin Zakaria	Tan Sri Ahmad Fuad	Rohaya Mohammad Yusof
Audit	(Chairman)						
24/02/2014	A	Resigned wef 10/01/14	A	-	A	Appointed wef 25/02/14	-
11/04/2014	A	-	Resigned wef 02/04/14	-	A	A	Appointed wef 12/05/14
19/05/2014	A	-	-	-	A	A	A
11/08/2014	A	-	-	-	A	A	A
21/08/2014	A	-	-	-	A	A	A
18/11/2014	A	-	-	-	A	Resigned wef 08/10/14	A
Total	6/6	-	1/1	-	6/6	4/4	4/4

The Company Secretary, who acts as secretary to the Audit Committee attends all meetings. Also in attendance are the Head of Internal Audit, the Group Chief Operating Officer and the Chief Financial Officer.

The AC met with the External Auditors twice during the year, without the presence of Management.

Upon the conclusion of each meeting, the Audit Committee Chairman will report to the Board of Directors the activities that it had undertaken and the key recommendations for the Board's consideration and decision.

AUDIT COMMITTEE REPORT

A whole range of issues affecting the operations of the Group were thoroughly reviewed and deliberated at these meetings. Audit Committee members take their role seriously and professionally to assist the Board in providing oversight over Management. Audit reports and other matters brought to the Audit Committee's attention are deliberated and discussed and where necessary, the Head of Divisions/Departments and their Management team will be invited to the meetings to provide explanations or assist in deliberations. In doing so, the Audit Committee gathers inputs from the Internal Audit Department function that is independent of Management and reports directly to the Audit Committee. Inputs are also gathered from the External Auditor, as necessary.

>> BUSINESS REVIEW

2. AUTHORITY OF THE AUDIT COMMITTEE

To carry out its responsibilities above, the Audit Committee is empowered by the Board of Directors to:

- i) investigate any matter within its terms of reference;
- ii) have the resources which are required to perform its duties;
- iii) have full, free and unrestricted access to any information, records, properties and personnel of MRCB and its subsidiaries ("the Group") ;
- iv) have direct communication channels with the external auditors and internal auditors;
- v) be able to obtain independent professional or other advice; and
- vi) be able to have meetings with the external auditors and internal auditors together with other independent members of the Board (i.e. excluding the non-independent and executive members) at least twice a year or whenever deemed necessary. The Audit Committee should also be able to meet exclusively among itself whenever deemed necessary.

>> GOVERNANCE

3. DUTIES AND RESPONSIBILITIES

The Audit Committee assists the Board to fulfill its oversight responsibilities over the activities of the Group. The key duties and responsibilities of the Audit Committee as specified in its Terms of Reference are as follows:

- i) To consider the appointment of the external auditor, the audit fee and the reasons given for their resignation or dismissal;
- ii) To review the audit plan of the external auditor;
- iii) To discuss problems and reservations arising from interim and final audits, and any other matter the external auditor may wish to discuss (in the absence of Management, where necessary);
- iv) To review the audit report of the external auditor and their evaluation of the system of internal control;
- v) To review the quarterly and year-end financial statements of the Group and to make the appropriate recommendation to the Board for its approval;
- vi) To review the adequacy of scope, resources and authority of the Internal Audit function;
- vii) To review the Internal Audit plan and processes and the results of internal audit reviews and investigations conducted;
- viii) To review the appointment, determine the remuneration and assess the performance of the Head of Internal Audit;
- ix) To review and authorise an investigation into serious allegations on fraud, misconduct and criminal breach of trust and to review the findings of such investigations;
- x) To review related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or conduct that raises questions on Management's integrity;

>> ADDITIONAL INFORMATION

>> FINANCIAL REPORT

AUDIT COMMITTEE REPORT

- xi) To oversee the risk management function of the Group;
- xii) To review arrangements established by the Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Group's operations; and
- xiii) To verify all Employees' Share Option Scheme allocations to ensure that they are done in compliance with the criteria disclosed by the Company to its employees.
- xiv) To consider other topics as defined by the Board.

4. ACTIVITIES

i) Reviews

A summary of the reviews conducted by the Audit Committee for the year under review is as follows:

- **Financial results**

- i) Reviewed the quarterly and annual audited financial results of the Group and its accompanying announcements and made the relevant recommendation to the Board for approval; and
- ii) Reviewed the Group's achievement of its key performance indicators.

- **Internal Audit**

- i) Reviewed and approved the Internal Audit Annual Plan proposed by the Head of Internal Audit;
- ii) Reviewed the structure of Internal Audit Department, the adequacy of its resources and budget;
- iii) Reviewed the findings of internal audit reports presented by the Head of Internal Audit on the Group;
- iv) Reviewed the effectiveness and adequacy of management's corrective actions in response to the internal audit reviews conducted;
- v) Reviewed the findings of follow-up audits to determine the status of implementation of management's corrective actions; and
- vi) Deliberated on findings of investigations and other ad-hoc special reviews on specific areas of operations to ascertain the root causes to the issues and the effectiveness of corrective actions taken to address the identified weaknesses.

- **External Audit**

- i) Reviewed and approved the External Auditor's Audit Plan, approach and scope of review;
- ii) Deliberated on the External Auditor's reports on audit and accounting issues that arose from its audits;
- iii) Deliberated on updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board; and
- iv) Assessed the performance of the External Auditor, including their independence, and provided the recommendation on their re-appointment and remuneration to the Board.

AUDIT COMMITTEE REPORT

- **Risk Management**

Reviewed the enterprise risk management activities of the Group and the activities of the Risk Management Working Committee.

- **Related Party Transactions**

Reviewed the fairness and transparency of related party transactions and that the appropriate disclosures have been made in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

- **Employee's Share Option Scheme (ESOS) Allocation**

Reviewed and verified that the ESOS allocation during the year under review was done in accordance with the provisions of the scheme and the criteria for allocations to the employees.

- **Others**

Reviewed and approved proposed establishments or revisions to the Limits of Authority of subsidiaries.

5. INTERNAL AUDIT

The Internal Audit function of the Group is carried out by MRCB's Internal Audit Department which is an independent Department and separated from the Corporate Governance Department. The Internal Audit Department operates independently of management and reports directly to the Audit Committee.

The objectives, mission, scope, organisation, authority and responsibilities of the Internal Audit function are spelt out in the Internal Audit Charter. During the year under review, the Internal Audit function had operated and performed in accordance with the principles of its Charter.

The Internal Audit function's primary responsibility is to carry out reviews of operations to provide reasonable assurance that the system of internal control is operating effectively and efficiently. The areas to be reviewed are determined by a risk-based audit plan that is aligned with the strategies and activities of the Group.

During the year under review, the Internal Audit function had conducted reviews of key development, property and construction projects including selected business units of the Group. Continuous follow-up reviews were also carried out to ascertain the status of management action plans that were provided in response to audit findings raised previously. The status of these management action plans were also reported to the Audit Committee for their information.

Staff of the Internal Audit Department also observed tender openings to ensure that appropriate control processes as set out in the Group's Policies and Procedures are complied with.

For 2014, the Internal Audit Department had incurred a total of RM 1,234,909 for its activities which included Internal Audit and facilitating the enterprise risk management process throughout the Group.

This Audit Committee Report is approved by the Board of Directors in accordance to the resolution dated 23rd February 2015

LAPORAN JAWATANKUASA AUDIT

1. KOMPOSISI JAWATANKUASA

Jawatankuasa Audit ("AC") terdiri daripada empat (4) orang ahli iaitu dengan tiga (3) orang ahli merupakan Pengarah Bebas Syarikat dengan seorang (1) ahli merupakan Pengarah Bukan Eksekutif Bukan Bebas. Dalam tahun di bawah kajian, Pengerusi Jawatankuasa Audit adalah Dato' Abdul Rahman Ahmad, seorang Pengarah Bebas dan juga ahli Institut Akauntan Malaysia ("MIA"). Dato' Abdul Rahman Ahmad telah dilantik pada 25 Februari 2014, berikutan persaraan Dato' Ahmad Ibnihajar sebagai Pengerusi kedua-dua Pengerusi AC dan peletakan jawatan sebagai ahli AC pada 10 Januari 2014.

Pada tahun di bawah kajian, Che King Tow meletak jawatan daripada AC pada 02 April 2014 dengan Rohaya Mohammad Yusof, Pengarah Bukan Eksekutif Bukan Bebas yang dilantik sebagai ahli AC pada 12 Mei 2014. Tan Sri Ahmad Fuad bin Ismail, Pengarah Bebas yang telah dilantik sebagai ahli AC pada 25 Februari 2014 telah kemudiannya meletak jawatan pada 8 Oktober 2014 manakala Dato' Chong Pah Aung, Pengarah Bebas yang dilantik sebagai ahli AC pada 16 Disember 2014.

Sebanyak enam (6) mesyuarat Jawatankuasa Audit telah diadakan sepanjang tahun kewangan berakhir 31 Disember 2014 yang telah dihadiri oleh ahli-ahli sebagaimana ditunjukkan dalam jadual di bawah:

Jadual 1: Butir-butir mengenai kehadiran ahli-ahli dalam mesyuarat Jawatankuasa Audit yang diadakan di antara 1 Januari 2014 hingga 31 Disember 2014

Nama ahli-ahli Jawatankuasa Audit

Tarikh Mesyuarat Jawatankuasa Audit	Dato' Abdul Rahman Ahmad	Dato' Ahmad Ibnihajar	Che King Tow	Dato' Chong Pah Aung	Jamaludin Zakaria	Tan Sri Ahmad Fuad	Rohaya Mohammad Yusof
Audit	(Pengerusi)						
24/02/2014	A	Meletak Jawatan berkuatkuasa 10/01/14	A	-	A	Dilantik berkuatkuasa 25/02/14	-
11/04/2014	A	-	Meletak Jawatan berkuatkuasa 02/04/14	-	A	A	Dilantik berkuatkuasa 12/05/14
19/05/2014	A	-	-	-	A	A	A
11/08/2014	A	-	-	-	A	A	A
21/08/2014	A	-	-	-	A	A	A
18/11/2014	A	-	-	-	A	Meletak Jawatan berkuatkuasa 08/10/14	A
Jumlah	6/6	-	1/1	-	6/6	4/4	4/4

LAPORAN JAWATANKUASA AUDIT

Setiausaha Syarikat, yang bertindak sebagai setiausaha kepada Jawatankuasa Audit menghadiri semua mesyuarat. Turut hadir adalah Ketua Audit Dalam, Ketua Pegawai Operasi Kumpulan dan Ketua Pegawai Kewangan.

AC telah bermesyuarat dengan Juruaudit Luar dua kali setahun, tanpa kehadiran pihak Pengurusan.

Selesai setiap mesyuarat, Pengerusi Jawatankuasa Audit akan melaporkan kepada Lembaga Pengarah mengenai aktiviti-aktiviti yang telah dijalankan dan pengesyoran penting bagi pertimbangan dan keputusan Lembaga.

Pelbagai isu yang menjejaskan operasi Kumpulan telah dikaji dan dibincangkan dengan teliti dalam mesyuarat ini. Ahli-ahli Jawatankuasa Audit memainkan peranan mereka secara serius dan profesional untuk membantu Lembaga dalam melaksanakan pengawasan ke atas Pengurusan. Laporan audit dan perkara-perkara lain yang dibawa kepada perhatian Jawatankuasa Audit ini akan dipertimbangkan dan dibincangkan dan di mana perlu, Ketua Bahagian/Jabatan dan pasukan Pengurusan mereka akan dijemput ke mesyuarat untuk memberi penjelasan atau membantu dalam pertimbangannya. Dengan berbuat demikian, Jawatankuasa Audit mengumpul input daripada fungsi Jabatan Audit Dalam yang bebas daripada Pengurusan dan melaporkan terus kepada Jawatankuasa Audit. Input juga turut di kumpul daripada Juruaudit Luar, sebagaimana perlu.

2. KUASA JAWATANKUASA AUDIT

Untuk melaksanakan tanggungjawabnya di atas, Jawatankuasa Audit diberi kuasa oleh Lembaga Pengarah untuk:

- i) menyiasat sebarang perkara dalam bidang tugasnya;
- ii) mempunyai sumber yang diperlukan untuk menjalankan tugasnya;
- iii) mempunyai akses penuh, bebas dan tidak terbatas kepada sebarang maklumat, rekod, hartanah dan personel MRCB dan anak-anak syarikatnya ("Kumpulan");
- iv) mempunyai saluran komunikasi terus dengan juruaudit luar dan juruaudit dalaman;
- v) boleh mendapatkan nasihat profesional bebas atau pihak lain; dan
- vi) boleh mengadakan mesyuarat dengan juruaudit luar dan juruaudit dalaman bersama dengan lain-lain ahli bebas Lembaga (iaitu tidak termasuk ahli-ahli bukan bebas dan eksekutif) sekurang-kurangnya dua kali setahun atau apabila dianggap perlu. Jawatankuasa Audit juga harus bermesyuarat secara eksklusif sesama ahlinya apabila dianggap perlu.

3. TUGAS DAN TANGGUNGJAWAB

Jawatankuasa Audit membantu Lembaga memenuhi tanggungjawab pengawasannya ke atas aktiviti-aktiviti Kumpulan. Tugas dan tanggungjawab utama Jawatankuasa Audit sebagaimana dinyatakan dalam Bidang Tugasnya adalah seperti berikut:

- i) Untuk mempertimbangkan pelantikan juruaudit luar, fi audit dan alasan yang diberikan bagi peletakan jawatan atau pemecatan mereka;
- ii) Untuk mengkaji rancangan audit juruaudit luar;
- iii) Untuk membincangkan masalah dan keraguan yang timbul daripada audit interim dan akhir, dan apa-apa perkara lain yang juruaudit luar mungkin berhasrat untuk bincangkan (dalam ketiadaan Pengurusan, di mana perlu);
- iv) Untuk mengkaji laporan audit mengenai juruaudit luar dan penilaian mereka terhadap sistem kawalan dalaman;
- v) Untuk mengkaji penyata kewangan suku tahunan dan akhir tahun Kumpulan dan untuk membuat pengesyoran yang sesuai kepada Lembaga untuk kelulusannya;

LAPORAN JAWATANKUASA AUDIT

- vi) Untuk mengkaji kecukupan ruang lingkup, sumber dan kuasa fungsi Audit Dalam; dan
- vii) Untuk mengkaji rancangan Audit Dalam dan proses serta hasil kajian audit dalam dan siasatan dijalankan;
- viii) Untuk mengkaji pelantikan, menentukan imbuhan dan menilai prestasi Ketua Audit Dalam;
- ix) Untuk mengkaji dan memberi kuasa bagi penyiasatan terhadap dakwaan serius mengenai penipuan, salah laku dan pecah amanah dan untuk mengkaji penemuan siasatan tersebut;
- x) Untuk mengkaji urus niaga pihak berkaitan dan keadaan percanggahan kepentingan yang mungkin timbul dalam Kumpulan termasuk sebarang urus niaga, prosedur atau tatacara yang mungkin timbul dalam Kumpulan termasuk mana-mana urus niaga, prosedur atau perjalanan tindakan yang menimbulkan persoalan ketelusan Pengurusan;
- xi) Untuk mengawasi fungsi pengurusan risiko Kumpulan;
- xii) Untuk mengkaji pengaturan yang diwujudkan oleh Pengurusan bagi pematuan mana-mana keperluan berperaturan atau laporan laporan luaran lain, undang-undang kecil dan peraturan berkaitan dengan operasi Kumpulan; dan
- xiii) Untuk menentusahkan semua peruntukan Skim Opsyen Saham Kakitangan bagi memastikan bahawa ia telah dilakukan dengan mematuhi kriteria yang dizahirkan oleh Syarikat kepada kakitangannya.
- xiv) Untuk mempertimbangkan topik lain sebagaimana ditakrifkan oleh Lembaga.

4. AKTIVITI-AKTIVITI

i) Kajian

Ringkasan kajian yang dijalankan oleh Jawatankuasa Audit bagi tahun di bawah kajian adalah seperti berikut:

- **Keputusan kewangan**
 - i) Mengkaji keputusan kewangan teraudit suku tahunan dan tahunan Kumpulan dan pengumumannya mengiringinya dan membuat pengesyoran yang berkaitan kepada Lembaga untuk kelulusan; dan
 - ii) Mengkaji pencapaian Kumpulan bagi petunjuk prestasi pentingnya.
- **Audit dalaman**
 - i) Mengkaji dan meluluskan Rancangan Tahunan Audit Dalam yang dicadangkan oleh Ketua Audit Dalam;
 - ii) Mengkaji struktur Jabatan Audit Dalam, kecukupan sumber dan belanjawannya;
 - iii) Mengkaji penemuan laporan audit dalaman yang dibentangkan oleh Ketua Audit Dalam mengenai Kumpulan;
 - iv) Mengkaji keberkesanan dan kecukupan tindakan pembetulan pengurusan sebagai tindak balas kepada kajian audit dalaman yang dijalankan;
 - v) Mengkaji penemuan audit susulan untuk menentukan status pelaksanaan tindakan pembetulan pengurusan; dan
 - vi) Mempertimbangkan penemuan siasatan dan kajian khas ad-hoc lain dalam bidang tertentu operasi bagi memastikan punca masalah kepada isu-isu dan keberkesanan tindakan pembetulan yang telah diambil untuk menangani kelemahan yang dikenal pasti.

LAPORAN JAWATANKUASA AUDIT

- **Audit Luar**

- i) Mengkaji dan meluluskan Rancangan Audit, pendekatan dan skop kajian Juruaudit Luar;
- ii) Mempertimbangkan laporan Juruaudit Luar mengenai isu-isu audit dan perakaunan yang timbul daripada auditnya;
- iii) Mempertimbangkan kemas kini perkembangan terbaru mengenai piawaian perakaunan yang dikeluarkan oleh Lembaga Piawaian Perakaunan Malaysia; dan
- iv) Menilai prestasi Juruaudit Luar, termasuk kebebasan mereka, dan menyediakan pengesyoaran mengenai pelantikan semula dan imbuhan mereka kepada Lembaga.

- **Pengurusan Risiko**

Mengkaji aktiviti pengurusan risiko perusahaan Kumpulan dan aktiviti Jawatankuasa Kerja Pengurusan Risiko.

- **Urus Niaga Pihak Berkaitan**

Mengkaji kesaksamaan dan ketelusan urus niaga pihak berkaitan dan pendedahan yang sewajarnya telah dibuat selaras dengan Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad.

- **Peruntukan Skim Opsyen Saham Kakitangan (ESOS)**

Mengkaji dan menentusahkan bahawa peruntukan ESOS dalam tahun di bawah kajian telah dilakukan mengikut peruntukan skim dan kriteria bagi peruntukan kepada kakitangan.

- **Lain-lain**

Mengkaji dan meluluskan cadangan penubuhan atau semakan kepada Had Kuasa anak-anak syarikat.

5. AUDIT DALAMAN

Fungsi Audit Dalaman Kumpulan dilaksanakan oleh Jabatan Audit Dalaman MRCB yang merupakan Jabatan bebas dan berasingan daripada Jabatan Tadbir Urus Korporat. Jabatan Audit Dalaman beroperasi secara bebas daripada pengurusan dan melapor terus kepada Jawatankuasa Audit.

Objektif, misi, skop, organisasi, kuasa dan tanggungjawab fungsi Audit Dalaman dinyatakan dalam Piagam Audit Dalaman. Dalam tahun di bawah kajian, fungsi Audit Dalaman telah dikendalikan dan dilaksanakan selaras dengan prinsip-prinsip Piagamnya.

Tanggungjawab utama fungsi Audit Dalaman adalah untuk melaksanakan kajian operasi untuk menyediakan jaminan yang munasabah bahawa sistem kawalan dalaman dikendalikan secara berkesan dan cekap. Bahagian yang akan dikaji semula ditentukan melalui rancangan audit berasaskan risiko sejajar dengan strategi dan aktiviti-aktiviti Kumpulan.

Dalam tahun di bawah kajian, fungsi Audit Dalaman telah menjalankan kajian mengenai projek-projek pembangunan, hartanah dan pembinaan utama termasuk unit perniagaan terpilih Kumpulan. Kajian susulan yang berterusan juga dijalankan untuk menentukan status rancangan tindakan pengurusan yang disediakan sebagai tindak balas kepada penemuan audit yang dibangkitkan sebelum ini. Status rancangan tindakan pengurusan ini juga dilaporkan kepada Jawatankuasa Audit untuk maklumat mereka.

Kakitangan Jabatan Audit Dalaman juga memantau pembukaan tender untuk memastikan bahawa proses kawalan yang sesuai sebagaimana dinyatakan dalam Dasar dan Prosedur Kumpulan telah dipatuhi.

Bagi tahun 2014, Jabatan Audit Dalaman telah membelanjakan sebanyak RM1,234,909 bagi aktivitinya yang termasuk Audit Dalaman dan melengkapkan proses pengurusan risiko perusahaan seluruh Kumpulan.

Laporan Jawatankuasa Audit dibuat oleh Lembaga Pengarah selaras dengan resolusi bertarikh 23 Februari 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors affirms its overall responsibility for establishing and maintaining adequate and effective systems of risk management and internal control to safeguard shareholders' investments and the assets of MRCB and its subsidiaries ("the Group"). The Board also affirms its commitment to regularly review the effectiveness, adequacy and integrity of these systems to ensure their continued relevance and effectiveness in the face of the Group's changing business circumstances.

Management has been tasked to identify and assess the risks faced by the Group and to design effective control measures to mitigate the risks. The adequacy and effectiveness of these control measures are regularly reviewed by the Board through the Audit Committee.

Nevertheless, it must be acknowledged that due to the limitations inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

1. RISK MANAGEMENT

An ongoing process to identify, evaluate, manage and report significant risks that may affect the achievement of the Group's business objectives is in place. A Risk Management Framework and Manual, which serves as a documentary guide of the Group's risk management policy, risk management processes and reporting framework, has been communicated to the management team and is deposited in the Group's intranet for reference by all employees of the Group.

All employees of the Group are responsible for managing risks within their respective areas of responsibilities. The Group Managing Director is accountable for the implementation of the Enterprise Risk Management Framework and Policy, ensuring its continued application in the MRCB Group, and for ensuring that business and risk strategies are aligned. Key risk exposures are brought to the attention of the Group Managing Director and Group Chief Operating Officer as soon as they are known and risk mitigating actions are discussed and agreed. The progress of implementation of the risk mitigating actions is monitored through updates provided by the management team at subsequent meetings. This approach provides for faster response and close tracking of key risk exposures. The effectiveness of the risk mitigating actions are closely monitored and where necessary, adjustments to the risk mitigating actions are made.

The Corporate Governance Department is responsible for developing, coordinating and facilitating the Enterprise Risk Management processes within the Group. During the year under review, the Corporate Governance Department continued to promote the awareness of risk and the risk management processes by conducting briefing sessions and engaging with the management team and employees of the Group to enhance their understanding of risks and internal controls.

2. Key Elements of the Group's Risk Management and Internal Control System

Key elements of the Group's risk management and internal control system, which have been in place throughout the financial year under review and up to the date of the Directors' Report are as follows:

a. Control Environment

- i) Clearly defined lines of authority within a divisional organisation structure to facilitate the supervision and monitoring of the conduct and operations of individual business units and group support service departments.
- ii) Limits of Authority have been established for the Group and key subsidiaries. These Limits of Authority specify clear division and delegation of responsibilities from the Board to Board Committees and to members of management and the authorisation levels for various aspects of operations. The effectiveness of the Limits of Authority are reviewed quarterly and where necessary enhancements or revisions are proposed by the management team. All revisions to the Limits of Authority are approved by the Board with the recommendation of the Audit Committee.
- iii) Clearly documented internal policies and procedures have been set out in a series of standard operating procedure manuals which are periodically reviewed and updated to reflect changes in business structures, processes as well as changes in external environments. All changes in policy require the approval of the Board.
- iv) Joint Project Management Committees, which include the participation of external business partners, where relevant, deliberate on and evaluate parties that are invited to quote and the subsequent award of contracts to ensure transparency and integrity of the award process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- v) Annual budgets are prepared in advance of the coming year using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the senior management team and the EXCO before it is recommended to the Board for approval. Performance against the budget is tracked on a monthly basis and on a semi-annual basis, a comprehensive budget review exercise is undertaken.
- vi) The Group's assets and insurable operational risks are adequately covered by insurance policies to ensure that the Group is insured against financial losses in the event of untoward incidences.
- vii) A Safety, Health and Environment policy is in place and the Group Safety, Health and Environment Department continues to enhance the awareness of safety, health and environment practices throughout the Group and monitors the compliance with the relevant regulations and best practices.
- viii) All employees of the Group are governed by a Code of Conduct and are required to acknowledge having read and understood the Code upon commencement of employment.
- ix) A whistleblowing process has been established to provide an avenue for whistleblowers to communicate their concerns on matters of integrity in a confidential manner. Where the concerns pertain to senior members of management, a direct communication channel to the Audit Committee Chairman is also available.

b. Information and Communication Processes

- i) Regular and comprehensive information are provided by the Management to the Board and its Committees, covering financial performance, achievement of key performance indicators, progress of key projects, utilisation of funds and cash flow position.
- ii) Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management make effective decisions.
- iii) Meetings are held with investment analysts on a quarterly basis where the Group's financial performance approved by the Board is presented and investment analysts are given the opportunity to pose questions and have a dialogue with the senior management team of the Group.

c. Monitoring Processes

- i) The performance of the business divisions and the status of key projects are monitored by the senior management through periodic reports submitted by the Heads of Projects and the financial management team.
- ii) Heads of Division meetings are held on a fortnightly basis where operational issues and key risk exposures are discussed and where appropriate, action plans are identified to mitigate and address the risks and issues identified.
- iii) The Internal Audit Department conducts regular reviews of operations to assess the effectiveness and efficiency of the system of internal control. Significant risk exposures and non-compliances to the policies and procedures of the Group are highlighted for management's attention and recommendations for improvement are given to management for consideration. The findings of these reviews along with management's responses are reported to the Audit Committee on a quarterly basis for deliberation.

3. KEY RISKS OF THE GROUP FOR 2014

a. Competition risk

The Group faced keen competition from other companies in all its business segments in 2014. However, with demand at an active level, the Group experienced minimal impact on its product launches and sales. Market fluctuations and changes in demand patterns were closely monitored by the management team and the business strategy was aligned accordingly. The management team took effective measures to participate in competitive bidding and negotiations to secure contracts, ensure quality products and services and developed innovative marketing strategies to stay competitive.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

b. Business risk

Banks and financial institutions were more cautious in their lending for property transactions in 2014. However, demand for the Group's property launches remained at an encouraging level. This was attributed to active monitoring of shifts in market patterns, strategically aligning the products to match market demand and adopting marketing strategies to remain competitive. These included offering products with good infrastructure and amenities, at locations in close proximity to transport hubs and locking in sales and tenants early in the development cycle.

c. Financial risk

The Group is exposed to liquidity and cashflow, interest rates, credit, foreign exchange and capital risks. With the objective of ensuring that the Group creates value for its shareholders, the strategies adopted are to minimise potential adverse effects on the financial performance of the Group. These include constant monitoring of the risk factors and their potential impacts, maintaining an optimal liquidity position and strategic hedging against significant fluctuations in interest and exchange rates.

The Board regularly reviews the Group's risk profile and the effectiveness of the mitigating measures implemented by management. The Board believes that the development of the system of internal control is an on-going process and has taken steps throughout the year under review to improve its internal control system and will continue to do so.

The monitoring, review and reporting arrangements in place provide reasonable assurance that the structure of control and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others or the occurrence of unforeseeable circumstances. The Board has received an assurance from the Chief Financial Officer of the Company that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board is thus 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.

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 MRCB Board.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants.

RPG 5 (Revised) 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.

This Statement on Risk Management and Internal Control is made by the Board of Directors in accordance to its resolution dated 23 February 2015.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

Lembaga Pengarah mengesahkan tanggungjawabnya yang menyeluruh dalam mewujudkan dan memelihara sistem pengurusan risiko dan kawalan dalaman yang mencukupi dan berkesan untuk melindungi pelaburan pemegang saham dan aset MRCB dan anak-anak syarikatnya ("Kumpulan"). Lembaga juga menegaskan komitmennya dalam mengkaji keberkesanan, kecukupan dan kewibawaan sistem-sistem tersebut bagi memastikan supaya ia kekal relevan dan berkesan dalam menghadapi keadaan perniagaan Kumpulan yang berubah-ubah.

Pihak Pengurusan telah ditugaskan untuk mengenal pasti dan menilai risiko-risiko yang dihadapi oleh Kumpulan dan mewujudkan langkah-langkah kawalan yang berkesan untuk mengurangkan risiko. Kecukupan dan keberkesanan langkah-langkah kawalan ini dikaji secara tetap oleh Lembaga melalui Jawatankuasa Audit.

Walau bagaimanapun, perlu diakui bahawa disebabkan oleh batasan-batasan sedia ada dalam mana-mana sistem kawalan dalaman, ia direka untuk mengurus dan bukan menghapus risiko kegagalan mencapai objektif Kumpulan. Selaras dengan itu, ia hanya mampu menyediakan jaminan munasabah, bukan muktamad terhadap salah nyataan material, kerugian atau penipuan.

1. PENGURUSAN RISIKO

Satu proses berterusan telah disediakan untuk mengenal pasti, menilai, mengurus dan melaporkan risiko-risiko penting yang boleh menjejaskan pencapaian objektif perniagaan Kumpulan. Satu Rangka Kerja dan Manual Pengurusan Risiko yang menjadi panduan dokumentari bagi dasar pengurusan risiko, proses pengurusan risiko dan rangka kerja pelaporan Kumpulan telah disampaikan kepada pasukan pengurusan dan dimasukkan ke dalam intranet Kumpulan untuk rujukan oleh semua kakitangan Kumpulan.

Semua kakitangan Kumpulan bertanggungjawab bagi pengurusan risiko dalam lingkungan bidang tanggungjawab masing-masing. Pengarah Urusan Kumpulan bertanggungjawab bagi melaksanakan Rangka Kerja dan Dasar Pengurusan Risiko Perusahaan, dan untuk memastikan bahawa strategi perniagaan dan risiko adalah sejajar. Pendedahan risiko penting telah dibawa kepada Pengarah Urusan Kumpulan dan Ketua Pegawai Operasi Kumpulan sebaik sahaja ia diketahui dan tindakan pengurangan risiko telah dibincangkan dipersetujui. Kemajuan pelaksanaan tindakan pengurangan risiko diawasi melalui kemas kini yang diberikan oleh pasukan pengurusan dalam mesyuarat berikutnya. Pendekatan ini memberikan tindak balas yang segera dan pengesanan rapi akan pendedahan risiko-risiko penting. Keberkesanan tindakan pengurangan risiko dipantau dengan rapat dan di mana perlu, pelarasan kepada tindakan pengurangan risiko dibuat.

Jabatan Tadbir Urus Korporat bertanggungjawab bagi membangun, menyelaraskan dan melengkapkan proses-proses Pengurusan Risiko Perusahaan dalam Kumpulan. Dalam tahun di bawah kajian, Jabatan Tadbir Urus Korporat terus menggalakkan kesedaran risiko dan proses-proses pengurusan risiko dengan mengadakan sesi taklimat dan melibatkan pasukan pengurusan dan kakitangan Kumpulan untuk meningkatkan pemahaman mereka mengenai risiko dan kawalan dalaman.

2. UNSUR-UNSUR PENTING SISTEM PENGURUSAN RISIKO DAN KAWALAN DALAMAN KUMPULAN

Unsur-unsur penting sistem pengurusan risiko dan kawalan dalaman Kumpulan yang tersedia pada sepanjang tahun kewangan di bawah kajian dan sehingga tarikh Laporan Pengarah adalah seperti berikut:

a. Persekitaran Kawalan

- i) Bidang kuasa yang ditetapkan dengan jelas dalam struktur organisasi bahagian bagi memudahkan penyeliaan dan pemantauan pengendalian dan operasi unit-unit perniagaan individu dan jabatan perkhidmatan sokongan Kumpulan.
- ii) Had-had Kuasa telah diwujudkan bagi Kumpulan dan anak-anak syarikat penting. Had-had kuasa ini menggariskan dengan jelas pembahagian dan pengagihan tanggungjawab daripada Lembaga kepada Jawatankuasa Lembaga dan kepada ahli-ahli pengurusan serta peringkat kelulusan bagi pelbagai aspek operasi. Semua semakan ke atas Had-had Autoriti diluluskan oleh Lembaga dengan saranan daripada Jawatankuasa Audit. Keberkesanan Had-had Kuasa dikaji secara tahunan dan di mana perlu peningkatan atau semakan dicadangkan oleh pasukan pengurusan. Semua kajian terhadap Had-had Kuasa diluluskan oleh Lembaga dengan pengesyoran Jawatankuasa Audit.
- iii) Dasar dan prosedur yang didokumenkan dengan jelas telah diperuntukkan dalam beberapa siri manual prosedur operasi standard yang dikaji dan dikemas kini secara berkala untuk menunjukkan perubahan dalam struktur perniagaan, proses-proses dan perubahan pada persekitaran luar. Semua perubahan dasar memerlukan kelulusan Lembaga.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

- iv) Jawatankuasa Pengurusan Projek Bersama yang meliputi penyertaan rakan-rakan kongsi perniagaan luar, di mana berkenaan, membincangkan mengenai dan menilai pihak-pihak yang dipelawa untuk membuat sebut harga dan kemudian mengaward kontrak bagi memastikan ketelusan dan kewibawaan proses award tersebut
- v) Belanjawan tahunan disediakan terlebih awal sebelum tahun berikutnya dengan menggunakan proses belanjawan terperinci. Belanjawan ini tertakluk kepada penilaian dan penelitian oleh pasukan pengurusan kanan dan EXCO, sebelum ia disyorkan kepada Lembaga untuk diluluskan. Prestasi berbanding belanjawan dipantau berasaskan bulanan dan atas dasar separuh tahun, satu langkah kajian belanjawan yang menyeluruh dijalankan.
- vi) Aset-aset Kumpulan dan risiko operasi boleh dilindungi dengan secukupnya oleh polisi-polisi insurans untuk memastikan bahawa Kumpulan dilindungi terhadap kerugian kewangan sekiranya berlaku sebarang peristiwa yang tidak diingini.
- vii) Dasar Keselamatan, Kesihatan dan Alam Sekitar telah disediakan dan Jabatan Keselamatan, Kesihatan dan Alam Sekitar Kumpulan terus berusaha mempertingkatkan kesedaran terhadap amalan keselamatan, kesihatan dan alam sekitar dalam Kumpulan serta memantau pematuan peraturan dan amalan-amalan terbaik yang berkaitan.
- viii) Semua kakitangan Kumpulan ditadbir oleh Kod Tata Laku dan dikehendaki mengesahkan bahawa mereka telah membaca dan memahami Kod tersebut sebaik sahaja mereka mula bekerja.
- ix) Satu proses pemantauan diwujudkan untuk menyediakan landasan bagi para pemantau menyampaikan kemusykilan mereka berhubung hal-hal kewibawaan secara rahsia. Jika kemusykilan tersebut membabitkan ahli pengurusan kanan, satu saluran komunikasi langsung kepada Pengerusi Jawatankuasa Audit juga disediakan.

b. Proses Maklumat dan Komunikasi

- i) Maklumat tetap dan komprehensif disediakan oleh Pengurusan kepada Lembaga dan Jawatankuasa-jawatankuasanya meliputi prestasi kewangan, pencapaian petunjuk prestasi penting, kemajuan projek-projek penting, penggunaan dana dan kedudukan aliran tunai.
- ii) Pelbagai sistem pengurusan maklumat beroperasi dengan baik untuk menyediakan maklumat mengikut masa dan tepat kepada Pihak Pengurusan mengenai prestasi Kumpulan dan untuk membantu pihak pengurusan membuat keputusan yang berkesan.
- iii) Mesyuarat diadakan dengan para penganalisis pelaburan pada setiap suku tahun di mana laporan prestasi kewangan Kumpulan yang telah diluluskan oleh Lembaga dibentangkan penganalisis pelaburan diberi peluang untuk mengemukakan soalan dan berdialog dengan pasukan pengurusan kanan Kumpulan.

c. Proses Pemantauan

- i) Prestasi bahagian-bahagian perniagaan dan status projek-projek penting adalah diawasi oleh pasukan pengurusan kanan melalui laporan berkala yang dikemukakan oleh Ketua-ketua Projek dan pasukan pengurusan kewangan
- ii) Mesyuarat Ketua-ketua Bahagian diadakan pada setiap minggu di mana prestasi setiap bahagian dan jabatan serta status projek-projek penting dipantau dan dikaji oleh pasukan pengurusan kanan. Isu-isu operasi dan pendedahan risiko penting turut dibincangkan dan jika perlu, rancangan tindakan dikenal pasti untuk mengurangkan dan menangani risiko dan isu-isu yang dikenal pasti.
- iii) Jabatan Audit Dalaman menjalankan kajian operasi secara tetap untuk menilai keberkesanan dan kecekapan sistem kawalan dalaman. Pendedahan risiko penting dan ketidakpatuhan kepada dasar dan prosedur Kumpulan diketengahkan untuk perhatian pihak pengurusan dan saranan-saranan bagi penambahbaikan dikemukakan kepada pihak pengurusan untuk pertimbangan. Penemuan-penemuan ini berserta kajian-kajian ini serta tindak balas Pihak Pengurusan dilaporkan kepada Jawatankuasa Audit untuk dibincangkan.

3. PENDEDAHAN RISIKO PENTING BAGI KUMPULAN UNTUK 2014

a. Risiko Persaingan

Kumpulan menghadapi persaingan sengit daripada syarikat-syarikat lain dalam semua segmen perniagaannya pada 2014. Walau bagaimanapun, dengan permintaan pada tahap aktif, Kumpulan mengalami kesan minimum atas pelancaran produk dan jualannya. Turun naik pasaran dan perubahan dalam corak permintaan dipantau rapi oleh pihak pengurusan dan strategi perniagaan telah diselaraskan dengan sewajarnya. Pasukan pengurusan telah mengambil langkah-langkah berkesan untuk mengambil bahagian dalam pembidaan persaingan dan rundingan untuk mendapatkan kontrak, memastikan produk dan perkhidmatan yang berkualiti dan membangunkan strategi pemasaran yang inovatif untuk kekal berdaya saing.

PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

b. Risiko perniagaan

Bank-bank dan institusi kewangan adalah lebih berhati-hati dalam pemberian pinjaman mereka bagi transaksi hartanah pada 2014. Walau bagaimanapun, permintaan untuk pelancaran hartanah Kumpulan kekal pada tahap yang memberangsangkan. Ini dikaitkan dengan pemantauan aktif perubahan pola pasaran, strategik menjajarkan produk supaya selari dengan permintaan pasaran dan menerima pakai strategi pemasaran untuk kekal berdaya saing. Ini termasuk menawarkan produk dengan infrastruktur dan kemudahan yang baik, di lokasi berhampiran dengan hab pengangkutan dan mengunci jualan dan penyewa lebih awal dalam kitaran pembangunan.

c. Risiko kewangan

Kumpulan terdedah kepada risiko kecairan dan aliran tunai, kadar faedah, kredit, pertukaran asing dan risiko modal. Dengan objektif untuk memastikan supaya Kumpulan membentuk nilai bagi para pemegang sahamnya, strategi yang diguna pakai adalah untuk meminimumkan potensi kesan buruk ke atas prestasi kewangan Kumpulan. Ini termasuk pemantauan berterusan setiap faktor-faktor risiko dan kesan potensi mereka, mengekalkan kedudukan mudah tunai yang optimum dan perlindungan nilai strategik terhadap turun naik ketara dalam kadar faedah dan pertukaran asing.

Lembaga secara tetap mengkaji profil risiko Kumpulan dan keberkesanan langkah-langkah pengurangan yang dilaksanakan oleh pengurusan. Lembaga Pengarah percaya bahawa pembangunan sistem kawalan dalaman merupakan satu proses berterusan dan telah mengambil langkah-langkah sepanjang tahun di bawah kajian untuk memperbaiki sistem kawalan dalaman dan akan terus berbuat demikian.

Pemantauan, penilaian dan pengaturan pelaporan yang disediakan memberi jaminan yang munasabah bahawa struktur kawalan dan operasinya adalah sesuai dengan operasi Kumpulan dan bahawa risiko-risiko berada di tahap yang boleh diterima dalam seluruh perniagaan Kumpulan. Walau bagaimanapun, pengaturan sedemikian, tidak menghapuskan kemungkinan kesilapan manusia, pemintasan prosedur kawalan secara sengaja oleh kakitangan dan lain-lain atau berlaku keadaan di luar jangkaan munasabah. Lembaga telah menerima jaminan daripada Ketua Pegawai Kewangan Syarikat bahawa pengurusan risiko dan sistem kawalan dalaman Kumpulan beroperasi secara mencukupi dan berkesan, dalam semua aspek material, berdasarkan sistem pengurusan risiko dan kawalan dalaman Kumpulan. Lembaga dengan demikian berpendapat bahawa sistem pengurusan risiko dan kawalan dalaman yang disediakan bagi tahun di bawah kajian adalah kukuh dan mencukupi untuk melindungi pelaburan, kepentingan pemegang pelbagai kepentingan dan aset-aset Kumpulan.

USAHA SAMA DAN SYARIKAT-SYARIKAT BERSEKUTU MATERIAL

Pendedahan dalam penyata ini tidak meliputi amalan pengurusan risiko dan kawalan dalaman bagi Usaha Sama dan Syarikat-syarikat Bersekutu material Syarikat. Kepentingan Syarikat dalam entiti-entiti ini dilindungi melalui pelantikan ahli-ahli pasukan Pengurusan Kanan Kumpulan ke Lembaga Pengarah, dan dalam kes-kes tertentu, jawatankuasa-jawatankuasa pengurusan bagi entiti-entiti ini. Selain itu, di mana perlu maklumat kewangan penting dan maklumat lain yang sewajarnya mengenai prestasi entiti-entiti ini diperoleh dan dikaji oleh Lembaga MRCB.

KAJIAN PENYATA OLEH JURUAUDIT LUAR

Seperti yang dikehendaki oleh Perenggan 15.23 Syarat-syarat Penyenaraian Pasaran Utama Bursa Malaysia Securities Berhad, juruaudit luar telah mengkaji Penyata Mengenai Pengurusan Risiko dan Kawalan Dalaman ini. Kajian mereka telah dilaksanakan selaras dengan Panduan Amalan Disyorkan ("RPG") 5 yang dikeluarkan oleh Institut Akauntan Malaysia. RPG 5 tidak memerlukan juruaudit luar memberikan pendapat berhubung kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman Kumpulan.

Penyata mengenai Pengurusan Risiko dan Kawalan Dalaman dibuat oleh Lembaga Pengarah selaras dengan resolusinya bertarikh 23 Februari 2015.

ADDITIONAL COMPLIANCE INFORMATION

(I) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised by the Company during the financial year ended 31 December 2014.

(II) SHARE BUY-BACKS

The Company did not seek any authorisation from the shareholders on any proposal for share buy-back during the financial year 2014.

(III) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants and convertible securities during the financial year ended 2014 save for the following:

a) Warrants

On 27 June 2014, an additional 31,087,819 warrants were issued to Gapurna Sdn Bhd and Employees Provident Fund Board as part of the consideration on the acquisition of 70% equity interest in P.J Sentral Development Sdn Bhd from Nusa Gapurna Development Sdn Bhd.

As at 31 December 2014, a total of 568,975,424 warrants were listed on Bursa Securities and no warrants were exercised during the financial year ended December 2014.

b) Employees' Share Options Scheme (ESOS)

The ESOS of the Company expired on 30 October 2012 and was extended by another 5 years, expiring on 30 October 2017.

During the financial year ended 31 December 2014, a total of 60,000 options over the ordinary shares were exercised pursuant to the ESOS.

In accordance with the ESOS Bye-Law, the aggregate maximum allocation applicable to Directors and Senior Management shall not exceed 50% of the options available under the scheme. As at 31 December 2014, the actual percentage of options granted to them in aggregate was 1.5%.

The details of options granted since the commencement of the scheme is disclosed in Note 31 to the Financial Statements (pages 296 to 298 of the Annual Report).

(IV) AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year 2014.

(V) SANCTIONS AND/OR PENALTIES IMPOSED

There was no material sanctions and/or penalties imposed by the relevant regulatory bodies on MRCB or its subsidiary, directors or management during the financial year 2014.

(VI) NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group and Company for the financial year 2014 were RM2,361,000 and RM1,791,000 respectively.

(VII) VARIATION IN RESULTS

There was no variation in the financial results of 10% or more from any profit estimate/forecast/projection/unaudited results announced.

(VIII) PROFIT GUARANTEE

There were no profit guarantees given by the Company during the financial year 2014.

(IX) MATERIAL CONTRACTS

There has been no material contracts involving directors and major shareholders' interests entered into during the financial year 2014.

(X) LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on page 182 to 188 of this Annual Report. There was no revaluation of properties of the Company during the financial year 2014.

(XI) RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions during the financial year 2014 except for those disclosed in the audited financial statement which are exempted under the Listing Requirements.

MAKLUMAT PEMATUHAN TAMBAHAN

(I) PENGGUNAAN KUTIPAN YANG DIKUMPUL DARIPADA CADANGAN KORPORAT

Tiada kutipan yang dikumpul oleh syarikat pada tahun kewangan berakhir 31 Disember 2014.

(II) PEMBELIAN BALIK SAHAM

Syarikat tidak mendapatkan sebarang kuasa daripada para pemegang saham berhubung cadangan pembelian balik saham pada tahun kewangan 2014.

(III) OPSYEN, WARAN DAN SEKURITI BOLEH DITUKAR

Syarikat tidak mengeluarkan sebarang opsyen, waran dan sekuriti boleh ditukar pada tahun kewangan berakhir 2014 kecuali yang berikut:

a) Waran

Pada 27 Jun 2014, sebanyak 31,087,819 waran tambahan telah dikeluarkan kepada Gapurna Sdn Bhd dan Employees Provident Fund Board sebagai sebahagian balasan daripada pengambilalihan 70% kepentingan ekuiti dalam P.J Sentral Development Sdn Bhd dari Nusa Gapurna Development Sdn Bhd.

Pada 31 Disember 2014, sejumlah 568,975,424 waran telah disenaraikan di Bursa Securities dan tiada waran telah dilaksanakan sepanjang tahun kewangan berakhir Disember 2014.

b) Skim Opsyen Saham Kakitangan ("ESOS")

ESOS Syarikat tamat pada 30 Oktober 2012 dan telah dilanjutkan selama 5 tahun lagi, tamat pada 30 Oktober 2017.

Dalam tahun kewangan berakhir 31 Disember 2014, sejumlah 60,000 opsyen ke atas saham biasa telah dilaksanakan di bawah ESOS.

Selaras dengan Undang-undang Kecil ESOS, peruntukan maksimum agregat yang diguna pakai kepada para Pengarah dan Pengurusan Kanan tidak boleh melebihi 50% daripada opsyen yang tersedia di bawah skim tersebut. Pada 31 Disember 2014, peratusan sebenar opsyen yang diberikan kepada mereka dalam agregat adalah 1.5%.

Butir-butir opsyen yang diberikan sejak bermulanya skim ini terdapat dalam Nota 31 kepada Penyata Kewangan (mukasurat 296 ke 298 dalam Laporan Tahunan ini).

(IV) RESIT DEPOSITORI AMERIKA ("ADR") ATAU RESIT DEPOSITORI GLOBAL ("GDR")

Syarikat tidak menaja sebarang program ADR dan GDR pada tahun kewangan 2014.

(V) SEKATAN DAN/ATAU DENDA YANG DIKENAKAN

Tiada sekatan dan/atau denda penting yang dikenakan oleh badan-badan penguatkuasaan berkaitan terhadap MRCB atau syarikat subsidiarinya, para pengarah atau pengurusan pada tahun kewangan 2014.

(VI) YURAN BUKAN AUDIT

Jumlah yuran bukan audit yang dibayar kepada juruaudit luar oleh Kumpulan dan Syarikat bagi tahun kewangan 2014 masing-masing adalah sebanyak RM2,361,000 dan RM1,791,000.

(VII) PERBEZAAN KEPUTUSAN

Tiada perbezaan sebanyak 10% atau lebih dalam keputusan kewangan berbanding anggaran/ramalan/unjuran keuntungan dan keputusan tidak beraudit yang diumumkan.

(VIII) JAMINAN KEUNTUNGAN

Tiada jaminan keuntungan yang diberi oleh Syarikat dalam tahun kewangan 2014.

(IX) KONTRAK-KONTRAK PENTING

Tiada kontrak penting yang melibatkan kepentingan pengarah dan para pemegang saham utama telah dimeterai sepanjang tahun kewangan 2014.

(X) SENARAI HARTANAH DAN DASAR PENILAIAN SEMULA

Senarai hartanah disediakan di muka surat 182 hingga 188 dalam Laporan Tahunan ini. Tiada penilaian semula hartanah Syarikat telah dilaksanakan pada tahun kewangan 2014.

(XI) URUSNIAGA PIHAK BERKAITAN YANG BERULANG BERBENTUK HASIL ATAU PERDAGANGAN

Tiada urusan niaga pihak berkaitan yang berulang pada tahun kewangan 2014 melainkan yang dibentangkan dalam penyata kewangan beraudit yang dikecualikan di bawah Keperluan Penyenaaran.

MATERIAL CONTRACTS

MRCB (January 2014 – December 2014)

1. Sale Agreement between Malaysian Resources Corporation Berhad and Wira Kristal Sdn Bhd and Ekovest Construction Sdn Bhd and Ekovest Berhad

Malaysian Resources Corporation Berhad ("MRCB") has on 29th January 2014 entered into a Sale Agreement ("SA") with Wira Kristal Sdn Bhd ("WKSb") and Ekovest Construction Sdn Bhd ("ECSb") and Ekovest Berhad ("EB") (WKSb, ECSb and EB collectively referred to as "Purchasers") to divest its entire 1,500,000 ordinary shares and 13,500,000 preference shares held in Nuzen Corporation Sdn Bhd ("Nuzen Shares") and all its 585 preference shares held in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("KESTURI RPS") and all its 54,000,000 secured junior bonds issued by Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("KESTURI Junior Bonds") (collectively referred to as "Sale Shares" and "Junior Bonds") for the total consideration price of RM228,000,000.00 only. The transaction has since completed on 30th June 2014.

2. Sale and Purchase Agreement between MRCB Sentral Properties Sdn Bhd and Maybank Trustees Berhad

MRCB Sentral Properties Sdn Bhd ("MSPSB") a wholly owned subsidiary of Malaysian Resources Corporation Berhad have on 10th April 2014 entered into a Sale and Purchase Agreement with Maybank Trustees Berhad for the sale and purchase of the property identified as Platinum Sentral consisting of five (5) blocks of four (4) to seven (7) commercial buildings which consist of office-cum retail space, a multi purpose hall together with two (2) levels of car park erected on part of Lot 73, Geran No. 46222, Seksyen 70, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan for the total consideration price of RM740,000,000.00 which shall be satisfied by way of cash consideration of RM476,000,000.00 ("Cash Consideration") and by way of issuance of 206,250,000 new Units at an issue price of RM1.28 per Unit ("Consideration Units") equivalent to RM264,000,000.00 only. The transaction has since completed on 30th March 2015.

3. Sale and Purchase Agreement between Malaysian Resources Corporation Berhad and Bisraya Acres Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 14th April 2014 entered into a Sale and Purchase Agreement with Bisraya Acres Sdn Bhd as vendor for the sale and purchase of the three (3) pieces of land known as P.T. 27758 held under H.S.(D) No. 93832, P.T. No. 27759 held under H.S.(D) No. 93833 and P.T. No. 29301 held under H.S.(D) No. 95375 all of Mukim Sungai Buloh, District of Petaling, State of Selangor ("Properties") at the total purchase price of RM83,000,000.00 only. The transaction has since completed on 22nd July 2014.

4. Share Sale Agreement between Malaysian Resources Corporation Berhad and Capitaland Recm Pte Ltd

Malaysian Resources Corporation Berhad ("MRCB") has on 10th April 2014 entered into a Share Sale Agreement with Capitaland Recm Pte Ltd ("Vendor") for the acquisition of the 400,000 ordinary shares representing 40% of the issued share capital in Quill Capita Management Sdn Bhd held by the Vendor for the total consideration price of RM5,739,352.00 only. The acquisition has since completed on 31st March 2015.

5. Share Sale Agreement between Malaysian Resources Corporation Berhad and Quill Resources Holding Sdn Bhd and Coast Capital Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 10th April 2014 entered into a Share Sale Agreement with Quill Resources Holding Sdn Bhd ("Quill") and Coast Capital Sdn Bhd ("Vendor") for the sale and purchase of the 10,000 ordinary shares being one per cent (1%) of the entire issued and paid-up capital held by the Vendor in Quill Capita Management Sdn Bhd for the total consideration price of RM143,483.80 only. The transaction has since completed on 31st March 2015.

MATERIAL CONTRACTS

6. Sale and Purchase Agreement between Malaysian Resources Corporation Berhad and ASPL M3A Limited

Malaysian Resources Corporation Berhad ("MRCB") has on 20th June 2014 entered into a Sale and Purchase Agreement with ASPL M3A Limited ("Vendor") for the sale and purchase of 2,000,000 ordinary shares equivalent to 40% of the share equity of Excellent Bonanza Sdn Bhd ("Company") and 62,406 non-cumulative redeemable preference shares held by the Vendor in the Company at the total consideration price of RM16,960,000.00 only. The transaction has since completed on 19th August 2014.

7. Share Sale Agreement between Malaysian Resources Corporation Berhad and PKNS Holdings Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 20th June 2014 entered into a Share Sale Agreement with PKNS Holdings Sdn Bhd ("Vendor") for the acquisition of the 58,247,400 ordinary shares and 83,679 redeemable preference shares representing 30% of the total issued and paid-up share capital in PJ Sentral Development Sdn Bhd held by the Vendor for the total consideration price of RM85,300,000.00 only. The acquisition has since completed on 25th September 2014.

8. Development Agreement between PJ Sentral Development Sdn Bhd and PKNS Holdings Sdn Bhd

PJ Sentral Development Sdn Bhd ("PJSD") a subsidiary of Malaysian Resources Corporation Berhad ("MRCB") has on 20th June 2014 entered into a Development Agreement with PKNS Holdings Sdn Bhd ("PKNSH") to grant development rights to PKNSH to carry out the Tower 2 Development at its own costs and expense in compliance with the development order, the building design guidelines and the building footprint layout plan in accordance with the approved net floor area.

9. Share Sale Agreement between Malaysian Resources Corporation Berhad and Pelaburan Hartanah Berhad

Malaysian Resources Corporation Berhad ("MRCB") has on 24th July 2014 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad ("Vendor") for the acquisition of the entire shares held by the Vendor in Penang Sentral Sdn Bhd ("the Company") representing 51% of the paid-up share capital of the Company held by the Vendor at a total consideration price of RM50,751,000.00 only. The acquisition has since completed on 8th August 2014.

10. Share Sale agreement between Malaysian Resources Corporation Berhad and XMT Technologies Holdings Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") has on 18th September 2014 entered into a Share Sale Agreement with XMT Technologies Holdings Sdn Bhd ("Purchaser") for the disposal of its entire equity interest in MRCB Technologies Sdn Bhd, a wholly owned subsidiary of MRCB for a total consideration price of RM7,810,000.00 only. The transaction has since completed on 16th October 2014.

KONTRAK-KONTRAK PENTING

MRCB (Januari 2014 – Disember 2014)

1. Perjanjian Penjualan di antara Malaysian Resources Corporation Berhad dan Wira Kristal Sdn Bhd dan Ekovest Construction Sdn Bhd dan Ekovest Berhad

Malaysian Resources Corporation Berhad ("MRCB") telah pada 29hb Januari 2014 menandatangani Perjanjian Penjualan ("Perjanjian") dengan Wira Kristal Sdn Bhd ("WKSb") dan Ekovest Construction Sdn Bhd ("ECSB") dan Ekovest Berhad ("EB") (WKSb, ECSB dan EB secara kolektif dirujuk sebagai "Pembeli") untuk melupuskan 1,500,000 saham biasa dan saham keutamaan 13,500,000 di dalam Nuzen Corporation Sdn Bhd ("Saham Nuzen") dan keseluruhan 585 saham keutamaan yang dipegang di dalam Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Saham Keutamaan Boleh Tebus Kesturi") dan keseluruhan 54,000,000 bon rendah yang diterbitkan oleh Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Bon Rendah") (secara kolektif dirujuk sebagai "Saham Jualan" dan "Bon Rendah") bagi jumlah RM228,000,000.00 sahaja. Transaksi ini telah disempurnakan pada 30hb Jun 2014.

2. Perjanjian Jual Beli di antara MRCB Sentral Properties Sdn Bhd dan Maybank Trustees Berhad

MRCB Sentral Properties Sdn Bhd ("MSPSB") anak syarikat milik penuh Malaysian Resources Corporation Berhad ("MRCB") telah pada 10hb April 2014 menandatangani Perjanjian Jual Beli dengan Maybank Trustees Berhad bagi penjualan dan pembelian bangunan yang dikenali sebagai Platinum Sentral terdiri daripada lima (5) blok mempunyai empat (4) hingga tujuh (7) tingkat mengandungi bangunan komersial ruang pejabat dan kedai, dewan serbaguna serta dua (2) tingkat tempat letak kereta yang didirikan di atas sebahagian Lot 73, Geran No. 46222, Seksyen 70, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan bagi jumlah RM740,000,000.00 yang akan dibayar secara tunai berjumlah RM476,000,000.00 ("Balasan Tunai") dan melalui pengeluaran 206,250,000 Unit saham baru pada harga RM1.28 seunit ("Saham Balasan") berjumlah RM264,000,000.00 sahaja. Transaksi jual beli tersebut telah disempurnakan pada 30hb Mac 2015.

3. Perjanjian Jual Beli di antara Malaysian Resources Corporation Berhad and Bisraya Acres Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 14hb April 2014 menandatangani Perjanjian Jual Beli dengan Bisraya Acres Sdn Bhd sebagai penjual bagi penjualan dan pembelian tiga (3) bidang tanah dikenali sebagai PT 27758, dipegang di bawah H.S. (D) No. 93832, PT No. 27759 dipegang di bawah H.S. (D) No. 93833 dan PT No. 29301 dipegang di bawah H.S. (D) 95375 Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor ("Hartanah") pada harga pembelian berjumlah RM83,000,000.00 sahaja. Transaksi jual beli tersebut telah disempurnakan pada 22hb Julai 2014.

4. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Capitaland Recm Pte Ltd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 10hb April 2014 menandatangani Perjanjian Penjualan Saham dengan Capitaland Recm Pte Ltd ("Penjual") untuk pembelian 400,000 saham biasa bersamaan 40% modal saham terbitan di dalam Quill Capita Management Sdn Bhd dimiliki oleh Penjual berjumlah RM5,739,352.00 sahaja. Transaksi tersebut telah disempurnakan pada 31hb Mac 2015.

5. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Quill Resources Holding Sdn Bhd dan Coast Capital Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 10hb April 2014 menandatangani Perjanjian Penjualan Saham dengan Quill Resources Holding Sdn Bhd ("Quill") dan Coast Capital Sdn Bhd ("Penjual") bagi penjualan dan pembelian 10,000 saham biasa mewakili satu peratus (1%) daripada keseluruhan modal berbayar dimiliki oleh Penjual di dalam Quill Capita Management Sdn Bhd pada harga RM143,483.80. Transaksi tersebut telah disempurnakan pada 31hb Mac 2015.

KONTRAK-KONTRAK PENTING

6. Perjanjian Jual Beli di antara Malaysian Resources Corporation Berhad dan ASPL M3A Limited

Malaysian Resources Corporation Berhad ("MRCB") telah pada 20hb Jun 2014 menandatangani Perjanjian Jual Beli dengan ASPL M3A Limited ("Penjual") bagi penjualan dan pembelian 2,000,000 saham biasa bersamaan dengan 40% daripada ekuiti saham di dalam Excellent Bonanza Sdn Bhd ("Syarikat") dan 62,406 saham keutamaan boleh tebus bukan kumulatif dimiliki oleh Penjual di dalam Syarikat berjumlah RM16,960,000.00 sahaja. Transaksi ini telah disempurnakan pada 19hb Ogos 2014.

7. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan PKNS Holdings Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 20hb Jun 2014 menandatangani Perjanjian pembelian Saham dengan PKNS Holdings Sdn Bhd ("Penjual") bagi pembelian 58,247,400 saham biasa dan 83,679 saham keutamaan boleh tebus yang mewakili 30% jumlah saham terbitan dan modal saham berbayar di dalam PJ Sentral Development Sdn Bhd yang dipegang oleh Penjual untuk harga jualan RM85,300,000.00 sahaja. Transaksi ini telah disempurnakan pada 25hb September 2014.

8. Perjanjian Pembangunan di antara PJ Sentral Development Sdn Bhd dan PKNS Holdings Sdn Bhd

PJ Sentral Development Sdn Bhd ("PJSD") sebuah anak syarikat Malaysian Resources Corporation Berhad ("MRCB") telah pada 20hb Jun 2014 menandatangani Perjanjian Pembangunan dengan PKNS Holdings Sdn Bhd ("PKNSH") untuk memberikan hak pembangunan kepada PKNSH untuk menjalankan Pembangunan Menara 2 pada kos dan perbelanjaan sendiri menurut perintah pembangunan, garis panduan reka bentuk bangunan dan pelan susun atur bangunan mengikut kelulusan lantai yang telah diluluskan.

9. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan Pelaburan Hartanah Berhad

Malaysian Resources Corporation Berhad ("MRCB") telah pada 24hb Julai 2014 menandatangani Perjanjian Penjualan Saham dengan Pelaburan Hartanah Berhad ("Penjual") bagi pengambilalihan keseluruhan saham yang dipegang oleh Penjual di dalam Penang Sentral Sdn Bhd ("Syarikat") mewakili 51% modal saham berbayar di dalam Syarikat yang dimiliki oleh Penjual berjumlah RM50,751,000.00 sahaja. Pengambilalihan ini telah disempurnakan pada 8hb Ogos 2014.

10. Perjanjian Penjualan Saham di antara Malaysian Resources Corporation Berhad dan XMT Technologies Holdings Sdn Bhd

Malaysian Resources Corporation Berhad ("MRCB") telah pada 18hb September 2014 menandatangani Perjanjian Penjualan Saham dengan XMT Technologies Holdings Sdn Bhd ("Pembeli") untuk melupuskan keseluruhan kepentingan ekuitinya di dalam MRCB Technologies Sdn Bhd sebuah anak syarikat milik penuh MRCB bagi jumlah RM7,810,000.00 sahaja. Penjualan tersebut telah disempurnakan pada 16hb Oktober 2014.

An aerial photograph of the Kuala Lumpur Sentral Central Business District (CBD). The image shows several modern high-rise buildings, including one with a 'MIDA' logo and another with 'SENTRAL' signage. In the foreground, there is a large, circular landscaped area with green trees and a curved walkway. To the right, a multi-lane road is filled with cars, and a train track runs parallel to it. The entire image has a teal-colored rectangular overlay in the center-left portion, which contains the main title and a descriptive sentence.

PROMOTING ARCHITECTURAL EXCELLENCE

Kuala Lumpur Sentral CBD is a testament of our capability to create a next generation Central Business District.



ANALYSIS OF SHAREHOLDINGS

As at 16 March 2015

Authorised Share Capital : 5,000,000,000
 Paid-up Share Capital : 1,786,580,857
 Type of Shares : Ordinary Share of RM1.00 each
 No. of Shareholders : 34,679
 Voting Rights : One vote for every share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS SHAREHOLDERS	(%)	NO. OF SHARES	CAPITAL (%)
less than 100	4,134	11.92	160,092	0.01
100 to 1,000	8,739	25.20	5,356,652	0.30
1,001 to 10,000	16,565	47.77	69,984,919	3.91
10,001 to 100,000	4,648	13.40	138,128,653	7.73
100,001 to less than 5% of issued shares	590	1.70	408,904,390	22.89
5% and above of issued shares	3	0.01	1,164,046,151	65.16
TOTAL	34,679	100.00	1,786,580,857	100.00

DIRECTORS' SHAREHOLDINGS

NO. NAME OF DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
1. Tan Sri Azlan Zainol	-	-	-	-
2. Tan Sri Mohamad Salim Fateh Din	-	-	298,322,581 *	16.70
3. Mohd Imran Tan Sri Mohamad Salim	-	-	298,322,581 **	16.70
4. Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-
5. Dato' Abdul Rahman Ahmad	-	-	-	-
6. Dato' Chong Pah Aung	-	-	-	-
7. Jamaludin Zakaria	-	-	-	-
8. Dato' Johari Razak	-	-	-	-
9. Rohaya Mohammad Yusof	-	-	-	-

* held through Gapurna Sdn Bhd

** deemed interested through his parents' shareholdings in Gapurna Sdn Bhd

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

NAME	SHAREHOLDINGS	%
1. EMPLOYEES PROVIDENT FUND BOARD	685,457,897	38.37
2. GAPURNA SDN BHD	298,322,581	16.70
3. LEMBAGA TABUNG HAJI	180,265,673	10.09

ANALISIS PEGANGAN SAHAM

Pada 16 Mac 2015

Modal Saham Dibenarkan	: 5,000,000,000
Modal Saham Terbitan dan Berbayar	: 1,786,580,857
Jenis Saham	: Saham Biasa bernilai RM1.00 setiap satu
Bil. Pemegang Saham	: 34,679
Hak Mengundi	: Satu undi untuk setiap saham

PECAHAN PEGANGAN SAHAM

SAIZ PEGANGAN SAHAM	BILANGAN PEMEGANG SAHAM	(%)	BILANGAN SAHAM	(%)
Kurang dari 100	4,134	11.92	160,092	0.01
100 hingga 1,000	8,739	25.20	5,356,652	0.30
1,001 hingga 10,000	16,565	47.77	69,984,919	3.91
10,001 hingga 100,000	4,648	13.40	138,128,653	7.73
100,001 hingga kurang dari 5% saham diterbitkan	590	1.70	408,904,390	22.89
5% dan lebih saham diterbitkan	3	0.01	1,164,046,151	65.16
JUMLAH	34,679	100.00	1,786,580,857	100.00

PEGANGAN SAHAM PENGARAH

NAMA PENGARAH	KEPENTINGAN LANGSUNG		KEPENTINGAN TIDAK LANGSUNG	
	BILANGAN SAHAM	%	BILANGAN SAHAM	%
1. Tan Sri Azlan Zainol	-	-	-	-
2. Tan Sri Mohamad Salim Fateh Din	-	-	298,322,581 *	16.70
3. Mohd Imran Tan Sri Mohamad Salim	-	-	298,322,581 **	16.70
4. Datuk Shahril Ridza Ridzuan	500,000	0.03	-	-
5. Dato' Abdul Rahman Ahmad	-	-	-	-
6. Dato' Chong Pah Aung	-	-	-	-
7. Jamaludin Zakaria	-	-	-	-
8. Dato' Johari Razak	-	-	-	-
9. Rohaya Mohammad Yusof	-	-	-	-

* dipegang melalui Gapurna Sdn Bhd

** dianggap mempunyai kepentingan melalui pegangan saham ibu bapanya dalam Gapurna Sdn Bhd

PEMEGANG SAHAM UTAMA (5% DAN KE ATAS)

NAMA	BILANGAN SAHAM	%
1. EMPLOYEES PROVIDENT FUND BOARD	685,457,897	38.37
2. GAPURNA SDN BHD	298,322,581	16.70
3. LEMBAGA TABUNG HAJI	180,265,673	10.09

TOP 30 LARGEST SHAREHOLDERS

As at 16 March 2015

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF SHARES	%
1. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	685,457,897	38.37
2. Gapurna Sdn Bhd	298,322,581	16.70
3. Lembaga Tabung Haji	174,949,773	9.79
4. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank New York (Norges Bank 1)</i>	19,018,835	1.06
5. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Emerging Markets Value Fund</i>	17,330,900	0.97
6. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustees Bhd For AMB Value Trust Fund (4249)</i>	13,880,000	0.78
7. Tokio Marine Life Insurance Malaysia Bhd <i>As Beneficial Owner (PF)</i>	13,261,000	0.74
8. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank New York (Norges Bank 12)</i>	13,034,100	0.73
9. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	10,547,800	0.59
10. Hong Leong Assurance Berhad <i>As Beneficial Owner (Life Par)</i>	10,523,400	0.59
11. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	8,415,150	0.47
12. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	7,622,134	0.43
13. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt AN For State Street Bank & Trust Company (West CLT OD67)</i>	7,461,200	0.42
14. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Credit Suisse (SG BR-TST-Asing)</i>	7,154,500	0.40
15. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank New York (Norges Bank 14)</i>	6,325,600	0.35

TOP 30 LARGEST SHAREHOLDERS

As at 16 March 2015

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF SHARES	%
16. Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	5,606,800	0.31
17. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Bank Julius Baer & Co. Ltd (Singapore BCH)</i>	5,572,065	0.31
18. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>	5,500,000	0.31
19. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, Ltd</i>	4,888,000	0.27
20. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	4,800,800	0.27
21. Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)</i>	4,500,200	0.25
22. CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Islamic Trustee Berhad For Pacific Dana Aman (3717 TR01)</i>	4,160,750	0.23
23. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Eastspring Investmentdana Al-Ilham</i>	3,202,500	0.18
24. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (AIM 6939-405)</i>	3,200,000	0.18
25. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For AMB Ethical Trust Fund (4526)</i>	2,906,600	0.16
26. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (LPEQ-CIMB)</i>	2,796,400	0.16
27. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund</i>	2,772,243	0.16
28. Amanahraya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	2,657,700	0.15
29. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt AN Account For Standard Chartered Bank HK Pte Ltd (SCBMB with MGMT)</i>	2,656,600	0.15
30. Citigroup Nominees (Tempatan) Sdn Bhd <i>Universal Trustee (Malaysia) Berhad For CIMB-Principal Equity Fund 2</i>	2,571,500	0.14

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

30 PEMEGANG SAHAM TERBESAR

Pada 16 Mac 2015

SENARAI TIGA PULUH (30) PEMEGANG SAHAM TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN SAHAM	%
1. Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	685,457,897	38.37
2. Gapurna Sdn Bhd	298,322,581	16.70
3. Lembaga Tabung Haji	174,949,773	9.79
4. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank New York (Norges Bank 1)</i>	19,018,835	1.06
5. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Emerging Markets Value Fund</i>	17,330,900	0.97
6. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustees Bhd For AMB Value Trust Fund (4249)</i>	13,880,000	0.78
7. Tokio Marine Life Insurance Malaysia Bhd <i>As Beneficial Owner (PF)</i>	13,261,000	0.74
8. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank New York (Norges Bank 12)</i>	13,034,100	0.73
9. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	10,547,800	0.59
10. Hong Leong Assurance Berhad <i>As Beneficial Owner (Life Par)</i>	10,523,400	0.59
11. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	8,415,150	0.47
12. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	7,622,134	0.43
13. Cartaban Nominees (Asing) Sdn Bhd <i>Exempt AN For State Street Bank & Trust Company (West CLT OD67)</i>	7,461,200	0.42
14. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Credit Suisse (SG BR-TST-Asing)</i>	7,154,500	0.40
15. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For Citibank New York (Norges Bank 14)</i>	6,325,600	0.35

30 PEMEGANG SAHAM TERBESAR

Pada 16 Mac 2015

SENARAI TIGA PULUH (30) PEMEGANG SAHAM TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN SAHAM	%
16. Amanahraya Trustees Berhad <i>Public Islamic Sector Select Fund</i>	5,606,800	0.31
17. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An For Bank Julius Baer & Co. Ltd (Singapore BCH)</i>	5,572,065	0.31
18. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For RHB-OSK Kidsave Trust (3621)</i>	5,500,000	0.31
19. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, Ltd</i>	4,888,000	0.27
20. CIMB Commerce Trustee Berhad <i>Public Focus Select Fund</i>	4,800,800	0.27
21. Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (RHB Inv)</i>	4,500,200	0.25
22. CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Islamic Trustee Berhad For Pacific Dana Aman (3717 TR01)</i>	4,160,750	0.23
23. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Eastspring Investmentdana Al-Ilham</i>	3,202,500	0.18
24. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (AIM 6939-405)</i>	3,200,000	0.18
25. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For AMB Ethical Trust Fund (4526)</i>	2,906,600	0.16
26. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For Zurich Insurance Malaysia Berhad (LPEQ-CIMB)</i>	2,796,400	0.16
27. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund</i>	2,772,243	0.16
28. Amanahraya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	2,657,700	0.15
29. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt An Account For Standard Chartered Bank HK Pte Ltd (SCBMB with MGMT)</i>	2,656,600	0.15
30. Citigroup Nominees (Tempatan) Sdn Bhd <i>Universal Trustee (Malaysia) Berhad For CIMB-Principal Equity Fund 2</i>	2,571,500	0.14

>> BUSINESS REVIEW

>> GOVERNANCE

>> ADDITIONAL INFORMATION

>> FINANCIAL REPORT

ANALYSIS OF WARRANT HOLDINGS

As at 16 March 2015

Number of Outstanding Warrants	: 576,519,012
Exercise Price of Warrants	: RM2.30
Exercise Period of Warrants	: 17 September 2013 to 16 September 2018
Voting Rights at Meeting of Warrant Holders	: One (1) vote per Warrant

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	(%)	NO. OF WARRANTS	(%)
less than 100	6,528	19.83	204,403	0.04
100 to 1,000	13,762	41.80	6,479,037	1.12
1,001 to 10,000	8,988	27.30	30,475,101	5.29
10,001 to 100,000	2,914	8.85	110,641,745	19.19
100,001 to less than 5% of issued warrant	733	2.22	343,483,703	59.58
5% and above of issued warrant	1	0.00	85,235,023	14.78
TOTAL	32,926	100.00	576,519,012	100.00

DIRECTORS' WARRANT HOLDINGS

NO. NAME OF DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF WARRANTS	%	NO. OF WARRANTS	%
1. Tan Sri Azlan Zainol	-	-	-	-
2. Tan Sri Mohamad Salim Fateh Din	-	-	85,235,023 *	14.78
3. Mohd Imran Tan Sri Mohamad Salim	-	-	85,235,023 **	14.78
4. Datuk Shahril Ridza Ridzuan	166,667	0.03	-	-
5. Dato' Abdul Rahman Ahmad	-	-	-	-
6. Dato' Chong Pah Aung	-	-	-	-
7. Jamaludin Zakaria	-	-	-	-
8. Dato' Johari Razak	-	-	-	-
9. Rohaya Mohammad Yusof	-	-	-	-

* held through Gapurna Sdn Bhd

** deemed interested through his parents' warrant holdings in Gapurna Sdn Bhd

SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE)

NAME	NO. OF WARRANTS	%
1. GAPURNA SDN BHD	85,235,023	14.78

ANALISIS PEGANGAN WARAN

Pada 16 Mac 2015

Bilangan Waran Tertunggak	:	576,519,012
Harga Pelaksanaan Waran	:	RM2.30
Tempoh Pelaksanaan Waran	:	17 September 2013 hingga 16 September 2018
Hak Mengundi di Mesyuarat bagi Pemegang Waran	:	Satu (1) undi untuk setiap Waran

PECAHAN PEGANGAN WARAN

SAIZ PEGANGAN WARAN	BILANGAN PEMEGANG WARAN	(%)	BILANGAN WARAN	(%)
Kurang dari 100	6,528	19.83	204,403	0.04
100 hingga 1,000	13,762	41.80	6,479,037	1.12
1,001 hingga 10,000	8,988	27.30	30,475,101	5.29
10,001 hingga 100,000	2,914	8.85	110,641,745	19.19
100,001 hingga kurang dari 5% waran diterbitkan	733	2.22	343,483,703	59.58
5% dan lebih waran diterbitkan	1	0.00	85,235,023	14.78
JUMLAH	32,926	100.00	576,519,012	100.00

PEGANGAN WARAN PENGARAH

NAMA PENGARAH	KEPENTINGAN LANGSUNG		KEPENTINGAN TIDAK LANGSUNG	
	BILANGAN WARAN	%	BILANGAN WARAN	%
1. Tan Sri Azlan Zainol	-	-	-	-
2. Tan Sri Mohamad Salim Fateh Din	-	-	85,235,023 *	14.78
3. Mohd Imran Tan Sri Mohamad Salim	-	-	85,235,023 **	14.78
4. Datuk Shahril Ridza Ridzuan	166,667	0.03	-	-
5. Dato' Abdul Rahman Ahmad	-	-	-	-
6. Dato' Chong Pah Aung	-	-	-	-
7. Jamaludin Zakaria	-	-	-	-
8. Dato' Johari Razak	-	-	-	-
9. Rohaya Mohammad Yusof	-	-	-	-

* dipegang melalui Gapurna Sdn Bhd

** dianggap mempunyai kepentingan melalui pegangan waran ibu bapanya dalam Gapurna Sdn Bhd

PEMEGANG WARAN UTAMA (5% DAN KE ATAS)

NAMA	BILANGAN WARAN	%
1. GAPURNA SDN BHD	85,235,023	14.78

TOP 30 LARGEST WARRANT HOLDERS

As at 16 March 2015

LIST OF THIRTY (30) LARGEST WARRANTHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF WARRANT	%
1. Gapurna Sdn Bhd	85,235,023	14.78
2. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Siew Chan</i>	15,488,300	2.69
3. Lim Bee San	12,895,600	2.24
4. Lim Bee San	10,720,600	1.86
5. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kek Lian Lye</i>	7,600,000	1.32
6. Chin Swee Chew	6,000,000	1.04
7. Abdull Star Khan bin Amirullah Khan	5,166,667	0.90
8. Eow Yin Kam	4,700,000	0.82
9. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Fee Chong (REM 157-Margin)</i>	3,700,000	0.64
10. Mohd Fauzi bin Mohd Anuar	3,600,000	0.62
11. Low Chee Meng	3,500,700	0.61
12. Fong Tuck Seng	3,400,000	0.59
13. Khoo Kooi Chiew	3,270,000	0.57
14. Teo Ah Seng	3,050,000	0.53
15. Ng Leong Huat	3,000,000	0.52
16. Lim Kien Hua	2,653,400	0.46
17. Ong Teng Soon	2,548,500	0.44
18. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	2,530,629	0.44

TOP 30 LARGEST WARRANT HOLDERS

As at 16 March 2015

LIST OF THIRTY (30) LARGEST WARRANTHOLDERS

(without aggregating the securities from different securities account belonging to the same Depositor)

NAME	NO. OF WARRANT	%
19. Lim Teck Hee	2,170,000	0.38
20. Foo Chong Chin	2,138,500	0.37
21. Ng Sau Chan	2,000,000	0.35
22. Phang Ah Kow @ Phang Fut Yow	2,000,000	0.35
23. Ang Swee Kuang	1,975,000	0.34
24. Foo Fook Min	1,903,000	0.33
25. Cheng Kong Ming	1,900,000	0.33
26. Maybank Nominees (Tempatan) Sdn Bhd <i>Exempt AN For Maybank Islamic Asset Management Sdn Bhd (Resident) (475391)</i>	1,900,000	0.33
27. Lee Hooi Seng	1,800,000	0.31
28. Soon Chin Choy	1,800,000	0.31
29. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Bank Julius Baer & Co. Ltd. (Singapore BCH)</i>	1,760,687	0.31
30. Lim Kian Teck	1,750,000	0.30

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

30 PEMEGANG WARAN TERBESAR

Pada 16 Mac 2015

SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN WARAN	%
1. Gapurna Sdn Bhd	85,235,023	14.78
2. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Siew Chan</i>	15,488,300	2.69
3. Lim Bee San	12,895,600	2.24
4. Lim Bee San	10,720,600	1.86
5. Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kek Lian Lye</i>	7,600,000	1.32
6. Chin Swee Chew	6,000,000	1.04
7. Abdull Star Khan bin Amirullah Khan	5,166,667	0.90
8. Eow Yin Kam	4,700,000	0.82
9. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Fee Chong (REM 157-Margin)</i>	3,700,000	0.64
10. Mohd Fauzi bin Mohd Anuar	3,600,000	0.62
11. Low Chee Meng	3,500,700	0.61
12. Fong Tuck Seng	3,400,000	0.59
13. Khoo Kooi Chiew	3,270,000	0.57
14. Teo Ah Seng	3,050,000	0.53
15. Ng Leong Huat	3,000,000	0.52
16. Lim Kien Hua	2,653,400	0.46
17. Ong Teng Soon	2,548,500	0.44
18. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)</i>	2,530,629	0.44

30 PEMEGANG WARAN TERBESAR

Pada 16 Mac 2015

SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR

(tanpa menggabungkan semua sekuriti di dalam akaun sekuriti yang berlainan yang dimiliki oleh Pendeposit yang sama)

NAMA	BILANGAN WARAN	%
19. Lim Teck Hee	2,170,000	0.38
20. Foo Chong Chin	2,138,500	0.37
21. Ng Sau Chan	2,000,000	0.35
22. Phang Ah Kow @ Phang Fut Yow	2,000,000	0.35
23. Ang Swee Kuang	1,975,000	0.34
24. Foo Fook Min	1,903,000	0.33
25. Cheng Kong Ming	1,900,000	0.33
26. Maybank Nominees (Tempatan) Sdn Bhd <i>Exempt AN For Maybank Islamic Asset Management Sdn Bhd (Resident) (475391)</i>	1,900,000	0.33
27. Lee Hooi Seng	1,800,000	0.31
28. Soon Chin Choy	1,800,000	0.31
29. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN For Bank Julius Baer & Co. Ltd. (Singapore BCH)</i>	1,760,687	0.31
30. Lim Kian Teck	1,750,000	0.30

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Kompleks Sentral - 6 storey industrial buildings/ flatted factories and warehouse	33, Jalan Segambut Atas, Segambut, 51200 Kuala Lumpur, Wilayah Persekutuan.	72,098	30,130	1982	Leasehold 66 years expiring on 2.2.2044	29	Yes
Land for proposed mixed housing development	P.T. No. 35730, 35759, 33632, 33653, 33654, 33468 and 6748 (part), Mukim Kajang, District of Hulu Langat, Selangor Darul Ehsan.	17,180	3,820	1987	Freehold	-	Nil
Land for proposed condominium development	Country lease No. 015146120, Minicipality and District of Kota Kota Kinabalu, Sabah.	11,000	0	1989	Leasehold 999 years expiring on 4.7.2918	-	Nil
Land for proposed mixed commercial development	H.S. (D) 79956 P.T. No. 12 Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	12,100	13,222	1992	Leasehold 99 years expiring on 15.9.2092	-	Nil
Plaza Alam Sentral - 7 storey shopping complex	H.S. (D) 79956 P.T. No. 12, Seksyen 14, Bandar Shah Alam, Selangor Darul Ehsan.	68,233	74,262	1992	Leasehold 99 years expiring on 15.9.2092	15	Yes
Land for proposed high-end residential development at Batu Feringghi, Penang	Lot 365, 366, 461 (PT 100), 465 and 467 (PT 102) Seksyen 1, Bandar Batu Feringghi, Daerah Timur Laut, Pulau Pinang.	13,520	28,659	2009	Freehold	-	Nil

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Platinum Sentral - 5 blocks of offices and retail lots	Lot 73 Sek. 70 Mukim Bandar Kuala Lumpur, District of Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	49,260	396,891	1999	Freehold	2	Yes
Development land and infrastructure surrounding Kuala Lumpur Sentral station	Lot 74 Sek. 70 Mukim Bandar Kuala Lumpur, Jalan Damansara, Kuala Lumpur, Wilayah Persekutuan.	23,080	512,410	1999	Freehold	-	Nil
Industrial land	Plot No. 143 & 145, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	18,210	6,269	1997	Freehold	-	Nil
4 storey shop office	Sub Lot 4, 5 & 6 H.S. (D) 49729, Lot PT 33487, Taman Kajang Utama Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan.	1,485	1,014	1999	Freehold	15	Nil
2 storey shop office	Lot 55, HS (D) No. 6101, PT No. 7709 within Phase 1A of Dataran Iskandar, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	156	180	2005	Leasehold 99 years expiring on 18.3.2102	12	Nil

>> BUSINESS REVIEW

>> GOVERNANCE

>> ADDITIONAL INFORMATION

>> FINANCIAL REPORT

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Several parcels of land for proposed mixed development	Lot 1210-1241 Lot 1271-1308, Lot 1310-1393, Lot 1399-1494, PT 721-763, PT 1647-1719, PT 1723-1770, PT 1771-1734, PT 1989-1993, PT 1997, PT 1999-2003, PT 2005-2012, PT 2014-2023, PT 2025-2026, PT 2028-2030, PT 3030-3049, PT 3080 KM 36, Jalan Ipoh Lumut, Bandar Seri Iskandar, Bota, District of Perak Tengah, Perak Darul Ridzuan.	243,625	31,410	2001, 2002, 2009 & 2010	Leasehold 99 years expiring between 13.3.2100 to 18.10.2109	-	Nil
Sooka Sentral - 6 storey clubhouse	Geran 46225, Lot 77 Sek 70, Bandar Kuala Lumpur District of Kuala Lumpur, Wilayah Persekutuan.	5,661	50,026	2007	Freehold	7	Yes
Plaza Sentral corporate office suite	Suite 1B-G-1, Suite 1B-3-1, Suite 1B-3-2 Block 1B, Plaza Sentral Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Wilayah Persekutuan.	759	2,287	2008	Freehold	8	Nil

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Menara Shell - 33 storey office block on 5 storey podium with 4 storey car park	Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	8,475	431,697	2007	Freehold	2	Yes
Ascott Sentral - 21 storey block of service residence apartments	Geran 40094, Lot 348, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.		96,828	2007	Freehold	1	Yes
Land for proposed mixed development	PT 9311, 9312, 9313 Along Jalan Semarak/Jalan Batu/Jalan Ayer Keroh, Mukim of Setapak, District of Kuala Lumpur.	110,977	169,269	2011	Leasehold 99 years expiring on 4.7.2110	-	Yes
Land for proposed condominium development	PN No: 27016, Lot 82, Seksyen 63, Bandar and Mukim of Kuala Lumpur, Wilayah Persekutuan.	4,072	60,542	2011	Leasehold 99 years expiring on 9.8.2113	-	Nil
Commercial land for 32 storey office building and 3 storey basement car park	HSD 277413, Lot PT11, Section 52, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	8,326	137,148	2013	Leasehold 99 years expiring on 10.11.2110	-	Yes

>> BUSINESS REVIEW

>> GOVERNANCE

>> ADDITIONAL INFORMATION

>> FINANCIAL REPORT

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed commercial building	Geran 803, Lot 19 Precint 2, Bandar Putrajaya, District of Putrajaya, Federal Territory of Putrajaya.	7,450	37,518	2013	Freehold	-	Nil
Land for proposed development	GRN 163848, Lot 50700, Town of Subang Jaya, District of Petaling, Selangor Darul Ehsan.	12,947	60,074	2013	Freehold	-	Nil
Land for proposed mixed development	PT 68-69 & PT 8617 (partial), Section 98 Off Jalan Klang Lama, Town of Kuala Lumpur, Wilayah Persekutuan.	39,138	78,431	2013	Leasehold 99 years expiring on 11.5.2109	-	Nil
Land for proposed development of two blocks of four and five storey residential buildings	391, 393-399 Burwood Highway, 59 & 61 Middleborough Road, Burwood 3125, Melbourne, Australia.	5,025	25,746	2009	Freehold	-	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	45,343	2014	Freehold	-	Nil

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land for proposed residential development - Terrace house	H.S. (D) 95375, PT 29301 Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	22,293	23,713	2014	Freehold	-	Nil
Land for proposed residential development - Condominium	H.S. (D) 93832, PT 27758 Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	16,647	16,503	2014	Freehold	-	Nil
2 units of single storey warehouse	Plot No. 143, Rawang Industrial Park, 48000 Rawang, Selangor Darul Ehsan.	1,490	925	2014	Freehold	1	Nil
Land for proposed mixed development	Lot 12 Section 26, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan.	18,468	172,737	2010	Leasehold 99 years expiring on 09.02.2108	-	Nil
Land for proposed development of service apartment	Lot 63-65, Lot 2246-2249 Seksyen 4, Bandar Betterworth, Daerah Seberang Seberang Perai Utara, Pulau Pinang.	10,158	26,417	2013	Freehold	-	Nil

>> BUSINESS REVIEW

>> GOVERNANCE

>> ADDITIONAL INFORMATION

>> FINANCIAL REPORT

PROPERTIES OF THE GROUP

31 December 2014

Description / Existing Use	Location	Area (Sq.Metres)	Net Book Value as at 31/12/2014 (RM'000)	Date of Acquisition/ Valuation	Tenure	Age of Building (Years)	Encumbrance
Land under development for Bus terminal, Retail Mall & Hotel	Lot 235-238, Lot 389-391, Lot 776-789, 2211, Holding No.1020, Holding No.1052, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.	47,268	115,008	2014	Freehold	-	Yes
	PT 711 Seksyen 4 Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.				Freehold	-	Nil
	Lot 368,3401 & 1753, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.				Freehold	-	Nil
	Lot 2627 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.				Leasehold 60 years expiring on 15.07.2070	-	Nil
	PT 698 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.				Leasehold 60 years expiring on 27.09.2069	-	Yes
	PT 709 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang.				Leasehold 99 years expiring on 26.02.2111	-	Yes



FINANCIAL REPORT 2014

Directors' Report	190
Statement by Directors	195
Statutory Declaration	195
Independent Auditors' Report	196
Statements of Comprehensive Income	198
Statements of Financial Position	200
Consolidated Statements of Changes in Equity	202
Company Statements of Changes in Equity	206
Statements of Cash Flows	209
Notes to the Financial Statements	212

DIRECTORS' REPORT

The Directors hereby submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Equity holders of the Company	152,634	245,154
Non controlling interests	30,885	-
	<u>183,519</u>	<u>245,154</u>

DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2013 of 1.0% or 1 sen per ordinary share, amounting to RM17,601,183 on 23 July 2014.

The Directors recommend the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2014 of 2.5% or 2.5 sen per ordinary share, amounting to approximately RM44,665,000 at the date of this report which is subject to the approval of the members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS' REPORT

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Azlan Mohd Zainol (Chairman)	
Tan Sri Mohamad Salim Fateh Din (Group Managing Director)	
Datuk Shahril Ridza Ridzuan	
Dato' Abdul Rahman Ahmad	
Dato' Chong Pah Aung	
Dato' Ahmad Johari Tun Abdul Razak	
Jamaludin Zakaria	
Rohaya Mohammad Yusof	
Mohd Imran Tan Sri Mohamad Salim	(Appointed on 1 March 2015)
Che King Tow	(Resigned on 2 April 2014)
Dato' Ishak Haji Mohamed	(Resigned on 8 October 2014)
Tan Sri Ahmad Fuad Ismail	(Resigned on 8 October 2014)

In accordance with Articles 101 and 102 of the Company's Articles of Association, Dato' Abdul Rahman Ahmad, Dato' Chong Pah Aung and Jamaludin Zakaria retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 106 of the Company's Article of Association, Mohd Imran Tan Sri Mohamad Salim who was appointed to the Board during the period subsequent to the last Annual General Meeting of the Company, retire from office at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for options over shares granted by the Company to Executive Directors of the Group pursuant to the Employees' Share Option Scheme (ESOS).

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than Directors' remuneration and benefits disclosed in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT

DIRECTORS' BENEFITS (CONTINUED)

According to the Register of Directors' Shareholdings, particulars of the interests of the Directors who held office at the end of the financial year in shares and warrants over shares in the Company and its related corporations were as follows:

Company

	No. of ordinary shares of RM1.00 each			
	At 1.1.2014	Acquired	Sold	At 31.12.2014
<u>Direct</u>				
Datuk Shahril Ridza Ridzuan	500,000	-	-	500,000
<u>Indirect</u>				
Tan Sri Mohamad Salim Fateh Din*	206,635,604	65,284,419	-	271,920,023

	No. of warrants over ordinary shares of RM1.00 each			
	At 1.1.2014	Granted	Sold	At 31.12.2014
<u>Direct</u>				
Datuk Shahril Ridza Ridzuan	166,667	-	-	166,667
<u>Indirect</u>				
Tan Sri Mohamad Salim Fateh Din*	59,038,745	18,652,690	-	77,691,435

* Deemed interest by virtue of his shareholding in Gapurna Sdn. Bhd. which in turn holds an equity interest of 15.45% (2013: 12.51%) in the Company.

Mohd Imran Tan Sri Mohamad Salim who was appointed on 1 March 2015 as a Director of the Company has an indirect interest in the Company by virtue of his parent's shareholdings in Gapurna Sdn. Bhd. which holds an equity interest of 15.45% (2013: 12.51%) in the Company.

The other Directors in office at the end of the financial year did not hold any interest in shares and warrants over shares or debentures of the Company and its related corporations during the financial year.

ISSUE OF SHARES AND WARRANTS

During the financial year, 108,807,365 new ordinary shares of RM1.00 each and 31,087,819 free detachable warrants were issued by the Company pursuant to the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. as reflected in Note 5 to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The salient terms of the free warrants are set out in Note 31 to the financial statements.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME

The Malaysian Resources Corporation Berhad's Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) was approved by shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, the Board of Directors of the Company had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are set out in Note 31 to the financial statements.

There were no options being held by the Directors as at the date of this report.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

DIRECTORS' REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the significant events during the financial year as disclosed in Note 48 to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, except for the significant events subsequent to the financial year as disclosed in Note 49 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 31 March 2015.



TAN SRI MOHAMAD SALIM FATEH DIN
Group Managing Director



DATO' ABDUL RAHMAN AHMAD
Director

STATEMENT BY DIRECTORS

pursuant to section 169(15) of the Companies Act, 1965

We, Tan Sri Mohamad Salim Fateh Din and Dato' Abdul Rahman Ahmad, two of the Directors of Malaysian Resources Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 198 to 335 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

The information set out in Note 52 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to the Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

In accordance with a resolution of the Board of Directors dated 31 March 2015.



TAN SRI MOHAMAD SALIM FATEH DIN
Group Managing Director



DATO' ABDUL RAHMAN AHMAD
Director

STATUTORY DECLARATION

pursuant to section 169(16) of the Companies Act, 1965

I, Ann Wan Tee, the Officer primarily responsible for the financial management of Malaysian Resources Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 198 to 336 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

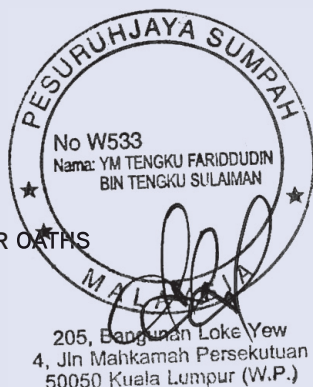


ANN WAN TEE

Subscribed and solemnly declared by the above named Ann Wan Tee at Kuala Lumpur, Malaysia on 31 March 2015.

Before me,

COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT

to the members of Malaysian Resources Corporation Berhad (Incorporated in Malaysia)(Company No. 7994 D)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Malaysian Resources Corporation Berhad on pages 198 to 335, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 51.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

to the members of Malaysian Resources Corporation Berhad (Incorporated in Malaysia)(Company No. 7994 D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:


- (a) In our opinion, the accounting and other records and registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements of subsidiaries of which we have not acted as auditors, which are indicated in Note 46 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

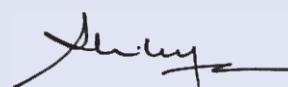
The supplementary information set out in Note 52 on page 336 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants



SHIRLEY GOH
(No. 1778/08/16(J))
Chartered Accountant

Kuala Lumpur
31 March 2015

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Continuing operations</u>					
Revenue	6	1,514,767	940,910	284,152	240,797
Cost of sales	7	(1,145,012)	(915,758)	(82,278)	(111,750)
Gross profit		369,755	25,152	201,874	129,047
Other income	8	219,009	128,282	132,217	4,655
Selling and distribution costs		(39,689)	(14,168)	(1,123)	(270)
Administrative expenses		(109,799)	(78,412)	(50,219)	(33,332)
Other operating expenses:					
- (allowance for)/write back of impairment losses		(2,696)	(761)	2,858	(50,917)
- write back of/(allowance for) impairment of receivables					
• subsidiaries		-	-	6,022	15,935
• others		(816)	(1,188)	(3)	11
- others		(58,058)	(49,892)	(18,186)	(12,864)
Finance income	8	38,409	23,494	6,985	13,255
Finance costs	12	(171,193)	(147,905)	(29,236)	(19,075)
Share of results of associates	20	12,252	6,010	-	-
Share of results of joint venture	21	(36,556)	(979)	-	-
Profit/(loss) before income tax	9	220,618	(110,367)	251,189	46,445
Income tax expense	13	(53,276)	(12,481)	(6,035)	(26,465)
Profit/(loss) from continuing operations		167,342	(122,848)	245,154	19,980
<u>Discontinuing operations</u>					
Profit from discontinuing operations (net of tax)	51	16,177	4,897	-	-
Profit/(loss) for the financial year		183,519	(117,951)	245,154	19,980

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

	Note	Group		Company	
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial year		183,519	(117,951)	245,154	19,980
Other comprehensive loss for the financial year, net of tax:					
Item that may be reclassified subsequently to comprehensive income					
- currency translation differences		(148)	(939)	-	-
Item that will not be reclassified subsequently to comprehensive income					
- re-measurement of post-employment benefit obligations	36	(2,242)	(275)	(2,151)	(84)
Total comprehensive income/(loss) for the financial year, net of tax		181,129	(119,165)	243,003	19,896
Profit/(loss) for the financial year attributable to:					
Equity holders of the Company					
- from continuing operations		136,457	(114,029)	245,154	19,980
- from discontinuing operations	51	16,177	4,897	-	-
Non controlling interests	19	152,634	(109,132)	245,154	19,980
		30,885	(8,819)	-	-
		183,519	(117,951)	245,154	19,980
Total comprehensive income/(loss) for the financial year attributable to:					
Equity holders of the Company					
- from continuing operations		133,944	(114,957)	243,003	19,896
- from discontinuing operations	51	16,177	4,897	-	-
Non controlling interests	19	150,121	(110,060)	243,003	19,896
		31,008	(9,105)	-	-
		181,129	(119,165)	243,003	19,896
Earnings/(loss) per share attributable to the ordinary equity holders of the Company during the financial year (sen)					
Basic and diluted earnings/(loss)	14				
- from continuing operations		7.99	(7.71)		
- from discontinuing operations		0.94	0.33		

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
Non current assets					
Property, plant and equipment	15	228,586	37,879	1,581	2,729
Investment properties	16	812,958	857,481	55,095	55,985
Land held for property development	17(a)	1,041,962	818,996	-	-
Service concession asset	18(b)	1,237,295	-	-	-
Subsidiaries	19	-	-	1,518,760	1,117,272
Associates	20	84,240	90,957	78,255	98,345
Joint venture	21	58,432	94,988	102,000	102,000
Long term loan and receivables	22	5,924	531,909	15,000	15,000
Available for sale financial assets	23	577	577	577	577
Intangible assets	24	271,787	291,100	-	-
Deferred tax assets	25	35,784	33,513	-	-
		3,777,545	2,757,400	1,771,268	1,391,908
Current assets					
Inventories	26	42,626	8,399	7,220	7,220
Property development costs	17(b)	831,524	716,443	-	-
Trade and other receivables	27	1,314,032	649,160	165,703	82,651
Amounts due from subsidiaries	27	-	-	1,031,638	831,768
Amounts due from joint venture	27	5,813	537	14,736	14,799
Tax recoverable		4,649	10,480	-	2,241
Financial assets at fair value through profit or loss	29	3,229	4,533	3,229	4,533
Deposits, cash and bank balances	30	660,688	603,435	123,877	137,553
		2,862,561	1,992,987	1,346,403	1,080,765
Assets held for sale	18(a)	401,817	1,852,337	-	128,848
Total assets		7,041,923	6,602,724	3,117,671	2,601,521
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	31	1,760,178	1,651,311	1,760,178	1,651,311
Share premium	32	323,986	247,780	323,986	247,780
(Accumulated losses)/retained earnings		(154,845)	(275,056)	38,771	(189,170)
Other reserves		55,937	51,381	26,285	21,367
		1,985,256	1,675,416	2,149,220	1,731,288
Non controlling interests	19	79,253	61,318	-	-
Total equity		2,064,509	1,736,734	2,149,220	1,731,288

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

	Note	Group		Company	
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Non current liabilities					
Loan stocks at cost	33	7,000	7,000	-	-
Provision for other liabilities and charges	34	-	10,609	-	-
Senior and Junior Sukuk	35	1,058,459	-	-	-
Post-employment benefit obligations	36	16,539	16,396	6,895	5,102
Long term borrowings	37	1,234,681	908,986	510,186	399,000
Long term liabilities	38	3	123	-	-
Deferred tax liabilities	25	90,219	95,068	-	-
		2,406,901	1,038,182	517,081	404,102
Current liabilities					
Provisions for other liabilities and charges	34	43,734	81,363	-	28,200
Trade and other payables	39	1,114,979	1,020,749	88,188	78,825
Amounts due to subsidiaries	39	-	-	137,565	124,106
Current tax liabilities		14,674	9,639	617	-
Senior and Junior Sukuk	35	-	1,058,462	-	-
Short term borrowings	41	1,390,521	1,535,851	225,000	120,000
Guaranteed return to a non controlling interest	42	-	115,000	-	115,000
		2,563,908	3,821,064	451,370	466,131
Liabilities associated with asset held for sale	18(a)	6,605	6,744	-	-
Total liabilities		4,977,414	4,865,990	968,451	870,233
Total equity and liabilities		7,041,923	6,602,724	3,117,671	2,601,521

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Attributable to equity holders of the Company							
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Other reserve (Note(a)) RM'000	Accumulated losses RM'000	Total RM'000	Non controlling interests RM'000	Total equity RM'000
At 1 January 2014	1,651,311	247,780	28,090	23,291	(275,056)	1,675,416	61,318	1,736,734
Comprehensive profit								
- Profit for the financial year	-	-	-	-	152,634	152,634	30,885	183,519
Other comprehensive income/(losses)								
- Currency translation differences	-	-	-	(257)	-	(257)	109	(148)
- Actuarial loss on post employment benefit obligations	-	-	-	(2,256)	-	(2,256)	14	(2,242)
Total comprehensive income/(losses)	-	-	-	(2,513)	152,634	150,121	31,008	181,129
Transactions with owners								
Issued upon acquisition of a subsidiary (Note 5(i))								
- ordinary shares	108,807	76,165	-	-	-	184,972	95,478	280,450
- warrants	-	-	-	7,461	-	7,461	-	7,461
Issue of share								
- exercise ESOS options	60	37	-	-	-	97	-	97
Acquisition of additional equity interest in subsidiaries	-	-	-	-	(15,210)	(15,210)	(107,894)	(123,104)
Employees' share option scheme (Note 31)								
- options exercised	-	4	-	(4)	-	-	-	-
- options lapsed	-	-	-	(388)	388	-	-	-
Dividends (Note 50)								
- financial year ended 31 December 2013	-	-	-	-	(17,601)	(17,601)	-	(17,601)
Profit distribution								
- financial year ended 31 December 2014	-	-	-	-	-	-	(657)	(657)
Total transactions with owners	108,867	76,206	-	7,069	(32,423)	159,719	(13,073)	146,646
At 31 December 2014	1,760,178	323,986	28,090	27,847	(154,845)	1,985,256	79,253	2,064,509

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Attributable to equity holders of the Company					
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Revaluation reserve RM'000	Other reserve (Note(a)) RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2013	1,387,811	134,475	28,090	4,179	(140,759)	1,413,796
						69,134
						1,482,930
Comprehensive loss	-	-	-	-	(109,132)	(109,132)
- Loss for the financial year	-	-	-	-	(109,132)	(109,132)
Other comprehensive losses	-	-	-	(657)	-	(657)
- Currency translation differences	-	-	-	(657)	-	(657)
- Actuarial loss on post employment benefit obligations	-	-	-	(271)	-	(271)
						(4)
						(275)
Total comprehensive losses	-	-	-	(928)	(109,132)	(110,060)
						(9,105)
						(119,165)
Transactions with owners						
Issued upon acquisition of subsidiaries (Note 5)	263,500	113,305	-	-	-	376,805
- ordinary shares	-	-	-	19,574	-	19,574
- warrants	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-
						1,491
						1,491
Employees' share option scheme (Note 31)	-	-	-	1,669	-	1,669
- options granted	-	-	-	(1,203)	1,203	-
- options lapsed	-	-	-	-	-	-
Dividends (Note 50)	-	-	-	-	-	-
- financial year ended 31 December 2012	-	-	-	-	(26,368)	(26,368)
- financial year ended 31 December 2013	-	-	-	-	-	(202)
						(202)
Total transactions with owners	263,500	113,305	-	20,040	(25,165)	371,680
						1,289
						372,969
At 31 December 2013	1,651,311	247,780	28,090	23,291	(275,056)	1,675,416
						61,318
						1,736,734

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

Note (a)

Other reserves

	Other reserves RM'000	Currency translation differences RM'000	Share option reserve RM'000	Warrant reserve RM'000	Retirement benefit reserve RM'000	Total RM'000
At 1 January 2014	1,666	445	1,877	19,574	(271)	23,291
<u>Other comprehensive loss</u>						
- Currency translation differences	-	(257)	-	-	-	(257)
- Actuarial loss on post employment benefit obligations	-	-	-	-	(2,256)	(2,256)
Total other comprehensive loss	-	(257)	-	-	(2,256)	(2,513)
<u>Transaction with owners</u>						
Issued upon acquisition of a subsidiary (Note 5)	-	-	-	7,461	-	7,461
Employees' share option scheme (Note 31)						
- options exercised	-	-	(4)	-	-	(4)
- options lapsed	-	-	(388)	-	-	(388)
Total transactions with owners	-	-	(392)	7,461	-	7,069
At 31 December 2014	1,666	188	1,485	27,035	(2,527)	27,847

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

Note (a)

Other reserves

	Other reserves RM'000	Currency translation differences RM'000	Share option reserve RM'000	Warrant reserve RM'000	Retirement benefit reserve RM'000	Total RM'000
At 1 January 2013	1,666	1,102	1,411	-	-	4,179
<u>Other comprehensive loss</u>						
- Currency translation differences	-	(657)	-	-	-	(657)
- Actuarial loss on post employment benefit obligations	-	-	-	-	(271)	(271)
Total other comprehensive loss	-	(657)	-	-	(271)	(928)
<u>Transaction with owners</u>						
Issued upon acquisition of subsidiaries (Note 5)	-	-	-	19,574	-	19,574
Employees' share option scheme (Note 31)						
- options granted	-	-	1,669	-	-	1,669
- options lapsed	-	-	(1,203)	-	-	(1,203)
Total transactions with owners	-	-	466	19,574	-	20,040
At 31 December 2013	1,666	445	1,877	19,574	(271)	23,291

COMPANY STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Other reserve (Note(b)) RM'000	Retained earnings/ Accumulated losses RM'000	Total RM'000
At 1 January 2014	1,651,311	247,780	21,367	(189,170)	1,731,288
<u>Comprehensive income</u>					
- Profit for the financial year	-	-	-	245,154	245,154
<u>Other comprehensive loss</u>					
- Actuarial loss on post-employment benefit obligations	-	-	(2,151)	-	(2,151)
Total other comprehensive income/(loss)	-	-	(2,151)	245,154	243,003
<u>Transactions with owners</u>					
Issued upon acquisition of a subsidiary (Note 5)					
- ordinary shares	108,807	76,165	-	-	184,972
- warrants	-	-	7,461	-	7,461
Issue of ordinary shares					
- exercise ESOS options	60	37	-	-	97
Employees' share option scheme (Note 31)					
- options exercised	-	4	(4)	-	-
- options lapsed	-	-	(388)	388	-
Dividend (Note 50)					
- financial year ended 31 December 2013	-	-	-	(17,601)	(17,601)
Total transactions with owners	108,867	76,206	7,069	(17,213)	174,929
At 31 December 2014	1,760,178	323,986	26,285	38,771	2,149,220

COMPANY STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Other reserve (Note(b)) RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2013	1,387,811	134,475	1,411	(183,985)	1,339,712
<u>Comprehensive income</u>					
- Profit for the financial year	-	-	-	19,980	19,980
<u>Other comprehensive loss</u>					
- Actuarial loss on post-employment benefit obligations	-	-	(84)	-	(84)
Total other comprehensive (loss)/income	-	-	(84)	19,980	19,896
<u>Transactions with owners</u>					
Issued upon acquisition of subsidiaries (Note 5)					
-ordinary shares	263,500	113,305	-	-	376,805
-warrants	-	-	19,574	-	19,574
Employees' share option scheme (Note 31)					
- options granted	-	-	1,669	-	1,669
- options lapsed	-	-	(1,203)	1,203	-
Dividend (Note 50)					
- financial year ended 31 December 2012	-	-	-	(26,368)	(26,368)
Total transactions with owners	263,500	113,305	20,040	(25,165)	371,680
At 31 December 2013	1,651,311	247,780	21,367	(189,170)	1,731,288

COMPANY STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

Note (b)

Other reserves

	Share option reserve RM'000	Warrant reserve RM'000	Retirement benefit reserves RM'000	Total RM'000
At 1 January 2014	1,877	19,574	(84)	21,367
<u>Other comprehensive loss</u>				
- Actuarial loss on post-employment benefit obligations	-	-	(2,151)	(2,151)
Total other comprehensive loss	-	-	(2,151)	(2,151)
<u>Transactions with owners</u>				
Issued upon acquisition of a subsidiary (Note 5)	-	7,461	-	7,461
Employees' share option scheme (Note 31)				
- options exercised	(4)	-	-	(4)
- options lapsed	(388)	-	-	(388)
Total transactions with owners	(392)	7,461	-	7,069
At 31 December 2014	1,485	27,035	(2,235)	26,285
At 1 January 2013	1,411	-	-	1,411
<u>Other comprehensive loss</u>				
- Actuarial loss on post-employment benefit obligations	-	-	(84)	(84)
Total other comprehensive loss	-	-	(84)	(84)
<u>Transactions with owners</u>				
Issued upon acquisition of subsidiaries (Note 5)	-	19,574	-	19,574
Employees' share option scheme (Note 31)				
- options granted	1,669	-	-	1,669
- options lapsed	(1,203)	-	-	(1,203)
Total transactions with owners	466	19,574	-	20,040
At 31 December 2013	1,877	19,574	(84)	21,367

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

	Note	Group 2014 RM'000	2013 RM'000	Company 2014 RM'000	2013 RM'000
OPERATING ACTIVITIES					
Profit/(loss) from operations		136,457	(114,029)	245,154	19,980
Adjustments for:					
Tax		53,276	12,481	6,035	26,465
Non controlling interests		30,885	(8,819)	-	-
Share of results of					
- associates		(12,252)	(6,010)	-	-
- joint venture		36,556	979	-	-
Dividend income	6	(279)	(225)	(142,139)	(109,906)
Finance income	8	(38,409)	(23,494)	(6,985)	(13,255)
Gain on disposal					
- a subsidiary	8	(236)	-	(1,310)	-
- an associate	8	(94,868)	-	(94,868)	-
Re-measurement gain arising from step acquisition of a subsidiary	8	(7,326)	-	-	-
Employees' share option scheme					
- value of service provided	10	-	1,669	-	350
Finance costs	12	171,193	147,905	29,236	19,075
Fair value adjustment to financial assets at inception		929	58,046	6,020	-
Impairment/(write back) on investments in					
- subsidiaries	19	-	-	(4,245)	51,391
- property development costs	17(b)	-	326	-	-
- goodwill	24	1,309	1,321	-	-
Fair value profit/(loss) of financial assets at fair value through profit or loss		1,387	(560)	1,387	(474)
Bad debt recovered		-	(56)	-	(56)
Provision for/(write back) of receivables and amount due from subsidiaries		816	1,188	(6,019)	(15,946)
Property, plant and equipment					
- depreciation		12,592	8,739	1,278	1,240
- written off		667	-	0	-
- net (gain)/loss on disposal		(71)	7	-	0
Depreciation of investment properties		13,689	8,735	890	891
Amortisation of intangible assets					
- service concession asset	18(a)	21,422	-	-	-
- order book	24	4,736	3,685	-	-
Provision for					
- liabilities and charges	34	(15,971)	38,740	(18,200)	12,450
- post-employment benefits	36	2,141	1,845	729	621
Gain on disposal of financial assets at fair value through profit or loss		-	11	-	-
Unrealised losses on currency translation differences		198	518	272	518
Write back of long outstanding payables		-	(4,096)	-	(2,453)
Realised gain on transactions with an associate		(905)	(2,209)	-	-

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Operating profit/(loss) from operations before changes in working capital		317,936	126,697	17,235	(9,109)
Changes in working capital:					
Property development costs		110,437	(207,767)	-	-
Inventories		(34,228)	1,350	-	-
Receivables		(273,989)	258,549	(87,208)	(24,689)
Amounts due from subsidiaries (net)		-	-	1,449	(39,321)
Amounts due from joint venture (net)		(5,276)	212	64	11,806
Amounts due to related parties (net)		-	-	(121)	(7)
Payables		120,088	86,746	7,393	31,282
Net cash flow from operations		234,968	265,787	(61,188)	(30,038)
Interest income received		7,494	14,292	2,701	5,371
Dividends received from					
- subsidiaries		-	-	2,245	82,272
- financial assets at fair value through profit or loss		229	245	229	245
Tax refunded		10,666	8,842	2,384	-
Tax paid		(63,615)	(30,389)	(5,562)	-
Interest expenses paid		(180,605)	(172,677)	(26,644)	(18,874)
Credit facilities arrangement fees paid		(7,294)	(1,758)	(5,450)	(238)
Retirement benefits paid		(3,719)	(2,805)	(1,087)	(929)
Liability and charges paid		(16,822)	(7,266)	(10,000)	-
Payment of guaranteed return to a non controlling interest (Pledged)/released of bank balances and fixed deposits as security for borrowings		(115,000)	-	(115,000)	-
		(57,953)	(48,138)	(50,510)	24,993
Net cash flow from operations		(191,651)	26,133	(267,882)	62,802
Net cash flow from discontinuing operations	51	13,527	16,431	-	-
Net cash flow (used in)/generated from operating activities		(178,124)	42,564	(267,882)	62,802

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014

	Note	Group 2014	2013	Company 2014	2013
INVESTING ACTIVITIES					
Redemption of preference shares in a subsidiary		-	-	14,700	9,175
Redemption of Junior Bonds in an associate		-	15,000	-	15,000
Proceeds from capital reduction of an associate		-	1,245	-	1,245
Net cash inflow from disposal of a subsidiary		3,749	-	3,749	-
Proceeds from disposal of asset held for sale		228,000	-	228,000	-
Proceeds from disposal of property, plant and equipment		77	45	-	0
Purchase of property, plant and equipment		(44,130)	(7,005)	(130)	(2,319)
Purchase of investment properties		(38,375)	(155,991)	-	-
Purchase for land held for property development		(85,968)	-	-	-
Balance of payment for disposal of a subsidiary in prior year		45,000	-	-	-
Payment for additional equity interest in subsidiaries		(48,478)	(73,741)	(67,711)	-
Subscription of shares in					
- subsidiaries		(22,733)	-	(28,719)	(93,351)
- associate		(21,560)	(22,600)	(21,560)	(22,600)
- long term loan and receivables		-	(54,000)	-	(84,000)
Acquisition of available for sale financial assets		(83)	-	(83)	(268)
Repayment of advances by subsidiaries		-	-	139,112	33,135
Advances to subsidiaries		-	-	(267,159)	(108,575)
Net cash flow generated from/(used in) investing activities		15,499	(297,047)	199	(252,558)
FINANCING ACTIVITIES					
Proceeds from term loans		669,840	808,383	328,000	115,000
Repayment of term loans		(489,364)	(616,625)	(107,000)	-
Proceeds from share options exercised		97	-	97	-
Dividend paid		(17,601)	(26,570)	(17,601)	(26,368)
Profit distribution by a joint venture		(657)	-	-	-
Net cash flow generated from financing activities		162,315	165,188	203,496	88,632
CHANGES IN CASH AND CASH EQUIVALENTS		(310)	(89,295)	(64,187)	(101,124)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		308,520	397,815	105,331	206,455
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR	30	308,210	308,520	41,144	105,331

Note

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

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

1 GENERAL INFORMATION

The Company is principally an investment holding company. The Company also engages in construction related activities, environmental engineering, property development and investment and provision of management services to its subsidiaries.

The Group is principally engaged in property development and investment, building services, environmental engineering, infrastructure and engineering and construction related activities.

The principal activities of the subsidiaries, joint venture and associates are described in Note 46 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

Level 33A, Menara NU 2
No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 31 March 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards (FRS) in Malaysia.

The Group includes transitioning entities and has elected to continue to apply FRS during the financial year. In the next financial year, the Group and the Company will continue to apply FRS. The Group and the Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (MFRS) for the financial year ending 31 December 2017. In adopting the new framework, the Group and the Company will be applying MFRS 1 "First-time Adoption of MFRS".

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

(a) The new/revised accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2014 are as follows:

- Amendments to FRS 10, FRS 12 and FRS 127 introduce an exception to consolidation of investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.
- Amendment to FRS 132, "Financial Instruments: Presentation" does not change the current offsetting model in FRS 132. It clarifies the meaning of "currently has a legally enforceable right of set-off" that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria.
- Amendments to FRS 136, "Recoverable Amount Disclosures for Non-Financial Assets" removed the requirement to disclose the recoverable amount when no impairment loss has been recognised. It clarifies that recoverable amount is required to be disclosed only when an impairment loss is recognised or reversed.
- IC Interpretation 21, "Levies" sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the legislation that triggers the payment of the levy.

The adoption of the above standards, amendments to published standards and interpretations to existing standards did not have material financial impact on the results of the Group and of the Company for the financial year ended 31 December 2014.

(b) Standards early adopted by the Group and the Company

There are no standards early adopted by the Group and the Company.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the following new standards, amendments to published standards and interpretations:

Financial year beginning on/after 1 January 2016

- Amendment to FRS 11 "Joint Arrangements" requires an investor to apply the principles of FRS 3 "Business Combination" when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the following new standards, amendments to published standards and interpretations (continued):

Financial year beginning on/after 1 January 2016 (continued)

- Amendments to FRS 116 “Property, Plant and Equipment” and FRS 138 “Intangible Assets” clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to FRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- Amendments to FRS 10 and FRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture resolve a current inconsistency between FRS 10 and FRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a ‘business’. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors’ interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

Financial year beginning on/after 1 January 2017

- MFRS 15 “Revenue from Contracts with Customers” requires when there are multiple goods or services bundled in a single arrangement, MFRS 15 requires that the consideration to be allocated to each of those goods and services based on the price an entity would charge a customer on a stand-alone basis for each goods or services. If a stand-alone selling price is not directly observable, an entity will need to estimate by considering all information that is reasonably available to the entity.

MFRS 15 requires an estimate of variable consideration to be recognised as revenue when performance obligations are satisfied if it is highly probable that the amount will not result in a significant revenue reversal if estimates change. Transaction price should be adjusted for the time value of money if the contract includes a significant financing component.

MFRS 15 requires that incremental costs of obtaining a contract are capitalised as an asset and are amortised on a systematic basis as the goods or services to which the contract relate are transferred to the customer.

Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts. Significant management judgements and changes in those judgements that management made to determine revenue are also required to be disclosed.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the following new standards, amendments to published standards and interpretations (continued):

Financial year beginning on/after 1 January 2018

- MFRS 9 "Financial Instruments" will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and Company are in the process of making an assessment on the potential impact of these standards on the financial statements.

2.2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are consolidated using the acquisition method of accounting.

Subsidiaries that were consolidated prior to 1 January 2002 are in accordance with Malaysian Accounting Standard 2 'Accounting for Acquisitions and Mergers', the generally accepted accounting principles prevailing at that time.

The Group has taken advantage of the transitional provision provided by FRS 3 (revised) to apply these standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these standards.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Acquisition related costs are recognised as expenses when incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to the fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note 2.7 on intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Non-controlling interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling interest's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interest's share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiaries are attributable to the parent and the non-controlling interest, even if the attributable losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit and loss attributable to non-controlling interests for prior year is not restated.

The Group has changed its accounting policy on business combinations and accounting for non-controlling interest when it adopted the revised FRS 3 "Business Combinations" and FRS 127 "Consolidated and Separate Financial Statements".

Previously, contingent consideration in a business combination was recognised when it is probable that payments will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

The Group has applied the new policies prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

Previously, the Group had stopped attributing losses to the non-controlling interest because the losses exceeded the carrying amount of the non-controlling interest. The Group has applied this policy prospectively. On the date of adoption of the new policy, the non-controlling interest reflects its previous carrying amount.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

The Group had adopted FRS 10 “Consolidated Financial Statements” with effective for financial year beginning 1 January 2013 and resulted in changes to the following policies:

- Control exists when the Group is expected, or has rights, to variable from its involvement with the entity and has the ability to the effect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such right are substantive. In the previous financial years, potential voting rights are considered with assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee’s return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy had been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 had no significant impact to the financial statements of the Group.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when the control is lost, with the change in carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amount previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate and joint venture of financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(c) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Refer accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with the Group.

(d) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, establishment by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group had adopted FRS 11 "Joint Arrangements" with effect from 1 January 2013. As a result, joint arrangement are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to assets and obligations for the liabilities relating to the arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangement. The Group accounts for its interest in the joint venture using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(d) Joint arrangements (continued)

Investments in joint ventures are stated at cost in the separate financial statements. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Results and interests in joint venture are equity accounted in the venturer's financial statements of the Group.

Equity accounting involves recognising the venturer's share of the post acquisition results of joint ventures in the profit or loss and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

2.3 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Ringgit Malaysian ("RM"), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

All foreign exchange gains and losses are presented in the statements of comprehensive income within other expenses.

The principal closing rates used in translation of foreign currency amounts were as follows:

Foreign currency	31.12.2014 RM	31.12.2013 RM
100 Thai Baht	10.63	9.92
1 Australian Dollar	2.86	2.92
1 UK Pound	5.44	5.42
1 Singapore Dollar	2.64	2.59
1 US Dollar	3.49	3.28

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCIES (CONTINUED)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statement of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 INVESTMENTS

Investments in subsidiaries, joint ventures and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the profit or loss.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Freehold land is not depreciated as it has an infinite life. Construction in progress are also not depreciated as these assets are not available for use. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts to their residual values over their estimated useful lives summarised as follows:

Buildings	50 years
Plant and machinery	5 to 10 years
Furniture, fittings, office equipment and computers	3 to 20 years
Motor vehicles	3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are credited or charged to other expenses in the profit or loss.

2.6 INVESTMENT PROPERTIES

Investment properties, comprising land and buildings, are held for long term rental yields or for capital appreciation.

Investment properties are stated at cost less any accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognised from the statement of financial position. The difference between the net disposal proceeds and the carrying amount is credited or charged to the profit or loss in the financial year of the retirement or disposal.

Investment properties also include properties that are under construction for future use as investment properties. These investments are also carried at cost.

The Directors have applied the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of FRS 117 "Leases" which allows the prepaid lease payments (leasehold land) to be stated at its previous year's valuation less amortisation. Accordingly, the valuation has not been updated.

Leasehold land are amortised over the period of the respective leases ranging from 66 years to 99 years. Amortisation is computed on the straight line method to write off the cost of each asset over its estimated useful life. The principal annual depreciation rate for related building is 2% per annum.

2.7 INTANGIBLE ASSETS

(a) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, joint ventures and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note 2.21 to the financial statements on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 INTANGIBLE ASSETS (CONTINUED)

(b) Development rights – finite life

The Group capitalises purchased development rights. The development rights, which has finite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The intangible assets is amortised based on the percentage of completion over the development period. The amortisation period and method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an impairment indication exists, the carrying amount of the development rights is assessed and written down immediately to its recoverable amount.

(c) Order book – finite life

The order book with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated over the estimated construction period related to the relative order book values. Where an impairment indication exists, the carrying amount of the order book is assessed and written down immediately to its recoverable amount.

2.8 LEASES

Finance Lease

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charges is charged to the profit or loss over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Operating Lease

Leases of assets where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the profit or loss on the straight-line basis over the lease period.

2.9 PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

Land held for property development consists of land or such portion thereof on which no significant development work has been undertaken or where development activities is not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group and the Company had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201²⁰⁰⁴ "Property Development Activities". Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

Land held for property development is transferred to property development costs (under current assets) (Note 2.9(b)) when development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land or such portion thereof and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are transferred from land held for property development (Note 2.9(a)) when physical development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Property development costs are recognised when incurred.

When the outcome of the development activity can be estimated reliably, property development revenue and costs are recognised as revenue and expenses respectively by reference to stage of completion of development activity at reporting date. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Borrowing costs are capitalised in accordance with Note 2.22 to the financial statements.

Where revenue recognised in the profit or loss exceed billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

2.10 SERVICE CONCESSION ASSET

Where the Group provides construction services in exchange for the concession assets, the contract revenue is recognised at its fair value using the percentage of completion method in accordance with the accounting policy stipulated in Note 2.13 Construction Contracts, with the corresponding entry recorded as Service Concession Asset (SCA) in the statement of financial position. The SCA represents the Group's rights (licence) to collect toll from users of the highway.

The SCA is amortised upon the commencement of the concession period. The amortisation formula applied in arriving at the annual amortisation charge is as follows:

Cumulative traffic volume to-date	
-----	X SCA
Projected total traffic volume for the entire concession period	

Where an indication of impairment exists, the carrying amount of the SCA is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and related allocation costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.12 RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due. Receivables are classified as current assets if at the time the amount is due in one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current assets.

2.13 CONSTRUCTION CONTRACTS

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Construction contracts are recognised when incurred. Contract revenue is recognised based on percentage of completion method. The stage of completion of a construction contract is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as recoverables, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the attributable profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as 'Amounts due from customers on contracts' under trade and other receivables. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as 'Amounts due to customers on contracts' under trade and other payables.

2.14 EMPLOYEE BENEFITS

(a) Short term employee benefits

The Group and the Company recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 EMPLOYEE BENEFITS (CONTINUED)

(b) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices. These benefits plans are either defined contribution or defined benefit plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years. A defined contribution plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors, such as age, years of service or compensation.

The Group's and the Company's contributions to defined contribution plan are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Group and the Company provide for unfunded retirement benefits to eligible employees that have been in the service of the Group and the Company for a continuous period of at least ten (10) years.

This scheme is closed to new employees since 1 September 2002.

The Group determines the present value of the defined benefit obligation with sufficient regularity such that the liability recognised in the financial statements does not differ materially from the amount that would have been determined as at that date. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified independent actuary after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 16 December 2014.

The current service cost recognised in the profit or loss is calculated based on the present value of the benefits accruing over the financial year following the valuation date with reference to the number of eligible employees and projected final salaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in profit or loss, unless the changes to the plan are conditional on the related employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 EMPLOYEE BENEFITS (CONTINUED)

(c) Share-based compensation

The Group and the Company operate an equity-settled, share-based compensation plan for the employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group and the Company revise its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 PROVISIONS

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group provides for estimated liability on projects still under progress at the reporting date. This provision is calculated based on contract agreements/past histories.

2.16 PAYABLES

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 SENIOR AND JUNIOR SUKUK

The Senior and Junior Sukuk (Sukuk) are Islamic securities issued in accordance with the Syariah principle of *Istisna'*. Sukuk issued by the Group are stated at net proceeds received on issue. The Sukuk issuance expenses which represent the difference between the net proceeds and the total amount of the payment of the Sukuk are allocated to the periods over the term of the Sukuk at a constant rate on the carrying amounts. Both the finance charges and issuance expenses are capitalised in the construction costs of the Eastern Dispersal Link Highway (EDL) project.

Upon completion of the EDL project, the finance charges of the Senior and Junior Sukuk are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, short term, highly liquid investments with original maturities of three months or less and bank overdrafts and exclude the designated bank balances of which have been charged as security for borrowings.

Bank overdrafts are presented within borrowings in current liabilities on the statement of financial position.

2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

2.20 INCOME TAX

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits. Tax is recognised in the profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 INCOME TAX (CONTINUED)

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.21 IMPAIRMENT OF NON – FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverse an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

2.22 BORROWING COSTS

Interest incurred on general and specific borrowings to finance the construction of property, plant and equipment and investment properties is capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the assets for its intended use. Interests relating to property development activities, construction contracts are accounted for in a similar manner. All other borrowings costs are expensed on an effective interest rate method.

2.23 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company's activities. Revenue is shown net of service tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue relating to long term engineering contracts and property development activities are accounted for using the percentage of completion method.

Other revenues earned by the Group and the Company are recognised on the following bases:

Rental income	- on the straight line basis
Interest income	- on the effective interest rate method
Dividend income	- when the shareholder's right to receive payment is established
Building maintenance services	- on the accrual basis
Management fees	- on the accrual basis

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 INTERIM PAYMENT FROM GOVERNMENT

Interim payment from the government are recognised at their fair value where there is a reasonable assurance that the amount will be received and the Group will comply with all attached conditions.

Interim payment from Government as reimbursements of costs are recognised in profit or loss over the periods to match the related costs for which the payments are intended.

2.25 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition:

- Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or incurred principally for the purpose of selling or re-purchasing it in the short-term. Assets in this category are classified as current assets;
- Loans and receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are classified as current assets or non-current assets for maturities greater than 12 months after the end of the reporting period; and
- Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial assets that cannot be classified as financial assets at fair value through profit or loss, loans and receivables or cash and cash equivalents. These assets are included in non-current assets unless the financial assets mature or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset).

Financial assets other than financial assets carried at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)

Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and cash and cash equivalents are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the profit or loss in the period in which they arise.

Changes in the fair value of the “financial assets available-for-sale” category are recognised in other comprehensive income. When assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss.

Fair values for quoted investments are based on observable market prices.

Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial re-organisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The asset’s carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If ‘loans and receivables’ or a ‘held-to-maturity investment’ has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument’s fair value using an observable market price.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)

Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectable, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

Offsetting financial assets

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

De-recognition

Financial assets are de-recognised when the right to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivable that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available for sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

Other financial liabilities

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

2.26 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the board of directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's and of the Company's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 NON CURRENT ASSETS HELD-FOR-SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/DISCONTINUED OPERATIONS

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

2.28 SHARE CAPITAL

(a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. See accounting policy Note 2.29 on borrowings.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against share premium account.

(c) Dividend distribution

Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(d) Warrants reserve

Proceed from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to share premium reserve upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

2.29 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 FAIR VALUE MEASUREMENTS

From 1 January 2013, the Group adopted FRS 13 “Fair Value Measurement” which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into accounts a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the group’s assets or liabilities other than the additional disclosure.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not necessarily equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group’s and the Company’s results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Critical accounting estimates

(a) Impairment of land held for development and development cost

The Group carries out the impairment test based on a variety of estimation including value-in-use of the cash generating unit (CGU) to which the land held for development and development costs are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Revenue recognition - Property Development and Construction Contracts

The Group and the Company recognise property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development cost incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development costs, as well as the recoverability of the projects.

The Group and the Company recognise construction contract revenue based on percentage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the revenue on the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and work of specialists.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting judgements

- (a) Impairment of goodwill and other intangible assets with indefinite useful lives

The Group tests at least annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Notes 2.7 and 2.21. The recoverable amounts of cash generated units have been determined based on value-in-used and/or fair value less cost to sell calculations as appropriate. These calculations require the use of estimates. Refer to Note 2.21 for details of impairment testing of goodwill and other intangible assets with definite or indefinite useful lives.

- (b) Provision for Liquidated Ascertained Damages (LAD)

LAD is a possible obligation that arise from the late delivery of property development or construction activities. In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the Extension of Time application based on circumstances of the projects, specific past experiences with the employers and expert advice.

4 FINANCIAL RISK MANAGEMENT

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, foreign currency risk, liquidity and cash flow risks, credit risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Group does not trade in financial instruments.

- (i) Interest rate risk

Interest rate risks arise mainly from the Group's short-term deposits and borrowings. The Group's short-term deposits are placed at prevailing interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk through the use of fixed and floating rate debt.

The Group's outstanding borrowings as at year end at variable rates on which hedges have not been entered into, are denominated in RM. If the borrowings at variable rates on which hedges have not been entered, its annual interest rates increase/decrease by 1% respectively (2013: 1%) with all other variables including tax rate being held constant, the result after tax will be lower/higher by 6.6% (2013: 8.5%) as a result of higher/lower interest expense on these borrowings.

- (ii) Foreign currency risk

The Group and the Company are not exposed to significant foreign currency risk.

- (iii) Liquidity and cash flow risk

The Group manages its liquidity risk by maintaining sufficient levels of cash or cash convertible investments and available credit facilities to meet its working capital requirements.

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) (iii) Liquidity and cash flow risk (continued)

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
The Group				
<u>At 31 December 2014</u>				
Trade and other payables	1,096,831	5	-	1,096,836
Borrowings	1,474,620	1,368,174	39,304	2,882,098
Sukuk	98,333	389,345	1,289,616	1,777,294
Loan stocks	-	16,800	-	16,800
	2,669,784	1,774,324	1,328,920	5,773,028
<u>At 31 December 2013</u>				
Trade and other payables	1,012,237	133	-	1,012,370
Provision for other liabilities and charges	24,914	-	-	24,914
Borrowings	1,644,379	995,747	-	2,640,126
Sukuk	1,084,922	-	-	1,084,922
Loan stocks	-	16,800	-	16,800
Guaranteed return to a non controlling interest	115,000	-	-	115,000
	3,881,452	1,012,680	-	4,894,132
<u>The Company</u>				
<u>At 31 December 2014</u>				
Trade and other payables	88,188	-	-	88,188
Amounts due to subsidiaries	137,565	-	-	137,565
Borrowings	262,888	587,202	-	850,090
	488,641	587,202	-	1,075,843
<u>At 31 December 2013</u>				
Trade and other payables	78,825	-	-	78,825
Provision for other liabilities and charges	10,000	-	-	10,000
Amounts due to subsidiaries	124,106	-	-	124,106
Borrowings	139,923	459,022	-	598,945
Guaranteed return to a non controlling interest	115,000	-	-	115,000
	467,854	459,022	-	926,876

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) (iv) Credit risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. The Group seeks to invest cash assets safely and profitably. Credit risks are minimised given the Group's policy of selecting only counterparties with high creditworthiness.

The Group closely monitors collections from these customers. In addition, the Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

The Group has significant concentrations of credit risk as disclosed in Note 22 to the financial statements.

In respect of the credit risk of receivables, the Group has significant credit risk on the sales derived from property development customers, Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd. totalling RM556,212,325 (2013: RM531,909,092), of which the Group considers the risk of default is low.

The Group has no other significant concentrations of credit risk, notwithstanding that all of its deposits are placed with financial institutions in Malaysia. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings.

(v) Capital risk

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

As part of its capital management plan, the Group and the Company may adjust the amount of dividends paid to the shareholder, return capital to shareholder or sell assets to reduce debt.

Management monitors capital based on the Company's gearing ratio. The gearing ratio is calculated as total debt divided by total equity. Total debts is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statements of financial position).

The gearing ratios at 31 December 2014 and 31 December 2013 were as follows;

	Group	
	2014 RM'000	2013 RM'000
Total debt	3,690,661	3,510,299
Total equity	1,985,256	1,675,416
Total capital	5,675,917	5,185,715
Gearing ratio	1.86	2.10

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair values

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables (including non-trade amounts due to/from related companies) and short term borrowings.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that cause the transfer.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 December 2014.

Assets

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Level 1</u>				
Available for sale financial assets	577	577	577	577
Financial assets at fair value through profit or loss	3,229	4,533	3,229	4,533
<u>Level 2</u>				
Long term loan and receivables	5,924	531,909	15,000	15,000

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the Group's and the Company's assets and liabilities that are not measured at fair value as at 31 December 2014 are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Financial year ended 31 December 2014

(i) P.J Sentral Development Sdn. Bhd.

During the financial year ended 31 December 2014, the Company completed the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. ("P.J Sentral") in accordance with the terms and conditions of the Share Sale Agreement with Nusa Gapurna Development Sdn. Bhd. ("NGD SSA"), signed on 8 February 2013 and amended and varied by the Supplementary NGD SSA dated 3 June 2013 and Supplementary NGD letter dated 19 August 2013.

On 24 June 2014, the Company paid the cash consideration of RM30,348,584 and allotted 108,807,365 ordinary shares to the parties nominated by the vendors of the Gapurna Companies. As a result of the acquisition, the Group is expected to increase its presence in the development property market.

The following table summarises the consideration paid for P.J Sentral and the fair value of assets and liabilities assumed at the acquisition date.

Consideration at 24 June 2014

	RM'000
Cash	30,349
Ordinary shares issued (108,807,365 @ RM1.70/share)	184,972
Free detachable warrants issued (31,087,819 @ RM0.24/warrant)	7,461
	222,782

The fair value of the 108,807,365 ordinary shares issued as part of the consideration paid for P.J Sentral was based on the published share price of RM1.70 per share on 24 June 2014. The fair value of 31,087,819 free detachable warrants issued as part of the purchase consideration paid for P.J Sentral was RM0.24 per warrant based on the published warrants price on 24 June 2014.

Fair value of identifiable assets acquired and liabilities assumed

Property, plant and equipment (Note 15)	166
Property development costs (Note 17(b))	
- land, at cost	304,371
- development costs	35,783
Other receivables	11
Cash and bank balances	27,642
Other payables	(49,713)
Non controlling interest	(95,478)
Purchase consideration	222,782
Cash consideration paid	30,349
Less: cash and cash equivalent of a subsidiary acquired	
- cash and bank balances	(27,642)
Cash outflow on acquisition	2,707

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(i) P.J Sentral Development Sdn. Bhd. (continued)

In addition to the above, the Company had on 20 June 2014, together with NGD entered into a settlement agreement with PKNS Holding Sdn. Bhd. ("PKNS"), a non controlling interest of P.J Sentral to resolve all disputes, conflict, differences, claims and complaints against each other. On the same day, the Company also entered into a share sale agreement with PKNS for the acquisition of the remaining 30% equity interest in P.J Sentral held by PKNS for a cash consideration of RM85,300,000.

Simultaneous with the execution of the settlement agreement, P.J Sentral and PKNS had entered into a development agreement for the purpose of granting development rights to PKNS over the development of a building identified as Tower 2 which is to be constructed/developed on a parcel of development land held by P.J Sentral. Consequently, Tower 2 land valued at RM91,119,462 was sold to PKNS by P.J Sentral.

Along with the Tower 2 land, the Group had also transferred its right to construct on Tower 2 land valued at RM15,525,600 to PKNS (Note 24).

Upon obtaining shareholders' approval at the Company's Extraordinary General Meeting held on 23 September 2014, the acquisition of the remaining 30% equity interest in P.J Sentral was completed. The 30% equity interest acquisition was accounted for as a transaction with a non controlling interest, resulting in a net loss of RM5,305,389 recognised in the accumulated losses of the Group.

The effects of the above to the financial results of the Group from the date of the acquisitions are as follows:

	<u>2014</u> RM'000
Revenue	161,681
Cost of sales	(145,623)
Gross profit	16,058
Other operating income	421
Operating costs	(3,526)
Profit from operations	12,953
Finance income	362
Profit before taxation	13,315
Taxation	(8,899)
Profit after taxation	4,416
Non controlling interest	(42)
Net profit attributable to shareholders	4,374

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(i) P.J Sentral Development Sdn. Bhd. (continued)

The effects of the above to the financial position of the Group as at 31 December 2014 are as follows:

	As at 31.12.2014 RM'000
Property, plant and equipment	65
Property development costs	243,773
Trade and other receivables	114,537
Tax recoverable	601
Deposits, cash and bank balances	20,577
Trade and other payables	(56,876)
	322,677

(ii) Penang Sentral Sdn. Bhd.

The Company had on 24 July 2014 entered into a share sale agreement with Pelaburan Hartanah Berhad ("PHB") to acquire PHB's 51% equity interest in Penang Sentral Sdn. Bhd. ("PSSB"), consisting 12,750,000 ordinary shares of RM1.00 each and 30,600,000 redeemable non-cumulative preference shares of RM0.10 each for a total cash consideration of RM50,750,000.

The acquisition was completed on 8 August 2014. Following the acquisition, the Company increased its shareholding from 49% to 100% in PSSB and the later became a wholly owned subsidiary of the Company.

In accordance with the requirements of FRS 3 (revised) "Business Combinations", a re-measurement gain of RM7,325,637 was recognised on the Company's existing 49% equity interest in PSSB in the Group's statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(ii) Penang Sentral Sdn. Bhd. (continued)

The details of the provisional fair value of PSSB's identifiable assets and liabilities assumed at the date of acquisition are as follows:

	RM'000
Property, plant and equipment (Note 15)	46,548
Investment property (Note 16)	24,007
Land held for property development (Note 17(a))	22,361
Trade and other receivables	13,100
Cash and bank balances	643
Trade and other payables	(4,430)
Amount due to related companies	(2,052)
Deferred tax liabilities (Note 25)	(3,589)
	96,588
Goodwill on consolidation (Note 24)	2,922
Fair value of 100% equity interest	99,510
Less: fair value of 49% existing equity interest at the date of acquisition	(48,760)
Purchase consideration	50,750
Cash and cash equivalent of the subsidiary acquired - cash and bank balances	(643)
Cash outflow on acquisition	50,107

The effects of the above acquisition to the financial results of the Group from the date of the acquisitions are as follows:

	2014 RM'000
Revenue	588
Cost of sales	(1,457)
Gross loss	(869)
Other operating income	71
Operating costs	(617)
Loss on operations	(1,415)
Finance income	1
Loss before taxation	(1,414)
Taxation	-
Net loss attributable to shareholders	(1,414)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2014 (continued)

(ii) Penang Sentral Sdn. Bhd. (continued)

The effects of the above acquisition to the financial position of the Group as at 31 December 2014 are as follows:

	As at 31.12.2014 RM'000
Property, plant and equipment	80,700
Investment property	34,666
Land held for property development	26,417
Trade and other receivables	4,543
Cash and bank balances	35
Trade and other payables	(47,597)
Deferred tax liabilities	(3,589)
	95,175
Goodwill on consolidation	2,922
	98,097

Had P.J Sentral and PSSB been consolidated from 1 January 2014, the consolidated statements of comprehensive income would show pro-forma revenue of RM1,508,746,258 and profit after taxation of RM175,521,549.

(iii) MRCB Technologies Sdn. Bhd.

The Company had on 18 September 2014 entered into a Conditional Share Sale Agreement with XMT Technologies Holdings Sdn. Bhd. for the disposal of the Company's entire equity interest in MRCB Technologies Sdn. Bhd., a wholly owned subsidiary, for cash consideration of RM7,810,000.

The proposed disposal was completed on 16 October 2014 with a disposal gain of RM235,807 recognised in the statement of comprehensive income (Note 8).

The effects of the above disposal to the financial position of the Group as at the date of disposal were as follows:

	As at 16.10.2014 RM'000
Property, plant and equipment	468
Trade and other receivables	11,787
Amount due to related companies	5,767
Tax recoverable	21
Cash and bank balances	4,061
Trade and other payables	(14,538)
Retained earnings	244
	7,810
Total consideration received from disposal	7,810
Less: cash and bank balances	(4,061)
	3,749
Net cash inflow from disposal	3,749

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2013

(iv) Gapurna Companies

During the financial year ended 31 December 2013, the Company acquired 100% of the share capital of Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd. and Puncak Wangi Sdn. Bhd. (collectively known as "NGD Subsidiaries"), Gelanggang Harapan Construction Sdn. Bhd. ("GHC") and Gapurna Global Services Sdn. Bhd. ("GGS") (collectively known as "Gapurna Companies").

On 27 August 2013, the Company paid the cash consideration of RM60,651,416 and allotted 263,499,755 ordinary shares to the parties nominated by the vendors of the Gapurna Companies. As a result of the acquisition, the Group is expected to increase its presence in the property development market.

The following table summarises the consideration paid for the Gapurna Companies, the provisional fair value of assets acquired and all liabilities assumed at the acquisition date.

Consideration at 27 August 2013

	RM'000
Cash	60,651
Ordinary shares issued (263,499,755 @ RM1.43/share)	376,805
Free detachable warrants issued (75,285,644 @ RM0.26/warrant)	19,574
	457,030

Fair value of identifiable assets acquired and liabilities assumed

Property, plant and equipment (Note 15)	917
Investment property (Note 16)	74,172
Intangible assets - order book (Note 24)	140,589
Land held for property development (Note 17(b))	188,497
Trade and other receivables	24,032
Tax recoverable	1,568
Cash and bank balances	16,386
Trade and other payables	(60,519)
Deferred tax liabilities (Note 25)	(55,164)
Long term liabilities	(417)
Assets held for sale	153,411
Liabilities held for sale	(108,411)
	375,061
Goodwill on acquisition (Note 24)	81,969
	457,030
Purchase consideration	457,030
Cash and cash equivalent of subsidiaries acquired:	
- Cash and bank balances	(16,386)
	440,644

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Financial year ended 31 December 2013 (continued)

(iv) Gapurna Companies (continued)

Acquisition related costs of RM6,690,500 was charged to administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2013.

The fair value of the 263,499,755 ordinary shares issued as part of the consideration paid for the Gapurna Companies was based on the published share price of RM1.43/share on 27 August 2013. The fair value of the 75,285,644 free detachable warrants issued as part of the purchase consideration paid for the Gapurna Companies was RM0.26/warrant using the Black-Scholes valuation model.

The fair value of the intangible assets - order book of RM140,589,000 was determined using the discounted projected cash flow of future construction contract.

As at 31 December 2014, the purchase price allocation for the acquisition of the Gapurna Companies was completed with no changes being made to the provisional fair values on the identifiable net asset acquired.

(v) MRCB Putra Sdn. Bhd. (formerly known as Arch Angel Capital Sdn. Bhd.)

The Company had on 23 December 2013 entered into the followings agreements:-

(a) Share Sale and Subscription Agreements ("SSSA") with MRCB Putra Sdn. Bhd. ("MPSB") and Arch Angel DMC Sdn. Bhd. ("AADMC") to:

- acquire 2.0 million ordinary shares of RM1.00 each in MPSB from AADMC for cash consideration of RM2.5 million;
- subscribe 1.5 million new ordinary shares of RM1.00 each in MPSB; and
- subscribe up to 300,000 redeemable cumulative preference shares of RM1.00 each at a subscription price of RM100.00 per share in MPSB.

The above effectively resulted in the Company having a 70% equity interest in MPSB.

(b) A Shareholders' Agreements ("SHA") with MPSB and AADMC for the purpose of determining the terms and conditions of the joint venture and regulating the relationship of MPSB's shareholders.

MPSB is principally involved in property development, property investment and investment holding and had acquired a piece of freehold land known as Plot 2C4, Precinct 2, Putrajaya.

The acquisition and subscription of shares were completed on 30 December 2013. The effect of the acquisition to the financial position of the Group as at 31 December 2013 were as follows:

	As at date of acquisition RM'000
Land held for property development	36,837
Bank balance	4,524
Trade and other payables	(5,870)
Non controlling interest	(1,491)
Purchase consideration	34,000
Cash and cash equivalent of subsidiaries acquired:	
- cash and bank balances	(4,524)
	29,476

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

6 REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Property development	771,133	335,618	-	-
Construction contracts	518,989	483,093	95,833	91,354
Rental income	93,985	47,190	16,499	14,084
Building services	77,522	66,799	-	-
Toll concession	48,992	-	-	-
Rendering of other services	2,239	7,145	-	-
Dividend income (gross)	279	225	142,139	109,906
Management fees	840	840	28,468	24,240
Others	788	-	1,213	1,213
	1,514,767	940,910	284,152	240,797

The property development revenue for financial year ended 31 December 2013 includes the reduction in the fair value of sales proceeds for Lot G office towers by RM55,432,257 as a result of the extended credit period of three (3) years from 18 December 2012 to 18 December 2015.

7 COST OF SALES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Property development	562,569	297,414	-	-
Construction contract	434,882	522,014	71,502	101,137
Rental income	59,209	43,678	10,776	10,613
Building services	58,796	44,855	-	-
Toll concession	28,795	-	-	-
Cost of inventories sold	-	1,890	-	-
Rendering of other services	761	5,907	-	-
	1,145,012	915,758	82,278	111,750

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

8 OTHER INCOME

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of:				
- a subsidiary	236	-	1,310	-
- an associate (Note 18(a))	94,868	-	94,868	-
Re-measurement gain arising from step acquisition of a subsidiary (Note 5)	7,326	-	-	-
Rental income from land and buildings	2,734	2,013	2,319	2,146
Interim payment from Government of Malaysia (Note 18(a))	62,872	100,287	-	-
Reversal of provision no longer required	-	8,450	-	-
Building maintenance services	13,221	13,801	-	-
Settlement payment for termination of construction contract (Note 18(a))	33,700	-	33,700	-
Others	4,052	3,731	20	2,509
	219,009	128,282	132,217	4,655
Finance income from				
- unwinding of discount for financial assets	28,434	13,151	4,284	7,885
- fixed deposits	8,525	5,815	2,701	3,772
- others	1,450	4,528	-	1,598
	38,409	23,494	6,985	13,255

9 PROFIT/(LOSS) BEFORE INCOME TAX

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before income tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit	850	677	125	107
- other services				
- audit related	208	640	208	640
- non audit related	2,361	1,415	1,791	928
Other auditors				
- statutory audit	2	74	-	-
- other services				
- non audit related	-	102	-	-
Staff costs (including remuneration of executive director) (Note 10)	105,931	85,621	32,176	20,590
Depreciation of investment properties	13,689	8,735	890	891

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

9 PROFIT/(LOSS) BEFORE INCOME TAX (CONTINUED)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before income tax is arrived at after charging/(crediting): (continued)				
Property, plant and equipment				
- depreciation	12,592	8,739	1,278	1,240
- written off	667	-	-	-
- net (gain)/loss on disposal	(71)	7	-	(0)
Amortisation of:				
- service concession asset	21,422*	-	-	-
- order book	4,736	3,685	-	-
Impairment losses/(write back) on				
- subsidiaries	-	-	(4,245)	51,391
- property development costs	-	326	-	-
- goodwill	1,309	1,321	-	-
Provision for/(write back) of receivable and amount due from subsidiaries	816	1,188	(6,019)	(15,946)
Gain on disposal of				
- a subsidiary	(236)	-	(1,310)	-
- an associate	(94,868)	-	(94,868)	-
Re-measurement gain arising from step acquisition of a subsidiary	(7,326)	-	-	-
Bad debts recovered	-	(56)	-	(56)
Fair value loss of financial assets at fair value through profit or loss	1,387	(560)	1,387	(474)
Rental of				
- premises	17,378	12,092	12,572	12,480
- motor vehicles	12	594	12	-
- office equipment	540	594	119	123
(Write back)/provision for liabilities and charges	(15,971)	38,740	(18,200)	12,450
Unrealised gain on foreign exchange	198	518	272	518

* Represents amortisation of service concession asset of RM84,377,504 (Note 18(b)) net of RM62,955,148 received from Government of Malaysia ("GoM") for the delay in gazetting the toll collection pursuant to the Concession Agreement between the Group and the GoM in relation to the Eastern Dispersal Link Expressway ("EDL").

Included in cost of sales were direct operating expenses from investment properties that generated rental income of the Group and of the Company during the financial year amounted to RM13,719,765 (2013: RM12,436,936) and RM1,215,956 (2013: RM1,156,022) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

10 STAFF COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	83,754	66,223	24,830	15,164
Defined contribution plan	10,164	8,248	3,428	2,035
Defined benefit plan (Note 36)	2,141	1,845	729	621
Share options (Note 31)	-	1,669	-	350
Other employee benefits	9,872	7,636	3,189	2,420
	105,931	85,621	32,176	20,590

The number of persons employed by the Group and the Company at the end of the financial year were 1,449 (2013: 1,249) and 259 (2013: 186) respectively.

11 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year were as follows:

Non-executive Directors

Tan Sri Azlan Mohd Zainol (Chairman)
 Datuk Shahril Ridza Ridzuan
 Dato' Abdul Rahman Ahmad
 Dato' Chong Pah Aung
 Datuk Ahmad Johari Tun Abdul Razak
 Jamaludin Zakaria
 Rohaya Mohammad Yusof
 Che King Tow
 Dato' Ishak Haji Mohamed
 Tan Sri Ahmad Fuad Ismail

(Resigned on 2 April 2014)
 (Resigned on 8 October 2014)
 (Resigned on 8 October 2014)

Executive Director

Tan Sri Mohamad Salim Fateh Din (Group Managing Director)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

11 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate amounts of remuneration received/receivable by Directors of the Company for the financial year were as follows:

	Group and Company	
	2014	2013
	RM'000	RM'000
<u>Non-executive Directors</u>		
- fees	895	1,068
- emoluments	180	180
	1,075	1,248
<u>Executive Director</u>		
- salaries and bonus	1,600	397
- defined contribution plan	345	87
- other employee benefits	120	40
	2,065	524
	3,140	1,772
<u>Benefits-in-kind</u>		
Non-executive director	7	-
Executive director	24	2
	31	2

12 FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Arrangement fees for borrowings	1,844	1,758	1,143	238
Interest expense on				
- Senior and Junior Sukuk	82,425	81,844	-	-
- term loans	82,968	60,682	28,093	18,837
- hire purchase	20	53	-	-
- loan stock	490	490	-	-
Amortisation of loan issuance cost	3,446	3,078	-	-
	171,193	147,905	29,236	19,075

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

13 INCOME TAX EXPENSE

(a) Tax charged/(credited) for the financial year

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
In Malaysia				
Current tax	68,135	27,164	6,180	26,189
(Over)/under provision in prior years	(4,150)	(2,400)	(145)	276
Deferred tax (Note 25)	63,985 (10,709)	24,764 (12,283)	6,035 -	26,465 -
Income tax expense	53,276	12,481	6,035	26,465
Current tax:				
Current year	68,135	27,164	6,180	26,189
(Over)/under provision in prior years	(4,150)	(2,400)	(145)	276
	63,985	24,764	6,035	26,465
Deferred tax:				
Origination net of reversal of temporary differences	(10,709)	(12,283)	-	-
	53,276	12,481	6,035	26,465

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

13 INCOME TAX EXPENSE (CONTINUED)

(b) Numerical reconciliation of income tax expense

The explanation of the relationship between income tax expense and profit/(loss) before income tax is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before income tax	220,618	(110,367)	251,189	46,445
Tax calculated at the Malaysian tax rate of 25% (2013: 25%)	55,155	(27,592)	62,797	11,611
Tax effects of:				
Income not subject to tax	(38,181)	(13,153)	(60,910)	(7,290)
Expenses not deductible for tax purposes	37,775	22,635	7,950	19,220
Net utilisation of tax losses not recognised in previous years	(804)	(209)	-	-
Movement of unrecognised deductible temporary differences	(6,992)	13,337	(3,657)	2,648
(Over)/under provision of tax in prior years	(4,150)	(2,400)	(145)	276
Current year tax losses not recognised	10,473	19,863	-	-
Income tax expense	53,276	12,481	6,035	26,465

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

14 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2014	2013
Profit/(loss) attributable to the equity holders of the Company (RM'000)		
- from continuing operations	136,457	(114,029)
- from discontinuing operations	16,177	4,897
	152,634	(109,132)
Weighted average number of ordinary shares in issue ('000)	1,708,565	1,479,495
Basic earnings/(loss) per share (sen)		
- from continuing operations	7.99	(7.71)
- from discontinuing operations	0.94	0.33
	8.93	(7.38)
(b) Diluted earnings/(loss) per share		
Profit/(loss) attributable to the equity holders of the Company (RM'000)		
- from continuing operations	136,457	(114,029)
- from discontinuing operations	16,177	4,897
	152,634	(109,132)
Weighted average number of ordinary shares in issue ('000)	1,708,565	1,479,495
Adjustment for share options ('000)	5	16
Adjusted weighted average number of ordinary shares in issue ('000)	1,708,570	1,479,511

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

14 EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share (continued)

	Group	
	2014	2013
Diluted earnings/(loss) per share (sen)		
- from continuing operations	7.99	(7.71)
- from discontinuing operations	0.94	0.33
	8.93	(7.38)

For the purpose of calculating diluted earnings/(loss) per share, the weighted average number of ordinary shares issued during the financial year were adjusted for the dilutive effects of all potential ordinary shares i.e. share options granted to employees issued in the previous financial years.

Certain tranches of share options and warrants issued were not included in the calculation because the fair value of the issued ordinary shares as at 31 December 2014 was lower than the said option's and warrant's exercise prices.

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
<u>Group</u>						
<u>2014</u>						
<u>Cost/valuation</u>						
At 1.1.2014	15,684	20,592	68,790	7,474	-	112,540
Additions	19,139	4,471	13,833	221	20,061	57,725
Acquisition of subsidiaries (Note 5)	46,533	6	175	-	-	46,714
Disposal of subsidiary (Note 5)	-	-	(1,769)	-	-	(1,769)
Disposals	-	(126)	(5,184)	(148)	-	(5,458)
Written off	-	-	(15,657)	-	-	(15,657)
Reclassification	-	16	(16)	-	-	-
Transferred from investment property	99,092	-	908	-	-	100,000
At 31.12.2014	180,448	24,959	61,080	7,547	20,061	294,095
<u>Accumulated depreciation</u>						
At 1.1.2014	2,904	8,252	54,652	6,422	-	72,230
Charge for the financial year	4,780	2,375	4,995	442	-	12,592
Disposal of subsidiary	-	-	(1,301)	-	-	(1,301)
Released on disposals	-	(126)	(5,178)	(148)	-	(5,452)
Written off	(28)	-	(14,246)	-	-	(14,274)
At 31.12.2014	7,656	10,501	38,922	6,716	-	63,795

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
<u>Group</u>						
<u>2014</u>						
<u>Accumulated impairment losses</u>						
At 1.1.2014	-	-	2,431	-	-	2,431
Written off	-	-	(717)	-	-	(717)
At 31.12.2014	-	-	1,714	-	-	1,714
<u>Group</u>						
<u>2013</u>						
<u>Cost/valuation</u>						
At 1.1.2013	11,511	20,592	62,449	7,447	3,259	105,258
Additions	-	-	6,075	-	930	7,005
Acquisition of subsidiaries (Note 5)	-	-	737	180	-	917
Disposals	-	-	(487)	(153)	-	(640)
Reclassification	4,173	-	16	-	(4,189)	-
At 31.12.2013	15,684	20,592	68,790	7,474	-	112,540
<u>Accumulated depreciation</u>						
At 1.1.2013	1,141	6,221	50,923	5,792	-	64,077
Charge for the financial year	1,763	2,031	4,171	776	-	8,741
Released on disposals	-	-	(442)	(146)	-	(588)
At 31.12.2013	2,904	8,252	54,652	6,422	-	72,230
<u>Accumulated impairment losses</u>						
At 1.1.2013/31.12.2013	-	-	2,431	-	-	2,431

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
<u>Group</u>						
<u>Net book value</u>						
At 31.12.2014	172,792	14,458	20,444	831	20,061	228,586
At 31.12.2013	12,780	12,340	11,707	1,052	-	37,879

Details of the freehold land and buildings of the Group are as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
<u>Group</u>			
<u>2014</u>			
<u>Cost</u>			
At 1.1.2014	6,269	9,415	15,684
Additions	13,752	5,387	19,139
Acquisition of subsidiary	46,533	-	46,533
Reclassification	14,782	84,310	99,092
At 31.12.2014	81,336	99,112	180,448
<u>Accumulated depreciation</u>			
At 1.1.2014	-	2,904	2,904
Charge for the financial year	-	4,780	4,780
Written off	-	(28)	(28)
At 31.12.2014	-	7,656	7,656

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of the freehold land and buildings of the Group are as follows: (continued)

	Freehold land RM'000	Buildings RM'000	Total RM'000
<u>Group</u>			
<u>2013</u>			
<u>Cost</u>			
At 1.1.2013	6,269	5,242	11,511
Reclassification	-	4,173	4,173
At 31.12.2013	6,269	9,415	15,684
<u>Accumulated depreciation</u>			
At 1.1.2013	-	1,141	1,141
Charge for the financial year	-	1,763	1,763
At 31.12.2013	-	2,904	2,904
<u>Net book value</u>			
At 31.12.2014	81,336	91,456	172,792
At 31.12.2013	6,269	6,511	12,780

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
<u>Company</u>			
<u>2014</u>			
<u>Cost</u>			
At 1.1.2014	11,701	172	11,873
Additions	130	-	130
Written off	(3,171)	-	(3,171)
At 31.12.2014	8,660	172	8,832
<u>Accumulated depreciation</u>			
At 1.1.2014	8,972	172	9,144
Charge for the financial year	1,278	-	1,278
Written off	(3,171)	-	(3,171)
At 31.12.2014	7,079	172	7,251
<u>2013</u>			
<u>Cost</u>			
At 1.1.2013	9,383	172	9,555
Additions	2,319	-	2,319
Disposals	(1)	-	(1)
At 31.12.2013	11,701	172	11,873
<u>Accumulated depreciation</u>			
At 1.1.2013	7,746	159	7,905
Charge for the financial year	1,227	13	1,240
Released on disposals	(1)	-	(1)
At 31.12.2013	8,972	172	9,144
<u>Net book value</u>			
At 31.12.2014	1,581	-	1,581
At 31.12.2013	2,729	-	2,729

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under hire purchase terms:

	Net book value	
	2014 RM'000	2013 RM'000
<u>Group</u>		
Motor vehicles	49	323

Borrowings costs of RM644,978 (2013: Nil) for the Group has been capitalised in the construction of hotel during the financial year.

16 INVESTMENT PROPERTIES

	Land & building RM'000	Construction in progress RM'000	Total RM'000
<u>Group</u>			
<u>2014</u>			
<u>Cost</u>			
At 1.1.2014	841,511	129,272	970,783
Additions	4,791	40,368	45,159
Acquisition of subsidiary (Note 5)	24,007	-	24,007
Transfer to property, plant and equipment	(100,000)	-	(100,000)
Reclassification	90,823	(90,823)	-
At 31.12.2014	861,132	78,817	939,949
<u>Accumulated depreciation</u>			
At 1.1.2014	69,463	-	69,463
Charge for the financial year	13,689	-	13,689
At 31.12.2014	83,152	-	83,152
<u>Accumulated impairment loss</u>			
At 1.1.2014/31.12.2014	43,839	-	43,839

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

16 INVESTMENT PROPERTIES (CONTINUED)

	Land & building RM'000	Construction in progress RM'000	Total RM'000
<u>Group</u>			
<u>2013</u>			
<u>Cost</u>			
At 1.1.2013	822,944	330,113	1,153,057
Additions	21,835	135,496	157,331
Acquisition of subsidiary (Note 5)	55,000	19,172	74,172
Reclassification	355,509	(355,509)	-
Transfer to assets held for sale (Note 18)	(413,777)	-	(413,777)
At 31.12.2013	841,511	129,272	970,783
<u>Accumulated depreciation</u>			
At 1.1.2013	68,523	-	68,523
Charge for the financial year	17,826	-	17,826
Transfer to assets held for sale (Note 18)	(16,886)	-	(16,886)
At 31.12.2013	69,463	-	69,463
<u>Accumulated impairment loss</u>			
At 1.1.2013/31.12.2013	43,839	-	43,839
<u>Net book value</u>			
At 31.12.2014	734,141	78,817	812,958
At 31.12.2013	728,209	129,272	857,481

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

16 INVESTMENT PROPERTIES (CONTINUED)

	Land & building RM'000	Total RM'000
<u>Company - 2014</u>		
<u>Cost</u>		
At 1.1.2014/31.12.2014	60,510	60,510
<u>Accumulated depreciation</u>		
At 1.1.2014	4,525	4,525
Charge for the financial year	890	890
At 31.12.2014	5,415	5,415
<u>Company - 2013</u>		
<u>Cost</u>		
At 1.1.2013/31.12.2013	60,510	60,510
<u>Accumulated depreciation</u>		
At 1.1.2013	3,634	3,634
Charge for the financial year	891	891
At 31.12.2013	4,525	4,525
<u>Net book value</u>		
At 31.12.2014	55,095	55,095
At 31.12.2013	55,985	55,985

The investment properties of the Group and the Company with net book value of RM749,126,966 and RM55,095,073 respectively (2013: RM825,685,038 and RM55,985,284) have been charged as security for term loan facilities of the Group and of the Company (Notes 37 and 41).

Borrowings costs of RM2,494,657 (2013: RM8,437,554) for the Group has been capitalised in the construction in progress for the investment properties during the financial year.

At 31 December 2014, there were no contractual obligations for future repairs and maintenance (2013: Nil).

The leasehold land have unexpired periods of leases ranging from 30 years to 78 years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

16 INVESTMENT PROPERTIES (CONTINUED)

Fair value information

The fair value of the investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Group</u>				
<u>2014</u>				
Land and Building	-	75,000	936,983	1,011,983
	-	75,000	936,983	1,011,983
<u>2013</u>				
Land and Building	-	75,000	934,674	1,009,674
	-	75,000	934,674	1,009,674
<u>Company</u>				
<u>2014/2013</u>				
Land and Building	-	75,000	-	75,000
	-	75,000	-	75,000

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that cause the transfer.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within level 1 that are observable for investment property, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

16 INVESTMENT PROPERTIES (CONTINUED)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The following table shows a reconciliation of Level 3 fair value:

	2014 RM'000	2013 RM'000
<u>Group</u>		
At 1 January	934,674	1,240,519
Additions	166,309	444,155
Transfer to property, plant and equipment	(164,000)	-
Transfer to asset held for sale (Note 18(a))	-	(750,000)
At 31 December	936,983	934,674

The following table shows the valuation techniques used in determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models:

<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Inter-relationship Between Significant Unobservable Inputs and Fair Value Measurement</u>
		The estimated fair value would increase/(decrease) if
Discounted cash flow	- Expected market rental growth : 3%	- Expected market rental growth were higher/(lower)
	- Yield: 7.5%	- Yield rate were higher/(lower)
	- Discount rate: 5%	- Discount rates were lower/(higher)

Valuation process applied by the Group for Level 3 fair value

The fair value of the properties as at the statement of financial position date was determined by the Directors, having recent experience in location and category of property being valued.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

17 PROPERTY DEVELOPMENT ACTIVITIES

17(a) Land held for property development

	Group	
	2014 RM'000	2013 RM'000
Freehold land, at cost	321,326	214,652
Freehold land, at valuation	3,058	3,058
Leasehold land, at cost	275,653	206,409
Leasehold land, at valuation	42,356	42,356
Development expenditure	430,695	383,647
	1,073,088	850,122
Less: Accumulated impairment losses	(31,126)	(31,126)
	1,041,962	818,996
At start of financial year	818,996	620,904
Development expenditure incurred	42,667	3,896
Transfer from/(to) property development costs (Note 17(b))	71,970	(5,974)
Acquisition of freehold land	84,314	-
Acquisition of leasehold land	1,654	-
Transfer from customer on contracts	-	163,333
Upon acquisition of a subsidiary		
- freehold land, at cost	22,361	29,382
- development costs	-	7,455
At end of financial year	1,041,962	818,996

Land held for property development comprises land costs, deemed land cost in respect of the KL Sentral development project and infrastructure costs incurred to date in respect of future development projects.

Included in the carrying value of land held for property development is an amount of RM512,410,192 (2013: RM498,445,336) relating to the KL Sentral development project undertaken by Kuala Lumpur Sentral Sdn. Bhd., a subsidiary of the Company. This development comprises commercial and residential properties, retail malls and a transportation hub. The expected completion date of the entire development is 2023. The subsidiary's directors have reviewed and approved a five (5) year period cash flow projection in deriving the value in use calculation. Based on the value in use calculation, no impairment loss is required.

The Group reviews annually whether the land held for property development has suffered any impairment in accordance with the accounting policy stated in Note 2.21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

17 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

17(b) Property development costs

	Group	
	2014 RM'000	2013 RM'000
At start of financial year		
- land, at cost	437,739	383,307
- development costs	751,238	885,638
- accumulated costs charged to statement of comprehensive income	(464,663)	(778,929)
- impairment charged to profit or loss	(7,871)	(8,255)
	716,443	481,761
Costs incurred during the financial year		
- transfer from land held for property development (Note 17(a))		
- land, at cost	367	5,346
- development costs	-	628
	367	5,974
- land, at cost	1,362	-
- development costs	398,896	334,648
	400,625	340,622
Foreign currency translation		
- land, at cost	(344)	(1,477)
- development costs	(179)	(798)
- impairment	158	710
	(365)	(1,565)
Transfer to land held for property development (Note 17(a))		
- land, at cost	(52,730)	-
- development costs	(19,607)	-
	(72,337)	-
Upon acquisition of subsidiaries (Note 5)		
- land, at cost	304,371	152,904
- development costs	35,783	35,593
	340,154	188,497
Costs charged to profit or loss	(552,996)	(292,546)
Impairment charged to statement of comprehensive income*	-	(326)
Reversal upon completion of projects		
- land, at cost	(69,134)	(102,341)
- development costs	(62,149)	(504,471)
- accumulated costs charged to statement of comprehensive income	131,283	606,812
At end of financial year	831,524	716,443

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

17 PROPERTY DEVELOPMENT ACTIVITIES (CONTINUED)

17(b) Property development costs (continued)

	Group	
	2014 RM'000	2013 RM'000
Analysed as follows		
- land, at cost	621,631	437,739
- development costs	1,103,982	751,238
- accumulated costs charged to statement of comprehensive income	(886,376)	(464,663)
- impairment charged to comprehensive income	(7,713)	(7,871)
	831,524	716,443

* Development costs incurred to date in respect of a project for which no significant work has been undertaken was fully impaired by a subsidiary.

Included in development expenditure are the following charges made during the financial year:

	Group	
	2014 RM'000	2013 RM'000
Interest capitalised	17,698	21,895

The interest capitalised by certain subsidiaries was in relation to loan specifically obtained for property development activities.

The freehold lands of certain subsidiaries are pledged as security for term loan facilities (Notes 37 and 41).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/SERVICE CONCESSION ASSET

(a) Asset held for sale and liabilities associated with asset held for sale

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Non-current assets held for sale</u>				
Service concession asset ("SCA")	-	1,321,672	-	-
Investment property	396,891	396,891	-	-
Deferred tax asset in relation to investment property	4,926	4,926	-	-
Long term loan and receivables	-	128,848	-	128,848
	401,817	1,852,337	-	128,848
<u>Liabilities associated with asset held for sale</u>				
Other payables	(6,605)	(6,744)	-	-
Net assets held for sale	395,212	1,845,593	-	128,848

The movement during the financial year relating to net assets held for sale are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At 1 January	1,845,593	1,321,672	128,848	-
Transfer to SCA (Note A)	(1,321,672)	-	-	-
Transfer from investment property (Note B)	-	396,891	-	-
Transfer from deferred tax asset (Note B)	-	4,926	-	-
Disposal of long term loan and receivables (Note C)	(128,848)	-	(128,848)	-
Transfer from long term loan and receivables (Note C)	-	128,848	-	128,848
Reduction in/(transfer from) other payables (Note B)	139	(6,744)	-	-
At 31 December	395,212	1,845,593	-	128,848

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/SERVICE CONCESSION ASSET (CONTINUED)

(a) Asset held for sale and liabilities associated with asset held for sale (continued)

Note A

The service concession asset ("SCA") is in relation to the Concession Agreement between MRCB Lingkaran Selatan Sdn. Bhd. ("MLSSB"), a wholly owned subsidiary of the Group, and the Government of Malaysia (GoM) in connection with the construction, operation, maintenance and toll collection of the Eastern Dispersal Link Expressway ("EDL") for a concession period of 34 years, ending in 2042. The construction of EDL was completed on 31 March 2012 and was opened to traffic on 1 April 2012. Upon completion of the construction of the EDL, the toll collection rights with a carrying value of RM1,321,672,431 was recognised as SCA.

Following the confirmation received from the Malaysian Highway Authority on the Government's intention to take over the expressway via an Interim Agreement, the SCA was classified as asset held for sale.

Pending conclusion of the settlement terms of the take-over, the GoM approved interim payments to reimburse the operating and maintenance expenses inclusive of finance cost in relation to the expressway incurred by MLSSB.

On 31 July 2014, MLSSB entered into a Termination Agreement with GoM to terminate the Interim Agreement followed by a Supplementary Agreement to amend and vary the relevant provisions of the principal Concession Agreement, whereby, the rights to the toll collection commencing from 1 August 2014 was granted to MLSSB.

Accordingly the EDL was transferred from assets held for sale to SCA (intangible asset) (Note 18(b)).

Upon the transfer, the carrying amount of the SCA was adjusted for the amortisation that would have been recognised, had the SCA not been classified as asset held for sale.

Note B

The investment property represents Platinum Sentral, a property owned by a wholly owned subsidiary of the Company, MRCB Sentral Properties Sdn. Bhd. ("MSPSB"). The investment property and its related tenants' deposits have been presented as assets held for sale and liabilities associated with assets held for sale following the Group's decision to dispose the investment property. On 29 January 2014, MSPSB entered into a Heads of Agreement with Maybank Trustees Berhad, acting as trustee for Quill Capita Trust ("Quill REIT") to dispose Platinum Sentral for a cash consideration of RM750,000,000.

On 9 September 2014, the disposal consideration was revised to RM740,000,000 based on a revision to the market value of Platinum Sentral.

MSPSB and Maybank have via a Supplementary Agreement dated 8 October 2014 mutually agreed to extend the conditional period to fulfil all the conditional precedents of the Sale and Purchase Agreement to 9 January 2015. The date has been further extended to 9 April 2015 via a second supplementary letter dated 8 January 2015 entered into by both parties.

The completion date of the transaction is expected to be within the next twelve (12) months from the financial year ended 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

18 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE/SERVICE CONCESSION ASSET (CONTINUED)

(a) Asset held for sale and liabilities associated with asset held for sale (continued)

Note C

The long term loan and receivables is in relation to the Company's investment in the Series A Redeemable Preference Shares of RM1.00 each of RM74,847,991 and Redeemable Secured Junior Bonds of RM54,000,000 issued by Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd. ("Kesturi"), a wholly owned subsidiary of the Company's associate, Nuzen Corporation Sdn. Bhd. (collectively known as "Investment in DUKE"). The Investment in DUKE was presented as asset held for sale following the Company's decision to dispose of the investment in the previous financial year.

The disposal was completed on 30 June 2014 for a total cash consideration of RM228,000,000, resulting in a disposal gain recognised by the Group of RM94,868,238 and a settlement payment received from Ekovest Berhad, the holding company of Nuzen Corporation Sdn. Bhd. for the construction contract termination of DUKE 2 highway of RM33,700,000 (Note 8).

(b) Service concession asset

Cost

Balance as at 1 January

Transferred from asset held for sale (Note 18(a))

Balance as at 1 December

Less:

Accumulated amortisation

Balance as at 1 January

Charge for the financial year (Note 9)

Balance as at 1 December

As at 31 December

Group
2014
RM'000

-	
1,321,672	
1,321,672	
-	
(84,377)	
(84,377)	
1,237,295	

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

19 SUBSIDIARIES

	Company	
	2014	2013
	RM'000	RM'000
Unquoted shares at cost in Malaysia *	1,757,809	1,360,566
Less: Accumulated impairment losses		
- At start of financial year	(243,294)	(191,903)
- Write back/(charge) for the financial year	4,245	(51,391)
	(239,049)	(243,294)
	1,518,760	1,117,272
Loan stocks	17,333	17,333
Less: Accumulated impairment losses	(17,333)	(17,333)
	-	-
At 31 December	1,518,760	1,117,272

* Includes the guaranteed return to a non controlling interest in a subsidiary of RM115 million which is recoverable from the non controlling interest's portion of future profits distribution by the subsidiary (Note 42).

The loan stocks issued by a subsidiary pursuant to a Joint Venture Agreement dated 18 April 1996 was due for redemption on 1 January 2002 at 100% of its nominal value for all loan stocks not previously redeemed or purchased together with all accrued interest thereon. The joint venture parties have consented to extend the redemption to 31 December 2016, or within 6 months from the completion of joint venture project, whichever shall be earlier under the Supplemental Joint Venture Agreement dated 19 February 2003.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<u>Group - 2014</u>						
NCI percentage of ownership interest and voting interest	-	34.3%	49.0%	30.0%		
Accumulated NCI as at 31 December	-	60,770	19,227	(2,927)	2,183	79,253
(Loss)/profit allocated to NCI during the financial year	(1,335)	32,204	7,740	(3,009)	(4,715)	30,885
Other comprehensive income	-	-	-	-	123	123
	(1,335)	32,204	7,740	(3,009)	(4,592)	31,008
<u>Summarised financial information before intra-group elimination</u>						
As at 31 December						
Non current assets	-	-	2,004	168,009	69,579	239,592
Current assets	-	332,695	385,198	22,953	65,890	806,736
Non current liabilities	-	-	(62,712)	-	(714)	(63,426)
Current liabilities	-	(155,523)	(287,811)	(200,731)	(146,228)	(790,293)
Net assets/(deficits)	-	177,172	36,679	(9,769)	(11,473)	192,609

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<u>Group - 2014</u>						
Year ended 31 December						
Revenue	1,427	436,570	116,683	9,500	33,628	597,808
(Loss)/profit for the financial year	(3,338)	93,889	15,796	(10,031)	(15,373)	80,943
Total comprehensive (loss)/income	(3,338)	93,889	15,796	(10,031)	(14,963)	81,353
Net cash generated from/(used in) operating activities	-	217,825	(43,968)	(167)	(885)	172,805
Net cash used in investing activities	-	-	(282)	-	(13)	(295)
Net cash (used in)/generated from financing activities	-	(195,059)	69,649	8,107	1,968	(115,335)
Net cash arising from acquisition of NCI (Note 48(b),(d), (h))	(87)	-	-	-	(1,443)	(1,530)
Net (decrease)/increase in cash and cash equivalents	(87)	22,766	25,399	7,940	(373)	55,645
Cash and cash equivalents						
- at beginning of the year	87	13,713	25,231	2	31,105	70,138
- at end of the year	-	36,479	50,630	7,942	30,732	125,783

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<u>Group - 2013</u>						
NCI percentage of ownership interest and voting interest	40.0%	34.3%	49.0%	30.0%		
Accumulated NCI as at 31 December	7,378	28,566	11,487	82	13,805	61,318
(Loss)/profit allocated to NCI during the financial year	(31,891)	13,618	10,288	276	(1,110)	(8,819)
Other comprehensive income	-	-	-	-	(286)	(286)
	(31,891)	13,618	10,288	276	(1,396)	(9,105)
<u>Summarised financial information before intra-group elimination</u>						
As at 31 December						
Non current assets	484,903	-	2,956	165,000	69,503	722,362
Current assets	17,177	416,430	312,731	15,797	94,906	857,041
Non current liabilities	(10,609)	-	-	(134,152)	(733)	(145,494)
Current liabilities	(473,028)	(333,147)	(294,805)	(46,383)	(146,045)	(1,293,408)
Net assets	18,443	83,283	20,882	262	17,631	140,501

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	Excellent Bonanza Sdn Bhd RM'000	Cosy Bonanza Sdn Bhd RM'000	Prema Bonanza Sdn Bhd RM'000	Country Annexe Sdn Bhd RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<u>Group - 2013</u>						
Year ended 31 December						
Revenue	(43,117)	237,263	136,780	31,663	33,613	396,202
(Loss)/profit for the financial year	(79,728)	39,702	20,995	919	(1,093)	(19,205)
Total comprehensive (loss)/income	(79,728)	39,702	20,995	919	(2,045)	(20,157)
Net cash generated from/(used in) operating activities	156,405	(98,954)	(11,677)	(34,130)	3,175	14,819
Net cash used in investing activities	-	-	(939)	-	(13)	(952)
Net cash (used in)/generated from financing activities	(156,654)	101,081	2,154	34,126	(169)	(19,462)
Net cash generated from acquisition of a subsidiary	-	-	-	-	4,524	4,524
Net (decrease)/increase in cash and cash equivalents	(249)	2,127	(10,462)	(4)	7,517	(1,071)
Cash and cash equivalents						
- at beginning of the year	336	11,586	35,693	6	23,588	71,209
- at end of the year	87	13,713	25,231	2	31,105	70,138

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

20 ASSOCIATES

In Malaysia

Unquoted investments at cost
Share of post-acquisition accumulated profit
Unrealised gains

Analysis of associates are as follows:

Group's share of tangible assets
Goodwill of acquisition

In Malaysia

Unquoted investments at cost

Group	
2014 RM'000	2013 RM'000
78,255	98,345
19,268	6,801
(13,283)	(14,189)
84,240	90,957
84,239	90,956
1	1
84,240	90,957
Company	
2014 RM'000	2013 RM'000
78,255	98,345

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates.

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB Construction Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
<u>Group - 2014</u>							
<u>Summarised financial information</u>							
Percentage of ownership interest and voting interest	30%	49%	40%	40%	0%		
<u>As at 31 December</u>							
Non current assets	228,527	6,921	184	174	-	61	235,867
Current assets	166,765	306,231	6,355	21,476	-	1,100	501,927
Non current liabilities	(70,902)	(3,708)	-	-	-	-	(74,610)
Current liabilities	(67,448)	(275,581)	(379)	(18,819)	-	(326)	(362,553)
Net assets	256,942	33,863	6,160	2,831	-	835	300,631
<u>Year ended 31 December</u>							
Profit/(loss) from operations	(453)	21,260	5,722	843	(477)	(102)	26,793
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss)	(453)	21,260	5,722	843	(477)	(102)	26,793
Included in total comprehensive income is:							
Revenue	61,034	545,519	11,379	7,673	470	-	626,075

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB JV Sdn Bhd RM'000	Ekovest- MRCB Construction Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
<u>Group - 2014</u>							
<u>Reconciliation of net assets to carrying amount</u>							
<u>As at 31 December</u>							
Group's share of net assets	77,082	16,593	2,464	1,132	-	251	97,522
Goodwill	-	1	-	-	-	-	1
Elimination of unrealised profit	(13,283)	-	-	-	-	-	(13,283)
Carrying amount in the statement of financial position	63,799	16,594	2,464	1,132	-	251	84,240
<u>Group's share of results</u>							
<u>Year ended 31 December</u>							
Group's share of profit or loss from operations							
- current year	(136)	10,417	2,289	337	(234)	(30)	12,643
- over recognition in prior year	-	(293)	-	-	(97)	(1)	(391)
Group's share of total comprehensive income/(loss)	(136)	10,124	2,289	337	(331)	(31)	12,252

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

	One IFC Sdn Bhd RM'000	UEMB- MRCB JV Sdn Bhd RM'000	Penang Sentral Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
<u>Group - 2013</u>					
<u>Summarised financial information</u>					
Percentage of ownership interest and voting interest	30%	49%	49%		
<u>As at 31 December</u>					
Non current assets	111,538	8,165	19,248	240	139,191
Current assets	188,776	288,554	28,058	4,727	510,115
Non current liabilities	(5)	(3,877)	-	-	(3,882)
Current liabilities	(42,915)	(279,640)	(6,069)	(1,603)	(330,227)
Net assets	257,394	13,202	41,237	3,364	315,197
<u>Year ended 31 December</u>					
Profit/(loss) from operations	7,189	11,251	360	(5,077)	13,723
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	7,189	11,251	360	(5,077)	13,723
<u>Included in total compressive income is:</u>					
Revenue	89,441	262,276	995	6,649	359,361
<u>Reconciliation of net assets to carrying amount</u>					
<u>As at 31 December</u>					
Group's share of net assets	77,218	6,469	20,206	1,252	105,145
Goodwill	-	1	-	-	1
Elimination of unrealised profit	(14,189)	-	-	-	(14,189)
Carrying amount in the statement of financial position	63,029	6,470	20,206	1,252	90,957
<u>Group's share of results</u>					
<u>Year ended 31 December</u>					
Group's share of profit or loss from operations					
- current year	2,157	5,513	176	(810)	7,036
- under/(over) recognition in prior year	-	324	(127)	(1,223)	(1,026)
Group's share of total comprehensive income/(loss)	2,157	5,837	49	(2,033)	6,010

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

20 ASSOCIATES (CONTINUED)

One IFC Sdn. Bhd. ("One IFC") is involved in the development of St. Regis Hotel and Residences in Kuala Lumpur Sentral. One IFC is a strategic partnership for the Group, enhancing the Group's involvement in the property development and property investment business.

Penang Sentral Sdn. Bhd. ("PSSB") is involved in the development of an integrated transportation hub in Malaysia's northern region which is part of the Northern Corridor Economic Region ("NCER") launched by the Government, enhancing the Group's involvement in the development of transportation hub, similar to Kuala Lumpur Sentral development. The Company had on 8 August 2014 completed its acquisition of the remaining 51% equity interest from Pelaburan Hartanah Berhad. With this, PSSB became a wholly owned subsidiary of the Company (Note 5(ii)).

UEMB-MRCB JV Sdn. Bhd. is a strategic partnership for the Group to undertake the RM1.4 billion PLUS contract awarded to construct a fourth lane from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and from Nilai Utara to Seremban, enhancing the Group's involvement in the construction of highway.

Ekovest-MRCB JV Sdn. Bhd. is engaged as the Project Delivery Partner for the River of Life Entry Point Project. The project is involved in up stream river cleaning and beautification works. Ekovest-MRCB Construction Sdn. Bhd. is the appointed contractor for River of Life project.

The results of associates are accounted for by using equity method.

No dividend were received from associates during the financial year (2013: Nil).

The Group does not have any capital commitments or contingent liabilities in relation to its interest in the associates as at 31 December 2014 (2013: Nil).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

21 JOINT VENTURE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>In Malaysia</u>				
Unquoted investments at cost	102,000	102,000	102,000	102,000
Share of post-acquisition reserves	(43,568)	(7,012)	-	-
	58,432	94,988	102,000	102,000

The following table summarises the information of the Group's joint venture and reconcile the information to the carrying amount of the Group's interest in the joint venture.

	Nu Sentral Sdn. Bhd.	
	2014	2013
	RM'000	RM'000
<u>Summarised financial information</u>		
Percentage of ownership interest and voting interest	51%	51%
<u>As at 31 December</u>		
Non current assets	781,568	729,100
Current assets	42,656	56,506
Non current liabilities	(598,501)	(526,063)
Current liabilities	(111,149)	(73,291)
Net assets	114,574	186,252
<u>Year ended 31 December</u>		
Losses from operations	(71,678)	(1,831)
Other comprehensive income	-	-
Total comprehensive loss	(71,678)	(1,831)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

21 JOINT VENTURE (CONTINUED)

Included in total comprehensive income/(loss) are as follows:

	Nu Sentral Sdn. Bhd. 2014 RM'000	2013 RM'000
Revenue	28,459	-
Depreciation	(236)	(6)
Interest income	1,231	1,991
Interest expenses	(28,435)	(730)
Income tax credit/(expenses)	3	(18)

Reconciliation of net assets to carrying amount

As at 31 December

Group's share of net assets	58,432	94,988
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Carrying amount in statement of financial position

58,432	94,988
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Group's share of results

Year ended 31 December

Group's share of loss from operations		
- current year	(36,556)	(934)
- under recognition in prior year	-	(45)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive loss	(36,556)	(979)

Nu Sentral Sdn. Bhd. owns Nu Sentral retail mall, the first integrated green lifestyle retail mall in Malaysia, enhancing the Group's involvement in the property investment business.

The results of joint venture are accounted for by using equity method.

No dividend were received from joint venture during the financial year (2013: Nil).

The Group does not have any capital commitments except for the performance guarantee of RM1,311,000 extended to third party in relation to its interest in the joint venture as at 31 December 2014 (2013: Nil).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

22 LONG TERM LOAN AND RECEIVABLES

	Group	
	2014 RM'000	2013 RM'000
<u>In Malaysia</u>		
Trade receivables	5,924	531,909
Series A Redeemable Preference Shares	-	58,500
Secured Junior Bonds	-	54,000
	-	112,500
Add: Cumulative unwinding discounts for financial assets	-	23,468
Less: Accumulated impairment losses	-	(7,120)
	-	128,848
Transferred to assets held for sale (Note 18(a))	-	(128,848)
	-	-
	Company	
	2014 RM'000	2013 RM'000
<u>In Malaysia</u>		
Series A Redeemable Preference Shares	-	58,500
Secured Junior Bonds	-	54,000
Non Convertible Redeemable Preference Shares	15,000	15,000
	15,000	127,500
Add: Cumulative unwinding discounts for financial assets	-	16,348
	15,000	143,848
Transferred to assets held for sale (Note 18(a))	-	(128,848)
	15,000	15,000

The carrying amounts of the Group's long term loan and receivables approximate their fair values, which are based on cash flows discounted using the current market interest rates. The fair values are within Level 2 of the fair value hierarchy.

The Series A Redeemable Preference Shares and Secured Junior Bonds were held in an associate, Konsortium Lebunraya Utara-Timur (KL) Sdn. Bhd. ("Kesturi"), and had been transferred to assets held for sale as at 31 December 2013 (Note 18(a)).

The Non Convertible Redeemable Preference Shares of RM15,000,000 are held in Country Annexe Sdn. Bhd., a 70% equity owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

23 AVAILABLE FOR SALE FINANCIAL ASSETS

	Group and Company	
	2014	2013
	RM'000	RM'000
At 1 January/31 December	577	577
Available for sale financial assets include the following:		
Shares in a corporation, quoted outside Malaysia	910	910
Less: Accumulated impairment losses	(642)	(642)
	268	268
Unquoted investments	7,717	7,717
Less: Accumulated impairment losses	(7,408)	(7,408)
	309	309
Total	577	577

Available for sale financial assets are denominated in the following currencies:

	Group and Company	
	2014	2013
	RM'000	RM'000
Ringgit Malaysia	309	309
UK Pound	268	268
Total	577	577

The fair values of the quoted investments are determined based on the quoted market bid prices available on the relevant stock exchange. The fair values of unquoted investments are measured at cost less impairment losses at each reporting date because fair values cannot be obtained directly from quoted market prices.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

24 INTANGIBLE ASSETS

The carrying amount of goodwill, development rights and order book on consolidation are as follows:

	Group	
	2014 RM'000	2013 RM'000
<u>Goodwill</u>		
At 1 January	151,179	69,210
Arising on consolidation (Note 5(ii))	2,922	81,969
At 31 December	154,101	151,179
<u>Accumulated impairment loss</u>		
At 1 January	(13,660)	(12,339)
Addition	(1,309)	(1,321)
At 31 December	(14,969)	(13,660)
	139,132	137,519
<u>Development rights</u>		
At 1 January/31 December	18,017	18,017
<u>Order book</u>		
At 1 January	135,564	-
Arising on consolidation (Note 5(iv))	-	140,589
Amortisation charge	(4,736)	(3,685)
Capitalised in investment properties	(664)	(1,340)
Transferred to accumulated losses upon the acquisition of non controlling interest of a subsidiary (Note 5(i))	(15,526)	-
At 31 December	114,638	135,564
Total	271,787	291,100

Goodwill – 348 Sentral Sdn. Bhd. (RM53,118,877)

The goodwill of RM53,118,877 arising from the acquisition of 348 Sentral Sdn. Bhd., an investment holding company in 2010, was tested for impairment using fair value less cost to sell method (2013: fair value less cost to sell method).

Based on the impairment assessment performed by the Group, no impairment is required for the goodwill attributable to 348 Sentral Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

24 INTANGIBLE ASSETS (CONTINUED)

Goodwill – 348 Sentral Sdn. Bhd. (RM53,118,877) (continued)

Key assumptions used in the fair value less cost to sell calculation is as follows:

	<u>2014/2013</u>
Average selling price per square feet	RM1,200
Incidental cost to sell	2% of selling price

There will be no impact to the Group's results if the average selling price per square feet is reduced by 2% with all other variables being held constant.

Goodwill – Gapurna Companies (RM81,969,755)

The goodwill of RM81,969,755 arising from the acquisition of Gapurna Companies as disclosed in Note 5 was tested for impairment using the value in use ("VIU") method.

Based on the impairment assessment performed by the Group, no impairment is required for the goodwill attributed to the Gapurna Companies.

2014

The recoverable amount of Cash Generated Unit ("CGU") in respect of the goodwill was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by the Board of Directors covering a five (5) year period (financial years 2015 to 2019) for the Gapurna Companies, namely Gapurna Builders Sdn. Bhd., Gapurna Land Sdn. Bhd., Puncak Wangi Sdn. Bhd. and Gelanggang Harapan Construction Sdn. Bhd..

Key assumptions used in the VIU calculations for the goodwill impairment assessment is as follows:

	<u>2014</u>
Discount rate	7.57%

There will be no impact to the Group's results if the discount rate is 1% higher with all other variables including tax rate being held constant.

Goodwill arising from the acquisition of Penang Sentral Sdn. Bhd. (Note 5(ii)) during the financial year of RM2,922,674 is arrived based on a provisional purchase price allocation.

Development rights

Development rights of RM18,016,809 allocated to 59 INC Sdn. Bhd., a property development company was tested for impairment using the VIU method.

The recoverable amount of CGU in development rights was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period.

Key assumptions used in the VIU calculations for development rights are as follows:

	<u>2014</u>	<u>2013</u>
	%	%
Discount rate	12.9	12.9

Based on the impairment test, no impairment is required for the development rights attributable to 59 INC Sdn. Bhd..

There will be no impact to the Group's results if the discount rate is 1% higher with all other variables including tax rate being held constant.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

25 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	35,784	33,513	-	-
Deferred tax liabilities	(90,219)	(95,068)	-	-
	(54,435)	(61,555)	-	-
The movements during the financial year relating to deferred tax are as follows:				
At start of financial year	(61,555)	(12,113)	-	-
(Charged)/credited to statement of comprehensive income (Note 13)				
Property, plant and equipment	340	(1,929)	257	(557)
Investment property	(43)	(2,659)	(43)	(2,659)
Property development cost	(2,532)	(2,311)	-	-
Provisions	(1,288)	13,937	(214)	3,216
Order book	4,863	884	-	-
Tax losses	4,866	3,564	-	-
Service concession asset	4,503	-	-	-
Others	-	797	-	-
	10,709	12,283	-	-
Acquisition of subsidiaries (Note 5)	(3,589)	(55,164)	-	-
Transferred to assets held for sale (Note 18(b))	-	(4,926)	-	-
<u>Discontinuing operations</u>				
Investment property (Note 51)	-	(1,635)	-	-
At end of financial year	(54,435)	(61,555)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

25 DEFERRED TAX (CONTINUED)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Subject to income tax</u>				
<u>Deferred tax assets (before offsetting)</u>				
Property, plant and equipment	138	108	-	-
Property development cost	15,673	19,545	-	-
Provisions	27,191	28,479	3,002	3,216
Tax losses	18,291	13,425	-	-
Service concession asset	4,503	-	-	-
	65,796	61,557	3,002	3,216
Offsetting	(30,012)	(28,044)	(3,002)	(3,216)
	35,784	33,513	-	-
<u>Deferred tax liabilities (before offsetting)</u>				
Property, plant and equipment	(8,474)	(5,195)	(300)	(557)
Investment property	(11,872)	(11,829)	(2,702)	(2,659)
Property development cost	(71,891)	(73,231)	-	-
Order book	(27,994)	(32,857)	-	-
	(120,231)	(123,112)	(3,002)	(3,216)
Offsetting	30,012	28,044	3,002	3,216
	(90,219)	(95,068)	-	-

The amounts of deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax assets are recognised in the statement of financial position are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deductible temporary differences	48,263	76,231	1,723	16,353
Tax losses	181,314	142,638	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

26 INVENTORIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Completed properties for sale, at cost	7,740	7,740	7,220	7,220
Raw materials	34,388	161	-	-
Land held for sale	498	498	-	-
	42,626	8,399	7,220	7,220

The carrying value of inventories included RM626,397 (2013: RM626,397) stated at net realisable values.

Inventories where the net realisable values are expected to be below the carrying value have been written down. The amount written down during the financial year was Nil (2013: Nil).

27 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables	764,709	226,263	150	2,340
Less: Provision for impairment of trade receivables	(16,362)	(18,656)	-	(2,340)
	748,347	207,607	150	-
Amounts due from customers on contracts (Note 28)	174,059	191,296	30,457	34,159
Accrued billings in respect of property development	230,991	165,324	-	-
Amounts due from related parties	589	4,152	377	242
Deposits	16,681	9,711	4,125	2,680
Prepayments	12,644	2,302	-	-
Other receivables	163,146	116,180	143,428	73,485
Less: Provision for impairment of other receivables	(32,425)	(47,412)	(12,834)	(27,915)
	160,046	80,781	134,719	48,250
	1,314,032	649,160	165,703	82,651

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Company	
	2014 RM'000	2013 RM'000
Amounts due from subsidiaries*	1,223,605	1,029,758
Less: Provision for impairment of amounts due from subsidiaries	(191,967)	(197,990)
	1,031,638	831,768

* Amounts due from subsidiaries include Redeemable Cumulative Preference Shares of RM30,000,000 held by the Company in MRCB Putra Sdn. Bhd. (formerly known as Arch Angel Capital Sdn. Bhd.), a 70% equity owned subsidiary.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amounts due from joint venture	5,813	537	14,736	14,799

There were no loans and guarantee given to related parties, directors and key management (and their families) of the Group and of the Company.

The above trade and other receivables balances are denominated in Ringgit Malaysia.

Trade and other receivables that are neither past due nor impaired

Credit terms of trade receivables range from 30 to 60 days (2013: range from 30 to 60 days).

Other than receivables that are impaired, trade and other receivables comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development activities arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables that are past due but not impaired

As at 31 December 2014, the Group's and the Company's trade receivables of RM93,529,939 (2013: RM87,892,022) and RM 149,610 (2013: RM Nil) were past due their contractual payment date but not impaired as it relates to a number of external parties where there is no expectation of default. The age analysis of these trade receivables is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Trade receivables</u>				
Less than three months	33,582	49,940	-	-
Between three to six months	10,079	8,625	-	-
Between six months and one year	23,004	5,933	-	-
More than one year	26,865	23,394	150	-
	93,530	87,892	150	-

As at 31 December 2014, the Group's and the Company's other receivables of RM3,865,934 (2013: RM4,339,271) and RM885,271 (2013: RM1,068,767) were past due their contractual payment date but not impaired as it relates to a number of external parties where there is no expectation of default. The age analysis of these other receivables is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Other receivables</u>				
Less than three months	380	1,708	1	-
Between three to six months	1,183	5	-	-
Between six months and one year	25	129	-	117
More than one year	2,278	2,498	884	952
	3,866	4,340	885	1,069

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables that are impaired

As at 31 December 2014, the Group's and the Company's trade and other receivables were individually impaired either because of difficulties in collecting promptly or the debtors are in financial difficulty. The aging of these receivables are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Trade receivables</u>				
Within 6 months	-	-	-	-
More than 6 months	16,362	18,656	-	2,340
	16,362	18,656	-	2,340
<u>Other receivables</u>				
Within 6 months	-	-	-	-
More than 6 months	32,425	47,412	12,834	27,915
	32,425	47,412	12,834	27,915

Movements of the provision for impairment of trade and other receivables during the year are as follows:-

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Trade receivables</u>				
At start of financial year	18,656	18,306	2,340	2,364
Provision for impairment of receivables	742	1,177	-	-
Reversal of impairment	(24)	(162)	(2,340)	(24)
Written off	(2,526)	(13)	-	-
Reversal upon disposal of a subsidiary	(486)	-	-	-
Reclassified to other receivables	-	(652)	-	-
At end of financial year	16,362	18,656	-	2,340
<u>Other receivables</u>				
At start of financial year	47,412	47,910	27,915	27,901
Provision for impairment of receivables	150	377	3	14
Reversal of impairment	(52)	(204)	-	-
Written off	(15,085)	(1,323)	(15,084)	-
Reclassified from trade receivables	-	652	-	-
At end of financial year	32,425	47,412	12,834	27,915

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

27 TRADE AND OTHER RECEIVABLES (CONTINUED)

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the statement of comprehensive income. Amount charged to the allowance account are generally written off, when there is no expectation of further recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at 31 December 2014 is the carrying value of each class of receivables mentioned above.

Amounts due from subsidiaries, joint venture and related parties are unsecured, interest free and repayable on demand. There is no material difference between the carrying value of the trade and other receivables and their fair values, due to the short term duration of these receivables.

The Group does not has any significant exposure to any individual customer or counterparty nor does the Group has any major concentration of credit risk, other than the concentration of credit risk from property development customers in respect of amounts due from Puncak Pavillion Sdn. Bhd. and Uptown Skyline Sdn. Bhd. of RM556,212,325 (2013: RM531,909,092). The Group has carried out an assessment on the recoverability of these balances and the Directors have concluded that no impairment is required.

Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and liabilities that have been set off for presentation purposes:

<u>Company</u>	<u>Note</u>	<u>Gross amount RM'000</u>	<u>Balance that are set off RM'000</u>	<u>Net carrying amount in the statement financial position RM'000</u>
<u>2014</u>				
Amounts due from subsidiaries	27	1,259,342	(35,737)	1,223,605
Amounts due to subsidiaries	39	158,990	(21,425)	137,565
<u>2013</u>				
Amounts due from subsidiaries	27	1,107,584	(77,826)	1,029,758
Amounts due to subsidiaries	39	127,755	(3,649)	124,106

Certain trade receivables and trade payables, amounts due from subsidiaries and amounts due to subsidiaries were set off for presentation purposes because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

28 CONSTRUCTION CONTRACTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Aggregate costs incurred to date	4,509,774	5,448,067	533,342	502,337
Attributable profits on contract works performed to date	220,083	262,875	11,386	6,348
Less: Provision for foreseeable losses	(37,448)	(24,382)	-	-
	4,692,409	5,686,560	544,728	508,685
Less: Progress billings	(4,534,733)	(5,502,236)	(524,855)	(474,526)
	157,676	184,324	19,873	34,159
Amounts due from customers on contracts (Note 27)	174,059	191,296	30,457	34,159
Amounts due to customers on contracts (Note 39)	(16,383)	(6,972)	(10,584)	-
	157,676	184,324	19,873	34,159
Retention sum on contracts, included under trade receivables	58,880	43,661	-	-

The borrowing costs capitalised in construction contracts during the financial year was RM438,318 (2013: RM Nil).

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Shares in corporations, quoted in Malaysia	3,229	4,533	3,229	4,533

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statements of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other gain/(losses) – net' in the profit or loss.

The fair value of all equity securities is based on their current bid prices in an active market.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

30 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	133,582	195,338	22,542	84,449
Deposits with licensed financial institutions	22,389	35,846	22,389	35,846
Cash held under Housing Development Accounts	81,466	49,328	-	-
Cash and bank balances	423,251	322,923	78,946	17,258
	660,688	603,435	123,877	137,553

Included in the Group's and the Company's cash and bank balances and deposits with licensed banks and licensed financial institutions are restricted monies amounting to RM352,477,979 (2013: RM294,524,812) and RM82,732,669 (2013: RM32,222,293) respectively, representing:

- collateral pledged with licensed banks and/or licensed financial institutions by the Group and the Company for credit facilities granted and bank guarantee facilities issued to third parties;
- proceeds from the issue of Senior and Junior Sukuk and long term loan by a subsidiary net of permitted withdrawal at date of issue of Sukuk have been channelled to Designated Accounts for the Eastern Dispersal Link Expressway project as provided under the terms and conditions of the Project Account Agreement (Note 35).

Cash held under Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under the Housing Developers (Control and Licensing) Act, 1966.

Cash and cash equivalents of the Group and of the Company comprise:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits, cash and bank balances	660,688	603,435	123,877	137,553
Less:				
Cash and bank balances and fixed deposits held as security value	(352,478)	(294,524)	(82,733)	(32,222)
Bank overdraft	-	(391)	-	-
	308,210	308,520	41,144	105,331

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

30 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currency denomination of the deposits, cash and bank balances of the Group and of the Company are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	659,733	602,614	123,847	137,522
Australian Dollar	165	77	30	31
Thai Baht	790	744	-	-
	660,688	603,435	123,877	137,553

The weighted average period effective interest rates per annum of deposits with licensed banks and financial institutions that were effective at the end of the financial year were as follows:

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Deposits with licensed banks	3.01	2.84	3.19	2.63
Deposits with licensed financial institutions	3.39	2.96	3.39	2.96

The maturity periods of deposits with licensed banks and licensed financial institutions as at the financial year end were as follows:

	Group		Company	
	2014	2013	2014	2013
	days	days	days	days
Deposits with licensed banks	7 - 365	2 - 365	7 - 365	7 - 365
Deposits with licensed financial institutions	7	2 - 7	7	2 - 7

Bank balances are held at call except for the restricted monies.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

31 SHARE CAPITAL

	Group and Company	
	2014	2013
	RM'000	RM'000
<u>Authorised:</u>		
Ordinary shares of RM1.00 each		
At 1 January	5,000,000	2,000,000
Increase during the year	-	3,000,000
At 31 December	5,000,000	5,000,000
<u>Issued and fully paid:</u>		
Ordinary shares of RM1.00 each		
At 1 January	1,651,311	1,387,811
Allotment of shares pursuant to the acquisition of P.J Sentral Development Sdn. Bhd. (Note 5(i))	108,807	263,500
Exercise of option under 2007/2017 ESOS	60	-
At 31 December	1,760,178	1,651,311

Employees' Share Option Scheme

The Company proposed a Employees' Share Option Scheme (2007/2012 ESOS or the Scheme) following the expiry of the 2002/2007 ESOS on 5 September 2007. The 2007/2012 ESOS was approved by the shareholders at an Extraordinary General Meeting held on 29 May 2007 and became effective on 31 October 2007 for a period of five (5) years.

On 25 October 2012, the Board of Director had extended the duration of the ESOS for another five (5) years. The expiry date is revised from 30 October 2012 to 30 October 2017.

The details of the 2007/2017 ESOS are contained in the By-Laws and the salient features thereof are as follows:

- (a) The Scheme is set up for the participation in the ordinary share capital of the Company only.

The total number of shares to be offered under the 2007/2017 ESOS shall not exceed 15% of the total number of issued and fully paid ordinary shares of the Company at any time during the tenure of the Scheme, which shall be in force for a period of ten (10) years commencing 31 October 2007.

- (b) Eligible employees (including Executive Directors) are those who must have been confirmed in his/her position as an employee with a minimum of six (6) months continuous service on or prior to the date of offer of the 2007/2017 ESOS.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

31 SHARE CAPITAL (CONTINUED)

Employees' Share Option Scheme (continued)

- (c) The Scheme is administered by an ESOS Committee which consists of such persons duly appointed by the Board from time to time.
- (d) An option granted under the 2007/2017 ESOS is capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer and expiring on 30 October 2017.
- (e) Options granted for each year may be exercised in full or in such lesser number of shares.
- (f) The option price of each share shall be either at premium or at a discount of not more than 10% from the weighted average market price of the shares of the Company as stated in the Daily Official Listing issued by the Malaysia Securities Exchange Berhad for the five (5) market days immediately preceding the date of offer and shall not be less than the par value of the share.
- (g) An eligible employee can only participate in one ESOS implemented by any company in the Group at any one time.
- (h) All the new ordinary shares issued arising from the 2007/2017 ESOS shall rank pari passu in all respects with the existing ordinary shares of the Company.

Options expiring on 30 October 2017

Set out below are details of options over the ordinary shares of the Company granted under the 2007/2017 ESOS:

Tranche	Date	Price*	No. of ordinary shares of RM1.00 each covered under options				At 31.12.2014
			At 1.1.2014	Granted	Exercised	Lapsed	
1	21 Dec 2007	RM2.79	499,410	-	-	-	499,410
2	28 Apr 2009	RM1.14	76,058	-	-	(3,389)	72,669
3	24 Aug 2010	RM2.00	737,500	-	-	(321,500)	416,000
4	27 June 2011	RM2.48	13,000	-	-	-	13,000
5	28 Feb 2013	RM1.61	25,329,485	-	(60,000)	(5,112,166)	20,157,319
			26,655,453	-	(60,000)	(5,437,055)	21,158,398

- * The options prices for tranches 1 & 2 have been adjusted for the effect of the rights issue of seventy four (74) new options for every one thousand ("1,000") existing options, granted by the Company on 11 March 2010.

At financial year end, the outstanding options included 21,158,398 units which are exercisable.

60,000 options were exercised during the financial year and the options outstanding at financial year end have remaining contractual life of 34 months.

All options granted during the option period will expire on 30 October 2017.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

31 SHARE CAPITAL (CONTINUED)

Warrants

During the financial year ended 31 December 2014, 31,087,819 warrants of the Company were offered as part of the purchase consideration to acquire 70% equity interest in P.J Sentral Development Sdn. Bhd. as disclosed in Note 5(i) to the financial statements ("Consideration Warrants").

The warrants of the Company are constituted by a deed poll dated 22 August 2013.

At financial year end, the outstanding warrants included 568,975,424 units which are exercisable.

No warrants were exercised during the financial year and the warrants outstanding at the financial year end have remaining contractual life until 16 September 2018.

The salient terms of the warrants are as follows:

- (a) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM1.00 each of the Company at any time during the five (5) years period commencing on and including 17 September 2013 ("First Issue Date"), to 16 September 2018 ("Exercise Period") at RM2.30 per new share of the Company ("Exercise Price") subject to adjustments in accordance with the provisions of the deed poll dated 22 August 2013 constituting the warrants;
- (b) Any warrants not exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose; and
- (c) The new shares of the Company allotted and issued upon exercise of the warrants shall rank pari passu in all aspects with the existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movement of the warrants are as follows:

	No. of ordinary shares of RM1.00 each covered under warrants		
	At 1.1.2014	Granted	At 31.12.2014
Number of unexercised warrants	537,887,605	31,087,819	- 568,975,424

32 SHARE PREMIUM

	Group and Company	
	2014 RM'000	2013 RM'000
At 1 January	247,780	134,475
Allotment of shares pursuant to the acquisition of P.J Sentral Development Sdn. Bhd. (Note 5(i))	76,165	113,305
Exercise of options under 2007/2017 ESOS	37	-
Transferred from share options reserve	4	-
At 31 December	323,986	247,780

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

33 LOAN STOCKS

The loan stocks issued by a subsidiary pursuant to a Joint Venture Agreement dated 18 April 1996 were due for redemption on 1 January 2002. The joint venture parties have consented to extend the redemption to 31 December 2016 or within 6 months from the completion of joint venture project, whichever shall be earlier at 100% of its nominal value for all loan stocks not previously redeemed or purchased together with all accrued interest thereon under the Supplemental Joint Venture Agreement dated 19 February 2003.

The carrying values of the loan stocks approximate their fair values.

34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Group

	Guaranteed rental scheme RM'000	Liquidated ascertained damages RM'000	Others RM'000	Total RM'000
At 1 January 2014	14,914	67,058	10,000	91,972
Charged to statement of comprehensive income	531	2,092	4,983	7,606
Utilised during the financial year	-	(1,839)	(14,983)	(16,822)
Unutilised amounts reversed	-	(23,577)	-	(23,577)
Reclassified to trade and other payables	(15,445)	-	-	(15,445)
At 31 December 2014	-	43,734	-	43,734
Current	-	43,734	-	43,734
At 31 December 2014	-	43,734	-	43,734
At 1 January 2013	8,045	31,703	20,750	60,498
Charged to statement of comprehensive income	14,914	38,230	1,250	54,394
Utilised during the financial year	-	(266)	(7,000)	(7,266)
Unutilised amounts reversed	(8,045)	(2,609)	(5,000)	(15,654)
At 31 December 2013	14,914	67,058	10,000	91,972
Current	4,305	67,058	10,000	81,363
Non current	10,609	-	-	10,609
At 31 December 2013	14,914	67,058	10,000	91,972

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

34 PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

Company

	Liquidated ascertained damages RM'000	Others RM'000	Total RM'000
At 1 January 2014	18,200	10,000	28,200
Utilised during the financial year	-	(10,000)	(10,000)
Unutilised amounts reversed	(18,200)	-	(18,200)
At 31 December 2014	-	-	-
At 1 January 2013	7,000	8,750	15,750
Charged to statement of comprehensive income	11,200	1,250	12,450
At 31 December 2013	18,200	10,000	28,200

(a) Liquidated ascertained damages

Provision for liquidated ascertained damages (LAD) is recognised for expected LAD claims based on the contract agreement, circumstances of projects and management's past experience.

(b) Others

Others relate to provisions made by the Company for potential litigation claims based on the estimate made by external consultants.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

35 SENIOR AND JUNIOR SUKUK

Group

Senior Sukuk

	2014 RM'000	2013 RM'000
Nominal value	845,000	845,000
Less: Unamortised cost of issue	(11,698)	(12,992)
	833,302	832,008
Senior Sukuk	845,000	845,000
Less: Issuance expenses	(20,805)	(20,805)
Net proceeds	824,195	824,195
Accumulated amortisation of issuance expenses	9,107	7,813
	833,302	832,008

Junior Sukuk

	2014 RM'000	2013 RM'000
Nominal value	230,000	230,000
Less: Issuance expenses	(300)	(300)
Net proceeds	229,700	229,700
Accumulated amortisation of issuance expenses	334	219
Less: Accumulated unwinding of premium	(4,877)	(3,465)
	225,157	226,454
Total Senior and Junior Sukuk	1,058,459	1,058,462

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

35 SENIOR AND JUNIOR SUKUK (CONTINUED)

- (i) In 2008, a subsidiary issued RM845 million Senior Sukuk and RM199 million Junior Sukuk which proceeds were used to finance the EDL project. Tenure of the Senior Sukuk ranges from 10.0 to 17.5 years and Junior Sukuk ranges from 18.0 to 19.5 years from the date of issue and carry profit rates, which have been fixed in accordance with the Syariah principles, at profit ratios ranging from 6.33% to 8.35% per annum for Senior Sukuk and 10.05% to 10.40% per annum for Junior Sukuk respectively. Both Sukuk are payable semi annually from its respective issue dates and traded on the Scriptless Securities Trading System operated and managed by Bank Negara Malaysia.
- (ii) Proceeds from the issue of both Sukuk were channelled to Designated Accounts. Permitted withdrawals relating to the EDL project from these Designated Accounts are subject to terms and conditions of the Project Account Agreement (Note 30).
- (iii) In 2012, the service concession asset ("SCA") has been classified as asset held for sale following the GoM's decision to take over the SCA. The completion date for the transaction was expected to be within twelve (12) months from the financial year ended 2012. Correspondingly, the Senior and Junior Sukuk which were secured by the EDL project (Note 18(a)) was reclassified as current liabilities in the previous financial year.

On 31 July 2014, MLSSB entered into a Termination Agreement with GoM to terminate the Interim Agreement followed by a Supplementary Agreement which came into effect on 1 August 2014 to amend and vary the relevant provisions of the principal Concession Agreement.

Upon execution of the above agreements, MLSSB commenced tolling on 1 August 2014 and accordingly the EDL was transferred from non-current assets held for sale to intangible asset as SCA. Accordingly, the Senior and Junior Sukuk have been reclassified as non current liabilities based on the Group's original contractual terms with the Sukuk holders.

- (iv) The Junior Sukuk was fully subscribed by the Company in 2008. On 30 September 2011, the Company disposed the Junior Sukuk to The National Agricultural Cooperative Federation ("Purchaser") for a cash consideration of RM230 million. The Purchaser was the trustee for HanaDoal Landchip Malaysia JB Private Real Estate Fund Investment Trust No. 34 (REF Trust) of Korea.
- (v) Both Sukuk are denominated in Ringgit Malaysia.
- (vi) The carrying amounts of the Senior and Junior Sukuk approximate their fair values.

36 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group and the Company provide for unfunded retirement benefits to eligible employees, those permanent employees who joined before 1 September 2002, that have been in the service of the Group and of the Company for a continuous period of at least ten (10) years.

The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the statement of financial position. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified actuary on the basis of a triennial valuation and after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 16 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The defined benefit plan exposed the Group and the Company to actuarial risk such as interest rate risk and salary inflation risk.

	Group	
	2014 RM'000	2013 RM'000
<u>Defined benefit plan</u>		
At 1 January	16,396	17,081
Charged to statement of comprehensive income	2,141	1,845
Utilised during the financial year	(3,719)	(2,805)
Re-measurement of post employment benefit obligations recognised in other comprehensive income		
- current year	2,242	275
- disposal of subsidiary	8	-
Reversal upon disposal of a subsidiary (Note 5(iii))	(529)	-
At 31 December	16,539	16,396

	Company	
	2014 RM'000	2013 RM'000
<u>Defined benefit plan</u>		
At 1 January	5,102	5,325
Charged to statement of comprehensive income	729	621
Utilised during the financial year	(1,087)	(929)
Re-measurement of post employment benefit obligations recognised in other comprehensive income	2,151	85
At 31 December	6,895	5,102

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The amounts recognised in the Group's and the Company's statement of financial positions are analysed as follows based on valuation carried out on 16 December 2014:

	Group RM'000	Company RM'000
Present value of unfunded obligations – Non current		
At 31 December 2014	16,539	6,895
At 31 December 2013	16,396	5,102
At 31 December 2012	17,081	5,325
At 31 December 2011	16,893	5,953
At 31 December 2010	15,922	5,542

The expenses recognised in the Group's and the Company's statement of comprehensive income are analysed as follows:

	Group 2014 RM'000	2013 RM'000
Current service cost	1,310	1,171
Interest cost	831	908
Past service credit	-	(234)
At 31 December	2,141	1,845

	Company 2014 RM'000	2013 RM'000
Current service cost	475	394
Interest cost	254	314
Past service credit	-	(87)
At 31 December	729	621

The above charge to the statement of comprehensive income was included in administrative expenses of the year.

The change in the retirement age from 55 years to 60 years resulted in a credit of RM234,389 recognised in the statement of comprehensive income in previous financial year.

At 31 December 2014, the weighted-average duration of the defined benefit obligation was 9.7 years (2013: 10 years).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used by the valuers in the valuation carried out on 16 December 2014 in respect of the Group's and the Company's defined benefit plan is as follows:

	Group and Company %
Discount rate	5.2
Expected rate of salary increases	6.0

There is no material effect to the defined benefit obligations should there be a 1% movement in the above assumed discounted rate.

37 LONG TERM BORROWINGS – SECURED

(a)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Term loans	2,473,782	2,281,753	590,000	399,000
Less: Unamortised cost of issue	(7,155)	(5,787)	(4,814)	-
	2,466,627	2,275,966	585,186	399,000
Less: Due within 12 months (Note 41)	(1,231,946)	(1,366,980)	(75,000)	-
	1,234,681	908,986	510,186	399,000
Term loans	2,473,782	2,281,753	590,000	399,000
Less: Issuance expenses	(13,335)	(12,237)	(5,450)	-
Net proceeds	2,460,447	2,269,516	584,550	399,000
Accumulated amortisation of issuance expenses	6,180	6,450	636	-
	2,466,627	2,275,966	585,186	399,000
Less: Due within 12 months (Note 41)	(1,231,946)	(1,366,980)	(75,000)	-
	1,234,681	908,986	510,186	399,000

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

37 LONG TERM BORROWINGS – SECURED (CONTINUED)

(b) The repayment period of the term loans (before issuance cost) are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Analysis of term loans:				
Payable within one year	1,233,248	1,369,037	75,000	-
Payable between one and two years	280,556	224,766	100,000	75,000
Payable between two and five years	922,688	687,950	415,000	324,000
Payable after five years	37,290	-	-	-
	2,473,782	2,281,753	590,000	399,000
Representing term loans:				
Due within 12 months	1,233,248	1,369,037	75,000	-
Due after 12 months	1,240,534	912,716	515,000	399,000
	2,473,782	2,281,753	590,000	399,000

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
(c) Weighted average year end effective interest rates per annum	5.10	4.65	5.35	4.45

(d) All borrowings are denominated in Ringgit Malaysia.

(e) The fair value of the borrowings have been estimated from the perspective of market participants that hold similar borrowings at the reporting date and are within Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

37 LONG TERM BORROWINGS – SECURED (CONTINUED)

A. Effective interest rate and maturity profile of borrowings

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows:

The Group	Effective Interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
Floating interest rate						
<u>2014</u>						
<u>Secured</u>						
Revolving credit 1	4.63	1,225	1,225	-	-	-
Revolving credit 2	5.08	7,350	7,350	-	-	-
<u>Unsecured</u>						
Revolving credit 3	4.51	150,000	150,000	-	-	-
		158,575	158,575	-	-	-
Fixed interest rate						
<u>Secured</u>						
Term loan 1	4.92	380,000	380,000	-	-	-
Floating interest rate						
Term loan 2	5.29	194,568	45,848	52,844	95,876	-
Term loan 3	5.20	265,122	202,411	62,711	-	-
Term loan 4	4.95	380,000	380,000	-	-	-
Term loan 5	5.17	342,000	75,000	100,000	167,000	-
Term loan 6	5.60	243,186	-	-	243,186	-
Term loan 7	4.88	134,726	134,726	-	-	-
Term loan 8	4.81	442,923	13,961	25,000	403,962	-
Term loan 9	4.63	84,102	-	40,000	6,812	37,390
		2,086,627	851,946	280,555	916,836	37,390
		2,625,202	1,390,521	280,555	916,836	37,390

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

37 LONG TERM BORROWINGS – SECURED (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows: (continued)

The Group	Effective Interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
Floating interest rate						
2013						
Secured						
Revolving credit 1	4.50	41,503	41,503	-	-	-
Revolving credit 2	5.00	7,368	7,368	-	-	-
Unsecured						
Revolving credit 3	4.23	120,000	120,000	-	-	-
		168,871	168,871	-	-	-
Fixed interest rate						
Secured						
Term loan 1	4.81	380,000	380,000	-	-	-
Floating interest rate						
Term loan 2	4.92	218,504	218,504	-	-	-
Term loan 3	4.96	195,473	195,473	-	-	-
Term loan 4	4.34	380,000	380,000	-	-	-
Term loan 10	4.63	193,003	193,003	-	-	-
Term loan 5	4.45	399,000	-	75,000	324,000	-
Term loan 7	4.75	134,152	-	134,152	-	-
Term loan 8	4.83	375,834	-	15,000	360,834	-
		1,895,966	986,980	224,152	684,834	-
		2,444,837	1,535,851	224,152	684,834	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

37 LONG TERM BORROWINGS – SECURED (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowing mature are as follows: (continued)

The Company	Effective interest rate as at year end % p.a	Total Carrying Amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
			Floating interest rate			
<u>2014</u>						
<u>Unsecured</u>						
Revolving credit 1	4.51	150,000	150,000	-	-	-
<u>Secured</u>						
Term loan 5	5.17	342,000	75,000	100,000	167,000	-
Term loan 6	5.60	243,186	-	-	243,186	-
		585,186	75,000	100,000	410,186	-
		735,186	225,000	100,000	410,186	-
<u>2013</u>						
<u>Unsecured</u>						
Revolving credit 1	4.23	120,000	120,000	-	-	-
<u>Secured</u>						
Term loan 5	4.45	399,000	-	75,000	324,000	-
		519,000	120,000	75,000	324,000	-

B. Principal features borrowings

Term Loan 1

Term loan 1 of RM380,000,000 (2013: RM380,000,000) is secured by way of:

- Fixed and floating charge over the investment property amounting to RM396,891,365 (2013: RM396,891,365) held for sale (Note 18(a)); and
- A corporate guarantee by the Company.

Term Loan 2

Term loan 2 of RM194,568,000 (2013: RM218,504,000) is secured by way of:

- Fixed charge over the Group's service concession asset amounting to RM1,237,294,907 (2013: RM1,321,672,431) (Note 18(b)); and
- First charge over Debt Service Reserve Account and second charge over the Redemption Account.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

37 LONG TERM BORROWINGS – SECURED (CONTINUED)

B. Principal features borrowings (continued)

Term Loan 3

Term loan 3 of RM265,122,468 (2013: RM195,473,699) is secured by way of a freehold land of the Group held for development with a carrying value amounts of RM140,000,000 (Note 17(b)).

Term Loan 4

Term loan 4 of RM380,000,000 (2013: RM380,000,000) is secured over trade receivables in respect of the sale of two (2) office towers by the Group (Note 27).

Term Loan 5

Term loan 5 of RM342,000,000 (2013: RM399,000,000) is secured by way of:

- (i) First and third parties legal charge over the Group's investment properties with a carrying value of RM154,417,567 (2013: RM158,161,903) (Note 16);
- (ii) Assignment of rental income from the investment properties above;
- (iii) Assignment of the Company's beneficial rights arising from certain investments;
- (iv) Power of Attorney to initiate disposal of the pledged properties/investments upon occurrence of Trigger Events or Event of Fault; and
- (v) Assignment over proceeds from receivables of the Group with a carrying amount of RM556,212,325 (Note 27).

Term Loan 6

Term loan 6 (Sukuk Murabahah Programme) of RM243,185,833 (2013: RM Nil) is secured by way of:

- (i) Third party legal charge over the Group's wholly owned leasehold and freehold land of RM155,388,000 and RM50,507,884 respectively;
- (ii) A minimum Security Cover Ratio of 0.7 time;
- (iii) Any other lands and properties to be identified subject to the agreement between the issuer, the lead Arranger and the Sukuk holder of first issuance, if required in order to maintain the Security Cover Ratio; and
- (iv) A charge over the Designated Accounts.

Term Loan 7

Term loan 7 of RM134,725,990 (2013: RM134,151,873) is secured by way of:

- (i) First fixed and floating charges over the past, present and future assets of the Company's subsidiary;
- (ii) First party first legal charge over a leasehold land upon transfer of ownership from Pesuruhjaya Tanah Persekutuan to the Company's subsidiary;
- (iii) An irrecoverable and unconditional letter of undertaking from the Company to service loan interest and to pay the loan;
- (iv) A corporate guarantee of RM135,000,000 by the Company;
- (v) Letter of subordination from the Company and a non controlling interest of a subsidiary of the Company; and
- (vi) Irrecoverable and unconditional letter of undertaking from the Company's subsidiary to surrender its rights over the entitlement in a Privatisation Agreement.

Term Loan 8

Term loan 8 of RM442,922,486 (2013: RM375,833,730) is secured by way of:

- (i) Fixed charge over a freehold land with a carrying amount of RM111,276,076 (2013: RM111,276,076) (Note 16);
- (ii) Finance Service Reserve Account with carrying amount of RM19,768,822 (2013: RM10,094,536); and
- (iii) A corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

37 LONG TERM BORROWINGS – SECURED (CONTINUED)

B. Principal features borrowings (continued)

Term Loan 9

Term loan 9 of RM84,102,411 (2013: RM Nil) is secured by way of:

- (i) Fixed charge over a leasehold land and the investment property with total carrying amount of RM137,148,194 (Note 16);
- (ii) Master Deed of Assignment in respect of Assigned property as follows:-
 - (a) The Agreement to Build and Lease;
 - (b) The Lease Agreement or the Tenancy Agreement;
 - (c) The Construction Contract;
 - (d) The Performance Bond; and
 - (e) The Insurances
- (iii) Memorandum of Deposit of the shares of the subsidiary;
- (iv) Assignment and charge over Shared Designated Accounts;
- (v) Debentures by the subsidiary;
- (vi) Corporate Guarantee and undertaking by the Company; and
- (vii) Priority and Security Sharing Agreement.

Term Loan 10

Term loan 10 of RM Nil (2013: RM193,003,038) fully settled during the financial year was secured by way of:

- (i) Freehold land of the Group held for development with a carrying value of RM133,000,000 (Note 17(b)); and
- (ii) A corporate guarantee by the Company and a non controlling interest of a subsidiary of the Company.

38 LONG TERM LIABILITIES

	Group	
	2014 RM'000	2013 RM'000
Hire purchase creditors due after 12 months (Note 40)	3	123

39 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	652,638	607,054	58,769	66,233
Amounts due to customers on Contracts (Note 28)	16,383	6,972	10,584	-
Progress billings in respect of property development	1,765	1,564	-	-
Amounts due to related parties	14	64	14	-
Hire purchase creditors due within 12 months (Note 40)	38	169	-	-
Other payables	288,583	271,892	3,157	3,169
Accruals	155,558	133,034	15,664	9,423
	1,114,979	1,020,749	88,188	78,825

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

39 TRADE AND OTHER PAYABLES (CONTINUED)

	Company	
	2014	2013
	RM'000	RM'000
Amounts due to subsidiaries	137,565	124,106

The amounts due to related parties are unsecured, interest free and have no fixed terms of repayment.

Credit terms of trade payables for the Group and the Company range from 14 days to 90 days (2013: 14 days to 90 days).

Credit terms of other payables for the Group and the Company range from 30 days to 90 days (2013: 30 days to 90 days).

The above trade and other payables balances are denominated in Ringgit Malaysia.

40 HIRE PURCHASE CREDITORS

	Group	
	2014	2013
	RM'000	RM'000
Analysis of hire purchase creditors:		
Payable within one year	45	193
Payable between one and two years	5	133
	50	326
Less: Finance charges	(9)	(34)
	41	292
Present value of hire purchase creditors:		
Payable within one year	38	169
Payable between one and two years	3	123
	41	292
Representing hire purchase creditors:		
Due within 12 months (Note 39)	38	169
Due after 12 months (Note 38)	3	123
	41	292

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

40 HIRE PURCHASE CREDITORS (CONTINUED)

- (a) The weighted average year end effective interest rates of hire purchase creditors range from 3.40% to 6.01% (2013: 2.48% to 6.01%) per annum.
- (b) The hire purchase creditors are denominated in Ringgit Malaysia.
- (c) Hire purchase liabilities are effectively secured as the rights to the assets under hire purchase revert to the hire purchase creditors in the event of default.
- (d) The carrying amounts of the hire purchase creditors approximate its fair values as at reporting date.

41 SHORT TERM BORROWINGS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Secured short term borrowings and other credit facilities	8,575	-	-	-
Secured term loans due within 12 months (Note 37)	1,231,946	1,366,980	75,000	-
Unsecured short term borrowings (Note 37)	150,000	168,871	150,000	120,000
Total	1,390,521	1,535,851	225,000	120,000

The principal features for the short term borrowings (term loan) of the Group and the Company have been disclosed in Note 37 to the financial statements.

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
<u>Weighted average year end effective interest rates</u>				
Secured short term borrowings and other credit facilities	5.02	4.61	-	-
Secured term loans	5.00	4.61	5.17	-
Unsecured short term borrowings	4.51	4.23 - 7.06	4.51	4.23

All short term borrowings were denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

42 GUARANTEED RETURN TO A NON CONTROLLING INTEREST

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Guaranteed return to a non controlling interest	-	115,000	-	115,000

On 19 February 2003, the Company entered into a Supplementary Joint Venture Agreement ("SJVA") with a non controlling interest in a subsidiary. In accordance with SJVA the Company agreed to procure a minimum return to the non controlling interest on their investment in the KL Sentral development project. The minimum return was payable by 31 December 2012 or upon the completion of KL Sentral development project, whichever was earlier.

During the financial year ended 31 December 2013, the non controlling interest had claimed for the guaranteed return from the Company and it was fully settled as at 31 December 2014.

The guaranteed minimum return which is recoverable from the non controlling interest's portion of future profits distributable by the subsidiary in accordance with Clause 15.4 of the SJVA is accounted for as an additional investment in the subsidiary (Note 19).

The minimum guaranteed return to a non controlling interest of RM115,000,000 was fully settled as at 31 December 2014.

43 RELATED PARTY DISCLOSURES

The related parties with whom the Group and the Company transacted with during the financial year include the following:

Related parties	Nature of relationship
Sistem Televisyen Malaysia Berhad (STMB)	A subsidiary of Media Prima Berhad (MPB) and related by virtue of Datuk Shahril Ridza Ridzuan being common Director of both MPB and the Company.
The New Straits Times Press (Malaysia) Berhad (NSTP)	Related by virtue of NSTP is wholly owned subsidiary of MPB.
Kumpulan Wang Simpanan Berhad (KWSP)	Significant shareholder of the Company and related by virtue of Tan Sri Azlan Mohd Zainol and Datuk Shahril Ridza Ridzuan being common Board members of both KWSP and the Company. KWSP is also a Government Linked Investment Corporation of Government of Malaysia.
Gapurna Retail Sdn. Bhd. (GRSB)	Related by virtue of Tan Sri Mohamad Salim Fateh Din being a common Board member of both GRSB and the Company. GRSB is wholly owned by Gapurna Sdn. Bhd. ("GSB"), a major shareholder of the Company.
Bisraya Acres Sdn. Bhd. (BASB)	Related by virtue of Tan Sri Mohamad Salim Fateh Din being a common Board member of both BASB and the Company. BASB is wholly owned by GSB, a major shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

43 RELATED PARTY DISCLOSURES (CONTINUED)

The related party transactions were carried out based on terms and conditions negotiated and agreed upon between the parties. The significant related party transactions and balances other than mentioned elsewhere in the financial statements are as follows:

(a) Transactions with related parties

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Rental income from STMB	1,559	1,423	1,559	1,423
Legal fees charged by a legal firm of which its partner also a director of the Company	3,504	-	307	-
Purchase of advertisement from NSTP and STMB	30	19	5	14
Management fees from subsidiaries	-	-	22,164	24,240
Provision of building maintenance services to KWSP and GRSB	7,218	11,649	-	-
Purchase of land from BASB (Note 48(c))	83,000	-	-	-
Progress billings charged to the directors and key management of the Group and of the Company	3,987	3,738	-	-

As at 31 December 2014, the outstanding amount arising from the progress billings to the directors and key management was RM Nil (2013: RM217,500).

(b) Key management compensation (including Executive Director)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Salaries and other short term employee benefits	6,870	7,024	5,145	4,838
Post employment benefits	983	851	731	536
Share based payments	-	84	-	33

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

43 RELATED PARTY DISCLOSURES (CONTINUED)

- (c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Progress billings charged to customers on contracts:</u>				
- Dewan Bandaraya Kuala Lumpur	-	807	-	-
- Iskandar Investment Berhad	-	18,254	-	-
- Jabatan Kerja Raya Malaysia	9,252	-	9,252	-
- Jabatan Pengairan Dan Saliran Malaysia	90,051	19,890	90,051	19,890
- Kementerian Kesihatan Malaysia	-	4,028	-	4,028
- MASS Rapid Transit Corporation Sdn. Bhd.	1,576	5,913	-	-
- Pelaburan Hartanah Berhad	46,876	232,115	-	-
- Sarawak Hidro Sdn. Bhd.	81	232	-	-
- Syarikat Prasarana Negara Berhad	246,360	123,535	-	-
- Tenaga Nasional Berhad	41,913	-	-	-
- TH Universal Builders Sdn. Bhd.	2,729	25,371	-	-
- UDA Holdings Bhd.	4,146	25,371	-	-
<u>Progress billings charged to purchasers</u>				
- Malaysia Building Society Berhad	21,625	-	-	-
- Perbadanan Harta Inteltek Berhad	46,297	-	-	-
<u>Rental income received from:</u>				
- Jabatan Penilaian dan Perkhidmatan Harta	2,490	2,359	2,490	2,359
- Jabatan Insolvency Malaysia	1,733	1,639	-	-
- Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	1,699	1,505	-	-
- Mahkamah Persekutuan Malaysia	555	525	-	-
- Perbadanan Tabung Pendidikan Tinggi Nasional	883	-	-	-
- Performance Management and Delivery Unit	882	882	-	-
- Suruhanjaya Syarikat Malaysia	-	656	-	-
- Small and Medium Enterprises Corporation Malaysia	18,291	23,728	-	-
- Suruhanjaya Pengangkutan Awam Darat	6,623	6,623	-	-
<u>Project management and building maintenance service fees received from:</u>				
- Keretapi Tanah Melayu Berhad	4,846	3,893	-	-
- Lembaga Tabung Haji	5,138	4,433	-	-
- Malaysia Investment Development Authority	5,889	5,723	-	-
- Pelaburan Hartanah Berhad	421	4,896	-	-
- Small and Medium Enterprises Corporation Malaysia	908	1,400	-	-
- Suruhanjaya Syarikat Malaysia	1,521	1,421	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

43 RELATED PARTY DISCLOSURES (CONTINUED)

- (c) The Group's and the Company's significant transactions with government and government-related entities on terms and conditions negotiated and agreed upon are as follows: (continued)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Rental charged by:</u>				
- Bank Kerjasama Rakyat Malaysia Berhad	5,250	5,250	-	-
- Lembaga Tabung Haji	12,664	12,351	11,188	11,096
<u>Disposal of a subsidiary:</u>				
- Telekom Malaysia Berhad	-	45,000	-	-

44 CONTINGENT LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Performance guarantees extended to third parties	135,855	222,237	135,855	217,990
Disputed claims from sub-contractor arising from business transaction	4,681	4,681	-	-
Litigations arising from business transactions	33,898	-	32,418	-

The litigation arising from business transactions have not been provided for in the financial statements as the Board of Directors, based on legal advice, are of the opinion that the above claims are not likely to succeed and thus would not have a material effect on the financial position of the business of the Group and of the Company.

45 CAPITAL COMMITMENT

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Authorised capital expenditure not contracted for				
- property, plant and equipment	36,286	19,558	20,927	10,852

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

The Group's effective equity interest in the subsidiaries, joint venture and associates as at 31 December 2014, their respective principal activities and country of incorporation are as follows:

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
SUBSIDIARIES:				
348 Sentral Sdn. Bhd.	Leasing of office and service residence space	Malaysia	100.00	100.00
<u>Held through 100% ownership by 348 Sentral Sdn. Bhd.</u>				
- 348 Sentral Office Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- 348 Sentral Service Residence Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
59 INC Sdn. Bhd.	Property development and property investment	Malaysia	100.00	100.00
MRCB Putra Sdn. Bhd. (formerly known as Arch Angel Capital Sdn. Bhd.)	Property development, property investment and investment holding	Malaysia	70.00	70.00
Country Annexe Sdn. Bhd.	Construction and property development	Malaysia	70.00	70.00
Cosy Bonanza Sdn. Bhd.	Property development	Malaysia	65.70	65.70
Excellent Bonanza Sdn. Bhd.	Property development	Malaysia	100.00	60.00
Gapurna Builders Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
Gapurna Global Solutions Sdn. Bhd.	Property and investment holding	Malaysia	100.00	100.00
Gapurna Land Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00
Gelanggang Harapan Construction Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
<u>Held through 100% ownership by Gelanggang Harapan Construction Sdn. Bhd.</u>				
- Sanjung Sepang Sdn. Bhd.	Trading in construction material	Malaysia	100.00	100.00
Kuala Lumpur Sentral Sdn. Bhd.	Property development	Malaysia	74.00	74.00
<u>Held through 100% ownership by Kuala Lumpur Sentral Sdn. Bhd.</u>				
- Unity Portfolio Sdn. Bhd.	Property management	Malaysia	74.00	74.00
MRCB Utama Sdn. Bhd.	Property development	Malaysia	100.00	100.00
MRCB Sentral Properties Sdn. Bhd.	Property development and property investment	Malaysia	100.00	100.00
MRCB Engineering Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
<u>Held through 100% ownership by MRCB Engineering Sdn. Bhd.</u>				
- MRCB (Thailand) Ltd. β	Pre-operating	Thailand	100.00	100.00
MRCB Environmental Services Sdn. Bhd.	Project management services, consultancy services, infrastructure and environmental engineering and investment holding	Malaysia	100.00	100.00

» BUSINESS REVIEW

» GOVERNANCE

» ADDITIONAL INFORMATION

» FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
<u>Held through 100% ownership by MRCB Environmental Services Sdn. Bhd.</u>				
- MRCB Environment Sdn. Bhd.	Infrastructure and environmental engineering	Malaysia	100.00	55.00
MRCB Prasarana Sdn. Bhd.	Project management and investment holding	Malaysia	100.00	100.00
<u>Held through 100% ownership by MRCB Prasarana Sdn. Bhd.</u>				
- MRCB Lingkaran Selatan Sdn. Bhd.	Design, development, construction, project management, operations and maintenance of EDL	Malaysia	100.00	100.00
<u>Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.</u>				
- MRCB Southern Link Bhd.	Design, development, construction, project management and financing of expressway and infrastructure related project	Malaysia	100.00	100.00
Malaysian Resources Development Sdn. Bhd.	Property development and investment holding	Malaysia	100.00	100.00
<u>Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.</u>				
- MRCB International Sdn. Bhd. (formerly known as Bitar Enterprises Sdn. Bhd.)	Property development and investment holding	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
<u>Held through 100% ownership by MRCB International Sdn. Bhd. (formerly known as Bitar Enterprises Sdn. Bhd.)</u>				
- MRCB Land (Australia) Pty. Ltd. <i>β</i>	Property development	Australia	100.00	70.00
<u>Held through 100% ownership by MRCB Land (Australia) Pty. Ltd.</u>				
- MRCB Project Incorporated Pty. Ltd.*	Property development	Australia	100.00	70.00
<u>Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.</u>				
- Golden East Corporation Sdn. Bhd.*	Property development and management	Malaysia	100.00	100.00
- Sunrise Properties Sdn. Bhd.*	Property development	Malaysia	100.00	100.00
- Taiyee Development Sdn. Bhd.#	Property development	Malaysia	100.00	100.00
- MRCB Property Development Sdn. Bhd. *	Investment holding	Malaysia	100.00	100.00
<u>Held through 70% ownership by Malaysian Resources Development Sdn. Bhd.</u>				
- Seri Iskandar Development Corporation Sdn. Bhd.	Property development	Malaysia	70.00	70.00
Malaysian Resources Sentral Sdn. Bhd.	Provision of facility management	Malaysia	100.00	100.00
Milmix Sdn. Bhd.	Civil and infrastructure building contractor	Malaysia	100.00	100.00
MRCB Technologies Sdn. Bhd.	Information technology services and professional outsourcing	Malaysia	-	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
Onesentral Park Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Paradigma Berkat Sdn. Bhd.	Property development	Malaysia	70.00	70.00
Penang Sentral Sdn. Bhd.	Property development	Malaysia	100.00	49.00
P.J Sentral Development Sdn. Bhd.	Property development	Malaysia	100.00	-
Prema Bonanza Sdn. Bhd.	Property development	Malaysia	51.00	51.00
Puncak Wangi Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00
Region Resources Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
<u>Held through 100% ownership by Region Resources Sdn. Bhd.</u>				
- Syarikat Gemilang Quarry Sdn. Bhd.^	Quarry operations	Malaysia	-	100.00
Semasa Sentral Sdn. Bhd.	Operation, management and maintenance of the Kuala Lumpur Sentral railway station	Malaysia	100.00	100.00
Semasa Services Sdn. Bhd.	Building services	Malaysia	100.00	100.00
Semasa Parking Sdn. Bhd.	Car park management	Malaysia	100.00	100.00
Semasa Sentral (Penang) Sdn. Bhd.	Operation, management and maintenance of Penang Sentral	Malaysia	100.00	100.00
Sooka Sentral Sdn. Bhd.	Operation, management and maintenance of retail centre	Malaysia	100.00	100.00
Superview Development Sdn. Bhd. α	Property development, management and shares trading	Malaysia	100.00	100.00
SynarGym Sdn. Bhd.	Managing and operating a fitness centre	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
Transmission Technology Sdn. Bhd.	Engineering and construction services to power transmission systems and buildings	Malaysia	100.00	100.00
Landas Utama Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Lotus Terrain Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
Mafira Holdings Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
<u>Held through 38.6% ownership by Mafira Holdings Sdn. Bhd.</u>				
- Zen Concrete Industries Sdn. Bhd. ~	Manufacturing and sale of pre-stressed spun concrete poles	Malaysia	38.60	38.60
MRCB Ceramics Sdn. Bhd.*	Manufacturing, distribution and sale of ceramic tiles	Malaysia	100.00	100.00
MRCB Green Energy Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
MRCB Land Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
<u>Held through 100% ownership by MRCB Land Sdn. Bhd.</u>				
- Efficient Class Sdn. Bhd.	Property Development	Malaysia	100.00	-
- Esquire Moments Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- Crystal Hallmark Sdn. Bhd.	Property Development	Malaysia	100.00	-
- Legasi Azam Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- Pinnacle Paradise Sdn. Bhd.	Property Development	Malaysia	100.00	-
- Rukun Juang Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- Stigma Tiara Sdn. Bhd.	Pre-operating	Malaysia	100.00	-
- Subang Sentral Sdn. Bhd. (formerly known as Aroma Sakti Sdn. Bhd.)	Pre-operating	Malaysia	100.00	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
MRCB Property Management Sdn. Bhd. *	Property investment and management	Malaysia	100.00	100.00
MR Securities Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
<u>Held through 100% ownership by MR Securities Sdn. Bhd.</u>				
- Semasa Security Sdn. Bhd.*	Security guard services	Malaysia	100.00	100.00
Semasa District Cooling Sdn. Bhd.	Own and operate chilled water plant to supply chilled water	Malaysia	100.00	100.00
Seleksi Untung Sdn. Bhd.	Modular building design system	Malaysia	100.00	-
MRCB DMIA JV Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
Bisraya Construction-MRCB Engineering Consortium @	Engineering services and construction	Unincorporated	30.00	30.00
KONSORTIUM KOP-HG-MRCB-ISOPLAS	Design and build transmission line and substation	Unincorporated	100.00	100.00
MRCB Dotcom Sdn. Bhd.#	Planning and management services	Malaysia	100.00	100.00
MR Construction Sdn. Bhd.#	Construction	Malaysia	50.80	50.80
Sibexlink Sdn. Bhd. α	Sale of business information and website development	Malaysia	100.00	100.00
TTSB-SPK Consortium <	Design and build transmission line and substation	Unincorporated	-	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

46 SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Country of incorporation	Effective equity interest	
			2014 %	2013 %
MRCB Intelligent System and Control Sdn. Bhd.^	System maintenance and application services and other technological applications	Malaysia	-	100.00
MRCB Trading Sdn. Bhd.^	Trading in building materials	Malaysia	-	100.00
ASSOCIATES:				
One IFC Sdn. Bhd. β	Investment holding	Malaysia	30.00	30.00
Suasana Sentral Two Sdn. Bhd.	Property development	Malaysia	30.00	30.00
Ekovest-MRCB Construction Sdn. Bhd. β	Contractor for 'River of Life' project	Malaysia	40.00	40.00
Ekovest-MRCB JV Sdn. Bhd. β	Project coordinator and manager for 'River of Life' project	Malaysia	40.00	40.00
UEMB – MRCB JV Sdn. Bhd. β	Project management	Malaysia	49.00	49.00
Kota Francais (M) Sdn. Bhd.* β	Franchising property management and consultancy	Malaysia	20.00	20.00
Nuzen Corporation Sdn. Bhd. β	Investment holding	Malaysia	-	30.00
JOINT VENTURE:				
Nu Sentral Sdn. Bhd.	Property investment and management	Malaysia	51.00	51.00

* Dormant

@ The Group has full control on this consortium

The subsidiaries are under members' voluntary liquidation

~ This associate is under court order creditor liquidation

α The subsidiaries are under creditors' voluntary liquidation

^ The subsidiaries were under members' voluntary liquidation and dissolved during the year

< The unincorporated joint venture dissolved during the year

All companies are audited by PricewaterhouseCoopers, Malaysia except for those indicated in β

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

47 SEGMENT REPORTING

Management has determined the operating segments based on the various reports prepared for the board of directors that are used to make strategic decisions.

The reportable operating segments derive their revenue primarily from the engineering and construction, property development and investment, infrastructure, facilities management and parking and investment holding divisions.

Segment results are defined as operating income before finance income, finance cost and share of results from joint venture and associates for continuing operations.

Segment assets consist primarily of current and non current assets.

Segment liabilities comprises of current and non current liabilities.

The Group is domiciled in Malaysia. The results of its revenue from external customers in Malaysia is RM1,514,767,327 (2013: RM940,910,665) and the total of revenue from external customers from other countries is Nil (2013: Nil).

Inclusive in the Group's non current assets is RM130,260 (2013: RM102,266) located in countries other than Malaysia.

The total revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue was RM258,863,275, approximately 17.1% to the Group's revenue. These revenue were derived from the construction of facilities works for the LRT Ampang Line extension. (2013: a single external customers that amounted to RM130,034,988, approximately 13.8% to the Group's revenue. The revenue was derived from the construction of a retail mall in Kuala Lumpur Sentral).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

47 SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2014

Revenue

Total revenue
Inter-segment revenue

External revenue

Results

Segment results

Interim payment from
Government

Finance income

Finance costs

Share of results of joint venture
and associates

Profit before income tax

Income tax expense

Profit after tax

Non controlling interests

Net profit for the financial year

	Engineering & construction RM'000	Property & development RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Investment holding & others RM'000	Group RM'000	Discontinuing operations RM'000	Total RM'000
	790,031 (279,288)	887,042 (10,599)	51,651 (2,659)	95,146 (17,624)	171,511 (170,444)	1,995,381 (480,614)	54,432 (1,800)	2,049,813 (482,414)
	510,743	876,443	48,992	77,522	1,067	1,514,767	52,632	1,567,399
	42,559	160,260	20,313	9,681	82,021	314,834	34,744	349,578
						62,872 38,409 (171,193)	- 910 (19,667)	62,872 39,319 (190,860)
	10,124	(37,054)	2,626	-	-	(24,304)	-	(24,304)
						220,618 (53,276)	15,987 190	236,605 (53,086)
						167,342 (30,885)	16,177 -	183,519 (30,885)
						136,457	16,177	152,634

Effective 1 January 2014, the environment business/projects have been classified under Engineering & Construction division. Hence, the previously Infrastructure & Environmental division is now known as Infrastructure division.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

47 SEGMENT REPORTING (CONTINUED)

	Engineering & construction RM'000	Property development & investment RM'000	Infrastructure RM'000	Facilities management & parking RM'000	Investment holding & others RM'000	Group RM'000
<u>At 31 December 2014</u>						
<u>Assets</u>						
Segment assets	643,195	4,116,878	1,336,084	45,534	315,310	6,457,001
Joint venture and associates	16,594	122,482	3,596	-	-	142,672
Assets held for sale (Note 18(a))	-	401,817	-	-	-	401,817
Tax recoverable and deferred tax assets						40,433
Total assets						7,041,923
<u>Liabilities</u>						
Segment liabilities	534,969	511,601	13,434	32,314	89,500	1,181,818
Interest bearing instruments						3,690,703
Current and deferred tax liabilities						104,893
Total liabilities						4,977,414
<u>Other disclosures</u>						
Capital expenditure	4,500	90,900	13	7,341	130	102,884
Depreciation and amortisation	7,540	18,639	22,027	2,157	2,075	52,438
Impairment loss	-	1,309	-	-	1,387	2,696

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

47 SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2013

Revenue

Total revenue	710,729	469,747	37,863	90,164	128,952	1,437,455	47,498	1,484,953
Inter-segment revenue	(334,738)	(9,698)	-	(23,366)	(128,743)	(496,545)	(1,676)	(498,221)
External revenue	375,991	460,049	37,863	66,798	209	940,910	45,822	986,732

Results

Segment results	(79,377)	10,275	(7,254)	7,484	(22,402)	(91,274)	29,482	(61,792)
Interim payment from Government								
Finance income				100,287		100,287	-	100,287
Finance costs				23,494		23,494	1,570	25,064
Share of results of joint venture and associates	5,837	1,224	(2,030)	-	-	(147,905)	(20,696)	(168,601)
(Loss)/profit before income tax						(110,367)	10,356	(100,011)
Income tax expense						(12,481)	(5,459)	(17,940)
(Loss)/profit after tax						(122,848)	4,897	(117,951)
Non controlling interests						8,819	-	8,819
Net (loss)/profit for the financial year						(114,029)	4,897	(109,132)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

47 SEGMENT REPORTING (CONTINUED)

	Engineering & construction RM'000	Property development & investment RM'000	Infrastructure & environmental RM'000	Building services RM'000	Investment holding & others RM'000	Group RM'000
<u>At 31 December 2013</u>						
<u>Assets</u>						
Segment assets	746,414	3,336,105	128,383	96,322	213,225	4,520,449
Joint venture and associates	6,469	178,506	970	-	-	185,945
Assets held for sale (Note 18(a))	-	401,817	1,450,520	-	-	1,852,337
Tax recoverable and deferred tax assets						43,993
Total assets						6,602,724
<u>Liabilities</u>						
Segment liabilities	484,374	543,854	75,056	35,224	112,184	1,250,692
Interest bearing instruments						3,510,591
Current and deferred tax liabilities						104,707
Total liabilities						4,865,990
<u>Other disclosures</u>						
Capital expenditure	281	139,162	9	22,565	2,319	164,336
Depreciation and amortisation	6,754	18,876	461	2,124	2,037	30,252
Impairment loss	-	1,647	-	-	-	1,647

Capital expenditure consists of additions to property, plant and equipment and investment properties (Notes 15 and 16).

The Group's business segments operate in Malaysia only.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The Company had on 29 January 2014 entered into a Sale Agreement with Ekovest Berhad (“Ekovest”) and its subsidiaries for the disposal of the following:
- (i) 1,500,000 ordinary shares of RM1.00 each in Nuzen Corporation Sdn. Bhd. (“Nuzen”) and 13,500,000 redeemable preference shares of RM1.00 each in Nuzen representing the Company’s entire 30% equity interest in Nuzen to Wira Kristal Sdn. Bhd., a wholly owned subsidiary of Ekovest;
 - (ii) 585 Series A Redeemable Preference Shares of RM1.00 each in Konsortium Lebuh Raya Utara-Timur (KL) Sdn. Bhd. (“Kesturi”) to Ekovest Construction Sdn. Bhd., a wholly subsidiary of Ekovest; and
 - (iii) RM54 million nominal value redeemable secured junior bonds in Kesturi to Ekovest.

for a total cash consideration of RM228 million.

The disposal was completed on 30 June 2014 and the disposal gain to the Group was RM94,868,000 (Note 8).

- (b) The Company’s wholly owned subsidiary, MRCB International Sdn. Bhd. (formerly known as Bitar Enterprises Sdn. Bhd.) had on 3 July 2014 enter into an agreement with the non controlling interests of MRCB Land (Australia) Pty Ltd (“MLA”), Tam Cheok Wing, Choong Kai Wai and Chang Chai Kin to acquire the remaining 30% equity interest comprising 126 ordinary shares in MLA for a total cash consideration of RM4,066,661 (equivalent to A\$1,341,247).

The 30% equity interest acquisition was accounted for as a transaction with non controlling interest in accordance with the requirements of FRS 10 “Consolidated Financial Statements” resulting in a gain recognized in accumulated losses of RM740,463.

The acquisition was completed 3 July 2014. With this, MLA became a wholly owned subsidiary of MRCB International Sdn. Bhd.

- (c) The Company had on 14 April 2014 entered into a Sale and Purchase Agreement with Bistraya Acres Sdn. Bhd. (“Bistraya Acres”), a wholly owned subsidiary of Gapurna Sdn. Bhd., a shareholder of the Company to acquire 3 parcels of land totaling 617,452 square feet in Bukit Rahman Putra, Sungai Buloh from Bistraya Acres for a total cash consideration of RM83.0 million.

The acquisition was completed on 22 July 2014.

- (d) The Company had on 20 June 2014 entered into a sale and purchase agreement with ASPL M3A Limited for the acquisition of the remaining 40% equity interest in Excellent Bonanza Sdn. Bhd. (“EBSB”), consisting 2,000,000 ordinary share of RM1.00 each and 62,406 non-cumulative non-convertible redeemable preference shares of RM0.01 each for a cash consideration of RM16,960,000.

The 40% equity interest acquisition was accounted for as a transaction with non controlling interest in accordance with the requirements of FRS 10 “Consolidated Financial Statements” resulting in a loss recognised in accumulated losses of RM10,917,242.

The acquisition was completed on 19 August 2014. With this, EBSB became a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (e) The Company had on 24 June 2014 completed the acquisition of 70% equity interest in P.J Sentral Development Sdn. Bhd. ("P.J Sentral") in accordance with the terms and conditions of the Share Sale Agreement with Nusa Gapurna Development Sdn. Bhd. ("NGD SSA"), signed on 8 February 2013 and amended and varied by the Supplementary NGD SSA dated 3 June 2013 and Supplementary NGD letter dated 19 August 2013.

The Company had on 20 June 2014 together with NGD entered into a settlement agreement with PKNS Holding Sdn. Bhd. ("PKNS") to resolve all disputes, conflict, differences, claims and complaints against each other. On the same day, the Company also entered into a share sale agreement with PKNS for the acquisition of the balance 30% equity interest in P.J Sentral held by PKNS for a cash consideration of RM85,300,000.

Simultaneous with the execution of the settlement agreement, P.J Sentral and PKNS had entered into a development agreement for the purpose of granting development rights to PKNS over the development of a building identified as Tower 2 which is to be constructed and developed on a parcel of development land held by P.J Sentral. Consequently, Tower 2 land valued at RM91,119,462 was sold to PKNS by P.J Sentral.

The acquisition of the remaining 30% equity interest in P.J Sentral was completed on 25 September 2014. With this, P.J Sentral became the Company's wholly owned subsidiary.

- (f) The Company had on 24 July 2014 entered into a Share Sale Agreement with Pelaburan Hartanah Berhad ("PHB") to acquire PHB's 51% equity interest in Penang Sentral Sdn. Bhd. ("PSSB"), consisting 12,750,000 ordinary share of RM1.00 each and 30,600,000 redeemable non-cumulative preference shares of RM0.10 each for a total cash consideration of RM50,751,000.

The acquisition was completed on 8 August 2014. Following the acquisition, the Company increased its shareholdings from 49% to 100% in PSSB and the later became a wholly owned subsidiary of the Company.

- (g) The Company had on 18 September 2014 entered into a conditional share sale agreement with XMT Technologies Holdings Sdn. Bhd. for the disposal of the Company's entire equity interest in MRCB Technologies Sdn. Bhd., a wholly owned subsidiary, for a cash consideration of RM7,810,000.

The disposal was completed on 16 October 2014 with a disposal gain of RM235,807 recognised in statement of comprehensive income.

- (h) The Company's wholly owned subsidiary, MRCB Environmental Services Sdn. Bhd. ("MESSB") had on 30 December 2014 acquired the remaining 45% equity interest representing 337,500 ordinary shares of RM1.00 each in MRCB Environment Sdn. Bhd. ("MESB") from Saluran Teraju Sdn. Bhd. and Everlasting Sparkle Sdn. Bhd. for a cash consideration of RM1,252,186 via a Settlement Agreement entered into by the parties.

The 45% equity interest acquisition was accounted for as a transaction with non controlling interest in accordance with the requirements of FRS 10 "Consolidated Financial Statements" resulting in a gain recognised in accumulated losses of RM271,597.

The acquisition was completed on 30 December 2014. With this, MESB become a wholly owned subsidiary of MESSB.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (i) The Company's wholly owned subsidiary, MRCB Sentral Properties Sdn. Bhd. had on 10 April 2014 entered into a conditional Sale and Purchase Agreement ("SPA") with Maybank Trustees Berhad ("Maybank"), acting as trustee for Quill Capita Trust ("QCT"), a real estate investment trust ("REIT"), for the disposal of the Group's investment property known as Platinum Sentral for a total consideration of RM750 million, of which RM486 million will be satisfied in cash and RM264 million will be satisfied via the proposal issuance of 206.25 million units in QCT ("Unit") at an issue price of RM1.28 per Unit.

Simultaneous with the execution of the SPA, the Company entered into Share Sale Agreement with CapitaLand RECM Pte Ltd ("CRPL") and Coast Capital Sdn. Bhd. ("CCSB") to acquire 40% equity interest and 1% equity interest in Quill Capita Management Sdn. Bhd. ("QCM") (being the management company of QCT) respectively, for a total cash consideration of RM5,882,835.

CRPL and CCSB are the existing shareholders of QCM, holding 40% and 30% equity interest in QCM respectively.

On 9 September 2014, the parties had revised the disposal consideration to RM740 million based on the revised market value of RM740 million. The difference of RM10 million will be adjusted from the cash portion of the disposal consideration.

MSPSB and Maybank have via a Supplementary Agreement dated 8 October 2014 mutually agreed to extend the conditional period to fulfill all the condition precedents of the SPA from 9 October 2014 to 9 January 2015. The date has been further extended to 9 April 2015 via a second supplemental letter dated 8 January 2015 entered into by both parties.

The Company obtained the shareholders' approval for the disposal of Platinum Sentral at the Extraordinary General Meeting on 12 February 2015. The disposal of Platinum Sentral and the acquisition of QCM were completed on 30 March 2015 and 31 March 2015 respectively.

- (j) The Company had on 14 August 2014 entered into a Shareholders' Agreement ("SHA") with Kwasa Land Sdn. Bhd. ("Kwasa Land") and Kwasa Development (2) Sdn. Bhd. ("KDSB") for the subscription of 700,000 new ordinary shares of RM1.00 each, representing 70% equity interest in KDSB for a cash subscription payment of approximately RM816.6 million ("Proposed Subscription"). KDSB is a special purpose vehicle incorporated to undertake the mixed development of 64.07 acres of land ("MX-1 Land") identified to be the town centre of the proposed Kwasa Damansara Township.

Currently, KDSB is a wholly owned subsidiary of Kwasa Land. Prior to the SHA, on 8 August 2014, Kwasa Land and KDSB had entered into a sale and purchase agreement for the purchase of the MX-1 Land by KDSB from Kwasa Land.

The Proposed Subscription had been approved by the Company's shareholders at the Extraordinary General Meeting held on 12 February 2015.

49 SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The Company had on 13 January 2015 settled the balance purchase consideration amounting to RM60,923,964 for the acquisition of Gelanggang Harapan Construction Sdn. Bhd. ("GHC") ("Balance GHC Consideration"). In this regard, the Company paid the cash consideration amounting to RM20,000,000 and allotted 26,402,558 of the Company's shares at an issue price of RM1.55 per share together with 7,543,588 Free Detachable Warrants to Gapurna Sdn. Bhd., being the party nominated by the GHC Vendors to receive the balance GHC Consideration.

50 DIVIDENDS

	2014		2013	
	Gross dividend per share sen	Amount of net dividend RM'000	Gross dividend per share sen	Amount of net dividend RM'000
Proposed first and final single tier dividend	2.5	44,665	1.0	16,513

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

50 DIVIDENDS (CONTINUED)

The Directors recommend the payment of a first and final dividend in respect of the financial year ended 31 December 2014 of 2.5% or 2.5 sen per ordinary share, amounting to approximately RM44,665,000 at the date of this report which is subject to the approval of the members at the forthcoming Annual General Meeting.

51 DISCONTINUING OPERATIONS

a. Results

	2014 RM'000	2013 RM'000
Rental income	49,744	48,634
Direct operating expenses	(10,630)	(19,382)
Other income	457	556
Administrative expenses	(4,661)	(314)
Other operating expenses	(166)	(12)
Finance income	910	1,570
Finance costs	(19,667)	(20,696)
Profit before income tax	15,987	10,356
Income tax expense		
- current tax	(3,634)	(3,824)
- over provided in prior year	3,824	-
- deferred tax (Note 25)	-	(1,635)
	190	(5,459)
Profit from discontinuing operations	16,177	4,897
Included in the results are:		
<u>Operating expenses</u>		
Depreciation of property, plant and equipment	-	2
Depreciation of investment property	-	9,091

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

51 DISCONTINUING OPERATIONS (CONTINUED)

b. Cash flows

	2014 RM'000	2013 RM'000
OPERATING ACTIVITIES		
Profit from operating activities	16,177	4,897
Adjustments for:		
Income tax expense	(190)	5,459
Depreciation of property, plant and equipment	-	2
Amortisation of investment property	-	9,091
Finance income	(910)	(1,570)
Finance costs	19,672	20,696
Cash flow from operating activities	34,749	38,575
Changes in working capital		
Payables	833	836
	35,582	39,411
Tax paid	(3,014)	(3,824)
Finance income	910	1,570
Interest expenses paid	(19,951)	(20,726)
Net cash flow from operating activities	13,527	16,431

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

52 BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

The following analysis of realised and unrealised accumulated profits/(losses) at the legal entity is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

Group

	2014 RM'000	2013 RM'000
Total accumulated profits/(losses)		
- realised	187,985	31,201
- unrealised	(53,827)	(69,561)
Total share of accumulated profits from associates		
- realised	45,099	17,632
Total share of accumulated losses from joint venture		
- realised	(43,568)	(7,012)
Add: Consolidation adjustments	(290,534)	(247,316)
Total accumulated losses	(154,845)	(275,056)

Company

	2014 RM'000	2013 RM'000
Total accumulated profits/(losses)		
- realised	38,163	(181,165)
- unrealised	608	(8,005)
Total accumulated profits/(losses)	38,771	(189,170)

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

The unrealised portion within unappropriated losses (accumulated losses) as at 31 December 2014 relates mainly to the net deferred tax liabilities of RM54,434,515 (2013: RM61,555,412).

PROXY FORM

(Please see the notes below before completing the form)

CDS Account No.	
No. of Ordinary Share(s) held	

I/We (FULL NAME IN CAPITAL LETTERS) _____
NRIC No./Passport No./Company No. _____
of (FULL ADDRESS) _____

being a member/members of MALAYSIAN RESOURCES CORPORATION BERHAD hereby appoint

First Proxy

Full Name of Proxy in Capital Letters	NRIC Number	Proportion of shareholdings	
		Number of shares	Percentage (%)

and/or failing him/her

Second Proxy

Full Name of Proxy in Capital Letters	NRIC Number	Proportion of shareholdings	
		Number of shares	Percentage (%)

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 44th Annual General Meeting of the Company to be held on Monday, 11 May 2015 at 11.00 a.m. and at any adjournment thereof.

My/our proxy is to vote on the Resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

NO.	RESOLUTION	FOR	AGAINST
1	To approve a first and final single tier dividend of 2.5% or 2.5 sen per ordinary share for the financial year ended 31 December 2014		
2	To re-elect the following Director under Article 106: Mohd Imran Tan Sri Mohamad Salim		
3	To re-elect the following Directors under Articles 101 and 102: Dato' Chong Pah Aung		
4	Dato' Abdul Rahman Ahmad		
5	Jamaludin Zakaria		
6	To approve the Directors' Fees of RM895,205 for the financial year ended 31 December 2014 (2013 : RM767,808)		
7	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		

Dated this _____ day of _____ 2015

Signature of Shareholders

* DELETE IF NOT APPLICABLE

Notes:

- Only members whose names appear in the Record of Depositors on 5 May 2015 ("General Meeting Record of Depositors") shall be eligible to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.
- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
- Where a member of the company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
- Duly completed Proxy Form must be deposited at **Symphony Share Registrars Sdn.Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** not less than **48 hours** before the time set holding the meeting or any adjournment thereof.

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Stamp

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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BORANG PROKSI

(Sila lihat nota-nota di bawah sebelum mengisi borang ini)

No. Akaun CDS

Bilangan Saham Biasa Dipegang

Saya/Kami (NAMA PENUH DALAM HURUF BESAR) _____
No. Kad Pengenalan/No.Pasport/No. Syarikat _____
yang beralamat di (ALAMAT PENUH) _____

sebagai ahli/ahli-ahli MALAYSIAN RESOURCES CORPORATION BERHAD, dengan ini melantik

Proksi Pertama

Nama Penuh Proksi dalam huruf besar	No. Kad Pengenalan	Pegangan saham	
		Bilangan saham	Peratus (%)

dan/atau sebagai penggantinya,

Proksi Kedua

Nama Penuh Proksi dalam huruf besar	No. Kad Pengenalan	Pegangan saham	
		Bilangan saham	Peratus (%)

atau sebagai penggantinya, Pengerusi Mesyuarat sebagai proksi saya/kami untuk menghadiri dan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat Ke-44 yang akan diadakan pada hari Isnin, 11 Mei 2015 pada pukul 11.00 pagi dan pada sebarang penangguhannya.

Proksi saya/kami hendaklah mengundi untuk resolusi-resolusi yang telah ditentukan dengan tanda "X" di ruang yang berkenaan di bawah ini. Sekiranya borang ini dikembalikan tanpa apa-apa penentuan mengenai cara pengundian, proksi akan mengambil tindakan yang sewajarnya untuk ataupun tidak.

No.	RESOLUSI	MENYOKONG	MENENTANG
1	Untuk meluluskan dividen pertama dan akhir satu peringkat sebanyak 2.5% or 2.5 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2014		
2	Untuk memilih semula pengarah berikut menurut Artikel 106		
	Mohd Imran Tan Sri Mohamad Salim		
3	Untuk memilih semula pengarah-pengarah berikut menurut Artikel 101 dan 102:		
	Dato' Chong Pah Aung		
4	Dato' Abdul Rahman Ahmad		
5	Jamaludin Zakaria		
6	Untuk meluluskan Yuran Pengarah sebanyak RM895,205 bagi tahun kewangan berakhir 31 Disember 2014 (2013 : RM767,808)		
7	Untuk melantik semula tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada para Pengarah untuk menetapkan ganjaran mereka		

Bertarikh _____ hb _____ 2015

Tandatangan Pemegang Saham

* POTONG YANG MANA TIDAK PERLU

Nota-Nota:

- Hanya Ahli yang berdaftar di dalam Rekod Depositori (ROD) setakat 5 Mei 2015 yang layak menghadiri atau melantik proksi bagi menghadiri dan mengundi bagi pihaknya di Mesyuarat Agung Tahunan .
- Seorang Ahli yang layak untuk menghadiri dan mengundi di Mesyuarat ini adalah layak untuk melantik tidak lebih daripada dua (2) proksi untuk menghadiri dan mengundi bagi pihaknya. Proksi tidak semestinya seorang Ahli Syarikat. Tiada sebarang sekatan ke atas kelayakan sebagai proksi dan peruntukan di bawah Seksyen 149(1)(b) Akta Syarikat, 1965 adalah tidak terpakai.
- Jika seorang Ahli melantik dua (2) orang proksi, pelantikan tersebut tidak sah melainkan peratus pegangan saham yang diwakili oleh setiap proksi ditetapkan.
- Jika Ahli adalah merupakan wakil berkecuali yang telah diberi kuasa untuk memegang saham biasa kepada pelbagai pemilik benfisial di dalam satu akaun sekuriti ("akaun omnibus"), tiada sebarang had dikenakan bagi jumlah proksi yang dilantik, di mana wakil berkecuali yang telah diberi kuasa berhak melantik mengikut setiap akaun omnibus yang dipegang.
- Instrumen pelantikan proksi perlu dibuat secara bertulis dan ditandatangani oleh orang yang melantik atau peguam yang dilantik di bawah surat kuasa wakil. Di mana instrument pelantikan proksi dilaksanakan oleh sebuah perbadanan, surat ini hendaklah dimeterai atau ditandatangani oleh seorang pegawai atau peguam cara yang dilantik di bawah surat kuasa wakil.
- Borang Pelantikan Proksi yang telah lengkap hendaklah diserahkan kepada **Symphony Share Registrars Sdn. Bhd., di Aras 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia** tidak kurang daripada empat puluh lapan (48) jam sebelum waktu yang ditetapkan untuk Mesyuarat.

Lipat sini



Setem

SYMPHONY SHARE REGISTRARS SDN BHD
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Lipat sini

DIRECTORY

MALAYSIAN RESOURCES CORPORATION BERHAD (HEAD OFFICE)

Level 30
Menara NU 1
No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel: (603) 2786 8080 / (603) 2859 7070
Fax: (603) 2780 7988

PROPERTY DEVELOPMENT

Kuala Lumpur Sentral Development

Tel: (603) 2786 8080
Fax: (603) 2780 7988

Nu Sentral Sdn Bhd

Tel: (603) 2773 5611
Fax: (603) 2780 7988

Plaza Alam Sentral

Tel: (603) 2786 8080
Fax: (603) 2780 7988

PJ Sentral Development Sdn Bhd

Tel: (603) 2786 8080
Fax: (603) 27807988

Kompleks Sentral

Tel: (603) 6251 9696 / 6250 0827
Fax: (603) 6251 9697

Sooka Sentral Sdn Bhd

Tel: (603) 2786 8080
Fax: (603) 2780 7988

Bandar Seri Iskandar

Tel: (605) 371 2188
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